Australian Government
Department of Health

Department of Health

Annual Report

2018-19

Welcome to the Department of Health 2018-19 Annual Report

Australia's Health System is world-class, supported by universal and affordable access to high quality medical, pharmaceutical and hospital services, while helping people to stay healthy through health promotion and disease prevention activities.

The health system touches every individual from cradle to grave. It is a complex landscape with many interdependencies, and many stakeholders. The Department's focus on improving health outcomes for all Australians requires us to work with all stakeholders as partners in driving health reform.

The Department of Health 2018-19 Annual Report provides a transparent account to the public and Parliament of the activities our department has undertaken during the 2018-19 financial year. We report against our planned outcomes and performance expectations as outlined in the *2018-19 Health Portfolio Budget Statements*, we provide readers with financial and performance information about the work our department undertakes to contribute to our world-class health system for now and future generations.

Our purpose is to support government and stakeholders 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.

We have a diverse set of responsibilities, including effective delivery of the Government's priorities and reforms, providing evidence-based advice, supporting scientific research, evaluation, regulation and compliance.

15,900
health care provider organisations
are connected to the
My Health Record
system, including:
7,100 general practices
4,730 pharmacies[1]

There are
31 Primary Health Networks
across Australia[6]

A record number
(over 7,000)
of industrial chemical importers and manufacturers were
registered with the NICNAS[9]

Hospital funding has grown
from $13.3 billion in 2012-13 to
$21.7 billion in 2018-19[2]

1,782
people accessed
organ transplants
in Australia[3]

796,000 clients
received hearing services through the
Hearing Services Program[4]

The Government announced an
additional
$2.8 billion
for PBS medicines[5]

Over
86 out of every 100
visits to the GP are
free[7]

Over
800,000 prescriptions,
on average, are filled
every day
under the
PBS[8]

Eligible patients pay no more than
$40.30 for PBS medicines,
or no more than
$6.50 if they hold a concession card[10]

Almost
half of all Australians
aged 16–85 will
experience mental illness
in their life[11]

Department of Health Annual Report 2018-19

ISSN: 2204-5716 (Print)
ISSN: 2204-5724 (Online)
Publications approval number: 12502

Copyright

Contact Information

If you would like to comment on this Annual Report, or have any queries, please contact the Editor at:

The Editor
Annual Report 2018-19
Australian Government Department of Health
MDP 51
GPO Box 9848
CANBERRA ACT 2601 AUSTRALIA

Phone: +61 2 6289 7181

Email: annrep@health.gov.au

This Annual Report is available online at: www.health.gov.au/resources/publications/department-of-health-annual-report-2018-19

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

Cover and Internal Design

Department of Health

Printing

Union Offset Printers

Letter of Transmittal

Australian Government
Department of Health

Secretary

The Hon Greg Hunt MP
Minister for Health
Minister Assisting the Prime Minister for the Public Service and Cabinet

Parliament House
CANBERRA ACT 2600

Dear Minister

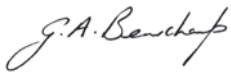
I am pleased to present the Annual Report of the Department of Health for the year ended 30 June 2019. This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013*, for presentation to the Parliament.

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

- *National Health Act 1953* (Appendix 2 – Processes Leading to the Pharmaceutical Benefits Advisory Committee Consideration Annual Report for 2018-19);
- *Industrial Chemicals (Notification and Assessment) Act 1989* (Appendix 3 – Report on the operation of the *Industrial Chemicals (Notification and Assessment) Act 1989* for 2018-19);
- *Public Governance, Performance and Accountability Rule 2014* (Appendix 4 – Australian National Preventative Health Agency Financial Statements); and
- *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).

Yours sincerely



Glenys Beauchamp

27 September 2019

Phone: (02) 6289 8400 **Email:** Glenys.Beauchamp@health.gov.au
Scarborough House, Level 14, Atlantic Street, Woden ACT 2606 - GPO Box 9848 Canberra ACT 2601 - **www.health.gov.au**

Contents

Secretary's Review

Welcome to the 2018-19 Department of Health Annual Report. I am privileged to continue leading a Department with a highly engaged workforce, committed to fulfilling our vision – better health and wellbeing for all Australians, now and for future generations.

In this financial year, the Australian Government has invested more than one in five dollars of its expenditure budget in the health, aged care and sports portfolio. We have a substantial responsibility for implementing and regulating very large programs and reform initiatives in partnership with many organisations, clinicians and consumer representatives.

Highlights of the past 12 months

Medicare

We continued to ensure a clinically and cost effective Medicare program and improved access to essential services, medicines and health products with:

- Completion of the initial reviews of 5,700 items on the Medicare Benefits Schedule (MBS), oversighted by the MBS Review Taskforce;
- additional services approved to be added to the MBS during 2018-19 included: life-saving services for cancer/stroke; management plans for eating disorders; services for bladder cancer, liver cancer and obstetrics; dialysis x-ray services in aged care homes; and expanded services for GPs including telehealth, after-hours and aged care home services; and
- bulk billing rates at record levels, with 86 per cent of GP services bulk billed in 2018-19.

Reforms to Aged Care and the Royal Commission into Aged Care Quality and Safety

In 2018-19, we continued to progress quality and safety reforms for aged care which included establishing the Aged Care Quality and Safety Commission from 1 January 2019; developing new quality standards; and further enhancements were made to My Aged Care to improve access to information about aged care services. The Government provided additional funding for aged care services and released an additional 25,187 Home Care Packages in 2018-19, a 25.2 per cent increase since 2017-18.

In the second half of the year, in addition to delivering reforms across aged care services, a significant focus of our work has been supporting the Royal Commission into Aged Care Quality and Safety (Royal Commission) established by the Government in October 2018. As at 30 June 2019, eight officers of the Department had appeared before the Royal Commission with the Department providing a significant amount of information, including providing more than 20,000 documents.

Focus on Mental Health

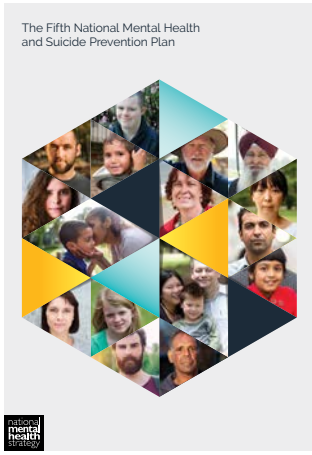
During 2018-19, the Department established a dedicated Mental Health Division to focus our efforts on expanding and improving support and services for Australians experiencing mental health issues. A number of key initiatives were implemented over the year including launching 'Be You' for early childhood and school students and supporting 110 headspace centres around Australia.

We also worked to improve access through the MBS to affordable and comprehensive treatment for the estimated one million people affected by eating disorders.

The Million Minds Mental Health Research Mission was launched in October 2018, providing investment of $125 million over 10 years for innovative and ground breaking research into mental health and suicide prevention.

The 2019-20 Budget included an additional $461 million for a national action plan to prevent suicide and promote the mental wellbeing of young and Indigenous Australians. The Prime Minister also appointed Ms Christine Morgan, a National Suicide Prevention Adviser to support the Government's 'towards zero' suicide plan.

Workplace mental health is also crucial and I am committed to improving mental health and wellbeing in our workplace, encouraging healthy minds and bodies for all Health staff.



Improved access to new medicines and treatments

The Department worked to support the Government's commitment to deliver more life-saving, life changing and cheaper medicines for Australians through the Pharmaceutical Benefits Scheme (PBS).

Some key medicines listed this financial year, which without PBS subsidy would be extremely expensive, included: ribociclib for metastatic breast cancer; lumacaftor with ivacaftor for cystic fibrosis; golimumab for spondyloarthritis; and avelumab for metastatic merkel cell carcinoma. Price changes from 1 April 2019 will save Australian patients and taxpayers more than $270 million on 242 medicine brands. Meningococcal A, C, W, and Y vaccine was added to the National Immunisation Program.

In 2018-19, the Medical Services Advisory Committee recommended public funding for Australia's first CAR T-cell therapy tisagenlecleuce, to treat refractory or relapsed acute lymphoblastic leukaemia in children and young adults. The Department negotiated new funding arrangements with the sponsor and state and territory governments to make this frontier treatment available free of charge to young Australians with no other treatment options.

Medical research

During 2018-19, the Department commenced implementation of the $6 billion package for medical research announced in the 2018-19 Budget. This included a $1.3 billion National Health and Medical Industry Growth Plan (the Plan) with $500 million for the Genomics Health Futures Mission. Funding is dispersed from the capital preserved Medical Research Future Fund (MRFF).

The Plan will drive a new era of better health care together with jobs and growth in new firms and industries, based on research and innovation. It will inject an estimated $18 billion into the Australian economy, create an estimated 28,000 new jobs, deliver a minimum of 130 new clinical trials and a 50 per cent increase in Australian exports of biotechnology, medical devices and pharmaceuticals.

The second set of MRFF priorities for 2018–20 was released and included antimicrobial resistance, ageing and aged care including dementia research, primary care, public health and Aboriginal and Torres Strait Islander health.

Hospital funding and private health insurance reforms

In December 2018, the Council of Australian Governments (COAG) agreed to Health Ministers continuing negotiations for a National Health Reform Agreement (NHRA) 2020–25. The Australian Government increased funding for public hospitals by $31.3 billion in 2018-19, bringing the overall contribution to $131.4 billion between 2020-21 and 2024-25. All states except Queensland and Victoria have signed a Heads of Agreement for progressing the NHRA.

In April 2019, the new private health insurance four-tier system of Gold, Silver, Bronze and Basic hospital insurance was introduced to make it simpler for consumers to choose the cover best suited to their needs. A number of other reforms were implemented in 2018-19 to reduce costs, including allowing insurers to offer aged based discounts and increasing maximum voluntary excess levels and improve value to consumers, including improving access to travel and accommodation benefits.

The Department made regulations implementing benefit reductions for prostheses, reducing insurers' costs and contributing to the lowest average premium increase in 18 years.

To provide further support to hospitals and community health, the Government provided $1.25 billion in the 2019-20 Budget for a new Community Health and Hospitals Program announced at the COAG meeting in December 2018. This program will be rolled out progressively over the forward estimates and includes infrastructure for cancer treatment, rural health, drug and alcohol treatment, mental health and chronic disease management.

Preventive health

Chronic diseases are the leading cause of ill health and death in Australia. Almost one in four Australians have more than one chronic disease, usually developing over time and sharing many of the same risk factors as one another, including tobacco use, obesity, lack of physical activity and poor diet. The Department is working with stakeholders on the development of the 10 year National Preventive Health Strategy to keep people well and will include strategies such as: increase screening and immunisation rates; increase health checks; stopping the growth rate in type 2 diabetes amongst children; and reduce smoking rates.

In 2018-19, the Department implemented a range of maternal, infant and preventive health programs to support children and parents which included extending the Child Immunisation Education campaign. Working with states and territories and consumers, the Department developed a high level strategy to support higher rates of breastfeeding. The *Australian National Breastfeeding Strategy: 2019 and beyond* seeks to provide an enabling environment for breastfeeding to provide children with the best start in life.

Improving health outcomes for Indigenous Australians

In 2018-19, the Department continued to support improved primary care for all Aboriginal and Torres Strait Islander Australians.

Ending avoidable vision and hearing loss in Aboriginal and Torres Strait Islander children remained a priority during the year. To help achieve this goal, a new program for annual hearing assessments and follow-up treatment in rural and remote communities commenced for children before they start school.

A funding boost of more than $12.4 million, bringing total funding to $21.2 million, was announced to help curb syphilis outbreaks among Aboriginal and Torres Strait Islander communities in northern and central Australia.

The Australian-first Optimal Care Pathway for Aboriginal and Torres Strait Islander Australians with cancer was developed through the National Cancer Expert Reference Group to tackle the growing gap in cancer outcomes and support the delivery of tailored, culturally safe and responsive care.

Sport and physical activity

The Department assisted in the development of Australia's first national sport plan, Sport 2030, launched in August 2018. Sport 2030 provided a vision and a plan for sport and physical activity over the next 12 years, to make us an active and healthy sporting nation, known for our integrity and sporting success. Sport 2030 will be delivered in partnership with Australia's sporting, physical activity, technology, education and corporate community. Participation in sport and physical activity helps bring communities together and helps Australians enjoy healthier, happier and more productive lives.

In February 2019, the Government responded to the Wood Review of Australia's Sports Integrity Arrangements, announcing landmark reforms which will ensure Australia is a world leader in clean, safe and fair sport. This included the announcement of a new body, Sports Integrity Australia, which is expected to begin operating in July 2020.

In 2018-19, the Government invested an additional $201.5 million over four years for the Sporting Schools Program, Community Sport Infrastructure grants and high performance.

Protecting public health and safety through regulation

The Therapeutic Goods Administration (TGA) regulates the quality and safety of therapeutic goods. On 1 January 2019, the TGA implemented a new mandatory reporting scheme for medicines shortages to address concerns raised by patients, their carers and health professionals seeking information about the shortage of a critical medicine. A clearer and more concise code for advertising of therapeutic goods also commenced on 1 January 2019.

Key performance outcomes

In 2018-19, the majority of our program performance criteria were successfully met within our budget and staffing targets. The 2018-19 Budget and Mid-Year Economic and Fiscal Outlook, delivered an increase in funding of $20 billion for the Health portfolio over the forward estimates bringing the Budget to $115 billion in 2022-23.

In addition to key performance information contained in this Annual Report, over the year the Department actioned 20,979 items of ministerial correspondence including responses to letter campaigns related to My Health Record, natural therapies and private health insurance and Medicare rebates for psychological services.

To help inform the community, the Department responds daily to media queries and requests from the general public and other stakeholders. In 2018-19, our staff responded to 1,822 media enquiries and developed 953 media releases, speaking notes and speeches. The Department also prepared about 6,300 submissions for our ministers. We responded to 34 Parliamentary questions on notice, 774 Senate Estimates questions on notice, 434 Freedom of Information applications and made 15 submissions to eight Parliamentary Committees.

Looking ahead

The Department will continue to support the Government's Long Term National Health Plan[1]. Our focus will be on delivering the Government's plan to make Australia's health system the world's number one. We will focus on even greater engagement with stakeholders and consumers to ensure policies are implemented and sustainable.

In 2019-20, priority areas for action include:

- strengthening primary care to make health services more patient-centred, support more flexible care models and focus on prevention and integrated management of chronic conditions;
- providing continued access to a modern, high quality Medicare system based on best clinical evidence, delivery of the Government's response to the MBS Review Taskforce, and supporting access to the latest and most effective medicines through the PBS;
- finalising the NHRA; embedding reforms to private health insurance and more transparency in out-of-pocket costs will be areas of priority over the next year;
- finalising negotiations for the Seventh Community Pharmacy Agreement;
- continuing to deliver aged care reforms with a focus on quality and safety and more support for independently living in the home; and ongoing support to the Royal Commission into Aged Care Quality and Safety;
- improving access to mental health services, by implementing the national strategy to prevent suicide and promote the mental wellbeing of young and Indigenous Australians and other measures from the 2019-20 Budget; working closely with the National Mental Health Commission and the Prime Minister's National Suicide Prevention Adviser; and funding research to develop new approaches to prevention, diagnosis, treatment and recovery;
- improving preventive health for Aboriginal and Torres Strait Islander Australians, driving to increase the number of people having at least one health check, ensure more pregnant women receive an early antenatal health check, halt the growth in type 2 diabetes among children and young people, reduce the proportion of Indigenous adults who are daily smokers, eradicating rheumatic heart disease and ending avoidable blindness;
- developing and implementing a National Preventive Health Strategy to address and prevent chronic disease. Addressing risk factors such as diet, obesity, smoking, lack of physical activity and the misuse of alcohol and drugs will be important in this strategy;
- improving health workforce capability across the health and aged care sector and continuing to implement the $550 million Stronger Rural Health Strategy to deliver an extra 3,000 doctors and 3,000 nurses to regional, rural and remote communities over 10 years; and
- encouraging more exercise and physical activity at all ages and stages of life and our high performance sport system will be enhanced by implementing stronger integrity arrangements.

[1] Available at: www.health.gov.au/sites/default/files/australia-s-long-term-national-health-plan_0.pdf

Organisational priorities

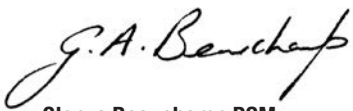
We have a highly engaged workforce and we deliver health outcomes for our community each day. Maintaining our high performance will be a priority and our organisational priorities over the next 12 months include:

- strengthened governance arrangements to manage our large programs;
- strengthening our project management practices to ensure effective and timely delivery of government initiatives and programs;
- improving data collection and analysis, and performance information and reporting;
- a focus on more evaluations of our programs;
- capability improvements and providing necessary learning and development opportunities for staff. The executive will focus on improved workforce planning to build our capability; and
- putting in place our New Ways of Working program to modernise our workplace over the next three to five years to support a more flexible, accessible and healthy workplace into the future.

It was great to see significant improvements in this year's Australian Public Service Staff Survey. Since 2018, we have improved significantly with our staff recommending Health as a good place to work, believing in the purpose and objectives of the Department, and feeling the Department inspires staff to their best work every day.

The overall perception of the Department's leadership group has improved since 2018 and is significantly above the APS average.

On behalf of the executive I would like to thank our staff for their commitment and hard work as we move to strengthen our health and aged care systems. I would also like to thank our many stakeholders, clinicians, peak bodies, academia, representative consumer groups and consumers we partner with to jointly deliver a world class health system.



Glenys Beauchamp PSM

Secretary
September 2019

Chief Medical Officer's Report

Strengthening Australia's rural health

Addressing inequities in access to high quality medical care has been a longstanding challenge in Australia. Despite many policy initiatives over a number of years, some rural and remote locations still have demonstrably poorer access to health services than metropolitan areas.

During 2018-19, the Department commenced implementation of the Stronger Rural Health Strategy, a series of complementary measures to improve the quality of Australia's health workforce and meet rural and remote community needs. There is abundant evidence to correlate the length of time doctors are taught and trained in rural areas with their likelihood of adopting a long term career in these locations. Through the *More Doctors for Rural Australia* program, end-to-end medical school programs will take school leavers straight into rural medical schools, where they can complete almost all of their undergraduate training in the rural community. Expanded junior doctor and specialist training programs will ensure that young doctors can remain working and training in these areas for longer. Additional funding for rural and remote nursing, pharmacist and other allied health positions and continued support funding to retain qualified general practitioners in these areas round out supplementary measures to the package.

Additionally, a new National Medical Workforce Strategy was scoped in early 2019. This exciting initiative, supported by all state and territory governments and medical stakeholder groups, will guide collaborative future medical workforce planning and policy reform at all levels. Key priorities have been identified to support a sustainable, highly trained and appropriately distributed medical workforce.

This will be one of the most comprehensive health workforce reform packages ever implemented in Australia. It will provide clear, understandable and effective means of delivering better health services to rural and regional Australians, reducing geographic disparities in patient access and matching our training and migration pipeline to the needs of the nation.

Elimination of cervical cancer initiative

Australia is a global leader in cervical cancer control and is one of the few nations currently on track to eliminate cervical cancer by the year 2035. The National Cervical Screening Program aims to prevent cervical cancer through early detection.

On 1 December 2017, Australia was one of the first countries in the world to transition to a five yearly human papillomavirus (HPV) screening test for women aged 25–74 years, replacing the previous two yearly Pap test offered to women aged 18–69 years. This change also introduced the option of a self-collected test for under-screened people. The introduction of a HPV vaccine onto Australia's National Immunisation Program was a world first. The program commenced in 2007 for girls aged 12-13 and expanded in 2013 to include boys. In 2018, Australia switched from using the 4-valent Gardasil vaccine to 9-valent Gardasil vaccine, further protecting against an additional five strains of the virus.

The World Health Organization (WHO) has recognised that cervical cancer is one of the few cancers for which there is a realistic prospect of elimination through vaccination, screening and treatment.

New research predicts that if current vaccination coverage and screening participation is maintained, Australia is set to become the first country in the world to eliminate cervical cancer.

Reducing the incidence of blood borne viruses and sexually transmissible infections

Australia is making progress to reduce the transmission and impact of blood borne viruses (BBV) and sexually transmissible infections (STI). Through their listing on the Pharmaceutical Benefits Schedule, availability of effective treatments for BBV and STI, such as antiviral treatments for hepatitis C and pre-exposure prophylaxis for HIV prevention, has increased. However, we still face challenges.

To provide a national framework for our continued, active response to BBV and STI, the National BBV and STI Strategies 2018–22 were released in November 2018. The suite of five strategies include the:

- Eighth National HIV Strategy;
- Fifth National Aboriginal and Torres Strait Islander BBV and STI Strategy;
- Fifth National Hepatitis C Strategy;
- Fourth National STI Strategy; and
- Third National Hepatitis B Strategy.

These strategies recognise and build on the extensive work already being progressed and set out ambitious goals to reduce the transmission of BBVs and STIs, increase diagnosis and treatment rates and improve the quality of life for people living with them. We are working in partnership with our state and territory counterparts, researchers and community stakeholders to deliver these outcomes.

Combating flu season with increased vaccine availability

While there was some geographic variation across Australia, the 2018 influenza season in general saw very low levels of activity compared to recent years. Conversely, since November 2018 there has been an unusual increase in interseasonal influenza activity reported by most states and territories. This activity has transitioned into a very early influenza season for 2019.

To combat this, a record 12.9 million doses of seasonal influenza vaccines were released for the 2019 Australian influenza season, including:

- over 7.5 million doses for government programs, including the National Immunisation Program and state and territory programs; and
- over 5.4 million doses for the private market.

This is more than any other year, up from almost 11 million doses in 2018 and 8.3 million doses in 2017.

Aboriginal and Torres Strait Islander Australians experience a significantly higher burden from influenza infection and are much more likely to be hospitalised with the disease. In 2019, for the first time, all Aboriginal and Torres Strait Islander Australians from six months of age are eligible to receive free influenza vaccines through the National Immunisation Program.

Building domestic and regional health security

In 2018-19, the Department supported the Government in continuing to secure and maintain the contingency levels of products in the National Medical Stockpile (NMS). The availability of a range of protective medicines, equipment and biosecurity products within the NMS continues to play a critical role in the preparedness, response and protection of Australians in a public health emergency. It also considers assisting Asia-Pacific regional countries in a critical public health situation of international concern.

The Department recently published Australia's National Action Plan for Health Security 2019–2023 (NAPHS). NAPHS provides a framework for the implementation of 66 recommendations from the 2017 Joint External Evaluation (JEE) of Australia's compliance with the *International Health Regulations (2005)*. Implementation of NAPHS will utilise existing structures, committees and policies to build on Australia's already strong capacity to prepare and respond to significant health threats in our global region. NAPHS has been published on the Department and WHO websites and regular progress reports will be provided to the Australian Health Protection Principal Committee.

The Department is also working with partners including the WHO (Regional Office for the Western Pacific) and the Indo-Pacific Centre for Health Security to further build on health security within the Asia-Pacific region. Australian health experts attended JEE missions in New Zealand, the Philippines, Timor-Leste and the Federated States of Micronesia to assist in identifying opportunities to strengthen their health security. Australia will continue to contribute to additional JEE missions throughout 2019-20.

Professor Brendan Murphy

Chief Medical Officer
September 2019

Chief Operating Officer's Report

Successfully delivering the Government's priorities requires a high performing organisation. During the 2018-19 financial year, we showed our commitment to investing in staff and Departmental capability, giving our staff members the best opportunity to reach their potential. Within the Corporate Operations Group, we are committed to making improvements to our services by ensuring customers are the focus of every interaction.

Leadership, capability and culture

The Australian Public Service (APS) State of the Service Employee Census (Staff Survey) illustrates the Department's continued improvement of our leadership and culture. Since 2018, there have been significant improvements in staff recommending the Department as a good place to work, employees believing in our purpose and objectives, and staff being inspired to do their best work every day. Satisfaction with SES and EL2 leadership remain at high levels and continues to improve.

The Department's Learning and Development Strategy 2016–2019 is in its final year of implementation. Through regular evaluation of training programs, increased awareness and participation in training, our staff are supported in their development of core skills, professional capabilities, corporate knowledge, leadership and building our desired culture.

Harnessing diversity

I am privileged to be the Department's Senior Champion for the National Aboriginal and Torres Strait Islander Staff Network. The Department is committed to recognising, celebrating and commemorating the Aboriginal and Torres Strait Islander culture. In 2018-19, to ensure we continue to develop our culturally capable workplace, the Department:

- celebrated National Reconciliation Week and NAIDOC week with a range of events;
- celebrated 2019 as being the International Year of Indigenous Languages, hosting a Wiradjuri Language Workshop and Ngunnawal language workshops for the SES to learn acknowledgement of Country in language. Additionally, work progressed to rename meeting rooms in our Canberra offices in the Ngunnawal language, supported by translations; and
- continued to encourage staff to undertake our Cultural Appreciation Program, a full day face-to-face program which gives employees a greater appreciation of Aboriginal and Torres Strait Islander culture, customs and traditions.

The Department maintained its Bronze status for the Australian Workplace Equality Index, proving that our initiatives to raise awareness for lesbian, gay, bisexual, transgender, and/or intersex inclusion were effective.

I also had the opportunity to contribute to the Hays Australia & New Zealand Diversity & Inclusion Report 2018-19.[2] The report highlights the need for more inclusive workplaces regardless of employees' backgrounds.

New Enterprise Agreement

In March 2019, the Fair Work Commission approved the Department's new Enterprise Agreement (EA) for 2019–2022. Of the 78 per cent (3,297) of employees who voted, 62 per cent (2,041) voted yes for the new EA. Key changes include family and domestic violence leave, adjusting bandwidth hours by agreement, higher duties allowance to support job sharing and employee representation.

[2] Available at: www.hays.com.au/diversity-inclusion/index.htm

New Ways of Working Program

In 2018-19 the New Ways of Working Program was established to modernise our workplace over the next three to five years. The aim of the program is to establish a work environment that supports greater collaboration, flexibility and productivity, to break down barriers and enable staff to unlock their full potential. The New Ways of Working Program is looking at every aspect of our workplace across every location, including our physical workplace design, ICT solutions, learning and development requirements and corporate policies to better support our workforce. During the year, significant work was undertaken with staff to gather information on how to best deliver a workplace where we can all enjoy greater flexibility and productivity.

Rapid response to the 2019-20 Budget

I am proud of how well the Department delivered the early Budget in April 2019, and how we have been working closely with Ministers to implement priorities. The Budget saw an increase in Health, Aged Care and Sport spending of $20 billion over the four years from 2019-20, growing to $115 billion in 2022-23. Measures included those associated with primary care, mental health, aged care, physical activity and sport, Indigenous health, stronger remote, rural and regional health outcomes, National Health Agreement funding to public hospitals and further investment in research through the Medical Research Future Fund (MRFF).

Additionally, the Government invested $1.25 billion in local services, infrastructure projects and programs under the Community Health and Hospitals Program, to improve access to hospital and community health services. The Department has commenced substantial work to deliver these projects through Primary Health Networks, targeted grant funding and payments to states and territories.

Governance

A new senior governance committee structure came into effect in 2018-19, with the structure and functions designed to support an increased focus on implementation activities across the Department's broad agenda. Significant effort was made in 2018-19 to ensure these committees are well supported to deliver on this moving forward. The following activities were undertaken in 2018-19:

- oversight of the Department's highest risk change projects, as well as Property and Information Technology Projects, has been managed by the newly established Investment and Implementation Board;
- the Program Assurance Committee, which is focused on a risk-based approach to oversight, has been monitoring a selection of sub-programs, under the Portfolio Budget Statement level programs, which have been assessed as higher risk;
- the re-established Policy and Evidence Committee has supported cross departmental and cross portfolio policy issues, identifying policy linkages, facilitating policy collaboration and ensuring advice is comprehensive and robust; and
- the newly established Security and Workforce Integrity Assurance Committee commenced work on priorities in the Government's Protective Security and Policy Framework reforms, supporting the Secretary and the Executive to approach security and workforce integrity risks with cohesiveness and coordination.

Sustainability/Environment

The Department is committed to reducing its environmental impacts through continuous improvement in environmental management and performance. As a result of our commitment, the largest of the Department's Canberra offices (Sirius Building) was recognised by the National Australian Built Environment Rating System (NABERS) as a 6 star water and energy efficient building. This rating makes the building one of the most sustainable in Australia. This rating is for the base building[3] and remains current until April 2020, when it will be reassessed.

The Department has recently entered into an extended lease on this building and secured commitment from the building owner to significantly invest in maintaining the base building rating, and improve the NABERS rating for tenant controlled systems and assets.

The long term accommodation strategy for the Department will see extensive improvements to the building's occupational density, and introduce whole of life-cycle asset management strategies to optimise sustainable building management practice.

[3] The term base building refers to the part of a multi-tenant building that directly serves and affects all tenants, such as the primary structure, hallways, elevators, stairwells and water supply.

Contact Centre

In 2018-19, the Department significantly upgraded its Contact Centre, which provides corporate support, advice and processing to the Department's internal and external stakeholders, including members of the public, on behalf of multiple branches and divisions. These functions include helpdesks, portal support, phone lines, inboxes and administrative processing. Our average volume of contacts per year is more than 173,000. The Contact Centre is a recognised entry and development opportunity for staff new to the APS looking to begin their careers with the Department.

Grant administration

The Department continues to maintain the largest and most diverse grant programs in the Commonwealth. We have built a strong working relationship with the Community Grants Hub (CGH) in the Department of Social Services, with more than 250 former Department of Health staff moving to the CGH in September 2018 as part of the Streamlining Government Grants Administration program. In particular, we also continue to work closely with the Business Grants Hub in the Department of Industry, Innovation and Science, and with the National Health and Medical Research Council to deliver on the $5 billion 10 year strategic plan for the MRFF.

Financial results

In 2018-19, the Department administered 27 Programs across six Outcomes. Administered expenses totalled $69.7 billion and were comprised primarily of payments for personal benefits of $46.1 billion (66.2 per cent of the total), including those for medical services, pharmaceutical services and private health insurance rebates. Subsidies, predominantly for Aged Care, amounted to $12.7 billion (18.1 per cent of the total). Grants expenditure was $9.2 billion (13.2 per cent of the total), the majority of which was paid to non-profit organisations.

At 30 June 2019, the Department's administered assets totalled $3.4 billion, including investments in health related agencies and inventories held under the National Medical Stockpile. Administered liabilities were $3 billion, which included provisions for personal benefits, grants and subsidies.

Key administered expenditure is illustrated in Figures 1 and 2.

After adjusting for unfunded depreciation, the Department incurred an operating loss of $2.4 million (0.3 per cent of total expenditure). The Department is committed to delivering the program of Government within available resources and remains in a net asset position at 30 June 2019.

The Department's financial statements, which include information on the unqualified financial performance of the Department, is provided in Part 4: Financial Statements.

Matt Yannopoulos PSM

Chief Operating Officer
September 2019

Figure 1: Breakdown of administered expenditure

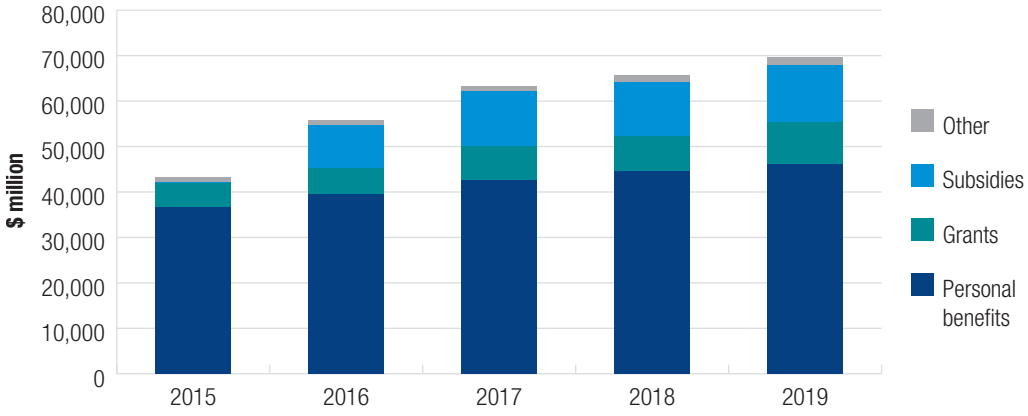
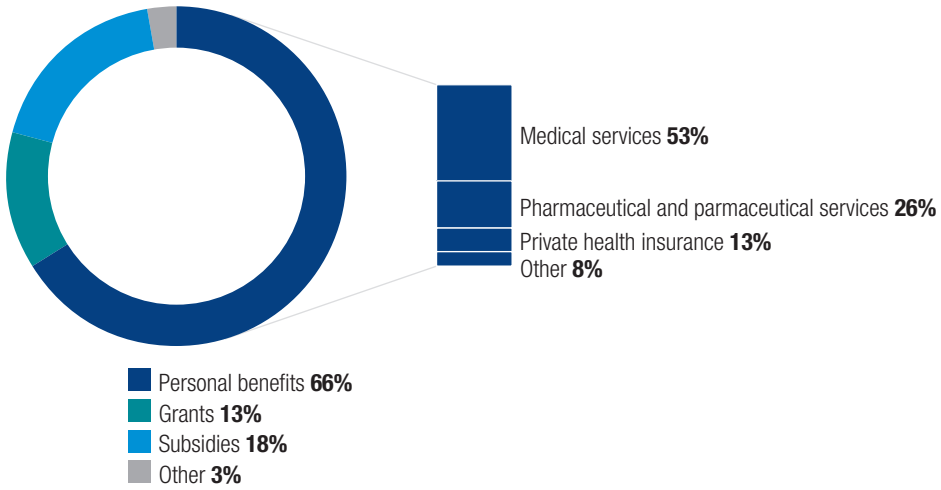


Figure 2: Administered expenditure by category



Ministerial Responsibilities

(as at 30 June 2019)

The Hon Greg Hunt MP

Minister for Health and Minister Assisting the Prime Minister for the Public Service and Cabinet

As Minister for Health, the Hon Greg Hunt MP, holds overarching responsibility for the Portfolio.

Portfolio Responsibilities

Departmental Outcomes

Outcome 1: Health System Policy, Design and Innovation
Outcome 2: Health Access and Support Services
Outcome 4: Individual Health Benefits
Outcome 5: Regulation, Safety and Protection

Portfolio Entities/Statutory Office Holders

Australian Commission on Safety and Quality in Health Care
Australian Institute of Health and Welfare
Cancer Australia
Australian Digital Health Agency
Independent Hospital Pricing Authority
National Blood Authority
National Health Funding Body
National Health and Medical Research Council
National Mental Health Commission
Professional Services Review

Senator the Hon Richard Colbeck

Minister for Aged Care and Senior Australians and Minister for Youth and Sport

As Minister for Aged Care and Senior Australians and Minister for Youth and Sport, Senator the Hon Richard Colbeck has responsibility for the following:

Portfolio Responsibilities

Departmental Outcomes

Outcome 2: Health Access and Support Services
Outcome 3: Sport and Recreation
Outcome 6: Ageing and Aged Care

Portfolio Entities/Statutory Office Holders

Aged Care Quality and Safety Commission
Aged Care Pricing Commissioner
Australian Radiation Protection and Nuclear Safety Agency
Australian Sports Anti-Doping Authority
Australian Sports Commission (Sport Australia)
Australian Sports Foundation
Food Standards Australia New Zealand
Gene Technology Regulator

The Hon Mark Coulton MP

Minister for Regional Services, Decentralisation and Local Government and Assistant Trade and Investment Minister

As Minister for Regional Services, Decentralisation and Local Government, the Hon Mark Coulton MP, has responsibility for the following:

Portfolio Responsibilities

Departmental Outcomes

Outcome 1: Health System Policy, Design and Innovation
Outcome 2: Health Access and Support Services
Outcome 4: Individual Health Benefits
Outcome 5: Regulation, Safety and Protection

Portfolio Entities/Statutory Office Holders

National Rural Health Commissioner
Organ and Tissue Authority (Australian Organ and Tissue Donation and Transplantation Authority)
National Industrial Chemicals Notification and Assessment Scheme

Ministerial Changes

On 28 August 2018, the Prime Minister, the Hon Scott Morrison MP's new Ministry was sworn in. The Hon Greg Hunt MP continued in his role as Minister for Health. Senator the Hon Bridget McKenzie was appointed as Minister for Regional Services, Sport, Local Government and Decentralisation. The Hon Ken Wyatt AM, MP continued as Minister for Indigenous Health, and was appointed Minister for Senior Australians and Aged Care.

On 26 May 2019, the Prime Minister, the Hon Scott Morrison MP, announced changes to the Ministry following the 2019 Federal election. On 29 May 2019, the Hon Greg Hunt MP continued in his role as Minister for Health and was appointed Minister assisting the Prime Minister for the Public Service and Cabinet. Senator the Hon Richard Colbeck was sworn in as the Minister for Aged Care and Senior Australians, and Minister for Youth and Sport. The Hon Mark Coulton MP was sworn in as the Minister for Regional Services, Decentralisation and Local Government, Assistant Trade and Investment Minister.

The Hon Ken Wyatt AM, MP left the portfolio to become the Minister for Indigenous Australians. Senator the Hon Bridget McKenzie left the portfolio to become the Minister for Agriculture.

The current Health Portfolio Ministers and further details of their responsibilities are available at: www.health.gov.au/ministers

The Hon Ken Wyatt AM, MP

Minister for Aged Care (24 January 2017 to 28 August 2018)

Minister for Senior Australians and Aged Care (28 August 2018 to 29 May 2019)

Minister for Indigenous Health (24 January 2017 to 29 May 2019)

Senator the Hon Bridget McKenzie

Minister for Rural Health (20 December 2017 to 28 August 2018)

Minister for Sport (20 December 2017 to 29 May 2019)

Portfolio Structure

In 2018-19, the Health Portfolio consisted of:

- the Department of Health (refer Part 3.3: Structure Chart, p. 150);
- 17 portfolio entities (refer Preliminary Pages – Portfolio Entity-Specific Outcomes, p. 23); and
- six statutory office holders:
  - Aged Care Quality and Safety Commissioner
  - Aged Care Pricing Commissioner
  - Director, National Industrial Chemicals Notification Assessment Scheme
  - Gene Technology Regulator
  - National Health Funding Pool Administrator
  - National Rural Health Commissioner

Portfolio Entities

In 2018-19, the Health Portfolio consisted of the Department and 17 portfolio entities. Each entity has its own specific outcome, with performance against their outcome reported in their respective annual report.

- Department of Health
- Aged Care Quality and Safety Commission[4]
- Australian Commission on Safety and Quality in Health Care
- Australian Digital Health Agency
- Australian Institute of Health and Welfare
- Australian Radiation Protection and Nuclear Safety Agency
- Australian Sports Anti-Doping Authority
- Australian Sports Commission (Sport Australia)
- Australian Sports Foundation
- Cancer Australia
- Food Standards Australia New Zealand
- Independent Hospital Pricing Authority
- National Blood Authority
- National Health Funding Body
- National Health and Medical Research Council
- National Mental Health Commission
- Organ and Tissue Authority (Australian Organ and Tissue Donation and Transplantation Authority)
- Professional Services Review

[4] The Aged Care Quality and Safety Commission replaces the Australian Aged Care Quality Agency and the Aged Care Complaints Commissioner and was established on 1 January 2019.

Part 1:
About the Department

Part 1.1: Departmental Overview

The Department of Health is a Department of State. In 2018-19 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 in 1921, in part as a response to the devastating effects of the Spanish Influenza pandemic of 1919, and through the vision of Dr J H L Cumpston, the first head of the Department.

The Department of Health has continued to evolve over the last 98 years, and has undergone a number of changes in name, function and structure.

Our Vision

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

Our Purpose

To support government and stakeholders 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.

We have a diverse set of responsibilities, including policy advising, program implementation, supporting scientific research, evaluation, regulation and compliance.

Our Commitment

We are committed to delivering the Government's major health reforms under the 10 year health plan based on key pillars and supported by major initiatives including:

- guaranteeing Medicare and improving access to medicines;
- supporting our hospitals;
- prioritising mental health and preventive health;
- reshaping Australian sport;
- life-saving and job creating medical research;
- ageing and aged care; and
- a stronger rural health strategy.

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

Part 1.2: Department-Specific Outcomes

Outcomes are the Government's expected 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 outcome basis.

Listed below are the outcomes relevant to the Department and the programs managed under each outcome in 2018-19.

Outcome 1: Health System Policy, Design and Innovation

1.1: Health Policy Research and Analysis

1.2: Health Innovation and Technology

1.3: Health Infrastructure

1.4: Health Peak and Advisory Bodies

1.5: International Policy

Outcome 2: Health Access and Support Services

2.1: Mental Health

2.2: Aboriginal and Torres Strait Islander Health

2.3: Health Workforce

2.4: Preventive Health and Chronic Disease Support

2.5: Primary Health Care Quality and Coordination

2.6: Primary Care Practice Incentives

2.7: Hospital Services

Outcome 3: Sport and Recreation

3.1: Sport and Recreation

Outcome 4: Individual Health Benefits

4.1: Medical Benefits

4.2: Hearing Services

4.3: Pharmaceutical Benefits

4.4: Private Health Insurance

4.5: Medical Indemnity

4.6: Dental Services

4.7: Health Benefit Compliance

4.8: Targeted Assistance – Aids and Appliances

Outcome 5: Regulation, Safety and Protection

5.1: Protect the Health and Safety of the Community Through Regulation

5.2: Health Protection and Emergency Response

5.3: Immunisation

Outcome 6: Ageing and Aged Care

6.1: Access and Information

6.2: Aged Care Services

6.3: Aged Care Quality

Part 2:
Annual Performance Statements

Part 2.1:
2018-19 Annual Performance Statements

As the accountable authority of the Department of Health, I present the Department of Health 2018-19 Annual Performance Statements as required under paragraphs 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and section 16F of the *Public Governance, Performance and Accountability Rule 2014*. In my opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity for the reporting period, and comply with subsection 39(2) of the PGPA Act.

Glenys Beauchamp PSM

Secretary
September 2019

Introduction

As required under the PGPA Act, this report contains the Department of Health's Annual Performance Statements for 2018-19. The Annual Performance Statements detail results achieved against the planned performance criteria set out in the *2018-19 Health Portfolio Budget Statements*, *2018-19 Health Portfolio Additional Estimates Statements*, and the Department's *Corporate Plan 2018-19*.

Structure of the Annual Performance Statements

The Annual Performance Statements demonstrate the direct link between the Department's activities throughout the year and the contribution to achieving the Department's purpose. The Annual Performance Statements are divided into chapters, with each chapter focusing on the objectives of an outcome and addressing the associated performance criteria. Each chapter contains:

- an analysis of the Department's performance by program;
- activity highlights that occurred during 2018-19; and
- results and discussion against each performance criteria.

Results Key

Met
100% of the target for 2018-19 has been achieved.

Substantially met
75–99% of the target for 2018-19 has been achieved.

Not met
Less than 75% of the target for 2018-19 has been achieved.

—

Data not available
Data is not available to report for the 2018-19 reporting year.

N/A

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

Outcome 1:
Health System Policy, Design and Innovation

Australia's health system is better equipped to meet current and future health needs by applying research, evaluation, innovation, and use of data to develop and implement integrated, evidence-based health policies, and through support for sustainable funding for health infrastructure

Highlights

Increased investments in medical research

A second set of Medical Research Future Fund (MRFF) Priorities in 2018-19 was released, with $206.4 million disbursed.

Program 1.1

Transition to My Health Record

More than 90 per cent of eligible Australians now have a My Health Record.

The My Health Record system improves health outcomes by providing consumers and health care providers involved in their care with access to important health information anywhere at any time.

Program 1.2

International engagement on health issues

Australia is leading a resolution through the World Health Organization to eliminate cervical cancer globally.

Program 1.5

MRFF
funded **54**
clinical trials
and established
8 missions

15 biomedical innovations
have been fast tracked
towards clinical practice

90.1%
of Australians
(22.55 million people) have a
My Health Record

In 2018
10,500 people
accessed
eye and tissue transplants
in Australia

Programs contributing to Outcome 1

Program	Summary of results against performance criteria: Targets met	Targets substantially met	Targets not met
Program 1.1: Health Policy Research and Analysis	4	–	–
Program 1.2: Health Innovation and Technology	1	–	–
Program 1.3: Health Infrastructure	1	–	–
Program 1.4: Health Peak and Advisory Bodies	1	–	–
Program 1.5: International Policy	1	–	–
Total	8	–	–

Program 1.1:
Health Policy Research and Analysis

The Department met all performance targets related to this program.

In 2018-19, the Government increased investment in health and medical research to fuel new ideas and discoveries that improve health outcomes for patients. This aims to strengthen Australia's position as a destination for health and medical research activity, and drive growth in the economy. Eight missions have been established to address chronic conditions, improve care for brain and neurological conditions, and transform health care delivery through innovative technologies. Further achievements in 2018-19 included the development of the second set of Medical Research Future Fund (MRFF) Priorities, work on the development of a National Framework for the Haemopoietic Progenitor Cell (HPC) sector and the 2019–21 Jurisdictional Blood Committee Strategic Plan.

Productive collaboration continued through the Council of Australian Governments (COAG) Health Council (CHC), which comprises Commonwealth, state and territory health ministers, and the New Zealand Health Minister. Supported and advised by the Australian Health Ministers' Advisory Council (AHMAC), the CHC met three times during 2018-19 and progressed key issues, including the announcement of the National Action Plan for Endometriosis, and endorsement of the *Australian National Breastfeeding Strategy: 2019 and beyond* and Optimal Cancer Care Pathway for Aboriginal and Torres Strait Islander Australians. It was agreed that a national obesity strategy would be developed, resulting in a National Obesity Summit held on 15 February 2019.

Collaborating with states and territories to facilitate a nationally consistent focus on achieving better health outcomes for all Australians

Australian Government Ministers and officials are effectively supported to collaborate with states and territories on health issues.

Source: 2018-19 Health Portfolio Budget Statements, p.52

2018-19 Target	2018-19 Result
Health reform priorities and health initiatives requiring a Commonwealth/state interface will be progressed through the CHC and the AHMAC. In 2018-19, COAG priorities include improving efficiency and ensuring financial sustainability; delivering safe, high quality care in the right place at the right time; prioritising prevention and helping people manage their health across their lifetime; and driving best practice and performance using data and research.	Health issues were agreed to and progressed by the AHMAC and endorsed by the CHC. In 2018-19, priority health issues were progressed by the CHC at its meetings on 2 August 2018, 12 October 2018 and 8 March 2019.
	Result: Met ●

The Commonwealth and state and territory governments work in partnership to improve health outcomes for all Australians and ensure the sustainability of the Australian health system. CHC and AHMAC provide the Australian community with a forum for continued cooperation on health issues across all Australian governments and with the New Zealand Government.

The CHC, supported by its advisory body AHMAC, focused on progressing a broad range of issues in 2018-19. This included: long term health reform; prevention of obesity; improving mental health and wellbeing; suicide prevention; a national medical workforce strategy; addressing the interface between health care and aged care matters; increasing access to influenza antivirals; and national collaboration to improve health outcomes for Aboriginal and Torres Strait Islander Australians.

In 2018-19, Ministers identified opportunities for collaborative action to improve Aboriginal and Torres Strait Islander health outcomes that build on the work already underway across Australia. Ministers committed to working jointly to end rheumatic heart disease, avoidable blindness and deafness and preventing and managing kidney disease. Ministers also agreed to develop a national strategy on obesity, focusing on prevention measures and social determinants of health, especially in relation to early childhood and rural and regional issues.

CHC and AHMAC review primary and secondary care arrangements to ensure that they best meet community needs. At the 2 August 2018 CHC meeting, Ministers agreed to create a data and reporting environment that increases patient choice through greater public disclosure of hospital and clinician performance and information. Ministers also endorsed the Optimal Cancer Care Pathway for Aboriginal and Torres Strait Islander Australians, the first under the National Cancer Work Plan that specifically addresses the needs of a cultural group.

Improving health policy research and data capacity

A sustainable source of funding is provided for transformative health and medical research that improves lives, contributes to health system sustainability and drives innovation.

Source: 2018-19 Health Portfolio Budget Statements, p.53 and Health Corporate Plan 2018-19, p.15

2018-19 Target	2018-19 Result
The second set of MRFF Priorities to be released by end 2018 following public consultation. Further disbursements to be made consistent with the *Medical Research Future Fund Act 2015*.	The second set of MRFF Priorities were released on 8 November 2018 following a public consultation process. $206.4 million was disbursed from the MRFF in 2018-19 consistent with the *Medical Research Future Fund Act 2015*.
	Result: Met

A comprehensive consultation process was undertaken for the second set of MRFF priorities, with the Australian Medical Research Advisory Board conducting public consultations in five capital cities.

To date, $5 billion over 10 years has been allocated to research through the MRFF. Patients will benefit through improved health care outcomes from new medicines, devices and treatments, embedded genomics technology, clinical trial activity and data analytics. Researchers will benefit from the boost in research funding and career opportunities.

Disbursements from the MRFF continued to grow in 2018-19, with $206.4 million disbursed over the period. Investments over the MRFF streams were:

- $112.6 million for patients;
- $44.7 million for missions;
- $44.2 million for translation; and
- $4.9 million for researchers.

These MRFF initiatives will improve health outcomes and create new jobs and innovative businesses delivering breakthrough drugs, medical devices and clinical therapies to the world.

Medical Research Future Fund – Frontier Health and Medical Research Initiative

The Frontiers Health and Medical Research Initiative (Frontiers) is a unique model of research funding, using a two-stage grant opportunity approach:

- In stage one, 10 successful applicants receive up to $1 million each to develop a detailed research proposal over 12 months.
- In stage two, the 10 applicants compete for a multi-year investment of up to $50 million.

The staged approach supports the Government to fund innovative research that might not be funded through traditional research funding pathways. The goal is to identify bold and innovative ideas and/or make discoveries of great potential and impact.

These projects will aim to:

- assist those with medical conditions such as epilepsy, dementia, cerebral palsy and stroke;
- improve technologies to detect infectious diseases and antimicrobial resistance; and
- develop ways to scale up use of an Australian method for controlling Zika virus, dengue fever and other mosquito-borne diseases.

The Frontiers initiative has the potential to transform health care globally by supporting truly transformational health and medical research with sustainable funding, which will ultimately create new life changing health interventions.

Improving access to organ, tissue and Haemopoietic Progenitor Cell transplants and blood and blood products for life saving treatments

Access to Haemopoietic Progenitor Cells for Australian patients requiring a Haemopoietic Progenitor Cell transplant for agreed therapeutic purposes is improved.

Source: 2018-19 Health Portfolio Budget Statements, p.53

2018-19 Target	2018-19 Result
Work with states and territories to develop action plans to implement agreed strategic directions in the HPC sector, including funding arrangements and governance structures.	The Department continued working with the states and territories to develop a national policy framework for the HPC sector, following a review of the sector that concluded in mid-2018, for consideration by all governments in 2019-20.
	Result: Met ●

The national policy framework for the sector will build on the findings of the review and set out the agreed long term strategic objectives, governance structures and funding arrangements for the sector to enable sustainability and self-sufficiency.

Once agreed by all governments, implementation of the national policy framework for the sector will lead to robust decision-making, national oversight and targeted funding to enable continued equitable access to life saving transplants for Australian patients.

Access to a safe and secure supply of essential blood and blood products is ensured to meet Australia's clinical need through strategic policy and funding contributions.

Source: 2018-19 Health Portfolio Budget Statements, p.54

2018-19 Target	2018-19 Result
Continue working with states and territories and the National Blood Authority (NBA) to meet the objectives of the National Blood Agreement[5] through ongoing involvement and contribution to strategic policy development; contribution to and supporting the approval of the National Supply Plan and Budget (NSP&B); and advice to the CHC.	The Department continued working with states, territories and the NBA to progress strategic priorities under the 2016–18 Jurisdictional Blood Committee (JBC) Strategic Plan and led development of the 2019–21 JBC Strategic Plan. The JBC has effectively overseen the annual blood supply through the NBA's implementation of the 2018-19 NSP&B, and approval of the 2019-20 NSP&B through the CHC.
	Result: Met ●

The JBC Strategic Plan outlines key strategic policy priorities for action and intended outcomes to promote appropriate management and use of blood products. Under an effective, nationally coordinated approach, it will ensure high quality, safe, secure and affordable blood supply in Australia. The NSP&B ensures sufficient, evidence-based access to blood and blood products for all Australians.

The Commonwealth funded 63 per cent of the National Blood Agreement expenditure. Access to safe and secure supply of blood and blood products is a critical component of Australia's health care system, saving lives and improving the health of patients. Implementation of priorities will support and improve supply risk management, national variability in blood and blood product usage, data quality/access, accountability and waste reduction.

[5] Available at: www.blood.gov.au/national-blood-agreement

Program 1.2:
Health Innovation and Technology

The Department met the performance target related to this program.

The Department worked with the Australian Digital Health Agency (the Agency) to transition Australia's secure online health record system called My Health Record to an opt-out participation model. The My Health Record system improves health outcomes by providing consumers and health care providers involved in their care with access to important health information, anywhere, anytime. More than 90 per cent of eligible Australians now have a My Health Record.

The Department provided ongoing support and advice to the Agency and jurisdictions to commence implementation of Australia's National Digital Health Strategy – *Safe, Seamless and Secure (2018–2022)*.

Supporting the Government's Digital Health agenda

The Minister and the Australian Digital Health Agency are supported to improve health outcomes for Australians through digital health systems. Source: 2018-19 Health Portfolio Budget Statements, p.55	
2018-19 Target	**2018-19 Result**
Provide high quality, relevant and well-informed research, policy and legal advice to support the delivery of the My Health Record national opt-out arrangements.	The Department continued to provide well-informed research and high-level policy and legal advice that informed and supported the transition to national opt-out participation arrangements for the My Health Record system.
	Result: Met ●

Following the conclusion of the opt-out period on 31 January 2019, a My Health Record was created for every eligible Australian, unless they chose to opt-out. The transition to national opt-out participation arrangements for the My Health Record system supports improved health outcomes and greater system efficiencies through a range of benefits, which are expected to include avoided hospital admissions, fewer adverse drug events, reduced duplication of tests, better coordination of care for people seeing multiple health care providers and better informed treatment decisions.

The Department supported the Minister for Health and provided policy and legislative advice on the development of the *My Health Records Amendment (Strengthening Privacy) Act 2018*. These amendments sought to further strengthen the security and privacy provisions of the My Health Record system, including strengthening penalties for improper use of a My Health Record and prohibiting employers or insurers from accessing My Health Record information.

The Department facilitated and managed the Statutory Review of the *Healthcare Identifiers Act 2010* (HI Act) and Healthcare Identifiers (HI) Service. The HI Service is a national system for consistently identifying consumers and health care providers. The Review considered the extent to which the purpose of the HI Act and regulations has been achieved and whether it enables the HI Service to operate efficiently and effectively. The final report was tabled in Parliament in April 2019.

Implementation of Australia's National Digital Health Strategy – *Safe, Seamless and Secure (2018–2022)* commenced in 2018-19. The Department contributed to the development of key aspects of the strategy, including early development of a Medicines Safety Blueprint, Interoperability Framework, Digital Health Workforce Roadmap, mobile health application (mHealth) Framework and Secure Messaging standards. This work will continue during 2019-20.

Program 1.3:
Health Infrastructure

The Department met the performance target related to this program.

The Department focused on delivery of Health Infrastructure projects throughout 2018-19, finding the majority of projects were progressing as scheduled. The Department took appropriate action where potential non-compliance was identified.

Health infrastructure projects improve the Australian community's access to health services and provide health professionals with professional learning and development opportunities. Some major projects completed during 2018-19 include the Bringing Renal Dialysis and Support Services Closer to Home project in the Northern Territory and the Bowen Hospital Expansion project in Queensland.

Improving and investing in health infrastructure

Investment in health infrastructure supports improved health services. Source: 2018-19 Health Portfolio Budget Statements, p.56	
2018-19 Target	**2018-19 Result**
Monitor infrastructure projects for compliance to demonstrate effective delivery of infrastructure projects that support local services.	Infrastructure projects were monitored with the majority of projects compliant in providing project reports and achieving agreed milestones within the required timeframe.
	Result: Met

In 2018-19, infrastructure projects funded in both the primary and acute care settings were monitored in accordance with the requirements under their respective project funding agreements.

The program increased access to health services and facilitation of professional learning and development for providers. As a result of funded projects:

- residents of Fitzroy Crossing, in the Northern Territory have access to four new renal dialysis chairs and a 20-bed renal hostel; and
- staff and patients benefit from the total refurbishment of the Bowen Hospital Emergency Department. Allied health and procedure units include enhanced security, new furnishings, enhanced staff training and improved primary care and service delivery.

Program 1.4:
Health Peak and Advisory Bodies

The Department met the performance target related to this program.

The Department continued to support 23 national peak health organisations and advisory bodies through grant agreements to share information and consult with their members, the wider health sector and the community on health policy and program matters and develop expert, evidence-based and impartial policy advice.

Continuous collaboration with peak health organisations and advisory bodies broadens the scope for the community to communicate with the government about health issues.

Engaging with the health sector to communicate and facilitate the development of informed health policy

Successfully harness the health sector to share information relating to the Australian Government's health agenda. Source: 2018-19 Health Portfolio Budget Statements, p.57	
2018-19 Target	**2018-19 Result**
Maintain agreements with health-related national peak and advisory bodies in order to harness input into the Australian Government's health agenda, through information sharing and relevant, well-informed advice. Organisations meet the performance conditions and milestones in grant agreements.	Agreements were maintained with health-related national peak and advisory bodies. Extensions of existing agreements for a further three years were completed before the end of 2018-19. Organisations continue to meet the performance conditions and milestones in their grant agreements.
	Result: Met

The Government continued to fund health-related national peak and advisory organisations to provide input to national policies and share critical information. The organisations funded under the Health Peak and Advisory Bodies Programme represent a range of health care practitioners, health consumers and pharmacists. They also represent community groups interested in issues such as asthma, allergies, continence, haemophilia, hepatitis, HIV/AIDS, vision impairment and mental health.

All funded organisations provided input to government policy throughout 2018-19, including through membership on various government and agency committees. Some notable contributions include consultation with their members on matters such as:

- the Medicare Benefits Schedule Review, Pharmaceutical Benefits Scheme and aged care reforms;
- the implementation and oversight of the Fifth National Mental Health and Suicide Prevention Plan;
- implementation of Health Care Homes;
- preparation of an environmental scan of issues impacting health professions in a rural context; and
- supporting a Youth Health Forum and a Rural Health Consumers Special Interest group.

Program 1.5:
International Policy

The Department met the performance target related to this program.

Australia's health system continues to gain benefits and insights from international engagements and relationships. During 2018-19, Australia engaged with and contributed to bodies such as the World Health Organization (WHO); the Organisation for Economic Co-operation and Development (OECD) Health Committee; the G20 Health Working Group; and the Asia-Pacific Economic Cooperation (APEC) Health Working Group.

In June 2019, Department representatives met with members of the United Kingdom's Department of Health and Social Care to discuss shared interests. The Department signed a Memorandum of Understanding on Health Cooperation, which supports efforts to keep Australia's health system at the forefront of international best practice.

Also in June 2019, a representative from the Department attended the 25th session of the OECD Health Committee and associated meetings. Discussions included preparation for a significant OECD project – the Patient Reported Indicator Survey. This survey will support health systems to become more people centred, using a new approach to measure health system performance through patient reported outcomes.

Engaging internationally on health issues

Australia's active engagement in international fora and relationships with key countries enables Australia's health system to integrate evidence-based international standards and remain at the forefront of international best practice.

Source: 2018-19 Health Portfolio Budget Statements, p.58

2018-19 Target	2018-19 Result
Australia will engage at the WHO; the OECD Health Committee; the G20 Health Working Group meetings; and the APEC Health Working Group; and contribute to the development and adoption of international best practice and improved governance, and focus on identifying and responding to global health security threats.	Australia, through the Department of Health, participated in a number of international fora in 2018-19 including the WHO; the OECD Health Committee; the G20 Health Working Group; and the APEC Health Working Group. Through this engagement, the Department has strengthened Australia's health system and improved our ability to prevent, detect and respond to health security threats by negotiating the adoption of international standards and best practice.
	Result: Met ●

Australia is currently serving a three-year term on the Executive Board of the WHO, and participated in Executive Board meetings in January and May 2019. Participating on the Executive Board allows Australia to influence the global health agenda. During 2018-19, Australia led a resolution requesting the WHO to develop a strategy for the elimination of cervical cancer as a global public health problem. Australia's leadership on the issue will drive global efforts to achieve long term cervical cancer elimination.

During 2018-19, the Department engaged in the APEC Health Working Group and other health focused fora. APEC is the premier forum for facilitating economic growth through cooperation, trade and investment in the Asia-Pacific Region, and the Department leads the Australian Government's responsibilities on health-related issues in APEC.

Australia is actively participating in the work of the G20 Health Working Group, under Japan's 2019 Presidency. The purpose of the G20 Health Working Group is to develop a shared international agenda across a range of health issues. Key topics for discussion over 2018-19 were the achievement of Universal Health Care, response to ageing societies, health risk management and health security, including antimicrobial resistance.

Australia also provides a leadership role in international fora, through promoting its own expertise and best practice in key areas such as preventative health, emergency response preparedness and medical products regulation. Active engagement in international health fora, and securing Australia's interests at relevant meetings of key international health bodies and organisations, helps to strengthen global health systems' capacity, and contributes to improving global and regional public health.

Outcome 1 - Expenses and Resources

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 1.1: Health Policy Research and Analysis[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	65,617	63,136	(2,481)
Special Accounts			
Medical Research Future Fund	222,383	206,367	(16,016)
Special appropriations			
National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority	754,745	754,744	(1)
Public Governance, Performance and Accountability Act 2013 s77 - repayments	20,000	18,105	(1,895)
Other Services (*Appropriation Act No. 2*)	-	4,926	4,926
Departmental expenses			
Departmental appropriation[2]	54,181	55,308	1,127
Expenses not requiring appropriation in the budget year[3]	1,769	2,522	753
Total for Program 1.1	**1,118,695**	**1,105,108**	**(13,587)**
Program 1.2: Health Innovation and Technology			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	8,136	8,066	(70)
Departmental expenses			
Departmental appropriation[2]	5,637	5,541	(96)
Expenses not requiring appropriation in the budget year[3]	171	238	67
Total for Program 1.2	**13,944**	**13,845**	**(99)**
Program 1.3: Health Infrastructure[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	107,371	71,360	(36,011)
Special appropriations			
Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund	30,770	9,612	(21,158)
Departmental expenses			
Departmental appropriation[2]	2,652	27,482	24,830
Expenses not requiring appropriation in the budget year[3]	85	114	29
Total for Program 1.3	**140,878**	**108,568**	**(32,310)**

Outcome 1 - Expenses and Resources (continued)

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 1.4: Health Peak and Advisory Bodies			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	7,458	7,556	98
Departmental expenses			
Departmental appropriation[2]	2,211	2,735	524
Expenses not requiring appropriation in the budget year[3]	73	126	53
Total for Program 1.4	**9,742**	**10,417**	**675**
Program 1.5: International Policy			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	17,293	17,028	(265)
Departmental expenses			
Departmental appropriation[2]	8,596	7,863	(733)
Expenses not requiring appropriation in the budget year[3]	260	331	71
Total for Program 1.5	**26,149**	**25,222**	**(927)**
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	205,875	167,146	(38,729)
Special appropriations	805,515	782,461	(23,054)
Special Accounts	222,383	206,367	(16,016)
Other Services (*Appropriation Act No. 2*)	-	4,926	4,926
Departmental expenses			
Departmental appropriation[2]	73,277	98,929	25,652
Expenses not requiring appropriation in the budget year[3]	2,358	3,331	973
Total expenses for Outcome 1	**1,309,408**	**1,263,160**	**(46,248)**
Average staffing level (number)	**372**	**378**	**6**

[1] This Program excludes National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

[2] Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1*)' and 'Revenue from independent sources (s74)'.

[3] Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

Outcome 2:
Health Access and Support Services

Support for sustainable funding for public hospital services and improved access to high quality, comprehensive and coordinated preventive, primary and mental health care for all Australians, with a focus on those with complex health care needs and those living in regional, rural and remote areas, including through access to a skilled health workforce

Highlights

	**Launch of mental health in education initiative, Be You**	The Be You initiative provides educators with knowledge, resources and strategies for helping children and young people achieve their best possible mental health. *Program 2.1*
	**Implementation of the Stronger Rural Health Strategy**	The Stronger Rural Health Strategy aims to build a sustainable, high quality health workforce that is distributed across the country according to community need, particularly in rural and remote communities. *Program 2.3*
	**National Strategic Action Plans for priority diseases developed and released**	National Strategic Action Plans were developed and released for Endometriosis, Arthritis, Childhood Heart Disease, Inflammatory Bowel Disease, Lung Disease and Macular Disease. *Program 2.4*
	**Increase in products displaying the Health Star Rating system**	As of November 2018, 13,243 products display the Health Star Rating system, making it easier for consumers to choose healthier options when shopping for their groceries. *Program 2.4*
	**Extension to Health Care Homes (HCH) trial**	The HCH trial was extended and eligible patient enrolment has increased by 7,889 in 2018-19. Eligible patients benefit from the HCH model by receiving better access to flexible and coordinated care. *Program 2.5*

110 headspace services operating across the country

The five year **survival rate** for breast cancer is at **90.8%**

Aboriginal and Torres Strait Islander **715 health checks** up from 71,400 to **85,928 per year**

47,146 nurses working in General Practices in Australia

Programs contributing to Outcome 2	Summary of results against performance criteria			
Program	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Program 2.1: Mental Health	–	1	–	–
Program 2.2: Aboriginal and Torres Strait Islander Health	–	1	–	3
Program 2.3: Health Workforce	1	1	–	–
Program 2.4: Preventive Health and Chronic Disease Support	3	1	–	4
Program 2.5: Primary Health Care Quality and Coordination	2	1	–	–
Program 2.6: Primary Care Practice Incentives	–	–	–	1
Program 2.7: Hospital Services	1	–	–	–
Total	7	5	–	8

Program 2.1:
Mental Health

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

Primary Health Networks (PHNs), service providers and mental health stakeholders were supported in 2018-19 to continue delivering on mental health reforms. Mental health services were improved through a range of funding, expansion and enhancements to ensure that Australian communities, particularly those in rural and regional areas, have continued access to high quality mental health education, information and services.

A key focus in 2018-19 was the youth mental health support and programs, including the expansion of the headspace network, eheadspace and other digital platforms, Early Psychosis Youth Service and the Be You education initiative.

Supporting people with mental illness through more and better coordinated services

Mental health services are more coordinated and supported through the implementation of the *Strengthening mental health care in Australia* measure.

Source: 2018-19 Health Portfolio Budget Statements, p.68 and Health Corporate Plan 2018-19, p.10

2018-19 Target	2018-19 Result
Support PHNs, service providers, and mental health stakeholders to continue to deliver on mental health reforms through: • monitoring progress of PHN commissioning and delivery of mental health services, for example the Way Back Support Service; • delivery of enhancements to 'Head to Health', including ensuring greater usability by health professionals; • transition of Partners in Recovery and Day to Day Living Programs into the National Disability Insurance Scheme (NDIS); • supporting development of regional mental health and suicide prevention plans by PHNs and LHNs, under the auspices of the Fifth National Mental Health and Suicide Prevention Plan; • continued establishment of new headspace services in rural and regional areas; and • commencement of Mental Health in Education initiative in schools and early learning services.	Funding was provided to PHNs in anticipation of establishing the first tranche of Way Back Support Services sites, and ensuring service continuity for existing sites. The digital gateway 'Head to Health' was enhanced in response to feedback from users, including health professionals, to improve the usability of the site. Partners in Recovery and Day to Day Living programs ceased on 30 June 2019. Funding was provided to PHNs for the commissioning of service providers to continue supporting clients to test eligibility for supports under the NDIS, as not all clients were transitioned by 30 June 2019. Assistance was provided to PHNs through the establishment of a PHN Mental Health Regional Planning Group, the development of written guidance on joint regional planning, and the use of planning tools (National Mental Health Service Planning Framework and Planning Support Tool) and data sets (Primary Mental Health Care Minimum Data Set). Six new headspace services were established in rural and regional areas across Australia. The Mental Health in Education initiative, Be You, was launched on 1 November 2018.
	Result: Substantially met

During 2018-19, the Department focused on securing state and territory agreements to contribute funding to PHNs for Way Back Support Service sites. The services provide outreach and follow-up care to individuals after a suicide attempt or suicidal crisis.

The digital mental health gateway, 'Head to Health'[6], continued to be well received in the community. Increased promotional communication saw sessions on the site, where a user visits and actively interacts with site material, triple over the 2018 Christmas holiday period. A number of further enhancements to the site were delivered in response to user feedback, including the introduction of a service provider portal, news and announcements page, communication materials page and improvements to feedback and search mechanisms. Since the website's launch in October 2017, 727,000 online sessions have taken place (averaging approximately 1,200 sessions per day). Additionally, an average of 5,000 referrals to digital resources, such as phone and online counselling, peer support programs, structured online psychological treatment and information websites, have been disseminated each month.

[6] Available at: www.headtohealth.gov.au

Through funding to Partners in Recovery and Day to Day Living service providers, the Department continued supporting clients to test their eligibility for, and transition to, the NDIS. To support the continuing transition and demand for Commonwealth funded psychosocial programs, the Australian Government has provided an additional 12 months funding to give more time for clients to test eligibility with the NDIS, until 30 June 2020.

PHNs have demonstrated ongoing engagement with the Department's regional planning activities by using data from the Service Planning Framework and Planning Support Tool for their regional planning, sharing good practice ideas through the Regional Planning Group and applying the regional planning guidance as appropriate.

As at June 2019, 110 headspace services were operating across the country, with six new rural and regional sites established during 2018-19.[7] Headspace services provide holistic mental health, related physical health, alcohol and other drug use and social and vocational support to young people aged 12–25 years.

The Mental Health in Education initiative, Be You, integrates and builds on the success of previously funded evidence-based school mental health programs. Since its launch in 2018-19, it has provided an end-to-end mental health promotion, prevention and early intervention initiative, with a critical incidence response service to support schools in the event of a suicide. As at 30 June 2019, 62,816 individual users were registered on the Be You website, 7,048 schools and early learning services were participating in Be You and there were over 355,000 unique visitors to the Be You website.

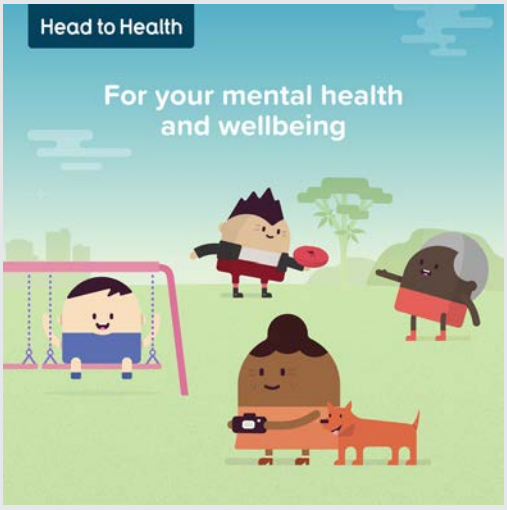
Head to Health campaign

The Government's digital mental health gateway Head to Health (www.headtohealth.gov.au) continues to connect Australians to trusted free or low cost online and phone based mental health services, information and resources. It contains links to around 400 mental health support websites, apps, online programs and community forums, as well as phone, chat and email services.

The Head to Health campaign launched in December 2018, with the majority of advertising activity concluding in February 2019. The campaign promoted Head to Health as a trusted source of mental health information and digital services, aiming to increase Australians' confidence in the availability and use of digital services. The campaign targeted people seeking mental health information, those experiencing mental health challenges but not currently seeking support and people seeking information and support for a friend or family member.

To reach the Australian community, advertising occurred across digital, social and search channels. Campaign effectiveness was quickly demonstrated, with a 37.8 per cent increase in website traffic immediately after the launch.

One in five Australians over the age of 16 experience mental illness each year.[8] For many people experiencing mental health issues, particularly highly prevalent conditions like anxiety and depression, online resources can be as effective as face-to-face treatment, especially if there is additional practitioner support. The Head to Health campaign assisted greatly in guiding people experiencing mental health issues, and those who want to support them, to this informative gateway.



[7] The new rural and regional headspace sites include: Armidale, Moree, Gunnedah and Narrabri in New South Wales (considered one service, satellite services from headspace Tamworth), Bega and Lithgow in New South Wales, Gympie in Queensland, Wonthaggi and Portland in Victoria.

[8] Australian Bureau of Statistics. *National Survey of Mental Health and Wellbeing*, Australia, 2007.

Program 2.2:
Aboriginal and Torres Strait Islander Health

There were three performance targets for which data sets were not available at the time of publication. Where data sets were available, the Department substantially met the target.

During 2018-19, the Department continued to enact activities under the *Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013–2023* (the Implementation Plan). A working group was established to lead drafting of the revised iteration of the Implementation Plan, with an extended timeframe for release set for the 2019-20 financial year. The new plan will progress strategies and actions that improve health and life outcomes for Aboriginal and Torres Strait Islander Australians.

The Council of Australian Governments' (COAG) Closing the Gap 2018 target on Aboriginal and Torres Strait Islander child mortality is not on track to be met. However, data shows that the Indigenous child mortality rate has dropped significantly in recent years, with a long term improvement of 33 per cent between 1998 and 2015.

Health Data Portal for Indigenous health reporting

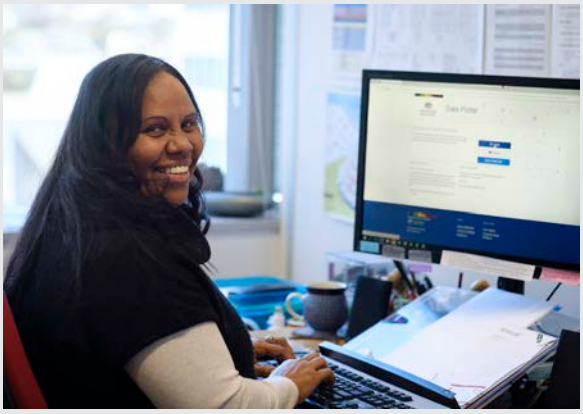
The Health Data Portal (the Portal), hosted in the Department of Health's Enterprise Data Warehouse, was extended in December 2018 to provide a reporting mechanism for funded Aboriginal Community Controlled Health Services (ACCHS) to report Australian Health Ministers' Advisory Council endorsed National Key Performance Indicators (nKPI). The nKPI collection is critical to measuring progress towards achieving the Australian Government's Closing the Gap targets.

The Portal was co-designed with the Indigenous health sector through 20 stakeholder workshops conducted around Australia between June 2017 and March 2019, where over 240 people attended. This enabled collaborative prototyping, feedback sessions and continuous user testing. Regular communication via a monthly e-newsletter with over 1,100 subscribers, along with face-to-face training to over 145 people, has built end user engagement, a sense of co-ownership and managed expectations during the design process.

The Department also collaborated on the Portal with the Australian Institute of Health and Welfare in the development of administrative features and functions to facilitate data receipt, analysis and processing, as well as administrative management reports.

ACCHS requested a faster and more reliable reporting system so they can focus on delivering health services in Aboriginal and Torres Strait Islander communities. In January 2019, for the first time since this data collection started in June 2012, 100 per cent of ACCHS successfully submitted their data on time by using the Portal.

Overall, the Portal is providing ACCHS with a streamlined, simplified and better reporting experience. The Portal enables instant validation of submitted data, providing rapid insight into data quality, while a data analytics dashboard supports continuous quality improvement at a local level.



Supporting access to high quality essential health services for Aboriginal and Torres Strait Islander peoples

Health outcomes of Aboriginal and Torres Strait Islander peoples are improved through implementing actions under the Implementation Plan for the *National Aboriginal and Torres Strait Islander Health Plan 2013–2023*.[9]

Source: 2018-19 Health Portfolio Budget Statements, p.70 and Health Corporate Plan 2018-19, p.11

2018-19 Target	2018-19 Result
Release revised iteration of the Implementation Plan. Continue towards achieving the identified deliverables and goals for 2023 as specified in the Implementation Plan. Engage with the Implementation Plan Advisory Group (IPAG), other Commonwealth agencies, COAG Health Council (CHC) and its subcommittees, Health Partnership Forums and the Indigenous health sector to progress Implementation Plan activities, including those on the social determinants of health.	The timeframe for release of the revised iteration of the Implementation Plan has been extended to 2019-20 in order to better align with revised timeframes of the broader COAG Closing the Gap agenda. The IPAG met four times in 2018-19 and discussed the approach to the next iteration of the Plan. In May 2019, the IPAG established a Working Group to lead drafting of the revised iteration of the Implementation Plan for release in 2020. The CHC, Australian Health Ministers' Advisory Council and Health Services Principal Committee continued to be engaged in progressing Implementation Plan activities. Regular updates on progress against the Plan were provided to Health Partnership Forums in each jurisdiction.
	Result: Substantially met

The Implementation Plan provides high level policy and program direction to guide community level data, with the aim of the health system becoming more responsive to the needs of Aboriginal and Torres Strait Islander Australians over time. Of the 20 goals identified in the Implementation Plan, two goals cannot currently be assessed due to limitations of available data. Of the 18 goals currently able to be assessed, 12 are on track to be met.

All three goals in the maternal health and parenting domain are currently on track to be achieved. This includes 87 per cent of Aboriginal and Torres Strait Islander mothers who gave birth having attended five or more antenatal visits in 2016 (in seven of the eight states/territories), which means this goal is on track to meet the target of 90 per cent by 2023. Furthermore, the 88 per cent immunisation target for Aboriginal and Torres Strait Islander one year olds and the 96 per cent immunisation goal for five year olds are both on track to be met by 2023. Aboriginal and Torres Strait Islander five year olds also have the highest immunisation rates of any group nationally, at 97 per cent. The goal to reduce the smoking rate among Aboriginal and Torres Strait Islander Australians aged 18 plus to 40 per cent by 2023 is on track to be met. This is expected to have an impact on the burden of disease over time.

Six of the Implementation Plan goals are currently not on track to be achieved by 2023. Four of these goals relate to Aboriginal and Torres Strait Islander health assessments (MBS item 715[10]), although data from recent years show that the rate of health checks is increasing. The rate of full immunisation for Aboriginal and Torres Strait Islander two year olds is also not on track, although this is expected to increase over time. Recent data from the Australian Institute of Health and Welfare (AIHW) shows that further work is needed to increase the proportion of Aboriginal and Torres Strait Islander Australians with type 2 diabetes who had a kidney (renal) test in the previous twelve months if this goal is to be met.

Over time, there have been notable improvements to Aboriginal and Torres Strait Islander health outcomes. These include a decline in overall and child mortality rates and a decline in mortality from circulatory, respiratory and kidney disease. There has been a decline in risky levels of drinking in Aboriginal and Torres Strait Islander Australians aged 15 years and over for both single occasion and lifetime risk, and drinking during pregnancy has halved.[11] Australia is also on track to eliminate trachoma as a public health problem by 2020.[12]

Notable achievements under the current Implementation Plan include; national endorsement of the Cultural Respect Framework; embedding of the Better Start to Life program to increase access to antenatal and postnatal care; and integration of early childhood services through the Connected Beginnings program.

[9] Available at: www.health.gov.au/internet/main/publishing.nsf/Content/indigenous-implementation-plan
[10] Available at: www.health.gov.au/internet/main/publishing.nsf/Content/mbsprimarycare_ATSI_MBSitem715
[11] Australian Health Ministers' Advisory Council 2017, *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*
[12] National Trachoma Surveillance and Reporting Unit 2018.

Aboriginal and Torres Strait Islander child 0-4 mortality rate per 100,000.[13]					
Source: 2018-19 Health Portfolio Budget Statements, p.71					
2017 Target	**2017 Result**	**2016**	**2015**	**2014**	**2013**
95–143	Data not available[14]	Data not available[15]	163.6	159.1	185

While confirmed 2016 and 2017 data will not be available until the release of ABS revised data around mid 2020, preliminary data suggests that in 2017, the rate of Indigenous child mortality was not on track to meet the COAG Closing the Gap target by 2018. However, based on the confirmed mortality data available up to 2015, Indigenous child mortality rates have declined by 33 per cent between 1998 and 2015.

A good start in life gives children the best chance for success and making the most of their opportunities later in life. Giving children a good start relies on taking an integrated approach that supports positive parenting skills and provides maternal and child health intervention to enhance childhood development. The Department continued to fund initiatives to improve Indigenous child health, including the New Directions: Mothers and Babies Services Program and the Australian Nurse-Family Partnership Program. These programs provide improvements in key preventative factors, such as early access to antenatal care, parenting advice and assistance, immunisation and health checks for children.

Aboriginal and Torres Strait Islander chronic disease-related mortality rate per 100,000.					
Source: 2018-19 Health Portfolio Budget Statements, p.71					
2017 Target	**2017 Result[16]**	**2016**	**2015**	**2014**	**2013**
572–606	Data not available[17]	Data not available[18]	774.4	756.5	784.0

While confirmed 2016 and 2017 data is currently unavailable, preliminary data suggests that in 2017, the chronic disease related mortality rate was not on track to meet the target. However, there has been a significant decline over time in the Aboriginal and Torres Strait Islander chronic disease mortality rate.

When considering confirmed data available up to 2015, the Indigenous mortality rate from chronic disease declined by 19 per cent between 1998 and 2015. This decrease is largely due to the decline in mortality from circulatory diseases. Continued improvements in chronic disease prevention, detection and management, including reducing smoking rates, are important contributors to declining rates.

However, cancer mortality rates are rising. Between 1998 and 2017, Indigenous cancer mortality rates rose by 25 per cent.[19] This may be due to the long lead time before the impact of a recent reduction in smoking rates is seen on cancer deaths. Based on available evidence, smoking related cancer mortality is expected to remain high and peak within the next decade.

[13] Further information available at: closingthegap.pmc.gov.au

[14] The Australian Bureau of Statistics (ABS) will release 2017 revised data around mid-March 2020. 2017 final data will be released around mid-March 2021. The AIHW receives these data files about 3 months after the ABS release.

[15] 2016 final deaths data is not yet available. The ABS will release final data around mid-March 2020. The AIHW receives these data files about 3 months after the ABS release.

[16] During 2019, the approach to calculating Indigenous and non-Indigenous mortality rates and related target trajectories will be adjusted as official statistics move from 2011 Census based population denominators to 2016 Census based denominators following the publication of Indigenous population projections and backcasts. Accordingly, the child mortality and chronic disease results (as well as the trajectories) are likely to be revised.

[17] Results for 2017 are not yet final and have been reported as 'data not available'. Currently, only data up to 2015 has been released as final by the ABS, allowing it to revise estimated results at a future date. This is standard ABS practice.

[18] Results for 2016 are not yet final and have been reported as 'data not available'. Currently, only data up to 2015 has been released as final by the ABS, allowing it to revise estimated results at a further date. This is standard ABS practice.

[19] Commonwealth of Australia, Department of the Prime Minister and Cabinet, Closing the Gap Report, 2019.

Tackling Indigenous Smoking (TIS) program

Smoking is the single most preventable cause of ill-health and early death among Aboriginal and Torres Strait Islander Australians. The TIS program is a multi-faceted initiative that supports tobacco control strategies targeted at Aboriginal and Torres Strait Islander Australians. Approaches implemented under TIS serve to support tobacco control strategies, such as smoking cessation counselling by primary health care services, national media campaigns and policy initiatives such as plain packaging, health warnings and excise duties.

The TIS program includes:

- Regional Tobacco Control Grants (RTCG) for activities performed at a local level;
- a National Best Practice Unit to assist RTCG recipients;
- a National Coordinator available to provide high-level advice, support and leadership;
- the Indigenous Quitline; and
- Quitskills training to Aboriginal health workers and other health professionals.

The program targets all Aboriginal and Torres Strait Islander Australians. Additionally, TIS has two specific priority groups: smokers living in remote areas; and pregnant women who smoke. RTCG recipients also have flexibility to determine local or regional priority groups through community consultation.

Statistics show that the investment in Indigenous tobacco control is making a difference. The Australian Bureau of Statistics compared the 1994–2005 'pre-investment' period to the 2008–2015 'post investment' period. They found a 2.1 percentage point decline per year in the smoking rates of Indigenous Australians aged 18+ during the investment period, compared to a 0.7 percentage point per year increase in the pre-investment period. They also found a 1.9 percentage point per year decline in smoking initiation during the investment period, compared to no decline in the pre-investment period.

"It's important for us to see and know people we love and care about advocate for this, as it holds us accountable to some extent, especially with blackfellas. If you see Elders come up to you and ask 'why you smoking for still?' It hurts you. Now people are leading the talk. Not just Elders. People who walk besides us every day, the young ones etc. I feel like the younger generation don't smoke as much, in comparison to mine." – Community member.

The percentage of Aboriginal and/or Torres Strait Islander clients with type 2 diabetes who have had a blood pressure measurement result recorded within the previous 6 months is increased.

Source: 2018-19 Health Portfolio Budget Statements, p.71

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
60–65%	Data not available[20]	66%	64%[21]	63%	N/A

High blood pressure is a major risk factor for stroke, coronary heart disease, heart failure, kidney disease, deteriorating vision and peripheral vascular disease that leads to leg ulcers and gangrene. Reducing the prevalence of high blood pressure is one of the most important means of reducing circulatory diseases, which were the leading cause of death among Aboriginal and Torres Strait Islander Australians in 2011–15, equating to 24 per cent of total deaths.[22]

[20] Data for 2018-19 will be available in December 2019.

[21] As of June 2017, changes were made to the data extraction method. This means that data from June 2017 onwards are not comparable with earlier collections because it represents a new baseline for the National Key Performance Indicators for Aboriginal and Torres Strait Islander Primary Health Care results.

[22] Australian Health Ministers' Advisory Council, 2017, *Aboriginal and Torres Strait Islander Health Performance Framework 2017 Report*, AHMAC, Canberra, p.48.

Program 2.3:
Health Workforce

The Department met or substantially met all performance targets related to this program.

The Department continued to support the Government in addressing inequities of health workforce distribution across Australia, with a focus on improving access to health services in rural and regional areas.

The Stronger Rural Health Strategy, which began implementation in 2018-19, is a series of complementary measures to build a sustainable, high quality and well distributed health workforce across the country. It includes a range of incentives, funding and arrangements to give doctors, nurses and other health practitioners more opportunities to train and practice in remote and rural areas.

In 2018-19, the Australian General Practice Training program and Remote Vocational Training Scheme continued to ensure that at least half of all general practice training was delivered in rural areas. These communities continued to benefit from having well supervised and highly trained doctors working in their locality.

Supporting a well-distributed health workforce across Australia

Effective investment in workforce programs will improve the distribution of the health workforce.

a. The number of general practitioners (GPs)[23] in Australia.

b. The number of non-general practice medical specialists[24] in Australia.

c. The number of nurses[25] working in General Practices in Australia.

d. The number of allied health practitioners[26] working in General Practices in Australia.

Source: 2018-19 Health Portfolio Budget Statements, p.73 and Health Corporate Plan 2018-19, p.19

2018-19 Target		2018-19 Result		2017-18	2016-17	2015-16	2014-15
Cities[27]	**Rural[28]**	**Cities**	**Rural**	N/A	N/A	N/A	N/A
a. 20,315	8,786	26,516	12,678				
b. 28,091	5,148	31,068	9,333				
c. 25,389	16,100	30,552	16,594				
d. 2,841	668	2,760	939				
		Result: Substantially met ☾					

While the determinants of health outcomes are multi-faceted, access to the right health professional is a key part of managing the health of all Australians. People in rural and remote areas have poorer health outcomes and one factor is less access to the right health professionals for their needs.

In 2018-19, the Government began implementing the Stronger Rural Health Strategy, which aims to build a sustainable and high quality health workforce, as well as improve access to health professionals in the areas they are most needed.

Among the reforms are improved incentives to employ nurses and allied health professionals in general practice, improved incentives to direct health professionals to areas in need and reformed training programs that will improve the quality of health professionals working in rural and remote areas.

[23] GPs are defined as medical practitioners with fellowship, or training towards fellowship under an accredited training program, of the Royal Australian College of General Practitioners and the Australian College of Rural and Remote Medicine.

[24] Non-general practice medical specialists are defined as medical practitioners with fellowship, or training towards fellowship under an accredited training program, of a medical college recognised by the Medical Board of Australia, working in private practice, except those classified as GPs above.

[25] Nurses, defined under the Health Practitioner Regulation National Law, as in force in each state and territory.

[26] Allied Health Practitioners are defined as workers registered under one of the 15 professions under the National Law.

[27] Defined as locations identified as major cities under the geographic classification Modified Monash Model (MMM) 2015 (Modified Monash area 1) note providers may work in both city and rural and will be double counted across regions in Medical Benefits Schedule (MBS) data, providers with an unknown MMM location are excluded.

[28] Defined as locations identified as rural areas under the geographic classification MMM 2015 (Modified Monash areas 2-7) note providers may work in both city and rural and will be double counted across regions in MBS data, providers with an unknown MMM location are excluded.

Improving the quality of the health workforce

Ensuring Australians have access to high quality services provided by qualified health practitioners through training delivered in all areas of Australia.

a. Percentage of medical practitioners working in general practice with fellowship of either the Royal Australian College of General Practitioners or the Australian College of Rural and Remote Medicine.

b. The percentage of general practice training outside major cities.[29]

c. Proportion of Specialist Training Program activity in rural areas.[30]

Source: 2018-19 Health Portfolio Budget Statements, p.73 and Health Corporate Plan 2018-19, p.19

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
a. 76.6% b. 50.0% c. 40.0%	78.6% 50.3% 48.9%	N/A	N/A	N/A	N/A
	Result: Met ●				

The proportion of GPs with vocational registration continues to grow. This is one of the key elements of the Stronger Rural Health Strategy, to provide incentives and training pathways for GPs to attain fellowship, which is the quality standard set in the *Health Insurance Act 1973*.

The Australian General Practice Training program and Remote Vocational Training Scheme continues to ensure at least half of all general practice training is delivered outside major cities. This contributes to improving access to well-supervised and highly trained health professionals in rural and remote Australia.

[29] Defined as locations identified as outside major cities under the Australian Standard Geographical Classification – Remoteness Area System (ASGC-RA 2-5 2006). For the Remote Vocational Training Scheme, it is a condition that registrars under Stream A are in rural and remote areas (MMM4-7 locations) and those under Stream B are in Aboriginal and Community Controlled Health Services (MMM2-7 locations).

[30] Defined as Commonwealth funded posts supported under Agreements with participating specialist colleges through the Specialist Training Program, reported for 2018 (the calendar year ending during the relevant financial year) in Australian Standard Geographical Classification – Remoteness Area (ASGS-RA) areas 2-5.

Program 2.4:

Preventive Health and Chronic Disease Support

There were four performance targets for which data sets were not available at the time of publication. Where data sets were available, the Department met or substantially met all the targets.

The Department supported the Government in developing strategies and initiatives to reduce the prevalence of chronic conditions. National Strategic Action Plans for a number of chronic conditions, including endometriosis and lung disease, were developed and launched. Initiatives contributing to the goals of the National Diabetes Strategy were undertaken to address the risk factors involved in people developing type 2 diabetes.

The Department continued to assist Australians in making healthier lifestyle choices through a number of programs, including the Health Star Rating system and the Healthy Heart Initiative. The purpose of these programs is to improve the long term health of Australians by educating and encouraging them to make more informed health decisions, make healthier food choices and increase physical activity.

In 2018-19, the Department worked to increase participation in bowel, breast and cervical cancer screening programs. The programs aim to reduce the morbidity and mortality rate of these cancers through early detection, diagnosis and treatment.

The Department continued to improve access to high quality palliative care through projects linked to the National Palliative Care Strategy (the Strategy), including advanced care planning, workforce development and quality improvement processes. The Strategy represents the commitment of the Commonwealth, state and territory governments, palliative care service providers and community-based organisations to ensure that people affected by life limiting illnesses receive the care they need.

Investment in quality alcohol and drug treatment services continued in 2018-19, providing a range of treatment services reflective of community needs. The next iteration of the National Alcohol Strategy and National Tobacco Strategy will be provided to the Ministerial Drug and Alcohol Forum for endorsement in 2019-20. Both are important sub-strategies of the overarching *National Drug Strategy 2017–2026*, a long term framework to reduce and prevent harms associated with alcohol, tobacco and other drugs.

Improving public health and reducing the incidence of chronic disease and complications through promoting healthier lifestyles

National guidance is provided to states and territories, and health professionals, on strategies to reduce the prevalence of chronic conditions and associated complications.

Source: 2018-19 Health Portfolio Budget Statements, p.76

2018-19 Target	2018-19 Result
Release of reporting framework for the National Strategic Framework for Chronic Conditions. Implement Commonwealth responsibilities under the National Diabetes Strategy Implementation Plan. Develop action plans for a number of diseases identified as a priority, including: • Endometriosis; • Arthritis; • Childhood Heart Disease; • Inflammatory Bowel Disease; • Lung Disease; and • Macular Disease. Australian Health Ministers' Advisory Council (AHMAC) and Council of Australian Governments' Health Council (CHC) approval of the Submission on the Australian National Breastfeeding Strategy by the end of 2018.	The reporting framework for the National Strategic Framework for Chronic Conditions was not released in 2018-19. It is expected to be released in early 2020. A wide range of initiatives are being undertaken that contribute to the goals in the Australian National Diabetes Strategy. The National Strategic Action Plans for Endometriosis, Arthritis, Childhood Heart Disease, Inflammatory Bowel Disease, Lung Disease, and Macular Disease were developed and launched. The Australian National Breastfeeding Strategy: 2019 and Beyond was approved by the AHMAC on 8 February 2019 and by the CHC on 8 March 2019.
	Result: Substantially met

Additional work to finalise meaningful indicators has delayed the reporting framework for the National Strategic Framework for Chronic Conditions. The reporting framework is currently being progressed to the AHMAC for endorsement, through the Health Services Principal Committee, prior to its release. After approval from the AHMAC, the baseline data for the reporting framework is expected to be available in early 2020.

A wide range of initiatives support the priority actions in the Implementation Plan for the Australian National Diabetes Strategy. Initiatives are underway to address modifiable risk factors to prevent people from developing type 2 diabetes, including promoting healthier food choices and increasing physical activity.

Recommendations linked to the National Strategic Action Plans for priority diseases are wide ranging and include community awareness, clinical education and training and future research opportunities. Funding has been provided to support early implementation of action plan recommendations. The evidence-based initiatives and recommendations are designed to better prevent, detect, manage and treat a range of chronic conditions, leading to an improvement in quality of life for Australians living with them.

Breastfeeding is an important first step to improved physical and mental health outcomes for both babies and mothers, contributing to reduced future health costs and burden of disease. A number of stakeholders provided input to the Australian National Breastfeeding Strategy: 2019 and Beyond, including through the Breastfeeding Jurisdictional Officers Group, the Expert Reference Group, Commonwealth agencies and an online consultation process. The strategy aims to provide an enabling and empowering environment that protects, promotes, supports and values breastfeeding as the biological and social norm for infant and young child feeding.

Health Star Rating – making healthier choices easier

With three in four Australians now aware of the Health Star Rating system, which came into effect 1 March 2016, the latest phase of the Health Star Rating campaign aims to help educate Australian grocery shoppers about how to use the ratings correctly.

The campaign explains the need to compare similarly packaged products in the same food category and reminds people that a strict calculation has been used to determine the Health Star Rating on the front of packaged products.

Animated characters of key products in each of the five food groups, as well as typical packaged food items bought in supermarkets, were developed to deliver the key messages. The characters are used in television advertising, complemented by digital video displays on shopping centre advertising screens, social media and internet search channels.

Campaign evaluation research found that 75 per cent of people who had seen the advertising had bought a health star rated product, compared the Health Star Rating to other nutritional information or considered using the Health Star Rating when completing future grocery shopping. Additionally, 70 per cent of those that are aware of the system reported that they understood how to use it correctly.

The Health Star Rating campaign is aimed at all Australian grocery buyers aged 18+, with key messages and fact sheets available in six languages.

Australia has one of the highest rates of obesity in the world, with 67 per cent of adults and one in four children being overweight or obese.[31] Improving peoples' health can often start with the choices they make in the supermarket. By using the Health Star Rating system correctly, people are able to make healthier and more informed choices when shopping for their food.

[31] Australian Bureau of Statistics, 2017-18 National Health Survey.

Supporting the development of preventive health initiatives

National leadership is provided to support people to make informed decisions and healthy lifestyle choices. Source: 2018-19 Health Portfolio Budget Statements, p.77	
2018-19 Target	**2018-19 Result**
Increase in the number of businesses adopting the Health Star Rating (HSR) System and an increase in products displaying HSRs. Encourage collaboration between Government, food industry bodies and public health groups through the Healthy Food Partnership Working Groups, including the Portion Size and Reformulation Working Groups, to empower food manufacturers to make positive changes. Encourage healthy lifestyles through increased physical activity and better nutrition through the Healthy Heart Initiative, including: • develop training and education material/resources for general practitioners to support their patients; • a steps competition, promoting innovative uses of technology to support increased physical activity; and • encourage innovative physical activity ideas in schools, universities and community environments. Improve the long term health of Australians, including through the development of: • resources to support families to manage their weight, improve their diet and increase exercise levels; • resources to encourage women to better manage gestational diabetes; and • a new National Injury Prevention Strategy. Implement a grants program to increase levels of physical activity in over 65 year olds.	A total of 13,243 products displayed the HSR System graphic in Australia, according to October-November 2018 store uptake figures. This was a 28.2% increase from the previous collection period of February-March 2018. In total, 204 businesses have adopted the HSR System in Australia; an additional 40 compared to the previous collection period. The Reformulation Working Group continued to finalise draft reformulation targets. The other Healthy Food Partnerships Working Groups have concluded their work plans and are moving into the implementation phase. The general practitioners' (GPs) Healthy Heart Partnership, now known as the Shaping a Healthy Australia project, piloted an online resource to assist GPs in supporting their patients to achieve a healthy lifestyle. Two app-based steps programs were launched in 2018-19; the Prime Minister's One Million Steps and MotivApril. The first phase of the Active Australia Innovation Challenge, aimed toward schools, universities and communities, launched on 27 August 2018. Eight grants across Australia were awarded by the panel. The Department engaged a review of Australia's Physical Activity and Sedentary Behaviour Guidelines for children and young people. Research to inform the development of educational resources for women to better manage gestational diabetes is progressing. The National Injury Prevention Strategy is due for completion in June 2020. The Better Ageing grants program, launched to increase physical activity levels in over 65 year olds, was conducted in the second half of 2018 and resulted in funding for 27 organisations.
	Result: Met ●

The number of products and businesses adopting the HSR System has continued to increase each year since the first in-store collection in September 2015. Ongoing awareness campaigns and the demonstrated increasing awareness of and trust in the system has helped with its adoption. For example, by November 2018, 20.2 per cent of consumers recalled the HSR System without prompting and 69.5 per cent stated that the HSR System influenced their purchasing decisions.[32]

The Healthy Food Partnership Executive Committee has considered the recommendations put forward by the working groups for implementation in 2019-20. Activities for implementation include the development of the Portion Size Best Practice Guide for Industry, adoption of consistent portion size terminology and piloting the Food Service Pledge Scheme.

The Shaping a Healthy Australia project included the development of an online solution that supports a change in GP behaviour when working with patients to achieve a healthy lifestyle. The digital tool was piloted across 14 Australian general practices in both urban and rural settings between November 2018 and February 2019. A pilot evaluation occurred in late February through to March 2019. Further refinement of the tools and resources have occurred based on the pilot feedback and evaluation results. A larger scale pilot of the Shaping a Healthy Australia project will occur towards the end of 2019, with a national rollout of the resources likely to occur in early 2020.

[32] National Heart Foundation 2019, *Report on the monitoring of the implementation of the Health Star Rating system in the first four years of implementation*: June 2014 to June 2018, Canberra.

The Prime Minister's One Million Steps was a campaign open to all Australians, with the aim of walking one million steps in 20 weeks. The campaign saw more than 20,000 app users complete over 10.6 billion total steps. A total of 4,844 people achieved the goal of one million steps, with 22,357 new participants taking part in the challenge. The MotivApril Challenge was a 30 day walking challenge to reach 250,000 steps or complete eight group walks. This recruitment and retention strategy by the Heart Foundation resulted in 11,320 participants, of which 40 per cent were re-engaged users.

The first phase of the Active Australia Innovation Challenge received 138 applications from states and territories, schools, universities and community groups. Of those, 46 went on to submit a more detailed proposal resulting in 16 finalists presenting in the final round. After thorough consideration, the panel awarded eight grants across Australia. The second phase of the challenge launched on 2 June 2019 and was open until 31 July 2019.

The Department engaged the University of Wollongong to review Australia's Physical Activity and Sedentary Behaviour Guidelines for children and young people. The revised guidelines, now known as the Australian 24-Hour Movement Guidelines for Children and Young People (5–17 years), provide recommendations on what duration and intensity of physical activity, and what sedentary behaviour, is considered appropriate to benefit overall health and wellbeing, as well as how much sleep is required. The Department also continued to maintain a range of resources and guidance materials designed to encourage healthy eating and undertaking physical activity.

Deakin University has been contracted to undertake research into better engagement of care for women with gestational diabetes to have follow-up testing for type 2 diabetes.

A literature review for the National Injury Prevention Strategy was finalised in June 2019. Consultation began with round tables in Sydney and Melbourne in March 2019 and governance arrangements to support the development of the strategy were agreed.

There were 251 applications received by Sport Australia as part of the Better Ageing grants program, requesting more money than the amount of funding available. Ultimately, 27 applications were deemed successful. The grants program aims to improve the health and wellbeing of older Australians by enhancing the understanding and benefits of regular physical activity, improving access to and engagement with sport and physical activity and enhancing the capability and capacity of organisations to deliver age-appropriate activities.

Improving early detection, treatment and survival outcomes for people with cancer and supporting access to palliative care services

The percentage of people participating in the National Bowel Cancer Screening Program is increasing.[33]

Source: 2018-19 Health Portfolio Budget Statements, p.78 and Health Corporate Plan 2018-19, p.11

Jan 2018 – Dec 2019 Target	Jan 2018 – Dec 2019 Result	Jan 2017 – Dec 2018	Jan 2016 – Dec 2017	Jan 2015 – Dec 2016	Jan 2014 – Dec 2015
53.1%	Data not available	Data not available	41.3%	40.9%	38.9%

As there is a time lag between an invitation being sent, test results and collection of data from the National Bowel Cancer Screening Program register, participation rates for 1 January 2018 to 31 December 2019 will not be available until early 2021. However, a higher participation rate is expected for the January 2018 to December 2019 period.

The higher expected participation rate is due to a number of factors. These include large scale national, state and territory media campaigns, the introduction of a bowel screening kit with simplified instructions and the expansion and maturity of the program resulting in the invitation of additional people more likely to take part (older people and people who have screened before).

Increasing participation in the program means that more eligible people are completing the potentially life-saving test, increasing early detection and successful treatment of bowel cancer. At current participation rates, modelling shows that 59,000 lives will be saved between 2015 and 2040. Increasing participation rates further to 60 per cent could potentially save over 80,000 lives by 2040.

The percentage of women 50–74 years of age participating in BreastScreen Australia is maintained.[34]

Source: 2018-19 Health Portfolio Budget Statements, p.78 and Health Corporate Plan 2018-19, p.11

Jan 2018 – Dec 2019 Target	Jan 2018 – Dec 2019 Result	Jan 2017 – Dec 2018	Jan 2016 – Dec 2017	Jan 2015 – Dec 2016	Jan 2014 – Dec 2015
54%	Data not available[35]	Data not available[36]	55%	54%	N/A

In 2018-19, the Australian Government continued to actively invite women aged 50–74 to participate in BreastScreen Australia.

As there is a time lag between an invitation being sent, test results and collection of data from registries, participation rates for 2018 and 2019 will not be available until mid 2021. The most recent monitoring report from the Australian Institute of Health and Welfare (AIHW) on participation in the BreastScreen Australia program found that in 2016-17, around 55 per cent of the eligible population participated in the program.

[33] Participation is defined as the percentage of people invited to screen through the National Bowel Cancer Screening Program over a two year period (1 January to 31 December) who return a completed screening test within that period or by 30 June of the following year.

[34] Participation in the BreastScreen Australia Program has remained stable over the past five years. The ongoing participation trend is expected to remain stable over the forward years.

[35] AIHW collect and report BreastScreen Australia participation data based on two calendar years. January 2018 to December 2019 participation data will not be available until after the end of 2019. AIHW will request this data in 2020, which would be released in the BreastScreen Australia Monitoring Report 2021.

[36] AIHW will request the data for the two calendar years January 2017 to December 2018 in 2019, and this data will be released in the BreastScreen Australia Monitoring Report 2020.

BreastScreen Australia – reducing the impact of breast cancer

BreastScreen Australia is jointly funded by the Commonwealth and state and territory governments, and is one of Australia's three population screening programs designed to detect cancer or its precursors before symptoms are apparent. The early detection of breast cancer reduces the impact of treatment and increases an individual's chance of survival.

BreastScreen Australia aims to reduce morbidity and mortality from breast cancer by actively inviting women in the target age group of 50–74 years of age to attend free two yearly screening mammograms. Women aged 40–49 years and 75+ are also eligible to receive free screening mammograms, but do not receive an invitation to attend.

Rose's Story

Rose made an appointment with BreastScreen ACT in the lead up to her 50th birthday, after her GP recommended she undergo a screening mammogram. She was subsequently diagnosed with high grade ductal carcinoma in situ (cancerous cells contained within the duct before it has spread and usually before it can be felt through physical examination). Due to the early stage of diagnosis and in consultation with her specialist, Rose was able to opt for a lumpectomy that did not require further treatment. She has since had her 12 month follow-up, which was clear.

Rose did not have a family history of breast cancer and had not had any recent breast changes; she just knew she needed to have a mammogram when turning 50. Rose says the support and service she received throughout the entire screening and follow-up investigation process were fantastic.

"When I was diagnosed with breast cancer I got a lot of information, reassurance, and clear discussion about options for next steps, which resulted in seeing a breast surgeon the following week. I had surgery and as the cancer was detected so early, I don't need any more treatment."

"I suppose mine is one of the many great stories of early detection from BreastScreen."

Breast cancer mortality has decreased since BreastScreen Australia began, from 74 deaths per 100,000 women aged 50–74 in 1991 to less than 44 deaths per 100,000 in 2015. Breast cancers detected through BreastScreen Australia have a 69 per cent lower risk of causing death than those diagnosed in unscreened women.

In 2019, the Australian Institute of Health and Welfare estimates that breast cancer will be the most commonly diagnosed cancer in Australian women, with 19,371 new cancers diagnosed, and the second most common cause of cancer-related deaths in women, at 3,058 deaths.[37] Despite these numbers, the five year survival rate for breast cancer is high at 90.8 per cent.

BreastScreen
AUSTRALIA
A joint Australian, State and Territory Government Program

[37] Australian Institute of Health and Welfare, Cancer in Australia 2019. Available at: www.aihw.gov.au/reports/cancer/cancer-in-australia-2019/contents/table-of-contents

The percentage of women in the target age group (20–69 years) participating in the National Cervical Screening Program (NCSP) is maintained.[38] [39]

Source: 2018-19 Health Portfolio Budget Statements, p.78 and Health Corporate Plan 2018-19, p.11

Jan 2018 – Dec 2019 Target[40]	Jan 2018 – Dec 2019 Result	Jan 2017 – Dec 2018	Jan 2016 – June 2017[41]	Jan 2015 – Dec 2016	Jan 2014 – Dec 2015
57%	Data not available[42]	Data not available[43]	56.3%	56.0%	56.0%

The AIHW will publish participation rates for the 2018 calendar year in December 2019 and participation rates for the 2019 calendar year in December 2020. This data is currently not available due to the renewal of the NCSP on 1 December 2017, when the two yearly Pap smear program was replaced with a five yearly human papillomavirus (HPV) test. Participation rates cannot yet be calculated for the renewed NCSP as not all participants have been recalled to screen.

The most recent available participation rates show that from 1 January 2016 to 30 June 2017, approximately 56.3 per cent of women aged 20–69 participated in the NCSP, which equates to more than 2.9 million screening tests taken.

The NCSP aims to prevent mortality and morbidity from cervical cancer through early detection. It is predicted that the introduction of a HPV based screening test will reduce cervical cancer incidence and mortality by up to 30 per cent.

[38] From 1 December 2017, the two yearly Pap test for women 18 to 69 years of age changed to a five-yearly HPV test for women 25 to 74 years of age.

[39] Data is not available to forecast forward year targets. Targets will be updated following implementation of the renewal of the NCSP and the National Cancer Screening Register.

[40] This measure is reported on a rolling two-calendar-year basis.

[41] Due to the renewal of the NCSP on 1 December 2017, participation rates for 2016-17 were reported on an 18 month basis.

[42] Data for the 2018 calendar year will be published by AIHW in December 2019.

[43] Ibid.

National Cervical Screening Program

The National Cervical Screening Program (NCSP) is a joint Australian Government and state and territory initiative that aims to prevent cervical cancer through early detection. Australia renewed the NCSP on 1 December 2017, supported by a National Cancer Screening Register (NCSR).

On 1 December 2017, Australia introduced a five yearly human papillomavirus (HPV) Cervical Screening Test for women aged 25–74. This replaced the two yearly Pap test previously offered for those aged 18–69.

After June 2018, the NCSR started sending correspondence to women, reminding them that they were due for a Cervical Screening Test as part of the renewed screening program. The NCSR invites women to screen and re-screen, and provides a safety net to patients and health care providers to support usual care.

"I would not have booked the test if I had not received the reminder letter."

"When I opened the letter I felt that someone really cared." [44]

Australia is one of the first countries in the world to introduce the HPV test for cervical cancer as part of a national screening program. The new Cervical Screening Test looks for HPV, which can be detected before there are any cell changes in the cervix. Moving to the Cervical Screening Test has been estimated to reduce cervical cancer incidence and mortality by up to 30 per cent compared to the previous two yearly Pap test.

Lanny's Story

Lanny, aged 40 from Western Australia had been getting regular Pap tests through the years and, with the exception of one showing possible low-grade changes, the test results were consistently returned normal. However, on having her first Cervical Screening Test, HPV 16 was detected and she was subsequently referred for a colposcopy. A biopsy taken at the time of the colposcopy showed a type of cancer called adenocarcinoma.

"Because of the new Cervical Screening Test, which found my high risk HPV, my adenocarcinoma was detected at an early stage. I was soon receiving specialist treatment. Given that I had no symptoms, I am very thankful that Australia now offers this new test."

NATIONAL
CERVICAL SCREENING
PROGRAM

A joint Australian, State and Territory Government Program

[44] Anonymous feedback in response to receiving Cervical Screening Test letters.

Capability is built through national leadership to ensure that Australians are provided with high quality palliative care. Source: 2018-19 Health Portfolio Budget Statements, p.79	
2018-19 Target	**2018-19 Result**
Implement national projects that improve access to high quality palliative care and service delivery, and provide support for people who are dying, their families and carers. Finalise and release the revised National Palliative Care Strategy by December 2018. Implement the *More Choices for a Longer Life – healthy ageing and high quality care measure*, commencing with bilateral negotiations with each jurisdiction.	National palliative care projects continued to be implemented. The National Palliative Care Strategy was endorsed by Australian Health Ministers in December 2018 and the development of the National Palliative Care Strategy Implementation Plan is currently underway. Bilateral agreements under the palliative care element of the *More Choices for a Longer Life – healthy ageing and high quality care measure* were offered to states and territories and negotiations are ongoing.
	Result: Met ●

In 2018-19, the Department implemented national palliative care projects, including advance care planning, workforce development, national benchmarking and continuous quality improvement processes. This work resulted in national training materials, assessment tools and other resources to assist health, social service and residential aged care providers. The work included a focus on the uptake of advance care plans and other mechanisms for increasing individual choice, improving care quality and greater engagement in planning for goals of care.

The development of the National Palliative Care Strategy Implementation Plan is currently in process, with input from all jurisdictions. These projects have contributed significantly to achieving the objectives of the National Palliative Care Strategy and supporting the provision of quality palliative care in Australia.

Preventing and reducing harm to individuals and communities from alcohol, tobacco and other drugs

National direction supports a collaborative approach to preventing and reducing the harms from alcohol, tobacco and other drugs.

Source: 2018-19 Health Portfolio Budget Statements, p.80 and Health Corporate Plan 2018-19, p.10

2018-19 Target	2018-19 Result
Continue investment in quality alcohol and drug treatment services. Continue to build the evidence base in relation to alcohol and drugs through high quality research. Work with states and territories, and other relevant agencies to: • finalise the next iteration of the National Alcohol Strategy and the National Tobacco Strategy and continue to focus on the priority areas identified; and • continue reporting on the National Drug Strategy and associated sub-strategies.	The Department invested $152.4 million in alcohol and drug treatment this financial year. Significant progress has been made on the development of both the National Alcohol Strategy and the National Tobacco Strategy by the National Drug Strategy Committee, which are expected to be provided to the Ministerial Drug and Alcohol Forum in late 2019 for endorsement. The Department continued to fund five dedicated National Research Centres that undertake research to inform evidence-based policy in relation to alcohol and other drugs. This includes research on new and emerging substances, workforce development and education and to inform treatment programs.
	Result: Met

In 2018-19, the Department invested $152.4 million in drug and alcohol treatment services. This included $103.3 million for Primary Health Networks (PHNs) to commission locally based treatment services in line with community needs and $49 million in directly funded services with a national and state wide intake.

The Department liaised widely with non-government organisations and stakeholders during the progression of the National Alcohol Strategy. State and territory and local government agencies were also consulted and have contributed during development of the strategy.

Work to inform the development of the next National Tobacco Strategy has progressed. Initial consultation was conducted between July and September 2018, including targeted consultation with government officials and public health and tobacco control experts and organisations, and a public call for written submissions.

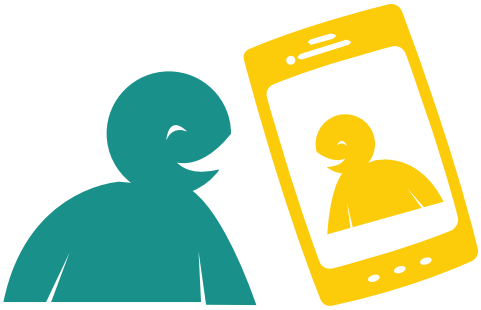
The National Drug Strategy Committee developed reporting templates to facilitate the first annual report against the National Drug Strategy 2017–2026. The templates collect information that demonstrates progress against the indicators outlined in the National Drug Strategy.

The National Fetal Alcohol Spectrum Disorder (FASD) Strategic Action Plan was launched as a sub-strategy of the National Drug Strategy. Monitoring of the progress against this national framework will be the responsibility of the FASD Advisory Group, which will be established in 2019-20. National efforts to address FASD continues to focus on the priority areas identified under the FASD Strategic Action Plan.

The percentage of the population 18 years of age and over who are daily smokers is reduced.[45] [46] Source: 2018-19 Health Portfolio Budget Statements, p.80				
2018-19 Target	**2018-19 Result**	**2017-18**	**2016-17**	**2015-16**
10%	Data not available[47]	14.0%[48]	14.7%	16.3%

Initial results of the 2017-18 National Health Survey were released in late 2018. Although confirmed 2018-19 results are not yet available, there has been a long term decline in the daily smoking rate of Australian adults. Since 2001, the proportion of adults who are daily smokers has decreased from 22.4 per cent (22.3 per cent age-standardised) to 13.8 per cent (14 per cent age-standardised) in 2017-18.

In 2015, tobacco use was responsible for 13 per cent of deaths in Australia, equivalent to almost 21,000 deaths. When fatal and non-fatal burden is taken into account, tobacco use was estimated to be responsible for 9.3 per cent of the total burden of disease and injury.[49] Effective efforts to reduce smoking prevalence will reduce smoking attributable death and disease, as well as the associated social and economic costs of tobacco use.



My QuitBuddy

[45] This measure is being monitored using the Australian Bureau of Statistics (ABS) National Health Survey and refers to age-standardised rates of daily smokers. Results from the next ABS National Health Survey are expected to be released in early 2022.

[46] Targets set for 2017-18 and 2018-19 are based on a 2018 performance benchmark previously agreed to by the Council of Australian Governments' in the 2008 National Healthcare Agreement and its 2012 update. Targets for 2019-20, 2020-21 and 2021-22 will be confirmed in 2019-20, and informed by the next iteration of the National Tobacco Strategy.

[47] The ABS National Health Survey (NHS) is undertaken every three years. The next NHS will be conducted in the 2020-21 financial year.

[48] The age-standardised rate is 14%. Available at: www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4364.0.55.001~2017-18~Main%20Features~Smoking~85

[49] *Australian Burden of Disease Study: Impact and causes of illness and death in Australia 2015*, AIHW. Available at: www.aihw.gov.au/reports/burden-of-disease/burden-disease-study-illness-death-2015/contents/table-of-contents

Program 2.5:
Primary Health Care Quality and Coordination

The Department met or substantially met all performance targets related to this program.

The Department continued to support increasing the efficiency and effectiveness of health services to improve health outcomes for patients across Australia, including through the Primary Health Networks (PHNs). PHNs continue to work with health service providers in their regions to address the needs of the local community and improve the coordination of care for patients.

An extension of the Health Care Homes (HCH) trial and an increased patient cap was announced in 2018-19. The extension will allow further time for general practices and Aboriginal Community Controlled Health Services already participating in the program to implement new models of care tailored to the needs of their patients. The HCH trial aims to provide flexible, coordinated care to patients living with chronic and complex conditions and feed into the development of broader reforms to the primary health care system.

The Department continued to improve the quality of health information available 24 hours a day to the Australian community through telephone and digital communication channels, including on the Healthdirect website.

Strengthening primary health care through improved quality and coordination

Efficiency and effectiveness of health services and coordination of care at the local level is improved. Source: 2018-19 Health Portfolio Budget Statements, p.81 and Health Corporate Plan 2018-19, p.8	
2018-19 Target	**2018-19 Result**
All PHNs monitor and evaluate their commissioned services to inform future commissioning and continuous improvement.	All PHNs monitored their commissioned services, and most PHNs have either completed or have planned evaluations to inform future commissioning and continuous improvement.
	Result: Met

PHNs continued to assess the health needs in their region, commission services to meet these needs and support health providers to improve quality of services and care coordination for patients. PHNs are moving towards incorporating outcomes based commissioning approaches to help ensure a greater focus on identifying and achieving priority outcomes for the communities in their regions.

Approximately 2,000[50] service providers were commissioned to provide services in the areas of mental health, drug and alcohol treatment, after hours care, aged care, population health, digital health and workforce.

[50] This is an approximate figure based on information supplied by PHNs as at 30 September 2018. The Department will confirm this figure following receipt and assessment of PHN 2018-19 Twelve Month Performance Reports.

Continuity of care and coordinated services for patients with chronic and complex illnesses is improved. Source: 2018-19 Health Portfolio Budget Statements, p.82	
2018-19 Target	**2018-19 Result**
Increase eligible patient enrolment in HCH. Ongoing support mechanisms effectively supporting HCH practices. Delivery of interim evaluation report to Government by 30 June 2019.[51]	An extension of the HCH trial was announced. The trial will now operate to 30 June 2021 with a new patient cap of up to 12,000. In 2018-19, eligible patient enrolments in the HCH trial increased from 2,366 to 10,255. PHN facilitators in each eligible PHN region provided support and assistance to enrolled practices around implementation of the HCH model. The timeframe for the HCH evaluation has been extended to reflect the extension of the trial. As a result, the first interim report is due 30 September 2019, which will allow for additional data collection and analysis.
	Result: Substantially met

The Australian General Practice Accreditation Limited (AGPAL) developed online training and education modules to assist practices with patient enrolment in the HCH trial and change management related to implementation of new models of care. The AGPAL training modules have been used throughout the project period by general practitioners, nurses, practice managers, Aboriginal health workers and PHN Practice Facilitators.

Access to health advice, information and support services for the Australian community is improved. Source: 2018-19 Health Portfolio Budget Statements, p.82	
2018-19 Target	**2018-19 Result**
Continue to provide access to trusted health care information, advice and counselling services and improve information on local health and community services through the National Health Service Directory.	Health information and advice continued to be provided 24 hours a day through telephone and digital communication channels, such as the Healthdirect website. Australians made over 34.3 million visits to the Healthdirect Australia website in 2018-19 (an increase of 36% over the previous year) with 33.4% returning for further visits. In the same period, 764,689 callers spoke to a triage nurse.
	Result: Met

The quality of health information and website material is continually improving and regularly updated, ensuring that the Australian public are able to access free health information and advice 24 hours a day. Digital information services were expanded, providing the community with a more effective alternative choice to telephone services.

Since its release, there have been over 1.7 million visits from Australians to the interactive digital symptom checker on the Healthdirect Australia website.

[51] The evaluation of the stage one trial HCH will inform Government consideration of the national rollout of the program.

Program 2.6:
Primary Care Practice Incentives

Data sets were not available at the time of publishing for the performance target related to this program.

The Department continued to support the Government in funding the Practice Incentives Program (PIP). The PIP supports general practice activities that encourage continuing improvements and quality care, enhance capacity and improve access and health outcomes for patients. PIP practice payments are intended to support practices to purchase new equipment, upgrade facilities and increase remuneration for general practitioners working there. This, in turn, improves community health outcomes through earlier diagnosis and treatment of chronic illness, improving outcomes for Aboriginal and Torres Strait Islander Australians and encouraging general practices to adopt more effective and efficient technologies.

Supporting quality care, enhanced capacity and improved access through general practice incentives

Access to accredited general practitioner care maintained through percentage of general practitioner patient care services provided by Practice Incentives Program practices.

Source: 2018-19 Health Portfolio Budget Statements, p.83

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥84.2%	Data not available[52]	85.2%	91.0%	86.0%	85.0%

The PIP continued to support general practice activities that encourage continuing improvements. There are 11 incentives under the PIP that focus on digital health, teaching, Indigenous health, asthma, cervical screening, diabetes, quality prescribing, general practitioner aged care access, procedural services, after-hours access and rural health.

[52] A confirmed result for the 2018-19 financial year will not be available until November 2019, as data cannot be compiled until five months after the reference period (May/June 2019).

Program 2.7:
Hospital Services

The Department met the performance target related to this program.

In 2018-19, the Department supported the Government to improve access to and efficiency of public hospitals through the provision of funding to states and territories. The Department also supported the Australian Government in negotiations on the National Health Reform Agreement (NHRA) 2020–25, to support sustainable and efficient funding for public hospitals.

Supporting the states and territories to deliver efficient public hospital services

Advice is provided to the Minister and external stakeholders in relation to public hospital funding policy. Source: 2018-19 Health Portfolio Budget Statements, p.84 and Health Corporate Plan 2018-19, p.8	
2018-19 Target	**2018-19 Result**
Provide advice and support the development of a new Agreement on public hospital funding arrangements.	Advice and analysis was provided to the Minister and other government agencies in relation to public hospital funding throughout the development of longer term public hospital funding agreements. The Health Innovation Fund Stage 1 Project Agreement between the Commonwealth, New South Wales and Western Australia was signed by all parties.
	Result: Met ●

In 2018-19, the Department supported the Australian Government in negotiations for the NHRA for 2020–25, to support sustainable and efficient funding for Australia's public hospitals into the future.

In December 2018, The Council of Australian Governments (COAG) agreed that Health Ministers would continue to lead development of this agreement for COAG approval before the end of 2019.

Health Innovation Fund projects in New South Wales and Western Australia have commenced, which will aim to deliver new projects that support health prevention and better use of health data.

Outcome 2 - Expenses and Resources

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 2.1: Mental Health[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	929,268	892,319	(36,949)
Departmental expenses			
Departmental appropriation[2]	18,722	18,763	41
Expenses not requiring appropriation in the budget year[3]	604	847	243
Total for Program 2.1	**948,594**	**911,929**	**(36,665)**
Program 2.2: Aboriginal and Torres Strait Islander Health[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	903,974	899,099	(4,875)
Departmental expenses			
Departmental appropriation[2]	28,953	29,759	806
Expenses not requiring appropriation in the budget year[3]	956	1,474	518
Total for Program 2.2	**933,883**	**930,332**	**(3,551)**
Program 2.3: Health Workforce			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,424,020	1,410,646	(13,374)
Departmental expenses			
Departmental appropriation[2]	39,513	38,437	(1,076)
Expenses not requiring appropriation in the budget year[3]	1,287	1,740	453
Total for Program 2.3	**1,464,820**	**1,450,823**	**(13,997)**
Program 2.4: Preventive Health and Chronic Disease Support[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	496,595	473,719	(22,876)
Departmental expenses			
Departmental appropriation[2]	39,374	37,751	(1,623)
Expenses not requiring appropriation in the budget year[3]	1,286	1,711	425
Total for Program 2.4	**537,255**	**513,181**	**(24,074)**
Program 2.5: Primary Health Care Quality and Coordination			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	399,845	394,455	(5,390)
Departmental expenses			
Departmental appropriation[2]	18,781	19,593	812
Expenses not requiring appropriation in the budget year[3]	614	885	271
Total for Program 2.5	**419,240**	**414,933**	**(4,307)**

Outcome 2 - Expenses and Resources (continued)

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 2.6: Primary Care Practice Incentives			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	365,670	352,103	(13,567)
Departmental expenses			
Departmental appropriation[2]	1,957	1,668	(289)
Expenses not requiring appropriation in the budget year[3]	61	76	15
Total for Program 2.6	**367,688**	**353,847**	**(13,841)**
Program 2.7: Hospital Services[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	14,832	15,825	993
Departmental expenses			
Departmental appropriation[2]	26,043	25,533	(510)
Expenses not requiring appropriation in the budget year[3]	3,542	3,740	198
Total for Program 2.7	**44,417**	**45,098**	**681**
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	4,534,204	4,438,166	(96,038)
Departmental expenses			
Departmental appropriation[2]	173,343	171,504	(1,839)
Expenses not requiring appropriation in the budget year[3]	8,350	10,473	2,123
Total expenses for Outcome 2	**4,715,897**	**4,620,143**	**(95,754)**
Average staffing level (number)	**811**	**839**	**28**

1 This Program excludes National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

2 Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1*)' and 'Revenue from independent sources (s74)'.

3 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

Outcome 3:
Sport and Recreation

Improved opportunities for community participation in sport and recreation, excellence in high-performance athletes, and protecting the integrity of sport through investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues

Highlights

	**Sport 2030**	Australia's first national sport plan, Sport 2030, was launched in August 2018. *Program 3.1*
	**Move It Aus**	A number of programs and awareness campaigns consistent with the Sport 2030 vision have commenced, encouraging people to become more active. *Program 3.1*
	**World Anti-Doping Compliance**	The World Anti-Doping Agency (WADA) identifies Australia as being compliant with the World Anti-Doping code. *Program 3.1*
	**Sports Diplomacy 2030**	A new Sports Diplomacy 2030 strategy was released in February 2019. *Program 3.1*

18 nations
participated in the
2018 Invictus Games

8.7 million females
aged 15 and over
participate in sports or physical recreation
at least once per week

The **2018 Invictus Games** in Sydney hosted **491 competitors** and over **1,000 family and friends**

14 million
Australians **participate** in sport **annually**

Programs contributing to Outcome 3	Summary of results against performance criteria		
Program	**Targets met**	**Targets substantially met**	**Targets not met**
Program 3.1: Sport and Recreation	3	–	–
Total	**3**	**–**	**–**

Program 3.1:
Sport and Recreation

The Department met all performance targets related to this program.

Sport is an important part of Australian society and holds many benefits for the Australian community and economy. Sport and physical activity positively impacts all Australians by encouraging people to be more active, more often. This creates a stronger and healthier Australia where as many people as possible see and feel the benefits of sport and physical activity during every stage of their lives.

Throughout 2018-19, the Department worked closely with a range of stakeholders to maintain the Sport 2030 vision: ensuring Australia is the world's most active and healthy sporting nation, known for its integrity and sporting success.

The Department continued to support global anti-doping efforts, ensure Australian compliance with the World Anti-Doping Code and promote safe, fair and inclusive Australian Sport – ranging from grassroots levels through to elite and professional ranks – protecting the considerable government and community investment in sport and the diverse benefits sport provides to the Australian community.

The Department supported the Australian Government to facilitate the highly successful 2018 Invictus Games and is continuing to lead coordination of the International Cricket Council T20 World Cup 2020 (ICC T20 World Cup). Additionally, the Australian Government will partner with the sports industry and other nations to implement the Sports Diplomacy 2030 strategy, aimed at increasing engagement between Australian and Pacific sports, supporting regional sports integrity efforts, building the diplomatic capacity of Australian sports and improving the international profile of the Australian sporting industry.

Supporting an increase in participation in sport and recreation activities, fostering excellence in Australia's high-performance athletes and protecting the integrity of Australian sport

Participation in sport is supported through the development, implementation and promotion of national policies and strategies. Source: 2018-19 Health Portfolio Budget Statements, p.89	
2018-19 Target	**2018-19 Result**
Support the ongoing delivery of the Australian Government's sport policies and initiatives, including implementation, monitoring and evaluation of relevant programs and initiatives. Provide strategic, high quality policy advice to Government.	Australia's first national sport plan, Sport 2030, was launched in August 2018. A number of grant programs and campaigns which deliver on the Sport 2030 vision have since commenced. A new Sports Diplomacy 2030 strategy was released in February 2019 in collaboration with the Department of Foreign Affairs and Trade. Strategic high quality advice on sports issues has been provided to Government.
	Result: Met ●

Sport 2030 was supported by the launch of the Community Sport Infrastructure grant program, the Better Ageing grant program and the Move It Aus Participation grant program, as well as the Find Your 30 awareness campaign. The campaign's purpose was to encourage Australian adults to commit to at least 30 minutes of activity each day and has been well received with high levels of recognition in the community. The new grant programs provide funding to sporting and community organisations to help Australians become more active.

The Sports Diplomacy 2030 strategy was informed through national consultations with representatives from all the major Australian sports codes and other key sports stakeholders. The strategy seeks to increase engagement between Australian and Pacific sports, improve the international profile of the Australian sport industry, support regional sports integrity initiatives and build stronger communities in the region by addressing issues of gender equality, disability inclusion and social cohesion.

Whole-of-government leadership and coordination of major international sporting events in Australia is provided, including the development and implementation of related policies and strategies, to support each event.

Source: 2018-19 Health Portfolio Budget Statements, p.89 and Health Corporate Plan 2018-19, p.13

2018-19 Target	2018-19 Result
Policies and operational arrangements are implemented to meet agreed Australian Government commitments to support the: • 2018 Invictus Games; • ICC T20 World Cup; and • 2023 FIFA[53] Women's World Cup – potential Australian bid.	The Department successfully delivered operational and protocol support to the 2018 Invictus Games. The Department continued coordination of Australian Government support for: • ICC T20 World Cup; and • Football Federation Australia to further develop its bid for Australia to host the 2023 FIFA Women's World Cup.
	Result: Met

The Department led the strategic planning and coordination of Australian Government operational support through the planning and event delivery phases for the highly successful 2018 Invictus Games. Support included immigration and border control, biosecurity, medical device importation, security, international engagement and protocol arrangements.

The Department has facilitated the coordination of Australian Government operational support for the ICC T20 World Cup, including in the areas of immigration and border control, taxation, movement of currency, security, intellectual property rights protection and event promotion.

The Department has led Australian Government involvement in the development of Football Federation Australia's bid to host the 2023 FIFA Women's World Cup, in consultation with states and territories.

[53] Fédération Internationale de Football Association.

Invictus Games – Sydney, Australia 2018

The 2018 Invictus Games (IG2018) took place from 20–27 October 2018, with events being held across the Greater Sydney area, including Sydney Harbour and Sydney Olympic Park. Up to 500 novice, experienced and elite competitors from 18 nations participated in the multi-day and adaptive sport event created for wounded, injured or ill armed services personnel and veterans.

While the Australian International Military Games Limited, a not-for-profit charity, was responsible for the planning and delivery of the event, the Office for Sport within the Department of Health lead the strategic planning and coordination of Australian Government operational support to IG2018. This included immigration and border control, physical and biological security, medical device importation, international engagement and protocol support.

The event attracted more than 105,000 spectators, 1,200 volunteers, 665 media personnel and a number of international dignitaries to Sydney. Media coverage was extensive, with the event broadcast to a large global audience. In addition, IG2018 provided an opportunity to recognise and thank the friends and family of competing service men and women for the support they provide them. More than 1,000 family and friends attended throughout the event, taking part in a dedicated program of activities.

IG2018 harnessed the power of sport to inspire and support recovery, not just to the service men and women involved, but to all who witnessed their physical and mental rehabilitation. It also generated a wider awareness, understanding and respect for those who have served their country.

"It's about more than your inspiring stories of recovery from injury and illness. It's about your example of determination, of optimism, of strength, of honour and friendship – or as the Aussies call it, mateship. A core value that has the power to inspire the world." – HRH the Duke of Sussex

Safe and successful major sporting events such as IG2018 continue to provide the Australian community with sporting, social, cultural and economic benefits and further enhance Australia's reputation as a premier host of major international sporting events.

The integrity of Australian sport is protected from threats of match-fixing, doping, criminal infiltration and other forms of corruption. Source: 2018-19 Health Portfolio Budget Statements, p.90 and Health Corporate Plan 2018-19, p.13	
2018-19 Target	**2018-19 Result**
Australian anti-doping arrangements are compliant with the World Anti-Doping Code. Sports integrity efforts of national sporting organisations, states and territories, and other stakeholders are supported through ongoing policy development, collection, assessment and dissemination of sports integrity threat information and related briefings, education platforms and initiatives. Implement agreed responses to the Review of Australia's Sport Integrity Arrangements (Wood Review[54]).	Australia is formally identified as being compliant with the World Anti-Doping Code by the World Anti-Doping Agency (WADA). Ongoing support has been provided to sports integrity stakeholders across the sector. The government response to the Wood Review was released in February 2019 and implementation of agreed responses has commenced. **Result: Met**

Australia continues to be a contributor to world anti-doping efforts including through formal delegate status to the WADA Executive Committee and Foundation Board, and supporting the United Nations Educational, Scientific and Cultural Organization's International Convention against Doping in Sport and Pacific anti-doping programs.

The Department has established a dedicated sports integrity taskforce to implement the government response to the Wood Review, including establishing a National Sports Tribunal, enhancing anti-doping capability, developing national anti-match fixing offences and establishing a single national sports integrity agency, Sport Integrity Australia. Legislation to establish Commonwealth match-fixing offences is expected to be introduced in early 2020.

Australian sport continues to benefit from support provided through the threat assessment and response process, activities of the Sports Betting Integrity Unit, and education and outreach efforts.

[54] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/the-government-response-to-the-wood-review

Outcome 3 - Expenses and Resources

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 3.1: Sport and Recreation[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	23,906	23,796	(110)
Special Accounts			
Sport and Recreation	407	352	(55)
Departmental expenses			
Departmental appropriation[2]	11,092	10,122	(970)
Expenses not requiring appropriation in the budget year[3]	351	443	92
Total for Program 3.1	**35,756**	**34,713**	**(1,043)**
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	23,906	23,796	(110)
Special accounts	407	352	(55)
Departmental expenses			
Departmental appropriation[2]	11,092	10,122	(970)
Expenses not requiring appropriation in the budget year[3]	351	443	92
Total expenses for Outcome 3	**35,756**	**34,713**	**(1,043)**
Average staffing level (number)	**47**	**48**	**1**

[1] This Program excludes National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

[2] Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1*)' and 'Revenue from independent sources (s74)'.

[3] Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

Outcome 4:
Individual Health Benefits

Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance

Highlights

More than 424 million medical services were funded by Medicare

The Australian Government spent $24.1 billion in 2018-19, helping Australians access more than 424 million medical services, with record high levels of bulk billing.

Program 4.1

1.58 million hearing services provided to Australians

Through the Hearing Services Program, 1.58 million hearing services were provided to 796,000 clients during 2018-19.

Program 4.2

Additional funding to support new medicines

An additional $2.8 billion was announced for Pharmaceutical Benefits Scheme (PBS) medicines.

Program 4.3

The lowest premium change in 18 years, at 3.25 per cent

The private health insurance reforms delivered in 2018-19 contributed to the lowest annual premium change in the past 18 years, at 3.25 per cent.

Program 4.4

Continuous glucose monitoring (CGM) initiative expansion

The CGM initiative was expanded to include three additional patient cohorts with over $277 million being allocated over four years. As a result of the expanded eligibility criteria from 1 March 2019 to 30 June 2019, an additional 1,843 people have participated in the scheme.

Program 4.8

Gold, Silver, Bronze and Basic tiers for hospital products were introduced to **simplify private health insurance for consumers**

Over **5,200** products on the **PBS**

14,089 eligible breast prostheses reimbursement claims were processed

13.6 million Australians have **private health insurance**

Programs contributing to Outcome 4	Summary of results against performance criteria			
Program	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Program 4.1: Medical Benefits	5	–	–	–
Program 4.2: Hearing Services	–	1	–	–
Program 4.3: Pharmaceutical Benefits	11	1	–	–
Program 4.4: Private Health Insurance	2	–	–	–
Program 4.5: Medical Indemnity	2	–	–	–
Program 4.6: Dental Services	–	–	–	1
Program 4.7: Health Benefit Compliance	1	–	–	–
Program 4.8: Targeted Assistance – Aids and Appliances	3	–	–	–
Total	24	2	–	1

Program 4.1:
Medical Benefits

The Department met all performance targets related to this program.

The Department supported the Government to provide access to a modern, high-quality Medicare system based on current clinical evidence. This includes the continuation of the review of the Medicare Benefits Schedule (MBS) by the clinician-led MBS Review Taskforce. The review is delivering an MBS that aligns with evidence-based and contemporary clinical practice. The resulting modernised MBS delivers both net savings for Government that are being reinvested in Medicare and better health outcomes for patients by recognising new and often more effective and efficient health technology and high value care.

The Department continued to support the Government to operate targeted assistance programs for Australians who require life saving treatment not available in Australia, and allow Australian residents to receive help with the cost of essential medical treatment while travelling within an eligible Reciprocal Health Care Agreement (RHCA) country. Assistance was also provided to women who have undergone a mastectomy as a result of breast cancer through the Breast Prostheses Reimbursement Program.

The Disaster Health Care Assistance Scheme provided assistance with health costs for Australians who have been affected by natural disasters overseas including drought, bushfires and floods.

In 2018-19, the Department supported the National Pathology Accreditation Advisory Council to develop five revised pathology accreditation standards. These reflect current best practice and continue to ensure Australians have access to high quality pathology services through the National Pathology Accreditation Program.

Ensuring continued access to a Medicare system that provides modern, high quality and cost-effective professional health services that are in line with current clinical evidence

Continued review of Medicare Benefits Schedule (MBS) items to maintain a Medicare system that provides high value care to the Australian public based on contemporary evidence and practice. Source: 2018-19 Health Portfolio Budget Statements, p.98 and Health Corporate Plan 2018-19, p.6	
2018-19 Target	**2018-19 Result**
Clinical Committees will have considered 95% or more of the MBS items. Implementation of all Government responses to review recommendations agreed in 2018-19 will be either underway or complete.	The MBS Review Taskforce has completed its initial consideration of 100% of the more than 5,700 existing MBS items and has prepared more than 60 reports for consultation. Implementation is underway of Government responses to review recommendations agreed in 2018-19.
	Result: Met ●

While the MBS Review Taskforce has completed its initial consideration of the more than 5,700 existing items and prepared over 60 reports, a number of these reports will be the subject of stakeholder consultation throughout 2019-20, prior to being finalised for Government consideration.

Stakeholder engagement is critical to the success of the Review, ensuring risks associated with implementation of recommendations can be identified and mitigated.

The Australian Government has announced its response to a number of MBS Review recommendations that impact on rural and regional Australians. From 1 November 2018, a new MBS item was introduced to enable nurses, Aboriginal and Torres Strait Islander health practitioners and Aboriginal health workers to provide dialysis in very remote areas. This directly benefits Aboriginal and Torres Strait Islander Australians who previously had to travel to receive treatment.

Providing targeted financial assistance, including to Australians who require life saving medical treatment not available in Australia, and access to breast prostheses for women who have had breast cancer

Provide financial assistance to Australians for appropriate medical treatment not available in Australia or for out-of-pocket health care costs as a result of specific overseas disasters.

Source: 2018-19 Health Portfolio Budget Statements, p.99

2018-19 Target	2018-19 Result
Applications for financial assistance for medical treatment overseas are assessed in accordance with program guidelines. Ensure that payments to affected individuals for out-of-pocket health care costs arising from specified international adverse events are provided in an effective manner.	All applications for financial assistance for medical treatment overseas were assessed in accordance with the established program guidelines, with financial assistance provided to eligible applicants. Visitors from countries with RHCAs received necessary treatment and no significant issues were encountered when accessing public health care. The Department continued to provide policy advice to the Department of Human Services, ensuring health care assistance was provided to eligible Australians.
	Result: Met

The Medical Treatment Overseas Program (MTOP) and the Disaster Health Care Assistance Schemes are demand-driven programs. Eligible people receive reimbursement for out-of-pocket health care expenses related to any injury or illness that has resulted from one of the incidents covered by the Schemes.

The Australian Government has RHCAs with New Zealand, United Kingdom, Republic of Ireland, Sweden, the Netherlands, Finland, Italy, Belgium, Malta, Slovenia and Norway.

In 2018-19, the Department received 46 applications for financial assistance under the MTOP. A total of 32 individuals requiring care received MTOP funding to undergo treatment overseas. These applicants were supported by independent expert advice from relevant medical professionals and specialists.

In 2018-19, MBS services were provided in a timely manner to visitors to Australia under the RHCAs.

Improving the quality of life of women who have undergone a mastectomy as a result of breast cancer, through efficient processing of claims from eligible women under the National External Breast Prostheses Reimbursement Program.

a. Claims processed within ten days of lodgement.

Source: 2018-19 Health Portfolio Budget Statements, p.99

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥90%	92%[55]	97%	95%	98%	98%
	Result: Met				

Of the 14,089 eligible claims made under the Breast Prostheses Reimbursement Program, 92 per cent were processed within 10 business days of lodgement.

Timely processing of claims under this program benefits recipients through the provision of reimbursement for the cost of their prostheses.

[55] The decline in claim processing times is due to additional staff training and quality checking processes.

Supporting safe and effective diagnostic imaging and pathology services

Mitigate potential risks to patient safety and improve quality pathology services through maintaining a consistent and contemporary accreditation framework that underpins all Medicare eligible pathology services. Source: 2018-19 Health Portfolio Budget Statements, p.99	
2018-19 Target	**2018-19 Result**
Ensure consumers have continued access to up-to-date, quality pathology services through reviewing and updating the Australian Pathology Accreditation Framework, as required.	The Department ensured consumers had continued access to safe and quality pathology services through contemporary quality standards. Five revised pathology accreditation standards were endorsed.
	Result: Met

The Department supported the National Pathology Accreditation Advisory Council (NPAAC) to deliver its work program focused on the development and maintenance of contemporary quality standards for pathology laboratories. These standards provide minimum best practice for pathology laboratories.

Five revised pathology accreditation standards were endorsed by the NPAAC and were referenced as legislated pathology accreditation standards for pathology laboratories.

Supporting the delivery of high quality radiation oncology services

Ensure Australians have access to high quality radiotherapy services through the Radiation Oncology Health Program Grant Scheme. Source: 2018-19 Health Portfolio Budget Statements, p.100	
2018-19 Target	**2018-19 Result**
Provide targeted financial contributions to the capital cost of radiation oncology linear accelerators[56] located in priority areas as agreed between the Commonwealth and relevant states and territories.	In 2018-19, the Department provided targeted financial contributions, with an increase of six approved facilities. Presently there are only two states with self-identified priority areas, being Western Australia and South Australia.
	Result: Met

In 2018-19, there was an increase of six approved facilities since 2017-18, with a total of 102 approved radiotherapy facilities funded under the Radiation Oncology Health Program Grant scheme.

[56] The device most commonly used for external beam radiation treatments for patients with cancer.

Program 4.2:
Hearing Services

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

The Hearing Services Program provides eligible Australians with a range of hearing services to help manage their hearing loss and improve their engagement with the community. In turn, this benefits their families, society and the economy.

During 2018-19, a thematic review of the Hearing Services Program legislation was completed in consultation with consumer and hearing industry stakeholders to ensure the efficient and fit for purpose legislation. The Department also engaged with consumers, providers and industry to establish the Hearing Health Sector Committee and supported the Committee to develop the Hearing Health Roadmap, setting out future directions and priorities.

The Department worked collaboratively with the National Disability Insurance Agency to develop and implement a strategy for transition of Community Service Obligation clients from the Hearing Services Program and the National Disability Insurance Scheme.

An online hearing screening tool for all Australian school aged children was provided by funding licenses for the use of Soundscouts™ from 2018-19 to 2021-22.

In 2018-19, research into hearing health, rehabilitation and prevention activities was supported through funding of the National Acoustics Laboratories.

Supporting access to high quality hearing services and research into hearing loss prevention and management

Support access to high quality hearing services through the voucher and Community Service Obligations components of the Hearing Services Program.

Source: 2018-19 Health Portfolio Budget Statements, p.101

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
811,000 clients	796,000 clients[57]	733,400 voucher clients	713,182 voucher clients	692,283 voucher clients	669,793 voucher clients
	Result: Substantially met ◖				

Through the voucher and Community Service Obligations components of the Hearing Services Program, 1.58 million hearing services were delivered to 796,000 clients in 2018-19.

[57] The target has been updated to include both Voucher and Community Service Obligation clients in 2018-19. The target has also been adjusted in the 2019-20 Portfolio Budget Statements to reflect change in definition.

Program 4.3:
Pharmaceutical Benefits

The Department met or substantially met all performance targets related to this program.

The Department works with the Government to provide reliable, timely and affordable access to cost-effective, high quality medicines and pharmaceutical services, which is key to improving the health of all Australians.

In 2018-19, the Department supported the Government to strengthen the Pharmaceutical Benefits Scheme (PBS) to ensure it remains affordable into the future through implementation of strategic agreements with the medicines industry.

The Department supported the Government to continue to ensure that patients with life threatening conditions had access to essential medicines through the Life Saving Drugs Program (LSDP) and supported access to PBS-funded medicines and medicines data. The Department also supported the Pharmaceutical Benefits Advisory Committee (PBAC) to ensure new medicines are considered for listing on the PBS in a timely manner. This ensures the Australian public has access to new and affordable innovative medicines.

Providing access to new and existing medicines for patients with life threatening conditions

Ensure new eligible patients have access to the Life Saving Drugs Program. Source: 2018-19 Health Portfolio Budget Statements, p.104	
2018-19 Target	**2018-19 Result**
New patient applications are processed within 30 calendar days of receipt.	In total 95% of all new completed patient applications for new patients were processed within 30 calendar days of receipt.
	Result: Substantially met

The LSDP processed new applications in accordance with the LSDP guidelines[58].

[58] These guidelines are available at: www.health.gov.au/internet/main/publishing.nsf/Content/lsdp-criteria

Ensure continued access to eligible patients to medicines under the Life Saving Drugs Program. Source: 2018-19 Health Portfolio Budget Statements, p.104	
2018-19 Target	**2018-19 Result**
Facilitate continued eligible patient access to life saving medicines.	The Department facilitated access to life saving medicines for all eligible patients.
	Result: Met ●

The LSDP provides fully subsidised access for eligible patients to expensive and life saving medicines for rare and life threatening medical conditions. Eligible patients had timely access to subsidised treatment.

There are currently 16 drugs funded on the LSDP (three new drugs listed in 2018-19), at no cost to patients. The new drugs cerliponase alfa and migalastat were made available to provide treatment to Australian patients who have rare medical conditions known as Batten disease and Fabry disease. A new brand and a new strength of nitisinone, Nityr, was also made available to provide life saving treatment to Australian patients with Hereditary Tyrosinaemia Type 1 (HT-1). As at 30 June 2019, there were 434 patients being treated on the LSDP.

Ensuring access to cost-effective, innovative, clinically effective medicines through the Pharmaceutical Benefits Scheme

Percentage of submissions for new medicines that are recommended for listing by the Pharmaceutical Benefits Advisory Committee, that are listed on the Pharmaceutical Benefits Scheme within six months of agreement of budget impact and price. Source: 2018-19 Health Portfolio Budget Statements, p.104 and Health Corporate Plan 2018-19, p.6					
2018-19 Target	**2018-19 Result**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
80%	100%	88%	85%	92%	N/A
	Result: Met ●				

Negotiations with product sponsors and listing activities for new listings of medicines on the PBS were completed in a timely manner, with 100 per cent being listed on the PBS within six months of agreement on price and cost to Government.

The Department uses this metric because agreement must be reached with a sponsor on price and budget impact before a listing can be finalised by Government. Discussions regarding the finalisation of price and budget impact following the PBAC recommendation are often complex and in limited circumstances may require further PBAC consideration.

Improving access to medicines – Pharmaceutical Benefits Scheme (PBS) process improvements

During 2018-19, the Department collaboratively developed and, on 1 July 2019, implemented improvements to PBS listing processes. These process improvements delivered the first stage of the Government's commitment under the Strategic Agreement with Medicines Australia to improve the efficiency, transparency and timeliness of the PBS listing process. The first stage included changes to pre-submission meetings, introduction of a mandatory intent to apply step and introduction of new pricing pathways following a positive Pharmaceutical Benefits Advisory Committee (PBAC) recommendation.

These process improvements aim to facilitate increased patient access to medicines on the PBS by providing industry with improved guidance and support for submissions to the PBAC, ensuring submissions can be considered by the PBAC in a timely way and by providing industry with transparency and greater clarity on the post PBAC process for listing a medicine on the PBS.

Simultaneously, the PBS cost recovery arrangements were updated to better reflect the real costs and activities associated with PBS processes and to align the arrangements with the current Australian Government Charging Framework. The Australian Government provided $64 million over four years to progress reforms to the listing of subsidised medicines for Australian patients.

Additional work and consumer consultation on improvements to processes and transparency are underway, with further changes expected to commence from 1 July 2020.

Supporting timely access to medicines and pharmacy services

Deliver an increased suite of reporting and data related to pharmacy and Pharmaceutical Benefits Scheme (PBS) funded medicine access and cost that is made available to Parliament, consumers and business.

Source: 2018-19 Health Portfolio Budget Statements, p.105

2018-19 Target	2018-19 Result
Periodically increase the volume and nature of data on the Department of Health website.	During 2018-19, six additional reports of medicine utilisation reviews undertaken by the Drug Utilisation Sub Committee (DUSC)[59] of the PBAC were made available on the Department's website. *Expenditure and Prescriptions twelve months to 30 June 2018 report* was published[60] and made available on the Department's website.
	Result: Met ●

Each month, more information in relation to the volume and type of medicines dispensed in pharmacies is released on the PBS website. Businesses, pharmaceutical industry stakeholders and researchers use this information to create a better understanding of pharmacy and the pharmaceutical sector in Australia.

The Department now reports prescription information based on the date of supply of the PBS medicine, as opposed to the date at which a prescription was processed for payment. In addition, a number of tables in the annual Expenditure and Prescriptions Report now include Section 100 data[61], which were not previously publicly available.

[59] Further information on the DUSC reviews is available at: www.pbs.gov.au/info/industry/listing/participants/public-release-docs/dusc-utilisation-public-release-docs

[60] Further information available at: www.pbs.gov.au/info/browse/statistics

[61] Ibid.

Percentage of Urban Centres[62] in Australia with a population of 1,000 persons or more with an approved supplier[63] of Pharmaceutical Benefits Scheme medicines.

Source: 2018-19 Health Portfolio Budget Statements, p.105

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
>90%	91.13%	90.56%	91.96%	91.80%	N/A
	Result: Met ●				

Ongoing monitoring of PBS approved suppliers in Urban Centres helps to ensure suppliers are being approved in appropriate locations.

Percentage of Urban Centres in Australia with a population of 1,000 persons or more with a resident service provider of, or recipient of, Medscheck, Home Medicines Review, Residential Medication Management Review or Clinical Intervention.

Source: 2018-19 Health Portfolio Budget Statements, p.105

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
>80%	87.9%	89.1%	90.0%	97.0%	N/A
	Result: Met ●				

In 2018-19, 87.9 per cent of Urban Centres with a population of 1,000 persons or more had access to medication management advice and reviews when needed. These activities support the quality use of medicines and aim to reduce medicine related problems.

Percentage of subsidised Pharmaceutical Benefits Scheme units delivered to community pharmacy within agreed requirements of the Community Service Obligation.

Source: 2018-19 Health Portfolio Budget Statements, p.105

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
>95%	98.2%	98.4%	97.5%	96.0%	N/A
	Result: Met ●				

The aim of the Community Service Obligation (CSO) is to ensure there are arrangements in place for all Australians to have access to the full range of PBS medicines via their community pharmacy, regardless of where they live and usually within 24 hours. Payment is provided to eligible CSO Distributors who meet agreed compliance requirements and service standards that underpin the CSO arrangements.

In 2018-19, the Department conducted an Approach to Market to appoint eligible wholesalers to support implementation of the CSO arrangements. This Approach to Market appointed four national wholesalers and two state-based wholesalers, which will ensure continuity of CSO arrangements and support timely and affordable access to PBS medicines for all Australians.

[62] Further information available in the Urban Centres and Localities and Significant Urban Areas Fact Sheet, available at: www.abs.gov.au/websitedbs/D3310114.nsf/home/ASGS+Fact+Sheets

[63] For this criterion, an approved supplier includes a pharmacy, a medical practitioner (in rural/remote locations where there is no access to a pharmacy) or an Aboriginal Health Service, approved to supply PBS medicines to the community. It does not include an approved hospital authority, approved to supply PBS medicines to its patients.

Maintaining the effectiveness of the Pharmaceutical Benefits Scheme through monitoring and post-market surveillance

Post-market reviews deliver relevant and high quality advice to the Pharmaceutical Benefits Advisory Committee (PBAC) and Government. Source: 2018-19 Health Portfolio Budget Statements, p.106	
2018-19 Target	**2018-19 Result**
Established working groups will engage with professional and community stakeholders to conduct reviews on: • chronic plaque psoriasis (CPP); and • pulmonary arterial hypertension (PAH) medicines. Commence new post-market reviews and research projects recommended by PBAC.	Established reference groups continued to engage constructively with professional and community stakeholders to conduct post-market reviews on: • the use of biologics in the treatment of CPP; and • PAH medicines. Research projects were undertaken on: • proton pump inhibitor (PPI) medicines for gastric disorders; and • 5-aminosalicylic acid (5-ASA) medicines for ulcerative colitis and Crohn's disease.
	Result: Met ●

For each review, the reference group included members with clinical and technical expertise, industry representatives and consumer advocates to ensure relevant and high quality advice was provided. Reference Group members provided input through meetings, teleconferences and emails.

A PAH stakeholder meeting was held in June 2019 to provide advice to the PBAC on PBS restrictions for dual combination PAH medicine therapy.

Pharmaceutical sponsors and clinical experts provided input to the research report on the PPI project and the 5-ASA research project prior to consideration by the PBAC. This promoted transparency and ensured the PBAC was provided with any additional information on the clinical use of these medicines.

PBAC-agreed PBS restriction changes to PBS listed biologics for CPP and PPIs were implemented on 1 May 2019 and revised PBS restrictions to treat PAH were agreed for implementation.

Percentage of post-market reviews completed within scheduled timeframes. Source: 2018-19 Health Portfolio Budget Statements, p.106					
2018-19 Target	**2018-19 Result**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
90%	96%	94%	100%	100%	N/A
	Result: Met ●				

In 2018-19, two post-market reviews were progressed:

- the use of biologics in the treatment of severe CPP; and
- medicines for PAH.

Reports on the two reviews were completed in 2018-19 and considered by the PBAC. The Department continues to progress and implement the PBAC's recommendations from both reviews.

Percentage of Government-accepted recommendations from post-market reviews that have been implemented within agreed timeframes.

Source: 2018-19 Health Portfolio Budget Statements, p.106

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥80%	94%	100%	85%	80%	N/A
	Result: Met ●				

In response to the post-market review of the use of biologics in the treatment of severe CPP, the PBAC recommended a full cost-effectiveness review of biologics for CPP, as well as a change to the Pharmaceutical Benefits Scheme (PBS) restriction. The PBS restriction change was implemented on 1 May 2019 and the cost-effectiveness review is in progress.

In response to the post-market review of PAH medicines, the PBAC recommended changes to PBS restrictions to allow earlier patient access to certain PAH medicines, extend subsidies to include all types of World Health Organization Group 1 PAH conditions and improve alignment of restrictions with treatment guidelines.

The PBAC requested stakeholder meetings were held to progress PBS restrictions for PAH combination therapy. The PBAC also recommended a review of the guidelines for approving PAH Designated Treatment Centres.

Information regarding quality use of medicines is provided to health professionals and consumers to support use of therapeutics wisely, judiciously and safely to achieve better health and economic outcomes.

Source: 2018-19 Health Portfolio Budget Statements, p.107

2018-19 Target	2018-19 Result
The Government will continue to provide funding for the provision of quality use of medicines information to be available in a variety of formats throughout the year, designed to support health professionals and consumers. The scope of activities provided through NPS will be reviewed.	In 2018-19, the Department continued delivery of funding to improve the quality use of medicines for health professionals and consumers. The Review of NPS MedicineWise's delivery of the Quality Use of Medicines Program was completed during the year and provided to Government for consideration early in 2019-20.
	Result: Met ●

NPS MedicineWise has provided quality use of medicines information to health professionals in the form of educational visits, online modules, resources and publications. Targeted consumer information campaigns included antibiotic awareness and a range of other targeted topics. NPS MedicineWise continued to deliver the Choosing Wisely Australia initiative, publish Australian Prescriber and evaluate NPS MedicineWise programs.

As a part of the Review of NPS MedicineWise's delivery of the Quality Use of Medicines Program, over 50 public submissions were received. These consultations assisted in forming recommendations to improve NPS MedicineWise's performance in implementing the grant program. The recommendations focus on governance, transparency, accountability, delivery of programs and evaluation methodology.

Percentage of eligible medicines assessed in accordance with PBS price disclosure requirements.

Source: 2018-19 Health Portfolio Budget Statements, p.107

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
100%	100%	N/A	N/A	N/A	N/A
	Result: Met ●				

As a part of price disclosure requirements, medicines with multiple brands are assessed.

Program 4.4:
Private Health Insurance

The Department met all performance targets related to this program.

The Department assists the Government to promote affordable, quality private health insurance and to provide greater choice to around 13.6 million Australians who hold some form of private health insurance cover.

In 2018-19, the Department supported the Government and industry to deliver private health insurance reforms to improve the sustainability of the health system as a whole, simplify private health insurance and to contribute to lower the annual premium increase. Legislation to support the reforms commenced in October 2018, enabling the private health insurance industry to implement most reforms from 1 April 2019.

The Department works to increase access to clinically effective and cost-effective prostheses. Through the agreement between the Government and the Medical Technology Association of Australia (MTAA), privately insured Australians have improved access to breakthrough medical technology and affordable medical devices.

The Department continues to work on the listing arrangements for medical devices on the Prostheses List to provide access for privately insured patients to clinically effective technology that has been assessed as cost-effective.

Supporting a viable, sustainable and cost-effective private health insurance sector, including through the private health insurance rebate

Support the provision of more affordable and simpler private health insurance for all Australians. Source: 2018-19 Health Portfolio Budget Statements, p.108	
2018-19 Target	**2018-19 Result**
Support private health insurers to implement the remaining private health insurance reforms from 1 April 2019. Lower annual premium changes across the sector as a direct result of the reforms. Undertake regular stakeholder communications with insurers and other regulatory agencies to provide two-way dissemination of information.	In December 2018 the private health insurance reforms contributed to delivering the lowest annual premium change in 18 years, at 3.25%. By 1 April 2019, there had been widespread adoption of voluntary private health insurance reforms by private health insurers, including age based discounts, increased voluntary excesses and travel and accommodation benefits. The Department undertook regular communication with insurers, private hospitals, consumers, clinicians and regulatory agencies in the development of legislative changes and implementation of the reforms. The Department also involved these groups in the development and delivery of a communications campaign for consumers, general practitioners and medical specialists about the changes.
	Result: Met

Legislation to support the reforms commenced in October 2018, enabling the private health insurance industry to successfully implement the changes from 1 April 2019. The Department communicated with key stakeholders to ensure successful implementation of the reforms.

The *2018-19 Portfolio Additional Estimates Statements*[64] included funding of $5 million for the delivery of a private health insurance reform information campaign. The campaign, which launched in February 2019, was developed with input from stakeholders.

Insurers have a 12-month period, by 1 April 2020, to transition all hospital products into Gold, Silver, Bronze and Basic tiers and apply standard clinical categories. They are on track to meet this requirement. The Department also successfully took over the responsibility for assessing private hospital second tier default benefit eligibility from an industry based committee.

The Department, assisted by the Australian Prudential Regulation Authority, supported the Minister for Health in his consideration of private health insurers 2019 premium change applications.

On 19 December 2018, the Minister announced his approval of an average premium change of 3.25 per cent to take effect from 1 April 2019.

[64] Available at: www.health.gov.au/resources/publications/health-portfolio-budget-statements-2018-19

Private health insurance reforms – making private health insurance simpler for everyone

Although more than half of the Australian population currently has private health insurance, many people still find buying health cover confusing. That's why the Australian Government, supported by the Department of Health, introduced reforms to make private health insurance more affordable, easier to understand and simpler to choose.

Commencing 1 April 2019, private health insurers have begun classifying private hospital cover into four tiers, Gold, Silver, Bronze and Basic, so consumers can easily see what's included when choosing cover. Health insurers have until 1 April 2020 to transition their products into the tiers.

Insurers are now able to offer discounts to young people aged 18–29, travel and accommodation benefits to those who need to travel long distances for hospital treatment and higher excesses in exchange for lower premiums. Changes have been made to improve access to mental health treatment by allowing consumers to upgrade their hospital cover without re-serving a waiting period. Additionally, the Private Health Insurance Ombudsman has new powers to investigate complaints and other issues.

A national consumer information campaign was launched on 17 February 2019 to help people better understand what the reforms mean for them. Advertising featured across radio, newspapers, digital channels and general practitioner clinics. Independent evaluation research has found that six in ten policy holders and those considering private health insurance are now aware of the reforms.

The private health insurance reforms deliver a range of benefits to all Australians, including greater clarity and choice when selecting the right cover, greater affordability and better cover and support for people with mental health conditions or those living in rural and remote areas.

Ensure privately insured patients have access to clinically, cost-effective prostheses under the *Private Health Insurance Act 2007*.

Source: 2018-19 Health Portfolio Budget Statements, p.109

2018-19 Target	2018-19 Result
Support the Prostheses List Advisory Committee to reform the Prostheses List arrangements. Publish the Prostheses List enabling access to devices for privately insured patients.	The Department supported the Prostheses List Advisory Committee to reform Prostheses List arrangements. The Prostheses List was updated in August 2018 and March 2019.
	Result: Met

A key outcome of the reforms to date has been the listing of cardiac ablation catheters for atrial fibrillation. In addition, the reform work focused on refining the assessment of medical devices to ensure evidence-based clinical outcomes and cost-effectiveness for the health system.

Program 4.5:
Medical Indemnity

The Department met all performance targets related to this program.

The Department supports the Government to deliver a number of schemes that provide stability to the medical insurance industry, and ensure medical indemnity insurance products are both available and affordable. Medical indemnity insurance provides financial protection to privately practicing medical practitioners, private midwives and patients.

The Premium Support Scheme supports doctors and eligible midwives to reduce the cost of medical indemnity insurance through a government-funded subsidy assisting to keep medical care accessible and affordable to the community.

In 2018-19, the Department worked with industry stakeholders on recommendations which arose from the First Principles Review. This included working with key practitioner groups and medical indemnity insurers on developing legislation in response to the Government's *2018-19 Mid-Year Economic and Fiscal Outlook* decision to improve the seven schemes that support privately practising practitioners to afford professional indemnity insurance.

Ensuring the ongoing stability of the medical insurance industry and that insurance products are available and affordable

Enable continued availability of professional indemnity insurance for eligible midwives.

Source: 2018-19 Health Portfolio Budget Statements, p.110

2018-19 Target	2018-19 Result
Maintain a contract with an indemnity provider for the provision of professional indemnity insurance to eligible midwives.	A contract has been maintained with a medical indemnity provider for the provision of professional indemnity insurance to eligible midwives.
	Result: Met ●

Eligible midwives were able to purchase Commonwealth supported professional indemnity insurance from Medical Insurance Group Australia.

Maintain or reduce the number of doctors who require support through the Premium Support Scheme.[65]

Source: 2018-19 Health Portfolio Budget Statements, p.110

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≤1,400	1,004	985	1,268	1,237	1,400
	Result: Met ●				

Eligible doctors receive a subsidy towards the cost of their medical indemnity insurance, assisting to keep medical care accessible and affordable to the community.

[65] A decline in doctors accessing the Premium Support Scheme is an indication of medical indemnity insurance being affordable.

Program 4.6:
Dental Services

Data sets were not available at the time of publishing for the performance target related to this program.

The Child Dental Benefits Schedule continued to support Australian children's dental health and access to essential dental services. It is a demand-driven, calendar year program, providing access to basic dental services for eligible children aged 2–17 years.

Through an extension to the existing National Partnership Agreement on Public Dental Services with states and territories, adult public dental patients will have improved access to dental services.

Improving access to dental services

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

a. Percentage of eligible children accessing the CDBS.

Source: 2018-19 Health Portfolio Budget Statements, p.111

2019 Target	2019 Result	2018	2017	2016	2015
37.8%	Data not available[66]	38.4%	36.4%	34.6%	33.1%

Since the CDBS Program commenced in 2014 the take-up rate has continued to steadily trend upwards from 29.5 per cent of eligible patients using the CDBS in 2014 to 38.4 per cent in 2018.

[66] Data sets for this performance measure were not available at the time of publishing. A confirmed result for the 2019 calendar year will not be available until January 2020.

Program 4.7:
Health Benefit Compliance

The Department met the performance target related to this program.

Under this program, the Department ensures Medicare is serving the needs of Australian patients by protecting Australia's health payments system. This is achieved through the prevention, identification and treatment of incorrect claiming, inappropriate practice and fraud by health care providers and suppliers. The Department also manages pathology rents regulation.

Ensuring the integrity of health provider claiming

Deliver a quality health provider compliance program that prevents non-compliance where possible and ensures audits and reviews are targeted effectively to those providers whose claiming is non-compliant, so that the following proportions of audits and reviews that are undertaken by the Department find non-compliance:

Source: 2018-19 Health Portfolio Budget Statements, p.112 and Health Corporate Plan 2018-19, p.6

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
>90%	>90%	N/A	N/A	N/A	N/A
	Result: Met ●				

During 2018-19, the Department delivered a quality health provider compliance program through:

- consultation with professional bodies and stakeholder groups on compliance strategies, assisting health providers to meet their compliance obligations when claiming benefits to ensure the integrity of health provider claiming;
- continued to strengthen and update data analytics to identify irregular claiming patterns and non-compliance;
- employed behavioural economics-driven approaches to treat non-compliance and support appropriate practice;
- strengthened debt recovery processes; and
- continued to strengthen compliance approaches through investment in data analytics, investigations, provider education and debt recovery capabilities.

Program 4.8:
Targeted Assistance – Aids and Appliances

The Department met all performance targets related to this program.

The National Diabetes Services Scheme (NDSS) aims to enhance the capacity of Australians with diabetes to have timely, reliable and affordable access to the supplies and services they require to effectively self-manage their condition. This includes services and products for people with type 1, type 2, gestational and other diabetes and fully-subsidised continuous glucose monitoring (CGM) products for eligible groups with type 1 diabetes, including children.

Diabetes Australia is funded by the Department to assist in the administration of the NDSS, overseeing the provision of subsidised diabetes products and delivering educational and training programs to people with diabetes, carers and related health professionals. The current Funding Agreement with Diabetes Australia runs from 1 July 2016 until 30 June 2020 and has a value of $173,055,804 (excluding GST).

In 2018-19, the Department assisted the Health Minister to continue supporting Australians managing a number of other specific health conditions, including stoma[67] and Epidermolysis Bullosa[68]. The Stoma Appliance Scheme provides support to people with a stoma by ensuring they have timely access to stoma products through the 21 Stoma Associations. The National Epidermolysis Bullosa Dressing Scheme provided nearly 200 people with over $3 million of products to manage their condition.

Improving health outcomes through the provision of targeted assistance for aids and appliances

The National Diabetes Services Scheme meets the needs of registrants[69]. Source: 2018-19 Health Portfolio Budget Statements, p.113	
2018-19 Target	**2018-19 Result**
NDSS registrant survey demonstrates that the needs of 70% of registrants surveyed are being met.	91% of surveyed registrants indicated that the NDSS met their needs, by improving their knowledge and understanding of diabetes and helping them manage their condition more effectively.
	Result: Met ●

In 2018-19, the number of people with type 1, type 2, gestational diabetes and 'other' diabetes who received a benefit from the NDSS was 1,309,070. There were a further 174,176 people registered on the post gestational diabetes register who were also eligible to receive services (but not products) from the NDSS. The NDSS is a demand-driven program and all eligible individuals were provided access throughout the financial year.

Surveyed registrants returned a high number of positive responses due in part to the changes implemented on 1 December 2018 that reduced co-payments on subsidised products for over 600,000 Australians.

The Department of Health works in partnership with community pharmacies to provide subsidised products to people with diabetes. Products subsidised under the NDSS include blood glucose test strips, needles and syringes, urine test strips, insulin pump consumables and continuous glucose monitoring products.

At 30 June 2019, over 95 per cent of community pharmacies across Australia were registered as NDSS Access Points. In 2018-19, over 5.7 million products, with a total value of over $183 million, were provided to Australians with diabetes.

[67] A stoma is a natural or surgically-created body opening, to allow bodily waste to leave the body.
[68] Epidermolysis Bullosa is a rare genetic disease that primarily affects children and is characterised by extremely fragile and blister prone skin.
[69] Registrants are people with type 1, type 2, gestational or other diabetes who are registered on the NDSS.

Support children and young people under 21 years of age, with type 1 diabetes, through the National Diabetes Services Scheme. Source: 2018-19 Health Portfolio Budget Statements, p.114	
2018-19 Target	**2018-19 Result**
Provide eligible children and young people under 21 years of age with subsidised CGM products through the NDSS to assist in the management of their type 1 diabetes.	A total of 10,364 children and young people under 21 years of age were provided access to fully subsidised CGM consumables.
	Result: Met ●

CGM devices assisted users with type 1 diabetes to manage their blood glucose levels and control their diabetes. The devices sound an alarm to warn the user when their blood glucose is not controlled – this functionality is particularly important for children with type 1 diabetes and their parents or carers.

Participation in the CGM Initiative has been higher than anticipated, with enrolment in the program now reaching a steady state.

As a result of the *2018-19 Mid-Year Economic Fiscal Outlook*, from 1 March 2019, the Government expanded the CGM initiative to include three additional patient cohorts, with over $277 million being allocated over four years.[70]

The expanded CGM cohorts include:

- children and young people with conditions very similar to type 1 diabetes, such as cystic fibrosis related diabetes and neonatal diabetes, who require insulin;
- women with type 1 diabetes who are planning for pregnancy, pregnant, or immediately post-pregnancy; and
- people with type 1 diabetes aged 21 years or older who have concessional status and have a high clinical need to access CGM products.

As a result of the expanded eligibility criteria from 1 March 2019 to 30 June 2019, an additional 1,843 people have participated in the scheme.

Support Australians to assist in the management of specific chronic health conditions (diabetes, stoma and Epidermolysis Bullosa). Source: 2018-19 Health Portfolio Budget Statements, p.114	
2018-19 Target	**2018-19 Result**
Ensure provision of subsidised aids and appliances to assist eligible Australians in the management of their chronic health conditions.	Subsidised aids and appliances were provided to eligible Australians.
	Result: Met ●

In 2018-19, 17 new products were listed on the Stoma Appliance Scheme Schedule. Newly listed products provide people with a stoma access to alternative products to better manage their condition.

More than 200 recipients were supplied with $2.8 million worth of products under the National Epidermolysis Bullosa Dressing Scheme.

[70] Further information available at: www.health.gov.au/ministers/the-hon-greg-hunt-mp/media/a-28-million-focus-on-diabetes

Outcome 4 - Expenses and Resources

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 4.1: Medical Benefits			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	117,635	113,543	(4,092)
Special account			
Medicare Guarantee Fund - medical benefits	24,146,392	24,028,269	(118,123)
accrual adjustment	(36,934)	77,772	114,706
Departmental expenses			
Departmental appropriation[1]	29,788	29,750	(38)
Expenses not requiring appropriation in the budget year[2]	1,077	1,423	346
Total for Program 4.1	**24,257,958**	**24,250,757**	**(7,201)**
Program 4.2: Hearing Services			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	542,704	538,853	(3,851)
Departmental expenses			
Departmental appropriation[1]	6,587	6,447	(140)
Expenses not requiring appropriation in the budget year[2]	1,775	1,933	158
Total for Program 4.2	**551,066**	**547,233**	**(3,833)**
Program 4.3: Pharmaceutical Benefits			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	846,826	813,362	(33,464)
Special account			
Medicare Guarantee Fund - pharmaceutical benefits	12,090,202	12,001,589	(88,613)
accrual adjustment	(209,351)	(183,616)	25,735
Departmental expenses			
Departmental appropriation[1]	50,918	55,536	4,618
Expenses not requiring appropriation in the budget year[2]	1,322	1,874	552
Total for Program 4.3	**12,779,917**	**12,688,745**	**(91,172)**

Outcome 4 - Expenses and Resources (continued)

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 4.4: Private Health Insurance			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	8,224	7,953	(271)
Special appropriations			
Private Health Insurance Act 2007 - incentive payments and rebate	6,170,602	6,061,727	(108,875)
Departmental expenses			
Departmental appropriation[1]	15,035	12,804	(2,231)
Expenses not requiring appropriation in the budget year[2]	431	538	107
Total for Program 4.4	**6,194,292**	**6,083,022**	**(111,270)**
Program 4.5: Medical Indemnity			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	842	265	(577)
Special appropriations			
Medical Indemnity Act 2002	80,900	83,021	2,121
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	2,021	-	(2,021)
Departmental expenses			
Departmental appropriation[1]	1,689	1,605	(84)
Expenses not requiring appropriation in the budget year[2]	51	69	18
Total for Program 4.5	**85,503**	**84,960**	**(543)**
Program 4.6: Dental Services[3]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	-	-	-
Special appropriations			
Dental Benefits Act 2008	345,112	321,938	(23,174)
Departmental expenses			
Departmental appropriation[1]	2,374	2,700	326
Expenses not requiring appropriation in the budget year[2]	77	123	46
Total for Program 4.6	**347,563**	**324,761**	**(22,802)**

Outcome 4 - Expenses and Resources (continued)

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 4.7: Health Benefit Compliance			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	18,835	18,487	(348)
Departmental expenses			
Departmental appropriation[1]	81,039	79,203	(1,836)
Expenses not requiring appropriation in the budget year[2]	2,612	3,418	806
Total for Program 4.7	**102,486**	**101,108**	**(1,378)**
Program 4.8: Targeted Assistance – Aids and Appliances			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,592	1,570	(22)
Special appropriations			
National Health Act 1953 - aids and appliances	374,941	350,102	(24,839)
Departmental expenses			
Departmental appropriation[1]	4,442	4,532	90
Expenses not requiring appropriation in the budget year[2]	144	208	64
Total for Program 4.8	**381,119**	**356,412**	**(24,707)**
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,536,658	1,494,033	(42,625)
Special appropriations	6,973,576	6,816,788	(156,788)
Special account	36,236,594	36,029,858	(206,736)
accrual adjustment	(246,285)	(105,844)	140,441
Departmental expenses			
Departmental appropriation[1]	191,872	192,577	705
Expenses not requiring appropriation in the budget year[2]	7,489	9,586	2,097
Total expenses for Outcome 4	**44,699,904**	**44,436,998**	**(262,906)**
Average staffing level (number)	**941**	**964**	**23**

[1] Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1*)' and 'Revenue from independent sources (s74)'

[2] Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

[3] This Program excludes National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

Outcome 5:
Regulation, Safety and Protection

Protection of the health and safety of the Australian community and preparedness to respond to national health emergencies and risks, including through immunisation initiatives, and regulation of therapeutic goods, chemicals, gene technology, and blood and organ products

Highlights

Regulating activities with genetically modified organisms (GMOs)	Statutory timeframes were 100 per cent met. There was a high level of compliance with gene technology legislation with no evidence of any adverse effect on human health or environment from authorised GMOs. *Program 5.1*
Reducing the spread of antimicrobial resistance (AMR)	Progress continued on a range of initiatives to reduce the development and spread of AMR in Australia. *Program 5.2*
Effective management of national health emergencies and emerging health protection issues	Australia's National Action Plan for Health Security (NAPHS) was published in December 2018. *Program 5.2*
Immunisation rates continue to increase	Five year old immunisation coverage rates are at 94.9 per cent and are expected to continue to rise. *Program 5.3*

The influenza vaccine is **provided at no cost** for pregnant women, under the **National Immunisation Program**

Over 2,000 industrial chemicals were **assessed for health and environmental risks**

17 new licences were issued for work with **GMOs**

70% of scientific research licences for GMOs are for medical research and 30% are for agricultural research

Programs contributing to Outcome 5

Program	Summary of results against performance criteria		
	Targets met	Targets substantially met	Targets not met
Program 5.1: Protect the Health and Safety of the Community Through Regulation	9	–	–
Program 5.2: Health Protection and Emergency Response	4	–	–
Program 5.3: Immunisation	1	1	–
Total	14	1	–

Program 5.1:
Protect the Health and Safety of the Community Through Regulation

The Department met all performance targets related to this program.

The Therapeutic Goods Administration (TGA), the Office of Drug Control (ODC), the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), the Office of Chemical Safety (OCS) and the Office of the Gene Technology Regulator (OGTR) are committed to protecting the health and safety of the community through their respective regulation areas and practices.

During 2018-19, the TGA increased stakeholder engagement in its domestic and international activities, particularly in relation to compliance under the *Therapeutic Goods Act 1989*. The TGA continues to improve access pathways to therapeutic goods and is increasing use of assessments of medicines and medical devices by comparable overseas regulators. The ODC regulates the importation, exportation and manufacture of narcotic drugs and the cultivation, production and manufacture of medicinal cannabis. The ODC is continuing to improve assessment processes and investigations for the associated risks.

The OCS continued to administer NICNAS, while also preparing to implement the new Australian Industrial Chemicals Introduction Scheme (AICIS) on 1 July 2020. The new scheme makes regulatory effort more proportionate to the risks posed by industrial chemicals and promotes safer innovation by encouraging the introduction of lower risk chemicals. Regulatory changes commenced in April 2019, reducing the regulatory red tape burden on industry under NICNAS ahead of more extensive reforms under AICIS.

The Gene Technology Regulatory Scheme administered by the OGTR continued to ensure matters regarding genetically modified organisms (GMOs) were approached in accordance with practices that best protect community health and safety and the environment.

The ban on cosmetic testing on animals continues to improve through the strengthening of existing frameworks and the amendment to the *Australian code for the care and use of animals for scientific purposes*.

The community can be confident that therapeutic goods approved for use in Australia have been assessed against strict standards.

Regulating therapeutic goods for safety, efficacy, performance and quality while promoting best practice

Intelligence, monitoring and compliance functions are improved to ensure compliance with the *Therapeutic Goods Act 1989*.

Source: 2018-19 Health Portfolio Budget Statements, p.122

2018-19 Target	2018-19 Result
Review the Compliance and Enforcement Plan, ensuring it is updated to reflect any legislative amendments in relation to sanctions and penalties. Through effective inter-agency partnerships and enhanced relationships with state and territory counterparts, monitor and use intelligence to target non-compliance. Remove illegal and/or non-compliant therapeutic goods that pose an unacceptable risk from the Australian market.	Through the 2018-19 Compliance and Enforcement Plan, the Department continued to strengthen inter-agency partnerships, greatly enhancing relationships with state and territory counterparts and continued to strengthen the Department's working relationship with the Australian Border Force. A total of 1,069,946 units of unapproved therapeutic goods were destroyed in the 2018-19 period.
	Result: Met ●

Stakeholder engagement was enhanced both domestically and internationally, including through the execution of joint compliance activities across state, territory, Federal and international jurisdictions.

All allegations of compliance breaches were assessed against the Case Categorisation and Prioritisation Model to determine the appropriate compliance action to be applied.

The Health Products Regulation Group protects the community through monitoring the safety, efficacy, performance and quality of therapeutic goods available within Australia and removing non-compliant therapeutic goods from the market.

Access to therapeutic goods for consumers is improved whilst the safety of therapeutic goods in Australia is maintained. Source: 2018-19 Health Portfolio Budget Statements, p.122 and Health Corporate Plan 2018-19, p.6	
2018-19 Target	**2018-19 Result**
Continue implementation of the Australian Government's reforms arising from the Review of Medicines and Medical Devices Regulation, which will improve access to safe therapeutic goods for Australian consumers.	Implementation was progressed through: • embedding new regulatory pathways for market authorisation of prescription medicines and increasing use of overseas assessments; • strengthening monitoring and compliance provisions; and • more effective regulation of therapeutic goods advertising. **Result: Met**

Key reforms included:

- establishing new regulatory pathways allowing priority review of medical devices;
- enabling some overseas assessments of medical devices to be used to support shorter assessment times; and
- establishing a new pathway where listed complementary medicines can be assessed for effectiveness.

Early access to medicines was improved for Australian patients through the introduction of new regulatory pathways that fast track market authorisation of prescription medicines where specific eligibility is met. A significant number of sponsors utilised these pathways in this period resulting in 14 priority determinations and five priority approvals, as well as two provisional determinations in this time period.

A new provisional approval pathway was introduced, which will enable provisional registration of prescription medicines on the basis of preliminary clinical data where there is a potential for substantial benefits to Australian patients. This could result in access to medicines years earlier.

The registration process for prescription medicines supplies in Australia has also been streamlined. This was done by the use of comparable overseas regulator evaluation reports. Utilising these reports reduces duplication of evaluation work, while maintaining existing quality, safety and efficacy standards for prescription medicines supplied in Australia.

The reform to orphan drug designation criteria has led to better targeted provision of fee-free evaluations for sponsors and access to medicines for patients with rare conditions. The community can view determinations for priority review and provisional approval on the TGA website.[71]

Legislative amendments to support the implementation of some recommendations will be of particular interest to patients, consumer groups, health care professionals and industry.

These reforms will:

- increase transparency for both consumers and industry;
- increase consumer knowledge on the products they are purchasing; and
- improve compliance rate and consumer safety.

Positive feedback was received on all new pathways. Indicative of this feedback was the number of determinations/ designations (which are publicly available on the TGA website), as well as feedback provided at various conferences, poster presentations and other educational events. The completion of evaluations and assessments within legislated timeframes provided access to new or varied prescription medicines and medical devices, blood, cell and tissue therapies. This contributed to better health outcomes and reduced inequality for Australians.

[71] Available at: www.tga.gov.au

New Active Substance Work-Sharing Initiative

The New Active Substance Work-Sharing Initiative is an international collaboration that brings together the therapeutic goods regulatory authorities of Australia, Canada, Switzerland and Singapore (ACSS Consortium) to review new medicine applications.

The ACSS Consortium is one of a number of international initiatives in which the Therapeutic Goods Administration (TGA) engages to meet the needs of the Australian people and provide improved access to the most recent and innovative medicines.

The TGA's engagement with ACSS Consortium partners maximises the use of up-to-date technical expertise, and ensures a consistent, contemporary approach to assessing the benefits and risks associated with new medicines. This unique international collaboration reduces regulatory duplication, creates efficiencies, and results in better access to safe medicines in the community.

In 2018-19, this partnership resulted in three new medicines – Apalutamide (Erlyand), Abemaciclib (Verzenio), and most recently Niraparib (Zejula) – receiving market approval in Australia and Canada. These medicines can provide alternative treatment options for some prostate, breast and ovarian cancers for both Australian and Canadian patients.

Engaging in these partnerships means new medicines can be made accessible to the Australian community quicker, and contributes to improved health and safety outcomes.

This international work-sharing initiative facilitates cooperation and collaboration across multiple regulatory authorities, reduces duplication of effort and increases each agency's capacity to ensure consumers have timely access to high quality, safe and effective medicines.

The quality and safety of medicines and medical devices in Australia is supported by contributing to the evolving international environment.[72] Source: 2018-19 Health Portfolio Budget Statements, p.123	
2018-19 Target	**2018-19 Result**
Increase engagement with overseas regulators in comparable health systems, and with regional and international organisations, to improve public health and safety. Increase use of overseas assessments by comparable regulators, while maintaining sovereignty of regulatory decisions.	The Department increased engagement with overseas regulators, including working with countries in the Asia-Pacific to increase public health and safety in the region. The Department hosted delegations from international regulators and engaged with regional and international health organisations, including the World Health Organization. The Department also worked with the Australia-Canada-Singapore-Switzerland (ACSS) Consortium. These interactions ensure ongoing collaboration and knowledge with overseas regulators to improve public health and safety with respect to the regulation of therapeutic goods. There has been an increase in the use of assessments by comparable overseas regulators as well as international work sharing, particularly with respect to prescription medicines for faster approvals and patient availability, while maintaining sovereignty of regulatory decisions. Additionally, joint inspections with comparable overseas regulators and use of their inspection reports for desktop assessments, continued to be undertaken to increase engagement and information sharing.
	Result: Met

The Department continued to participate in international fora that promoted information sharing, cooperation and regulatory convergence in relation to therapeutic goods as outlined in the TGA *International Engagement Strategy: Operation Plan 2018-19*. These include international initiatives such as the International Coalition of Medicines Regulatory Authorities, the International Medical Devices Regulators' Forum, the ACSS, the Pharmaceutical Inspection Cooperation Scheme (PIC/S), including working groups, as well as bilateral collaboration with other regulators.

The Department's participation in PIC/S and subsequent adoption of updates into the Australian Code of Good Manufacturing Practice (GMP), in consultation with Australian manufacturers, resulted in a greater number of highly compliant manufacturers.

In addition to work-sharing initiatives and reliance mechanisms, the Department partnered with the Department of Foreign Affairs and Trade to implement the Indo-Pacific Regulatory Strengthening Program and the Pacific Medicines Testing Program. Both these programs seek through partnership arrangements to strengthen the capacity of regulators in these regions to work towards timely access to better quality medicines, and seek to reduce the incidence and impact of substandard and counterfeit medicines.

[72] Further information available at: www.tga.gov.au/publication/tga-international-engagement-strategy-2016-2020

Update to the Australia-Canada Mutual Recognition Agreement

On 8 November 2013, regulatory amendments for mandatory Good Manufacturing Practices (GMP) of active pharmaceutical ingredients (API) intended for use in human drugs came into force in Canada. The implementation of these regulatory amendments enabled Health Canada to include APIs under the operational scope of its existing Mutual Recognition Agreements (MRAs).

In Australia, manufacturers of APIs are regulated under the *Therapeutic Goods Act 1989* and the *Therapeutic Goods Regulations 1990*. Australian API manufacturers are required to hold a GMP licence, unless specifically exempt.

As of 1 November 2018, Health Canada and the Therapeutic Goods Administration (TGA) of Australia established an agreement to include APIs under the scope of the Mutual Recognition Agreement on Conformity Assessment in Relation to Medicines Good Manufacturing Practice Inspection and Certification between Canada and Australia. As a result, the TGA now accepts GMP Certificates of Compliance (or equivalent) issued by Health Canada under this MRA, for APIs manufactured in Canada, in support of a GMP Clearance application.

Australian sponsors who source APIs from Canada will benefit from the new MRA pathway, which requires a reduced level of documentary evidence and a reduced processing time of 30 days. The previous pathway could take up to 120 working days to process.

Australian consumers benefit from the faster access to medicines that is provided from TGA's international agreements and information sharing.

Regulating the import, export, and manufacture of controlled drugs, and cultivation of medicinal cannabis

Access to medicinal cannabis products for use by eligible Australian patients is ensured by accessing and processing applications for the import, export and manufacture of controlled substances within agreed timeframes.

Source: 2018-19 Health Portfolio Budget Statements, p.123

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
>95%	97.0%	94.0%	98.0%	99.0%	85.0%
	Result: Met ●				

The Department issued 8,798 licences and permits authorising the import, export and manufacture of controlled drugs. This represented a 4 per cent decrease compared with 2017-18.

Processing applications within agreed timeframes ensures access to essential medicines by the Australian public and supports operations of Australian businesses involved in international and domestic trade of controlled substances.

The Department also issued 82 checks and statements to law enforcement in support of investigations into possible criminal importation.

Protecting people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use

Proportion of National Industrial Chemicals Notification and Assessment Scheme recommendations intended to protect people and the environment from the harmful effects of chemicals, which have been accepted following consideration by Commonwealth and state and territory risk management agencies.

Source: 2018-19 Health Portfolio Budget Statements, p.123

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥80%	100%	99.6%	N/A	N/A	N/A
	Result: Met ●				

A total of 1,015 recommendations arising from chemical assessments were considered and accepted (in part or whole) by risk management agencies, including Safe Work Australia and the delegate of the Secretary of the Department of Health for maintaining the Poisons Standard – Standard for the Uniform Scheduling of Medicines and Poisons.

The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) assesses the risks arising from the introduction and use of industrial chemicals in Australia, and makes recommendations to agencies responsible for managing the use and disposal of chemicals. Recommendations provided by NICNAS assist in protecting human health and the environment from the risks associated with the introduction and use of industrial chemicals.

Proportion of known importers and manufacturers of industrial chemicals registered with the National Industrial Chemicals Notification and Assessment Scheme is increased, to promote awareness among the regulated community of their legal obligations.

Source: 2018-19 Health Portfolio Budget Statements, p.123

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥90%	98.0%	99.0%	N/A	N/A	N/A
	Result: Met ●				

All introducers (importers and manufacturers) of industrial chemicals are required to register with NICNAS each year. As a result of compliance monitoring activities that identify unregistered industrial chemicals introducers, 764 new introducers were registered with the scheme in 2018-19.

A sample of registered introducers was audited to monitor compliance with their obligations under the *Industrial Chemicals (Notification and Assessment) Act 1989* (the Act) with respect to new chemicals, resulting in the identification of 41 chemicals that were subsequently notified or reported to NICNAS.

Notified chemicals are assessed by NICNAS for their potential risks to human health and the environment and recommendations to promote their safe use are provided to other risk managers. Registration provides NICNAS with current information about the introduction of industrial chemicals and delivers transparency to the public and industry regarding introducer identity.

Registered introducers are provided with information that improves their awareness of and compliance with obligations under the Act.

Compliance monitoring focuses on ensuring all introducers of the relevant industrial chemicals are registered with NICNAS and comply with obligations of the Act, including notification of new industrial chemicals and provision of chemical information.

Proportion of National Industrial Chemicals Notification and Assessment Scheme risk assessments completed within statutory timeframes to provide the Australian community with timely access to information about the safe use of new chemicals and support innovation by Australian businesses.

Source: 2018-19 Health Portfolio Budget Statements, p.124

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥95%	98.7%	99.0%	99.6%	99.0%	98.0%
	Result: Met ●				

During 2018-19, the Department completed a total of 227 pre-market assessments of new chemicals, with 224 of these completed within statutory timeframes. Assessment quality is maintained through internal peer review and stakeholder feedback prior to finalising all reports. No applications concerning the outcomes of chemical assessments were submitted to the Administrative Appeals Tribunal for review.

Adherence to statutory timeframes promotes timely availability of new chemicals to the community and provides regulatory certainty for industry.

Protecting the health and safety of people and the environment by regulating activities with genetically modified organisms (GMOs)

People and the environment are protected through open, effective and transparent regulation of genetically modified organisms.

Source: 2018-19 Health Portfolio Budget Statements, p.124

2018-19 Target	2018-19 Result
Risk assessments and risk management plans prepared for licence applications and all decisions made within the statutory timeframes.	Risk assessment and management plans were prepared, and decisions made within statutory timeframes, for 100% of licenced dealings.
Stakeholders, including the public, consulted on all assessments for proposed release of GMOs into the environment.	Stakeholders, including the public, were consulted on all assessments for proposed release of GMOs into the environment.
High level of compliance with gene technology legislation and no adverse effect on human health or environment from authorised GMOs.	There was a high level of compliance with gene technology legislation, with no evidence of any adverse effect on human health or the environment from authorised GMOs.
	Result: Met ●

The Office of the Gene Technology Regulator has skilled technical staff to conduct science based risk assessments. There are project management structures for all licence applications, including timeframe and quality assurance reporting, with public consultation procedures built into relevant decision-making processes.

The following licences were issued during 2018-19:

- five licences for genetically modified (GM) crop trials;
- two licences to import GM grain for stockfeed;
- four licences for trial of GM vaccines against viral diseases;
- two licences for trial of GM virus-based cancer treatments;
- one licence for gene therapy for treatment of a genetic disorder; and
- three licences for pre-clinical (in vitro and animal) research into understanding and treating human diseases.

Monitoring and compliance inspections confirmed a high level of compliance with licence and certification requirements. Stakeholders are continuing to work with inspectors using a cooperative compliance approach.

In June 2019 there were:

- 11 active clinical trial licences for human therapeutics;
- four commercial licences for human therapeutics;
- three active licences for animal vaccines;
- 55 field trial sites for GM crops; and
- 126 active licences and 3,275 notifications for scientific research conducted in over 2,000 facilities certified as appropriate for work with GMOs.

The Gene Technology Regulatory Scheme ensures that medical, agricultural and other research involving GMOs is conducted in accordance with best practice and in a manner that protects human health and safety and the environment. The scheme facilitates the safe conduct of medical research with the potential to lead to new effective preventions and treatments for a range of significant diseases.

The scheme also facilitates safe conduct of field trials of GM crops for enhanced disease or drought resistance for crop production and improved nutritive value. The scheme also ensures that all GMOs are subject to a scientifically rigorous risk assessment that must be completed prior to release into the Australian environment. Regular public consultation provides transparency and allows individuals to provide information relevant to risk assessments. This enables the community to safely access GMOs and products produced from GMOs.

Protecting the health of people and the environment through effective regulation

Existing frameworks are strengthened to ban cosmetic testing on animals.

Source: 2018-19 Health Portfolio Budget Statements, p.125

2018-19 Target	2018-19 Result
Continue to work with the National Health and Medical Research Council (NHMRC) and states and territories to incorporate a cosmetic testing ban through state and territory legislation in line with the NHMRC *Australian code for the care and use of animals for scientific purposes 8th edition* (2013) (Animal Ethics Code). Parliament to consider Animal Cosmetic Testing Ban legislation as part of the new Industrial Chemicals Bill 2017. Undertake procurement and commence work program to develop a voluntary Industry Code of Practice and a product information and communication package.	The NHMRC commenced work on amendments to the Animal Ethics Code. The *Industrial Chemicals Act 2019* (IC Act 2019) received Royal Assent in March 2019. The new Australian Industrial Chemicals Introduction Scheme (AICIS) will come into effect on 1 July 2020. It will implement the legislative component of the Government's commitment to ban testing of cosmetic ingredients on animals. Work on a voluntary Industry Code of Practice and product information and communication package is underway.
	Result: Met

Amendments to the Animal Ethics Code are expected to be completed prior to the commencement of the legislative ban on 1 July 2020.

Following commencement on 1 July 2020, the IC Act 2019 will give effect to the ban on the use of new animal test data for ingredients used solely in cosmetics. The IC Act 2019 will be supported by delegated legislation, which will set out technical and operational details of the new scheme and the requirements for introducers, including details in relation to the ban.

It is expected that the voluntary Industry Code of Practice will be developed to coincide with the commencement of the legislative ban and will be complemented by communication activities. The ban will improve animal welfare in Australia while maintaining Australia's strong human health and environmental protection standards.

Program 5.2:
Health Protection and Emergency Response

The Department met all performance targets related to this program.

The Department continued to strengthen its capabilities and capacity in responding to public health and safety threats and emergencies. The Department aims to protect Australia from communicable diseases, natural disasters, terrorism and other incidents that may lead to mass casualties.

The Five National Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) Strategies 2018–2022 were endorsed by the Council of Australian Governments' (COAG) Health Council (CHC) in late 2018. The importance of and commitment to achieving these strategies is apparent through the high levels of stakeholder engagement.

Implementation of Australia's National Action Plan for Health Security (NAPHS), which was published in December 2018, will continue to be a key priority for the Department.

The National Antimicrobial Resistance (AMR) Strategy continued to be a major focus of the Department. Programs under the AMR Strategy 2015–2019 are ongoing until the end of 2019, with a 2020 and beyond strategy currently being developed.

During 2018-19, mosquito suppression strategies effectively prevented growth or expansion of the residual population of exotic mosquitos, resulting in no detections of the exotic mosquito in surveys conducted on the mainland of Australia.

Reducing the incidence of blood borne viruses and sexually transmissible infections

National direction supports a coordinated response to reducing the spread of blood borne viruses (BBV) and sexually transmissible infections (STI).

Source: 2018-19 Health Portfolio Budget Statements, p.127

2018-19 Target	2018-19 Result
All partners including states and territories, clinicians, researchers and community and professional organisations are supported to reduce the incidence of BBV and STI in the community with a focus on Aboriginal and Torres Strait Islander BBV and STI through: • Monitoring progress against the programs that support the new National BBV and STI Strategies 2018–2022, in accordance with respective implementation plans. • Surveillance and monitoring of progress against targets and goals including estimates of incidence and prevalence.	Five National BBV and STI Strategies 2018–2022 were endorsed by CHC in late 2018. The strategies are the: • Eighth National HIV Strategy; • Fifth National Hepatitis C Strategy; • Third National Hepatitis B Strategy; • Fourth National STI Strategy; and • Fifth National Aboriginal and Torres Strait Islander BBV and STI strategy. The Fifth National Aboriginal and Torres Strait Islander BBV and STI strategy was also endorsed by the former Minister for Indigenous Health, the Hon Ken Wyatt AM, MP. Implementation plans have been developed for each of the five strategies, which guide actions and allow monitoring of progress towards the targets and goals of the strategies. They will be endorsed by the Australian Health Protection Principal Committee in mid 2019-20.
	Result: Met ●

The strategies were informed by extensive consultations with stakeholders. Workshops were held in all capital cities, as well as selected regional areas. Topic specific workshops were also held with relevant stakeholders.

The Department considers that the significant stakeholder engagement in the development of these strategies, and continued high level of engagement in their implementation, indicates a high level of commitment to achieving the strategic objectives, goals and targets within the strategies.

Together the strategies set out goals and targets under the broad headings of:

- education and prevention;
- testing, treatment and management;
- equitable access and coordination of care;
- workforce;
- addressing stigma and creating an enabling environment; and
- data, surveillance, research and evaluation.

The strategy goals and targets focus on significantly reducing the transmission of BBV and STI, increasing diagnosis and treatment rates, facilitating a highly skilled and collaborative workforce and improving the quality of life for people living with a BBV and/or STI.

The Department will continue working with community and other stakeholders to achieve the goals and targets identified in the strategies.

Providing an effective response to national health emergencies, improving biosecurity and minimising the risks posed by communicable diseases

National health emergencies and emerging health protection issues are managed and responded to through effective preparation and mitigation measures.

Source: 2018-19 Health Portfolio Budget Statements, p.128

2018-19 Target	2018-19 Result
Implement and maintain compliance with the World Health Organization *International Health Regulations (2005)* (IHR). Implement recommendations from the Joint External Evaluation (JEE) to strengthen Australia's health security. Successfully respond to and manage health emergencies through the timely engagement of national health coordination mechanisms and response plans. Collect and disseminate data in the National Notifiable Diseases Surveillance System, including publishing on the Department's website to keep the community informed.	Australia's NAPHS was published in December 2018. The NAPHS provides a five year framework for implementing the 66 recommendations of the 2017 JEE to strengthen Australia's health security and compliance with the World Health Organization's IHR. Of the 66 recommendations, 11 (16.5%) have been completed and work is underway on 34 (51%). While 21 (32%) have not yet been started, the NAPHS is a five year plan and this is expected. Australia is expected to report on NAPHS implementation in five years, at which time countries are expected to complete another JEE. There were no reports of actual or suspected data breaches of the *Biosecurity Act 2015* in relation to the use of protected information. There has been one written authorisation to disclose protected information under section 580(3) of the *Biosecurity Act 2015*. The Department's National Incident Room (NIR) continued to support the Australian National Focal Point under the IHR. The NIR responded to approximately 20 public health incidents per month. The three most common hazards notified to the NIR, accounting for over two thirds of the year's incidents, were tuberculosis, measles and legionellosis. Over this reporting period, 160 incidents involved the use of protected information within the meaning of section 18 of the *National Health Security Act 2007*.
	Result: Met ●

The NAPHS was developed in consultation with a range of agencies at all levels of government, particularly the Department of Agriculture and state and territory health departments. The NAPHS was published within 12 months of completion of Australia's JEE Mission.

The overall number of national public health incidents increased by approximately 40 per cent in 2018-19, compared to 2017-18. Major drivers of the increase were importations of measles cases, up by approximately 60 per cent, and overseas acquisitions of Legionnaires' disease, up by approximately 40 per cent. Throughout 2018-19, data was made available to stakeholders and researchers upon request. Daily aggregated data were updated and made available on the Department's website.

On a larger scale, the NIR provided the capability to coordinate national responses to health emergencies and health aspects of other emergencies. Major incidents in 2018-19 included several severe weather events and international outbreaks of Ebola virus disease, measles and polio.

Australia's health security and IHR capacity continued to be maintained and built on through implementation of the NAPHS. Examples include:

- enhancing emergency response capabilities by integrating multisectoral, multi-jurisdictional and all-hazard elements into the public health exercise program;
- improving linkages between animal and human health under a One Health approach to promote better collaboration and coordination of activities;
- continuing to effectively manage bio-risks of natural and intentional causes; and
- continuing to maintain a comprehensive system of border measures to reduce risks of importation of pathogens and pests.

The Australian community benefits from efficient national coordination of public health events of national significance, enabling public health authorities to rapidly identify and respond to individuals who are at risk of communicable diseases, and by supporting national consistency of health sector preparedness and response efforts to emergencies.

Ensuring the availability of high quality and publicly accessible communicable disease notification data and analyses is an important part of mitigating the public health impacts associated with these diseases.

National direction to minimise the spread of antimicrobial resistance (AMR) is provided.

Source: 2018-19 Health Portfolio Budget Statements, p.128

2018-19 Target	2018-19 Result
Action against the spread of AMR is supported through ongoing implementation of programs that support the National AMR Strategy 2015–2019.	A number of programs that support the National AMR Strategy 2015–19 continue to be implemented. This includes: • the Antimicrobial Use and Resistance in Australia (AURA) Surveillance System; • commencing Australia's contribution to the World Health Organization's Global Antimicrobial Resistance Surveillance System (GLASS); • work to support general practice (GP) stewardship; • ongoing improvements to the One Health AMR website; and • the development of the next AMR Strategy 2020 and beyond.
	Result: Met

Throughout 2018-19, ongoing efforts have been made to reduce the impact of AMR.

The AURA Surveillance System continues to coordinate human health data from a range of sources, which allows for integrated analysis and reporting of AMR and antibiotic use at a national level. Australia has also recently commenced its contribution of AMR data from the Gonococcal Surveillance Programme to GLASS.

Minimising AMR will require an ongoing concerted effort by all sectors and it is likely to take time before improving AMR trends are observed.

Programs implemented under the National AMR Strategy 2015–19 will benefit the community through minimising the development and spread of AMR and ensuring continued availability of effective antimicrobials.

AMR is a serious global issue that requires urgent action. The rise and spread of AMR is creating a new generation of resistant bugs that cannot be treated with existing medicines. International collaboration and commitments on AMR are occurring through organisations including the United Nations and G20. A 2018 Organisation for Economic Co-operation and Development report estimated that by 2050, health care costs in Australia due to AMR could reach $370 million.

Australia's defences against the potential spread of mosquito-borne diseases on mainland Australia and in the Torres Strait are supported.

Source: 2018-19 Health Portfolio Budget Statements, p.129

2018-19 Target	2018-19 Result
Undertake targeted vector surveillance and control programs in the Torres Strait. Work closely with the Department of Agriculture and Water Resources and states and territories, on exotic vector surveillance and control at Australia's international airports and seaports.	Provision of surveillance reports continued to confirm the suppression of exotic mosquito populations in the Torres Strait. There were no detections of the targeted exotic mosquito on mainland Australia in 2018-19. The program to protect Australia by preventing expansion of areas infested with the exotic mosquito, *Aedes albopictus*, has remained successful during 2018-19. Several exotic mosquitoes were detected through trapping and specimen analysis during 2018-19. In all cases, effective chemical treatments were implemented.
	Result: Met

Focus was maintained on suppression of the exotic mosquito on the strategic transport hubs of Horn Island and Thursday Island. The intensive control and monitoring activities on these islands in recent years have resulted in near elimination, such that the species have been undetectable in most of the surveys conducted.

Mosquito suppression strategies effectively prevented growth and expansion of the residual population of exotic mosquitoes.

The Department worked closely with the Department of Agriculture and states and territories to implement measures at Australia's air and sea ports to prevent the incursion of exotic mosquitoes at the border and the subsequent establishment of breeding populations in Australia. These measures include:

- chemical treatment of all aircraft entering Australia;
- monitoring of exotic mosquito incursions through trapping and specimen analysis;
- vector control at Australian air and sea ports, including residual chemical treatments, chemical fogging for adult mosquitoes and chemicals applied to standing water to treat mosquito larvae; and
- the continued control of exotic mosquito populations in the Torres Strait has reduced the risk of dengue and other mosquito-borne diseases in the Torres Strait.

Exotic mosquitoes and vector-borne diseases present a public health risk to Australia. Several factors including increased international travel and trade, increased urbanisation and changing climate have increased the risk and distribution of mosquitoes and the viruses they carry.

Australia is largely maintaining freedom from the exotic mosquitoes which can carry and spread yellow fever, dengue, malaria, chikungunya and Zika viruses, thus saving our population from a significant potential disease burden.

In 2018-19, mainland Australia remained free of *Aedes albopictus* populations and *Aedes aegypti* populations remain confined to parts of Northern, Central and Southwest Queensland.

Program 5.3:
Immunisation

The Department substantially met all performance targets related to this program.

Immunisation coverage rates in children at five years of age remains high through the National Immunisation Program (NIP), indicating a high level of protection in the community. In February 2019, the Department published the *National Immunisation Strategy for Australia 2019–2024* which comprises eight priority areas which aim to strengthen and complement the NIP. These priorities are: improve immunisation coverage; ensure effective governance of the NIP; ensure secure vaccine supply and efficient use of vaccines for the NIP; continue to enhance vaccine safety monitoring systems; maintain and ensure community confidence in the NIP; strengthen monitoring and evaluation of the NIP; ensure an adequately skilled immunisation workforce and maintain Australia's strong contribution to the region.

The Department is working hard to close the gap for Aboriginal and Torres Strait Islander Australians through increasing vaccination coverage rates. In April 2019, the Department launched the third phase of the Childhood Immunisation Education Campaign. This phase of the campaign included a comprehensive public relations strategy for Aboriginal and Torres Strait Islander Australians, promoting the importance of vaccinating on time. This strategy included the development of educational videos, posters, and print and radio stories distributed through Aboriginal Medical Services and Aboriginal Community Controlled Health Organisations.

The Department is also raising awareness of the Adolescent Meningococcal ACWY vaccine. From 1 April 2019, the vaccine is provided for free to Year 10 Students (14–16 years of age) through school-based programs. If adolescents between 15–19 years of age miss out on the vaccine at school, they can access it through their general practitioner or primary care provider.

Seasonal influenza vaccines

In 2018-19, the Department effectively implemented a comprehensive seasonal influenza program, ensuring the most vulnerable in the community were provided with a free seasonal influenza vaccine through the NIP. These groups included those at increased risk of contracting seasonal influenza, those aged 65 years and older, pregnant women and, for the first time in 2019, all Aboriginal and Torres Strait Islander Australians aged 6 months and older. This has reduced the previous gap in eligibility for those aged 5–14 years.

The 2019 influenza season saw a record number of seasonal influenza vaccines released for the Australian market, with almost 13.2 million doses made available. This included over 3.8 million doses of an enhanced seasonal influenza vaccine specifically formulated for those aged 65 years and older. This ensured that enough vaccines were available for close to 95 per cent of all Australians aged over 65.

Protecting pregnant women and their babies through maternal vaccination

Launched in March 2019, the Maternal Vaccination campaign encourages vaccination during pregnancy as a safe, effective way to protect pregnant women and their babies against influenza and pertussis (whooping cough). Vaccines are provided free through the National Immunisation Program.

Despite vaccination against both influenza and whooping cough being recommended to pregnant women for several years, estimates of vaccination uptake indicated improvements could be achieved.

Research conducted in 2018 identified the opportunity for communications to positively influence pregnant womens' decision to vaccinate, with different messaging required for each vaccination.

The whooping cough vaccine is already widely accepted by pregnant women as part of their pregnancy care and campaign materials aim to reinforce the benefits of timely whooping cough vaccination during pregnancy.

Catherine Hughes, who experienced the devastating loss of her son to whooping cough, features in the campaign materials.

"Getting vaccinated during pregnancy reduces the chance of a newborn contracting whooping cough by around 90 per cent." – Catherine Hughes

Pregnant women are far less certain about getting the influenza vaccine. There was a need to raise awareness of the seriousness of influenza for pregnant women and their babies, promote the benefits of vaccination and address potential safety concerns.

The campaign reaches pregnant women and their partners through online communication channels including social media, online video and Google searches. Public relations materials including printed resources and materials for health care providers have also been distributed as part of the campaign.

Increasing national immunisation coverage rates and improving the effectiveness of the National Immunisation Program

Immunisation coverage rates in children at 5 years of age are increased.[73]

Source: 2018-19 Health Portfolio Budget Statements, p.130 and Health Corporate Plan 2018-19, p.11

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥94.25%	94.90%	94.40%	93.60%	92.90%	92.30%
	Result: Met ●				

Immunisation coverage rates have continued to increase in 2018-19. This trend is expected to continue towards the World Health Organization Western Pacific Region, Chief Medical Officer's and Chief Health Officers' target coverage rate of 95 per cent. The Department will continue to work with states and territories to achieve this target.

Through the delivery of the NIP, childhood immunisation rates continue to improve, indicating a high level of protection in the Australian community.

Increased immunisation rates protect the community as a whole. When enough people in the community are immunised, it is more difficult for these diseases to spread. This helps protect people who are more at risk of contracting a disease, including unvaccinated members of our community. This means that even those who are too young or too sick to be vaccinated will not encounter the disease. This is called 'herd immunity'.

Immunisation coverage rates among 12–15 months of age Aboriginal and Torres Strait Islander children are increased.[74]

Source: 2018-19 Health Portfolio Budget Statements, p.130 and Health Corporate Plan 2018-19, p.11

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥92.50%	92.40%	92.50%	92.20%	89.80%	N/A
	Result: Substantially met ◖				

Immunisation coverage rates among Aboriginal and Torres Strait Islander children at 12–15 months of age has decreased slightly, to 92.4 per cent in 2018-19, from 92.5 per cent in 2017-18. While the target rate set for 2018-19 has not been met, there has been significant gains in the coverage rate in this cohort in recent time (up from 89.8 per cent in 2015-16).

Even though there has been an increase over time in immunisation coverage rates for Aboriginal and Torres Strait Islander children at 12–15 months of age, a significant gap still remains and further work is required to reduce this disparity.

The Department continued to promote timely vaccination for Aboriginal and Torres Strait Islander children through the development and dissemination of engaging, targeted information to address the gap in immunisation coverage rates between Indigenous and non-Indigenous children in the younger age groups.

This is further supported by performance benchmarks in the National Partnership Agreement on Essential Vaccines, including for improving coverage rates among Aboriginal and Torres Strait Islander children.

[73] Further information available at: www.health.gov.au/health-topics/immunisation/childhood-immunisation-coverage/current-coverage-data-tables-for-all-children

[74] Further information available at: www.health.gov.au/health-topics/immunisation/childhood-immunisation-coverage/current-coverage-data-tables-for-aboriginal-and-torres-strait-islander-children

Outcome 5 - Expenses and Resources

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 5.1: Protect the Health and Safety of the Community through Regulation			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	-	-	-
Departmental expenses			
Departmental appropriation[1]	17,424	15,889	(1,535)
to Special Accounts	(10,094)	(10,094)	-
Expenses not requiring appropriation in the budget year[2]	243	272	29
Special Accounts			
OGTR[3]	7,638	7,377	(261)
NICNAS[4]	19,124	17,049	(2,075)
TGA[5]	154,774	158,562	3,788
Expense adjustment[6]	249	518	269
Expenses not requiring appropriation in the budget year[2]	-	2	2
Total for Program 5.1	**189,358**	**189,575**	**217**
Program 5.2: Health Protection and Emergency Response[7]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	97,739	88,080	(9,659)
Non cash expenses[8]	23,508	23,570	62
Special Accounts			
Human Pituitary Hormones Special Account (s78 PGPA Act)	170	246	76
Departmental expenses			
Departmental appropriation[1]	25,996	25,169	(827)
Expenses not requiring appropriation in the budget year[2]	929	1,223	294
Total for Program 5.2	**148,342**	**138,288**	**(10,054)**

Outcome 5 - Expenses and Resources (continued)

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 5.3: Immunisation[7]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	36,169	35,540	(629)
to Australian Immunisation Special Account	(7,133)	(7,161)	(28)
Special Accounts			
Australian Immunisation Register Special Account (s78 PGPA Act)	9,820	9,499	(321)
Special appropriations			
National Health Act 1953 - essential vaccines	353,162	333,712	(19,450)
Departmental expenses			
Departmental appropriation[1]	8,779	8,523	(256)
Expenses not requiring appropriation in the budget year[2]	287	388	101
Total for Program 5.3	**401,084**	**380,501**	**(20,583)**
Outcome 5 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	133,908	123,620	(10,288)
to Special Accounts	(7,133)	(7,161)	(28)
Non cash expenses[8]	23,508	23,570	62
Special Accounts	9,990	9,745	(245)
Special appropriations	353,162	333,712	(19,450)
Departmental expenses			
Departmental appropriation[1]	52,199	49,581	(2,618)
to Special Accounts	(10,094)	(10,094)	-
Expenses not requiring appropriation in the budget year[2]	1,459	1,883	424
Special Accounts	181,785	183,508	1,723
Total expenses for Outcome 5	**738,784**	**708,364**	**(30,420)**
Average staffing level (number)	**1,098**	**1,012**	**(86)**

1 Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1*)' and 'Revenue from independent sources (s74)'.

2 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

3 Office of the Gene Technology Regulator Special Account.

4 National Industrial Chemicals Notification and Assessment Scheme Special Account.

5 Therapeutic Goods Administration Special Account.

6 Special accounts are reported on a cash basis. The adjustment reflects the difference between expense and cash, and eliminates inter-entity transactions between the core Department and TGA.

7 This Program excludes National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

8 Non cash expenses relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.

Outcome 6:
Ageing and Aged Care

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

Highlights

	**Supporting services for older Australians**	The Department continued to complete high priority home support assessments within 10 calendar days of referral acceptance. *Program 6.1*
	**Additional Home Care Packages**	25,187 additional Home Care Packages were provided in 2018-19. *Program 6.2*
	**The Aged Care Quality and Safety Commission**	The Aged Care Quality and Safety Commission was established on 1 January 2019. *Program 6.3*
	**Legislation passed on the Single Aged Care Quality Framework**	Elements of the Single Aged Care Quality Framework, including the Aged Care Quality Standards and the Charter of Aged Care Rights, were made into law on 28 September 2018 and 20 March 2019. *Program 6.3*
	**Dementia and Aged Care Services (DACS) Fund**	The Department provided $106,128,000 of funding through the DACS Fund to support a number of important activities. *Program 6.3*

125,119
home care packages were available as at 30 June 2019

239,848
older Australians were provided with a home support assessment for aged care services

64% of people in permanent residential aged care on 30 June 2018 were rated with **high care need** for cognition and behaviour

213,397 residential aged care places available as at 30 June 2019

Programs contributing to Outcome 6	Summary of results against performance criteria			
Program	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Program 6.1: Access and Information	–	2	–	–
Program 6.2: Aged Care Services	5	1	–	1
Program 6.3: Aged Care Quality	4	–	–	–
Total	**9**	**3**	**–**	**1**

Program 6.1:
Access and Information

The Department substantially met all performance targets related to this program.

The Government continued to support older Australians, their families, representatives and carers to access reliable and trusted information about aged care services through the My Aged Care contact centre and website. In 2018-19, the Department released a new My Aged Care website, with improved aged care service finder functionality. In addition to the new website, the dashboard in the My Aged Care consumer portal, accessible via MyGov, was enhanced to improve usability and quality of information. To further strengthen services and ensure they are client focused and meeting the needs of vulnerable people, annual refresher training for My Aged Care contact centre staff was introduced.

These enhancements have led to improved client outcomes, responsive assessments of clients' needs and goals, appropriate referrals and equitable access to aged care services. Additionally, to improve client outcomes for older Australians, the Life Checks website was launched. The website aims to assist the community to make positive changes for staying healthy as they age, with a target audience including 65 years and over.

Supporting equitable and timely access to aged care services and information for older Australians, their families, representatives and carers

Efficiency of My Aged Care is demonstrated through:

a. The percentage of high priority comprehensive assessments with clinical intervention completed within two days of referral acceptance being maintained.

b. The percentage of high priority home support assessments completed within ten calendar days of referral acceptance being maintained.

Source: 2018-19 Health Portfolio Budget Statements, p.136 and Health Corporate Plan 2018-19, p.17

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
a. >90% b. >90%	89.6% 94.7%	88.0% 93.0%	71.0% N/A	96.9% N/A	94.8% N/A
	Result: Substantially met				

The Department substantially met the target for the percentage of high priority comprehensive assessments with clinical intervention completed within target timeframes. Factors such as unanticipated spikes in assessment volumes, client complexity and availability of clients contributed to not fully meeting the target. However, the Department exceeded the target of the percentage of high priority home support assessments completed within 10 calendar days of referral acceptance.

The Department is working cooperatively with Aged Care Assessment Teams across jurisdictions to address performance issues in specific regions of service delivery.

Launch of the Life Checks website[75]

On average, Australians are living 25 years longer than they were 100 years ago and that means there is more life to enjoy and plan for. Small changes now can mean a healthier, more secure future in later years. It is never too early, or too late, to plan the life you want.

Life Checks is a free interactive online quiz aimed at people aged 45–64 or 65+, focusing on the key areas of health, finances, work and social life. Based on responses, users are provided with information and links to other government resources that may help them to better plan for their future.

Making positive changes in these areas are important for staying healthy as we get older, having the skills to work as long as we need or want, having the money to live comfortably after we stop working and staying socially connected to avoid isolation and loneliness.

People turning either 45 or 65 are sent reminder letters in the mail encouraging them to complete the quiz on the Life Checks website. In the six months since its launch, the website was visited over 197,000 times, with more than 83,000 Life Checks completed.

Life Checks is a joint initiative of the Australian Government, led by the Department of Health, with support from the Treasury, Department of Employment, Skills, Small and Family Business, Department of Social Services, Department of Education and Training, and the Australian Securities and Investments Commission.

Life Checks customer focus was recognised at the 2019 Good Design Awards, winning the 'Design Excellence Award' for innovation in assisting Australians to plan for their future.

Feedback for the Life Checks quiz has been positive, with over 1,000 people lodging complimentary feedback through the website since its launch.

"Very useful resource. A good place to start thinking about health and finances."

"Loved the quiz. It made me really focus on each of the aspects involved, so it did me a huge favour."

"I was very touched by the whole 45 year life check as I had wondered where I go from here. Now I have some real guidelines to consider. Thank you."[76]

life checks

[75] Available at: www.lifechecks.gov.au
[76] De-identified user feedback.

Percentage of surveyed users[77] who are satisfied[78] with the service provided by the:

a. My Aged Care Contact Centre is increased.

b. My Aged Care website is increased.

Source: 2018-19 Health Portfolio Budget Statements, p.136

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
a. ≥95% b. ≥65%	89% 55%	92% 56%	95% 54%	97% 59%	N/A N/A
	Result: Substantially met				

The Department is committed to ensuring older Australians, their families and carers receive the information, support and assistance they need to access aged care services.

My Aged Care Contact Centre user satisfaction did not meet the target in 2018-19. The target was missed partly due to dissatisfaction with the wait times of Home Care Packages and partly due to some instances of unsatisfactory customer service. To increase customer satisfaction and ensure aged care clients are at the centre of every interaction, the Department is continuing to train contact centre staff, and developing information and support services to users of the system so information is clear and readily available. In 2018-19, the Department introduced new annual refresher training for staff in the My Aged Care contact centre. The new refresher training is client centred and covers a variety of scenarios, including how best to help vulnerable people access My Aged Care.

The My Aged Care website satisfaction rate continues to be lower than the target, with users finding the site difficult to navigate. A new website was released in June 2019 which tested well with consumers and stakeholders. The Department is also working with providers to improve the quality of information entered into the site. Satisfaction rates are expected to increase as a result.

[77] 'Users' refers broadly to different types of callers to the My Aged Care Contact Centre and visitors to the My Aged Care website, including people seeking information and/or services for themselves, or others, as well as aged care service providers seeking information or system help.

[78] 'Satisfied' callers to the My Aged Care Contact Centre and visitors to the My Aged Care website are those who respond 'very satisfied' or 'satisfied' to the My Aged Care Customer Satisfaction Survey question: *'How satisfied were you overall with your experience?'*

Program 6.2:
Aged Care Services

There was one performance target for which data sets were not available at the time of publication. Where data sets were available, the Department met or substantially met the targets.

During 2018-19, the Government continued to provide choice to older Australians who need assistance. A range of flexible options are in place to support people who wish to remain in their homes and connected to their community for longer, and residential care for those who are unable to continue living in their own home. Home based care options include the Commonwealth Home Support Programme (CHSP). The CHSP provides support services such as transport, meals, domestic assistance, personal care, nursing, allied health and respite services to support older Australians. This allows them to maintain their independence and keep them living in their homes for as long as possible. In 2018-19, the CHSP provided services in all states and territories, with a focus on wellness and reablement approaches. Additionally, the Home Care Packages program provided individually tailored support for older Australians to remain living independently in their own homes for as long as possible, with 25,187 more packages made available in 2018-19, compared to 2017-18.

Residential aged care provides a range of care options for older Australians who are unable to continue living independently in their own home. This can be on a permanent or short term basis. The number of operational residential mainstream aged care places increased from 207,142 to 213,397 places in 2018-19.

Other flexible care options include:

- the Short-Term Restorative Care Programme (STRC) and the Transition Care Program (TCP), which supports older Australians who wish to remain living in their own home by improving wellbeing and independence, and increasing physical functioning;
- the Multi-Purpose Services Program, which enables local people in regional and remote communities access to services that could not be viably delivered through stand-alone hospitals or aged care homes; and
- the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, which funds organisations to provide flexible, culturally safe aged care services to older Aboriginal and Torres Strait Islander Australians close to home and/or their community.

Providing older people home support and/or access to a range of services in their own homes

Commonwealth Home Support Programme (CHSP) continues to provide older people with ongoing support to stay independent and live in their homes and communities for longer.[79]

Source: 2018-19 Health Portfolio Budget Statements, p.138 and Health Corporate Plan 2018-19, p.17

2018-19 Target	2018-19 Result
CHSP provides services to clients nationally from 1 July 2018. CHSP has a greater focus on activities that support independence and wellness.	Services were provided through the CHSP across all states and territories, with a focus on wellness and reablement.
	Result: Met ●

The CHSP became a national program on 1 July 2018, following the transition of the Western Australian Commonwealth Home and Community Care program services to the CHSP.

In 2018-19, 1,547 CHSP providers delivered a range of entry-level support services to 847,534 older Australians to continue living in their own homes and communities for longer.

In late 2018, the Department conducted a Wellness and Reablement Report[80] via a survey to service providers. The Department received 1,025 responses from CHSP providers, with the majority of service providers reporting benefits for clients from wellness and reablement approaches. The report showed that 80 per cent of service providers reported they understood and implemented wellness and reablement approaches in CHSP service delivery, and 74 per cent of service providers' policy and procedures promote wellness and reablement approaches to service delivery. A wellness and reablement approach may include discussing strategies a client can employ in order to more easily manage day-to-day tasks, for example, transport planning to meet goals around the use of public transport to maintain usual activities. As well as exploring a client's opportunity for reablement, such as, can the client benefit from time-limited support to regain their functional capability. Benefits that were identified included promoting autonomy and independence and maintaining and/or building on clients' strengths and physical capabilities.

Support is provided to older people with complex care needs to keep them living independently in their own homes through the Home Care Packages Program.

a. Number of allocated Home Care Packages.

Source: 2018-19 Health Portfolio Budget Statements, p.138 and Health Corporate Plan 2018-19, p.17

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
a. 111,500[81]	125,119	99,932	91,980	N/A	N/A
	Result: Met ●				

The Government recognises that many people want to remain living independently in their own homes for as long as possible. To support this, the Government provides home care packages to help older Australians receive care and remain connected to their communities.

Older Australians are assigned Home Care Packages through My Aged Care, using the national prioritisation system. Home Care Packages are provided at a rate proportionate to the yearly target of packages available. A total of 25,187 more packages have been made available as at 30 June 2019 than 30 June 2018 (99,932). The increase in packages means more support and access for older Australians to a range of services, assisting them with clinical care, visiting the doctor, social activities, personal care and a number of other services to allow them to live independently and comfortably in their own homes for longer.

[79] This is measured through the program evaluation and by accessing data from My Aged Care.

[80] Available at: www.agedcare.health.gov.au/programs/reporting-for-chsp/outcomes-of-the-2018-commonwealth-home-support-programme-chsp-wellness-and-reablement-report

[81] This target has increased to 124,032 since publication of the *2018-19 Health Portfolio Budget Statements*, due to two measures announced through the 2018-19 Mid-Year Economic and Fiscal Outlook and the *2019-20 Health Portfolio Budget Statements*, which took effect in the 2018-19 year.

The Commonwealth Continuity of Support (CoS) Programme[82] continues to be implemented in a phased approach to support eligible older people with a disability. Source: 2018-19 Health Portfolio Budget Statements, p.139	
2018-19 Target	**2018-19 Result**
Full implementation of all services for New South Wales, South Australia and the Australian Capital Territory.	All services were fully implemented in New South Wales, South Australia and the Australian Capital Territory.
	Result: Met

All clients transitioned to the CoS Programme will receive continuity of support for their disability support services. This means clients will achieve similar outcomes to those they were achieving under the former state and territory specialist disability services program.

In addition to the target being met, the Department achieved full implementation by 30 June 2019 in Queensland, Northern Territory, Victoria and Tasmania.

Supporting people in residential aged care

Residential care options and accommodation for older people who are unable to continue living independently in their own homes is increased. **a. Residential aged care places available as at 30 June.** Source: 2018-19 Health Portfolio Budget Statements, p.139					
2018-19 Target	**2018-19 Result[83]**	**2017-18**	**2016-17**	**2015-16**	**2014-15**
a. 210,100	213,397	210,815	204,335	199,449	195,953
	Result: Met				

In 2018-19, 213,397 operational places were available in the market, noting that at any point in time not all places are always occupied. To ensure community demand for places can be met and older Australians receive residential care when they need it, residential care places are made available at the level of care required. The Department continues to monitor the impact of the measures introduced in early 2016 that encourage providers to operationalise their provisionally allocated places.

[82] The CoS Programme provides support to older people with a disability who were receiving state and territory-managed specialist disability services but were ineligible for the National Disability Insurance Scheme (NDIS) at the time the NDIS is implemented in a region. The CoS Programme is being implemented in line with the NDIS rollout.

[83] Previous targets reported all residential places including mainstream and flexible care. The 2018-19 Annual Report only reports residential mainstream places in line with the 2018-19 published target. This represents an increase from the 2017-18 result for mainstream residential places of 6,255 (2017-18 residential mainstream only places result was 207,142).

Supporting people with different care needs through flexible care arrangements

The number of older people who accessed restorative interventions through the Short-Term Restorative Care (STRC) Programme or the Transition Care Program is increased.

Source: 2018-19 Health Portfolio Budget Statements, p.139

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
≥28,000	Data not available[84]	26,024	N/A	N/A	N/A

Demand for Transition Care Program (TCP) places continued to be steady, at around 88.7 per cent of available bed days. STRC demand continued to build in its second full year of operation, noting that the lower than expected utilisation reflects the timing of the allocation of an additional 350 places in late January 2019 and the time taken for providers to bring these new places online.

Both the STRC and TCP support older Australians who wish to remain living in their own home by improving wellbeing and independence, as well as increasing physical functioning.

In the longer term, these restorative care programs will reduce pressures on other aged care services, such as residential aged care and home care.

The number of places funded through the Multi-Purpose Services (MPS) is increased.

Source: 2018-19 Health Portfolio Budget Statements, p.139

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
3,869	3,646	3,624	3,636	3,592	3,545
	Result: Substantially met				

In 2018-19, the target for the number of places funded through the MPS was substantially met. The number of places is less than the target, as demand for new places to expand existing services or establish new services in the allocations round was less than expected. The Department continues to work with states and territories, which are responsible for MPS infrastructure, to identify suitable new locations to establish MPS services to meet expected demand.

In 2018-19, the MPS Program allocations round resulted in the establishment of a new MPS in Moura, Queensland and expansion of the Barcoo Living MPS in Blackall, Queensland.

The number of places funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program is maintained.

Source: 2018-19 Health Portfolio Budget Statements, p.139

2018-19 Target	2018-19 Result	2017-18	2016-17	2015-16	2014-15
1,000	1,072[85]	860	820	820	802
	Result: Met				

The National Aboriginal and Torres Strait Islander Flexible Aged Care Program Home Care expansion resulted in an additional 512 home care places being allocated to new and existing service providers. The expansion will be rolled out progressively over four years in remote and very remote locations. The new places and services will allow Aboriginal and Torres Strait Islander Australians to stay at home longer, close to family and country, while improving access to culturally safe aged care services in remote Indigenous communities.

[84] Data relating to the number of clients accessing STRC and TCP was unavailable at the time of publishing, as the data was not yet finalised. When finalised, STRC and TCP data will be published on the GEN Aged Care website, available at: www.gen-agedcaredata.gov.au

[85] The majority of these places became operational in 2018-19, with the remainder to become operational in 2019-20 and 2020-21.

Program 6.3:
Aged Care Quality

The Department met all performance targets related to this program.

During 2018-19, the Government continued to support the provision of quality aged care for older Australians. The Aged Care Quality and Safety Commission (ACQSC) was established on 1 January 2019. The ACQSC integrates and streamlines the roles of the Aged Care Complaints Commissioner and the Australian Aged Care Quality Agency. The ACQSC will strengthen quality assessors' access to clinical advice and enable flexible and responsive regulatory powers. The Department also supported the Government to work with the aged care sector and consumers to develop the Single Aged Care Quality Framework, which will focus on quality outcomes for care recipients when fully implemented in 2019. Elements of the Single Aged Care Quality Framework, including the Aged Care Quality Standards and the Charter of Aged Care Rights, were made into law on 28 September 2018 and 20 March 2019 respectively, to come into effect from 1 July 2019. Also, on 17 June 2019, the National Aged Care Mandatory Quality Indicator Program became mandatory for all residential aged care providers, with effect from 1 July 2019. The Department continued to address aged care provider non-compliance in collaboration with the ACQSC.

A Royal Commission into Aged Care Quality and Safety was established in October 2018, with an interim report to be delivered in October 2019 and a final report expected in 2020. The terms of reference for the Commission were informed by extensive consultation by the department with the community and aged care sector. Over 5,000 submissions and representations were received during this process. The Royal Commission has broad scope to inquire into all forms of Commonwealth funded aged care services, regardless of the setting in which those services are delivered. It will look at the aged care sector as a whole, including younger people with disabilities living in residential aged care. The department has established internal systems and processes to ensure responsiveness to requests from the Royal Commission to assist in the conduct of the inquiry.

Ensure the provision of quality aged care, including equitable care for people from diverse backgrounds, and support for people with dementia

The safety, wellbeing, and interests of Commonwealth-subsidised care recipients is protected through regulatory activities. Source: 2018-19 Health Portfolio Budget Statements, p.141	
2018-19 Target	**2018-19 Result**
Identify, respond to, and take appropriate action to address approved provider non-compliance under the *Aged Care Act 1997*.	The Department undertook appropriate action to address all instances of approved provider non-compliance identified by the ACQSC (and formerly the Aged Care Quality Agency) during 2018-19. For each incidence of potential non-compliance received by the Department, a risk assessment has been undertaken to determine the appropriate action to address non-compliance.
	Result: Met ●

In return for Government subsidy, providers of aged care services are expected to meet certain responsibilities relating to the provision of care and services. These responsibilities are set out in the *Aged Care Act 1997* (the Act).

The Department and the Australian ACQSC both have a role in monitoring provider compliance with their responsibilities. The objective of the Department's regulatory activities is for providers to voluntarily comply with their responsibilities and where non-compliance is identified, to return the provider to compliance as quickly as possible to protect the health, safety and wellbeing of care recipients.

The Department's response to identified non-compliance is proportionate to the assessed risk to care and safety of older Australians and includes administrative resolution by engaging with the provider to encourage voluntary compliance. Where this is not appropriate, the Department undertakes formal regulatory resolutions such as issuing a Notice of Non-Compliance under the Act or impose sanctions. In 2018-19, there were 55 Sanctions imposed on 36 approved providers, compared to 26 Sanctions in 2017-18, and 267 Notices of Non-Compliance, compared to 166 in 2017-18.

Existing and emerging challenges are responded to in the provision of aged care for older Australians. Source: 2018-19 Health Portfolio Budget Statements, p.141	
2018-19 Target	**2018-19 Result**
Provide funding through the Dementia and Aged Care Services (DACS) Fund to strengthen the capacity of the aged care sector to better respond to the existing and emerging challenges of aged care reforms.	$106,128,000 of funding was provided through the DACS Fund to support a range of activities. **Result: Met**

Funding was provided through the DACS Fund to address emerging priorities in dementia care, services targeting lesbian, gay, bisexual, transgender and intersex people, people from culturally and linguistically diverse backgrounds, and special measures for Aboriginal and Torres Strait Islander Australians. These services assisted older Australians from diverse backgrounds to receive the same quality of aged care as other older Australians. The DACS Fund also funded the Aged Care Regional, Rural and Remote Infrastructure Grants and the Better Care for people living with Dementia Budget Measures.

Aged Care Regional, Rural and Remote Infrastructure Grants

Senior Australians and communities in regional, rural and remote areas across the nation will benefit from $40 million in aged care infrastructure funding announced in the 2018-19 Budget.

The funding provides 117 aged care services in these areas with up to $500,000 each to upgrade old or unsuitable infrastructure. Funding enables extensions and refurbishments to existing buildings, ensuring quality, safety and accessibility of services and associated staff housing.

The grant opportunity was designed to address gaps in funding for regional, rural and remote areas, where geographical constraints and higher costs impede the ability to invest in infrastructure work.

Investing in improved infrastructure ensures the aged care system across the nation can meet the needs of ageing Australians. It also provides better quality accommodation choice for staff within the aged care workforce.

Upgrades will boost the productivity and sustainability of local aged care services and provide an economic stimulus in small regional, rural and remote communities.

"Regional Western Australia, particularly the Kimberley, is an area of great need for quality aged care services and we're grateful to receive funding that will go a long way to establish staff housing for the Juniper Marlgu service." – Mr. Chris Hall, Chief Executive, Juniper Marlgu Village Residential Care.

The quality of care for people with dementia by the provision of vocational-level training to aged care workers or continuing professional development training to health professionals is improved. Source: 2018-19 Health Portfolio Budget Statements, p.142	
2018-19 Target	**2018-19 Result**
At least 70% of people surveyed[86] think that the quality of care they are receiving has improved since their associated aged care worker/health professional has undertaken training through the national Dementia Training Program. Negotiate funding agreements for service delivery for 2019-20.	97% of the 2,487 people surveyed think that Dementia Training Australia's training has improved the quality of care they are receiving. A funding agreement is in place from 1 July 2019 to 30 June 2021. **Result: Met**

The Dementia Training Program provides accredited education, up-skilling and professional development for the workforce providing dementia care in the primary, acute and aged care sectors. In 2018-19, people providing care, family members and people living with dementia have verified that the knowledge and skills imparted through training have translated into a higher quality of care.

The Dementia Training Program is available nationally, including in rural and remote areas, and is delivered through face to face training, online learning and a comprehensive range of free online resources and webinars. The availability of affordable and high quality training in dementia care is helping improve the quality of care for people living with dementia across Australia.

The confidence of aged care providers in managing behavioural and psychological symptoms of dementia is increased. Source: 2018-19 Health Portfolio Budget Statements, p.142	
2018-19 Target	**2018-19 Result**
At least 75% of sampled care givers[87] report an improvement in confidence when managing behavioural and psychological symptoms of dementia, following an intervention from the Dementia Behaviour Management Advisory Services (DBMAS).	94% of care givers surveyed report an improvement in confidence when managing Behavioural and Psychological Symptoms of Dementia (BPSD) following an intervention from the DBMAS. **Result: Met**

DBMAS provides nationally coordinated, locally based support and advice to aged, primary and acute care providers and individuals caring for people living with dementia where BPSD are impacting on their care and quality of life. These services are delivered face to face in rural and remote areas as well as urban areas across Australia. During 2018-19, care providers who used this service have become more skilled and confident in caring for people living with dementia.

The Department also collects data on the impact of DBMAS interventions for a person's BPSD. A Neuropsychiatric Inventory (NPI) for the referred client is undertaken on entry and discharge from the service. Results of the NPI measures show a significant decrease in the number, frequency and severity of BPSD as well as carer distress.

As well as improving confidence and skill for care providers where BPSD are affecting a person's care, a national database has been developed that can inform research on the triggers of BPSD and the effectiveness of psychosocial interventions. This data informs the aged, acute and primary care sectors about knowledge gaps in these sectors.

[86] People surveyed include providers of care for, and the families of, people living with dementia.
[87] Sampled care givers include family carers, acute care staff and aged care staff/providers.

Outcome 6 - Expenses and Resources

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Program 6.1: Access and Information			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	233,536	229,700	(3,836)
Departmental expenses			
Departmental appropriation[1]	107,538	111,806	4,268
Expenses not requiring appropriation in the budget year[2]	1,973	2,615	642
Total for Program 6.1	**343,047**	**344,121**	**1,074**
Program 6.2: Aged Care Services[3]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)[4]	3,341,647	3,237,091	(104,556)
Zero Real Interest Loans			
- appropriation	27,960	6,638	(21,322)
- expense adjustment[5]	(18,656)	(3,417)	15,239
Special appropriations			
Aged Care Act 1997 - flexible care	492,925	471,872	(21,053)
Aged Care Act 1997 - residential and home care	14,927,939	14,563,877	(364,062)
National Health Act 1953 - continence aids payments	91,936	90,062	(1,874)
Departmental expenses			
Departmental appropriation[1]	53,050	51,283	(1,767)
Expenses not requiring appropriation in the budget year[2]	1,882	2,473	591
Total for Program 6.2	**18,918,683**	**18,419,879**	**(498,804)**
Program 6.3: Aged Care Quality			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	167,570	146,928	(20,642)
Departmental expenses			
Departmental appropriation[1]	41,217	37,475	(3,742)
Expenses not requiring appropriation in the budget year[2]	1,301	1,567	266
Total for Program 6.3	**210,088**	**185,970**	**(24,118)**

Outcome 6 - Expenses and Resources (continued)

	Budget Estimate 2018-19 $'000 (A)	Actual 2018-19 $'000 (B)	Variation $'000 (B) - (A)
Outcome 6 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	3,770,713	3,620,357	(150,356)
- expense adjustment[5]	(18,656)	(3,417)	15,239
Special appropriations	15,512,800	15,125,811	(386,989)
Departmental expenses			
Departmental appropriation[1]	201,805	200,564	(1,241)
Expenses not requiring appropriation in the budget year[2]	5,156	6,655	1,499
Total expenses for Outcome 6	**19,471,818**	**18,949,970**	**(521,848)**
Average staffing level (number)	**789**	**791**	**2**

1 Departmental appropriation combines 'Ordinary annual services (*Appropriation Act No. 1*)' and 'Revenue from independent sources (s74)'.

2 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

3 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.

4 'Ordinary annual services (*Appropriation Act No. 1*)' against program 6.2 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

5 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.

Part 2.2:
Entity Resource Statement 2018-19

		Actual available appropriation for 2018-19 $'000 (A)	Payments made 2018-19 $'000 (B)	Balance remaining 2018-19 $'000 (A) - (B)
Ordinary Annual Services[1]				
Departmental appropriation				
Prior year departmental appropriation		36,949	36,949	-
Departmental appropriation		676,518	630,137	46,381
Departmental capital budget[2]		12,708	10,866	1,842
Receipts retained under PGPA Act – section 74		125,388	125,388	-
Total		**851,563**	**803,340**	**48,223**
Administered expenses				
Outcome 1		104,575	103,810	
Outcome 2		4,671,231	4,261,226	
Outcome 3		23,906	22,436	
Outcome 4		1,618,179	1,462,241	
Outcome 5		133,908	120,353	
Outcome 6		3,768,274	3,488,073	
Receipts retained under PGPA Act – section 74		5,679		
Payments to Corporate Commonwealth Entities		644,096	643,837	
Total		**10,969,848**	**10,101,976**	
Total ordinary annual services	**A**	**11,821,411**	**10,905,316**	
Other services[3]				
Departmental non-operating				
Prior year departmental appropriation		6,952	4,505	2,477
Equity injections		19,246	6,974	12,272
Total		**26,198**	**11,479**	**14,719**
Administered non-operating				
Prior year administered appropriation		127,288	41,269	
Administered Assets and Liabilities		120,133	22,679	
Payments to Corporate Commonwealth Entities		39,023	37,453	
Total		**286,444**	**101,401**	
Total other services	**B**	**312,642**	**112,880**	
Total available annual appropriations and payments		**12,134,053**	**11,018,196**	

		Actual available appropriation for 2018-19 $'000 (A)	Payments made 2018-19 $'000 (B)	Balance remaining 2018-19 $'000 (A) - (B)
Special appropriations				
Special appropriations limited by criteria/entitlement				
Aged Care Act 1997			15,043,797	
Health Insurance Act 1973			14,326	
National Health Act 1953			1,524,249	
Medical Indemnity Act 2002			93,495	
Dental Benefits Act 2008			322,446	
Private Health Insurance Act 2007			6,065,591	
Public Governance, Performance and Accountability Act 2013 – section 77			18,105	
Total special appropriations	**C**		**23,082,009**	
Special Accounts[4]				
Opening balance		653,024		
Appropriation receipts[5]		17,255		
Appropriation receipts – other entities[6]		36,438,314		
Non-appropriation receipts to Special Accounts		180,949		
Payments made			36,430,640	
Total Special Account	**D**	**37,289,542**	**36,430,640**	**858,902**
Total resourcing and payments[7]	**A+B+C+D**	**49,423,595**	**70,530,845**	
Less appropriations drawn from annual or special appropriations above and credit to special accounts		17,255		
and Corporate Entities		683,119	681,290	
Total net resourcing and payments for the Department of Health		**48,723,221**	**69,849,555**	

Budget refers to estimated actual expenses for 2018-19 as disclosed in the *2019-20 Health Portfolio Budget Statements*.

1 *Appropriation Act (No.1) 2018-19* and *Appropriation Act (No.3) 2018-19*. This also includes prior year departmental appropriation and section 74 retained revenue receipts.

2 For accounting purposes this amount has been designated as 'contributions by owners'.

3 *Appropriation Act (No.2) 2018-19* and *Appropriation Act (No.4) 2018-19*.

4 Does not include 'Relevant Public Money' held in Services for Other Entities and Trust Moneys special account (SOETM).

5 Appropriation receipts from the Department of Health's annual appropriations 2018-19 included above.

6 Does not include 'Relevant Money' held in Services for Other Entities and Trust Moneys special account (SOETM).

6 Appropriation receipts from other entities credited to the Department of Health's special accounts.

7 Total resourcing excludes the actual available appropriation for all Special Appropriations.

Part 3:
Management & Accountability

Part 3.1: Corporate Governance

The Department's corporate governance plays an integral role in ensuring Government priorities and program outcomes are delivered efficiently and effectively. In 2018-19, the Department commenced implementation of a range of initiatives to strengthen corporate governance, including revised governance structures to improve oversight of the Department's highest risk change and implementation projects.

Senior governance committees

In 2018-19, the Department reviewed its senior governance arrangements to strengthen oversight of high risk change projects and administered programs and improve advice on strategic cross portfolio policy issues.

The governance structure in *Figure 3.1.1* came into effect late in the 2018-19 financial year, and will continue to embed and mature over the next financial year.

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; and
- strategic portfolio policy issues to improve the performance of the health and aged care systems.

Figure 3.1.1: Senior governance committee structure

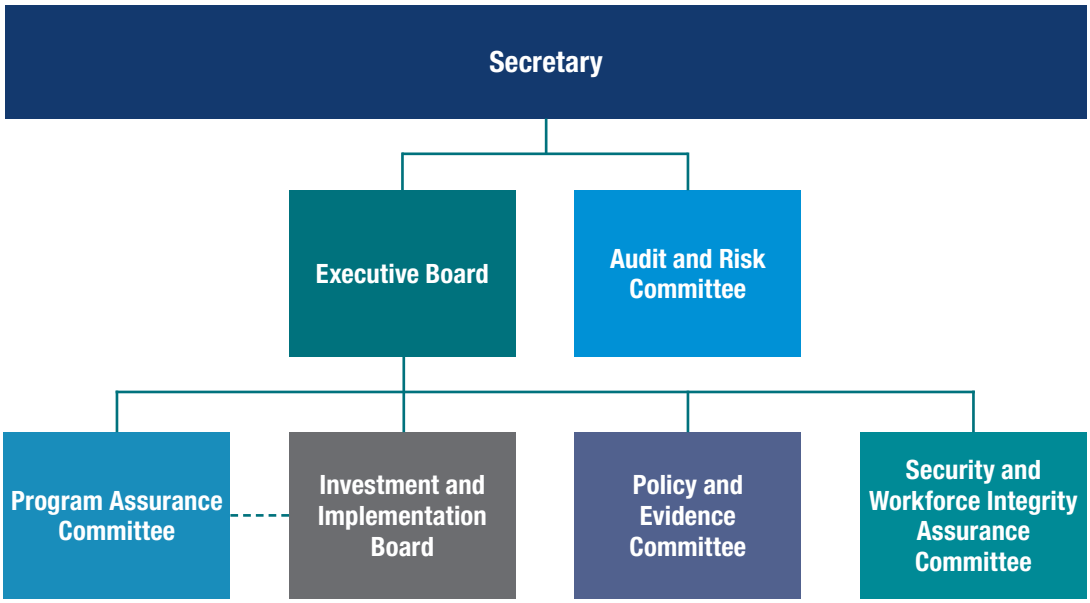


Table 3.1.1: Senior governance committees

Committee	Role
Executive Board	The Executive Board provides advice and support to the Secretary by driving the leadership, culture and performance of the Department and provides stewardship through: • effective decision-making and governance; • setting the strategic direction and ensuring achievement of high quality outcomes; • shaping organisational culture and developing capability; and • monitoring and addressing departmental performance and risks. Membership comprises the Secretary and all Deputy Secretaries.
Audit and Risk Committee	The Audit and Risk Committee provides independent advice and assurance to the Secretary on the appropriateness of the Department's: • financial reporting; • performance reporting; • system of risk oversight and management; and • system of internal control. Membership comprises an independent chair, two independent members and two senior executive members chosen and rotated from time to time from within the Department.
Program Assurance Committee	The Program Assurance Committee drives excellence in program delivery across all Departmental programs. It considers both the ongoing delivery of programs and the implementation of new programs and measures. The Program Assurance Committee provides oversight, advice and assurance to the Executive Board on: • management arrangements, accountability measures and performance results; and • alignment of resources, capabilities and senior focus relative to risk, government priorities and achievement of intended outcomes. Membership comprises senior executives selected for their expertise and/or current role in the Department. This committee was re-focused over 2018-19. The first meeting for this re-focused committee was held on 8 March 2019.

Committee	Role
Investment and Implementation Board (formerly the Investment Board)	The Investment and Implementation Board provides oversight, advice and assurance to the Executive Board on: • effective management and ongoing viability of the Department's high risk change projects; and • investments relating to IT, property and the use of capital and non-capital budgets. Membership comprises senior executives selected for their expertise and/or current role in the Department. The first meeting for this expanded committee was held on 19 March 2019.
Policy and Evidence Committee (formerly the Policy, Evaluation and Data Committee)	The Policy, Evaluation and Data Committee was re-established as the Policy and Evidence Committee on 17 April 2019. The Policy and Evidence Committee provides advice and recommendations to the Executive Board on: • comprehensive portfolio policies to improve the performance of the health and aged care systems, including over the long term; and • considerations of relevant data and evidence to inform strategic policy options for issues that may be impacting health outcomes. Membership comprises senior executives selected for their expertise and/or current role in the Department.
Security and Workforce Integrity Assurance Committee	The Security and Workforce Integrity Assurance Committee supports the Secretary and Executive in the provision of a cohesive and coordinated approach to security and workforce integrity risk. The committee supports the Executive to: • set priorities to deliver the Government's Protective Security and Policy Framework Reforms; • monitor the effectiveness of controls (policy and process) associated with the Department's Professional Integrity & Security Framework; and • provide assurance against security and integrity initiatives for the Department's corporate operating environment. Membership comprises senior executives and executive level officers managing key functions relevant to security and workforce integrity. The initial meeting for this committee was held on 20 June 2019.

Audit and Risk Committee Membership

Audit and Risk Committee comprises an independent chair, two independent members and two senior executive members chosen from within the Department. The Committee met five times in 2018-19. The Financial Statements Sub-Committee is chaired by one of the independent members.

In 2018-19, the two departmental senior executive members were the Deputy Secretary of the Health Financing Group and the First Assistant Secretary of the Health Workforce Division.

During 2018-19, the Audit and Risk Committee comprised the following independent membership.

Kathleen Conlon – independent external chair (June 2015 – November 2018)

Kathleen Conlon was Chair of the Department's Audit and Risk Committee from June 2015 until November 2018. Kathleen is a professional non-executive director, with 20 years' experience at the Boston Consulting Group, including seven years as a partner. During her time at Boston, Kathleen led their Asia-Pacific operational effectiveness practice area, health care practice area and the Sydney office.

Jenny Morison – independent external chair (November 2018 – current)

Jenny Morison commenced as Chair of the Department's Audit and Risk Committee from 28 November 2018, having been a previous independent member. Jenny is a Fellow of the Chartered Accountants of Australia and New Zealand, with over 37 years of broad experience in accounting and commerce, including audit, taxation, management consulting, corporate advisory and consulting to government. Jenny has held numerous board positions and has extensive experience as an independent member and chair of Audit Committees in the Australian Government. Her experience encompasses both large departments and smaller entities.

Since 1996, Jenny has run her own business, providing strategic financial management, governance and risk advice within the government sector. Jenny has a Bachelor of Economics and is a Fellow of the Institute of Managers and Leaders.

Steve Peddle – independent external member

Steve Peddle commenced as an independent external member of the Department's Audit and Risk Committee from August 2015. Steve has more than 20 years of senior management experience as a Chief Information Officer, Chief Technology Officer and General Manager, covering information and communication technology service delivery and senior general management.

Steve has experience in private, government and defence industries in the areas of computer design and engineering, applications development, strategic planning, outsourcing contract management, housing management services, digital broadcast video services, network security and operations service delivery. Steve is currently the Chief Information Officer for the Australian Maritime Safety Authority.

Nick Baker – independent external member

Nick Baker is a Fellow of Certified Practicing Accountant Australia and a Member of the Australian Computer Society and was a senior Partner in KPMG Australia (1995–2015) prior to his retirement.

Nick's career has spanned 40 years and encompassed a broad range of areas including public sector accounting, financial management, information technology and general management consulting. Nick has particular expertise in Public Sector Financial Management Reform, Policy/Program Design and Information Technology, Security and Control.

Nick has held a number of Board Chair positions in not-for-profit organisations and has Audit Committee experience in the Public Sector with Agencies such as the Australian Competition and Consumer Commission, Department of Human Services (now Services Australia), Department of Social Services (Chair) and the National Disability Insurance Scheme Quality and Safeguards Commission (Chair).

Nick holds dual tertiary level qualifications in Professional Accounting and Computing and also a Certificate IV in Commonwealth Fraud Control (Investigations).

Organisational planning

The Department's corporate governance agenda is guided by the Corporate Plan. In 2018-19, the Department continued to strengthen oversight of program performance through implementing changes to align with the enhanced Commonwealth performance framework. Planning and risk processes are closely aligned to ensure each area's priorities aim to meet our vision and objectives.

Our purpose

To support government and stakeholders 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[88]

The Corporate Plan is the primary strategic planning document for the Department and is a core element of the Department's performance and accountability framework.

The four year horizon for the Corporate Plan sets out the Department's priorities and key actions. It also includes the Department's capability improvement agenda, approach to managing risk, and how performance will be measured in delivering a modern, sustainable health system for all Australians.

The Corporate Plan is prepared to meet requirements of the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability Rule 2014*.

Risk management

The Department continued to improve the risk culture and raise awareness of risk management during 2018-19 by developing and implementing Risk Management Community of Practice forums. These forums are designed as interactive engagement sessions open to all staff across the Department, including state and territory offices, to raise risk awareness, improve capability, build networks and share risk tips and tools.

In 2018, the Department launched the inaugural annual Risk Awareness Day. This event raised awareness of how important the effective management of risk is in our daily roles, including having frequent risk conversations and following through with practical risk mitigation strategies.

The Department developed the Risk Maturity Posture Framework, an evidence-based methodology of assessment, applying a more structured approach to reporting and reviewing risk controls and treatments on divisional level business and risk plans. The Risk Maturity Posture Framework includes an assessment methodology, assessment criteria, grading scheme and a matrix to report the maturity posture at the divisional level.

To remain responsive to the Department's needs, a review of the Department's Risk Management Framework was undertaken in 2018-19. This review led to improvements in the business and risk planning process, risk guidance materials and learning and development opportunities.

To assist in improving our risk culture, each Division Head presents their business and risk plans to discuss with the Department's Executive Board.

In 2019, the Department maintained its 'Integrated' level of maturity against the annual Comcover Risk Management Benchmarking Survey.

[88] Available at: www.health.gov.au/corporateplan

Fraud minimisation and control

The Department undertook audit and fraud control assurance activities to promote and support effective corporate governance.

Internal audits completed during 2018-19 supported compliance, and provided assurance in relation to the Department's key delivery objectives and the effectiveness of its control frameworks.

During 2018-19, the Department completed five audits from the 2017-18 Internal Audit Work Program, 10 audits from the 2018-19 Internal Audit Work Program and two management requested assurance assessments. A further three audits were underway or pending completion as at 30 June 2019.

The Department's Fraud and Corruption Control Plan 2018–20 and intranet supports employees in identifying and reporting fraud and corruption concerns. Members of the public are able to report their fraud and corruption concerns through the Department's internet site.

During 2018-19, the Department received 104 fraud allegations[89], which were 97 allegations related to external (program) fraud and corruption, and seven related to internal fraud and corruption.

During 2018-19, 38 referrals were made to relevant internal business areas for compliance action, and 23 allegations required no further action. A total of 46 referrals were made to law enforcement or other agencies for review or action.

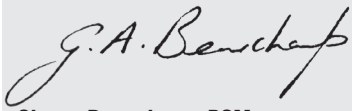
Compliance reporting

There have been no significant breaches of finance law by the Department during 2018-19. The Department maintains a risk-based approach to compliance with a combination of self reporting and focused review. Any changes to this methodology are reviewed and endorsed by the Audit and Risk Committee. All instances of non-compliance are reported to the Audit and Risk Committee. The Department minimises non-compliance through 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, Glenys Beauchamp, certify 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; and
- taken all reasonable measures to appropriately deal with fraud relating to the Department.



Glenys Beauchamp PSM
September 2019

[89] A single fraud allegation may contain external and internal components. An allegation may result in multiple referrals to internal business areas for action or to other relevant agencies in part or in full simultaneously.

Part 3.2: Executive

(as at 30 June 2019)

Glenys Beauchamp PSM

Secretary

Glenys Beauchamp was appointed Secretary of the Department of Health on 18 September 2017.

Glenys has had an extensive career in the Australian Public Service at senior levels, with responsibility for a number of significant government programs covering economic and social policy areas.

She has more than 25 years' experience in the public sector and began her career as a graduate in the Industry Commission.

Prior to her current role, Glenys was:

- Secretary of the Department of Industry, Innovation and Science (2013 to 2017).
- Secretary of the Department of Regional Australia, Local Government, Arts and Sport (2010 to 2013).
- Deputy Secretary in the Department of the Prime Minister and Cabinet (2009 to 2010).
- Deputy Secretary in the Department of Families, Housing, Community Services and Indigenous Affairs (2002 to 2009).

Glenys has held a number of executive positions in the ACT Government, including Deputy Chief Executive, Department of Disability, Housing and Community Services and Deputy CEO, Department of Health. She also held senior positions in housing, energy and utilities functions with the ACT Government.

Glenys was awarded a Public Service Medal in 2010 for coordinating Australian Government support during the 2009 Victorian bushfires.

Glenys has an economics degree from the Australian National University and an MBA from the University of Canberra.

Professor Brendan Murphy

Chief Medical Officer

Professor Brendan Murphy is the Chief Medical Officer (CMO) for the Australian Government and is the principal medical adviser to the Minister and the Department of Health. He holds direct responsibility for the Department's Office of Health Protection and Health Workforce Division. In addition to the many committees he chairs, co-chairs and participates in, he is the Australian Member on the International Agency for Research on Cancer (IARC) Governing Committee and represents Australia at the World Health Assembly.

Prior to his appointment, Brendan was the Chief Executive Officer of Austin Health in Victoria.

Professor Murphy is:

- A Professorial Associate with the title of Professor at the University of Melbourne.
- An Adjunct Professor at Monash University.
- A Fellow of the Australian Academy of Health and Medical Sciences.
- A Fellow of the Royal Australian College of Physicians.
- A member of the Australian Institute of Company Directors.

He was formerly CMO and Director of Nephrology at St Vincent's Health and sat on the Boards of Health Workforce Australia, the Florey Institute of Neuroscience and Mental Health, the Olivia Newton-John Cancer Research Institute and the Victorian Comprehensive Cancer Centre. He is also a former president of the Australian and New Zealand Society of Nephrology.

Dr Margot McCarthy

Special Adviser

Dr Margot McCarthy joined the Department of Health in November 2015 after responsibility for the Ageing and Aged Care portfolio transferred to the Department from the Department of Social Services.

Margot has held a number of senior positions in the Department of Defence, the Department of Prime Minister and Cabinet (PM&C) and the Department of Social Services.

In February 2013, she was appointed as an Associate Secretary in PM&C, leading the National Security and International Policy Group, which provided advice to the Prime Minister, and whole-of-government coordination on national security matters.

Margot is a graduate of Oxford University (D.Phil. in English Literature) and the London School of Economics and Political Science (MSc in Management). She completed her undergraduate studies at the University of New England.

Caroline Edwards

Deputy Secretary, Health Systems Policy and Primary Care

Caroline Edwards is the Deputy Secretary of Health Systems Policy and Primary Care Group. Caroline is responsible for strategic matters across the portfolio, hospital funding, international engagement and Commonwealth-State relations on health matters. She is also responsible for leading the Department's work on policies and programs relating to mental health, primary care, health economics and research, and Aboriginal and Torres Strait Islander health. Caroline is the Chief Allied Health Officer and the Chief Data Custodian.

Before joining the Department in 2017, Caroline held a range of senior Australian Public Service roles, including several years located in Darwin.

Caroline holds a Bachelor of Laws with first class Honours from Monash University.

Matt Yannopoulos PSM

Chief Operating Officer

Matt Yannopoulos took up the role of Chief Operating Officer on 9 July 2018. In this position he is responsible for the Department of Health's corporate and enabling areas including finance, legal, corporate services, the Department's state network, human resources, communications and information technology.

Prior to this, Matt was the Senior Responsible Officer for the Child Care Reform Implementation at the Department of Education. In this role he was responsible for the leadership and direction for the Program of Child Care Reform Implementation, including the build of the new IT system supporting the child care reforms across the Departments of Education, Human Services and Social Services.

Matt has held previous government positions including First Assistant Secretary, Portfolio Investment Division and Chief Information Officer (CIO) at the Department of Health as well as other significant roles such as Portfolio CIO of the Department of Immigration and Border Protection and as the Department of Defence's first Chief Technology Officer.

Matt has an accounting and information technology background and is an accredited FCPA.

Adjunct Professor John Skerritt

Deputy Secretary, Health Products Regulation

Adjunct Professor John Skerritt heads 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 control of drug import, export and production.

He was formerly a Deputy Secretary in the Victorian Government and has extensive experience in medical, agricultural and environmental policy, regulation, research management, technology application and commercialisation. John was previously the Deputy Chief Executive Officer of a Commonwealth Statutory Authority, a Ministerial appointee on the Gene Technology Technical Advisory Committee and Chair of the Board of a major international technical organisation. During the 1990s he held senior management positions in The Commonwealth Scientific and Industrial Research Organisation and Cooperative Research Centres.

He has significant experience on Boards of international and national organisations and more than 25 years' experience in negotiating and leading international technical and commercial collaborations. He is currently Vice-Chair of both the International Coalition of Medicines Regulatory Authorities and the Scientific Advisory Council of the Centre for Innovation in Regulatory Science.

John:

- Is an Adjunct Full Professor of the Universities of Sydney, Queensland and Canberra.
- Has a University Medal and PhD from the University of Sydney.
- Is a graduate of the Senior Executive Programs of London Business School and of IMD Business School, Switzerland.
- Is a Fellow of the Academy of Technological Sciences and Engineering.
- Is a Fellow of the Institute of Public Administration of Australia (Victoria).

Penny Shakespeare

Deputy Secretary, Health Financing

Penny Shakespeare is Deputy Secretary of the Health Financing Group. This includes the Technology Assessment and Access Division, Medical Benefits Division and Provider Benefits Integrity Division.

Since joining Health in 2006, Penny has held a number of senior leadership positions. Penny was the First Assistant Secretary of the Technology Assessment and Access Division, where she led the division through a period of significant change to further build on the division's capabilities in Health Technology Assessment.

Penny has also previously led the Health Workforce Division, Medical Benefits Branch and Private Health Insurance Branch.

Prior to joining the Department, Penny was:

- An industrial relations lawyer in the Department of Employment and Workplace Relations.
- In regulatory policy roles, including as head of the ACT Office of Industrial Relations.
- A member of the National Occupational Health and Safety Commission.
- A member of the Workplace Relations Ministers' Advisory Council.

Penny has a Bachelor of Laws, a Master's degree in International Law and is admitted as a Barrister and Solicitor.

Dr Lisa Studdert

Deputy Secretary, Population Health, Sport and Aged Care Royal Commission Taskforce

Dr Lisa Studdert is the Deputy Secretary for Population Health, Sport and Aged Care Royal Commission Taskforce. She is responsible for leading the National Integrity of Sport Unit, the Office of Sport, the Youth Taskforce, the Royal Commission Aged Care Taskforce and the Chief Nursing and Midwifery Office. She also oversees the Department's work on food regulation and drug, alcohol and tobacco policy.

Lisa joined the Department of Health in June 2013 as a First Assistant Secretary in the Therapeutic Goods Administration, and went on to lead the Population Health and Sport Division. She worked in the office of Minister Greg Hunt, and before that, as Chief of Staff to former Health Minister, Sussan Ley.

In 2011, Lisa was a member of the senior leadership team at the Australian National Preventive Health Agency and she also has a background working in population and preventive health policy and programs in Australia and internationally.

Lisa is a PhD graduate of Cornell University.

David Hallinan

Acting Deputy Secretary, Ageing and Aged Care

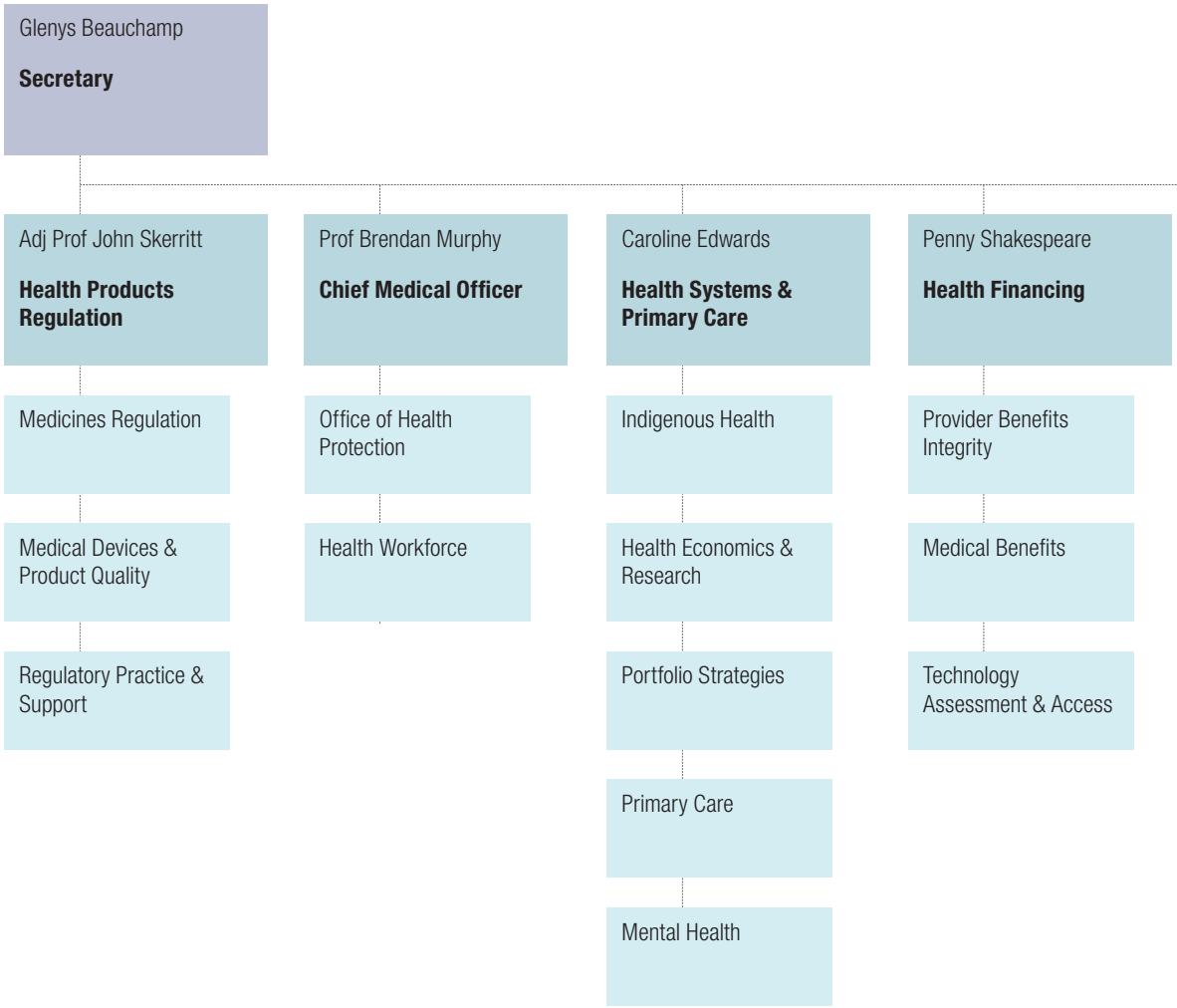
David is the newly appointed Acting Deputy Secretary, Ageing and Aged Care Group of the Department of Health.

David's role from 2016 to April 2019 was as the First Assistant Secretary responsible for leading the Health Workforce Division. The division is responsible for the Australian Government's involvement in the regulation, training, supply and distribution of the health workforce, including the implementation of the Stronger Rural Health Strategy and the Murray Darling Medical School Network.

David worked in the Department of Health for the 10 years to 2011, in areas spanning primary care, Medicare benefits, population health and portfolio review functions. From 2011 to 2016, David worked at the Department of Finance in policy advisory roles across a wide range of portfolios before returning to the Department of Health in January 2016.

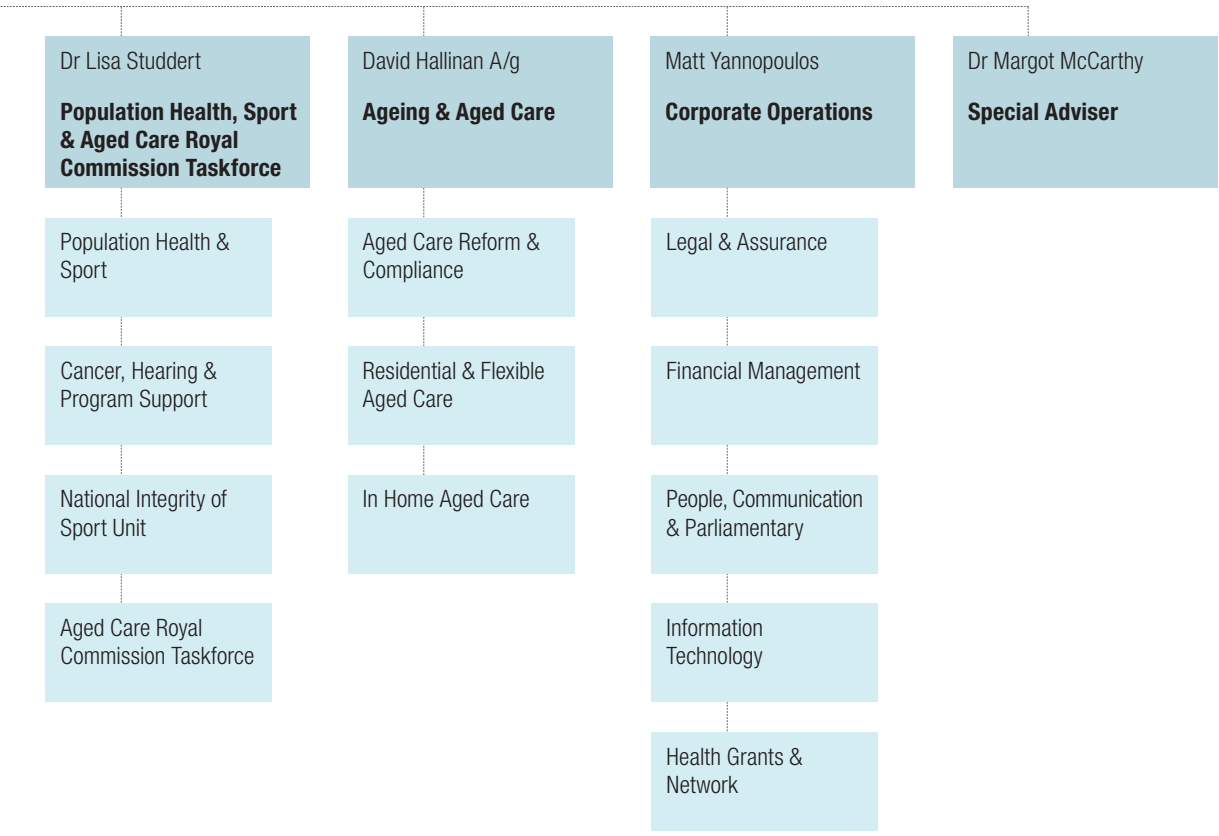
David graduated from the Australian National University with a Bachelor of Economics.

Part 3.3: Structure Chart



Statutory Office Holders

Aged Care Quality & Safety Commissioner	Aged Care Pricing Commissioner	National Rural Health Commissioner	Office of the Gene Technology Regulator	Office of Chemical Safety


Dr Lisa Studdert
Population Health, Sport & Aged Care Royal Commission Taskforce
Population Health & Sport
Cancer, Hearing & Program Support
National Integrity of Sport Unit
Aged Care Royal Commission Taskforce
David Hallinan A/g
Ageing & Aged Care
Aged Care Reform & Compliance
Residential & Flexible Aged Care
In Home Aged Care
Matt Yannopoulos
Corporate Operations
Legal & Assurance
Financial Management
People, Communication & Parliamentary
Information Technology
Health Grants & Network
Dr Margot McCarthy
Special Adviser

Part 3.4: People

The Department aspires to be a high performing organisation with a positive culture based on collaboration, innovation, respect and staff engagement. We measure our performance and culture through the Australian Public Service Commission (APSC) Employee Census, internal Pulse Surveys and key human resource measures including workforce planning metrics, skills and capability and diversity benchmarks. As at 30 June 2019, the Department employed 4,280 staff on an ongoing and non-ongoing basis.

Organisational performance

Measures of leadership and culture

The Australian Public Service (APS) State of the Service Employee Census (Staff Survey) continues to provide valuable insight into staff views. The survey was conducted between 6 May and 7 June 2019, with 86 per cent of the Department's staff participating (an increase from 79 per cent in 2018).

Overall, the Department has maintained its positive results from previous years, with a general improvement across the majority of questions in the Staff Survey. The perception of Senior Executive Service (SES) leadership continues to improve and remains significantly higher than the APS average. Satisfaction with Executive Level 2 (EL2) leadership also continues to improve. Refer *Figure 3.4.1* and *Figure 3.4.2*.

Over the coming year, the Department will focus on providing clearer performance expectations, and improving risk culture and change management.

The Department also conducts Pulse Surveys to further measure employee outcomes, organisational performance, leadership and culture. The Pulse Survey links to and supports *Our Behaviours in Action* and the People Strategy.

In November 2018, the Department trialled an Upwards Feedback Survey for all SES and 120 volunteer EL2s. The short Upwards Feedback Survey provided leaders with anonymous feedback from staff in their business unit about their leadership behaviours. The questions in the survey acted as a 'checklist' of behaviours that are common to high performing managers and the type of culture promoted in the Department. This feedback provided managers a better understanding of their leadership capability, including their strengths and areas for improvement.

The collection of people data is critical to support the Department in continuing to drive improvements in performance and culture.

Figure 3.4.1: Health and APS senior leadership perception

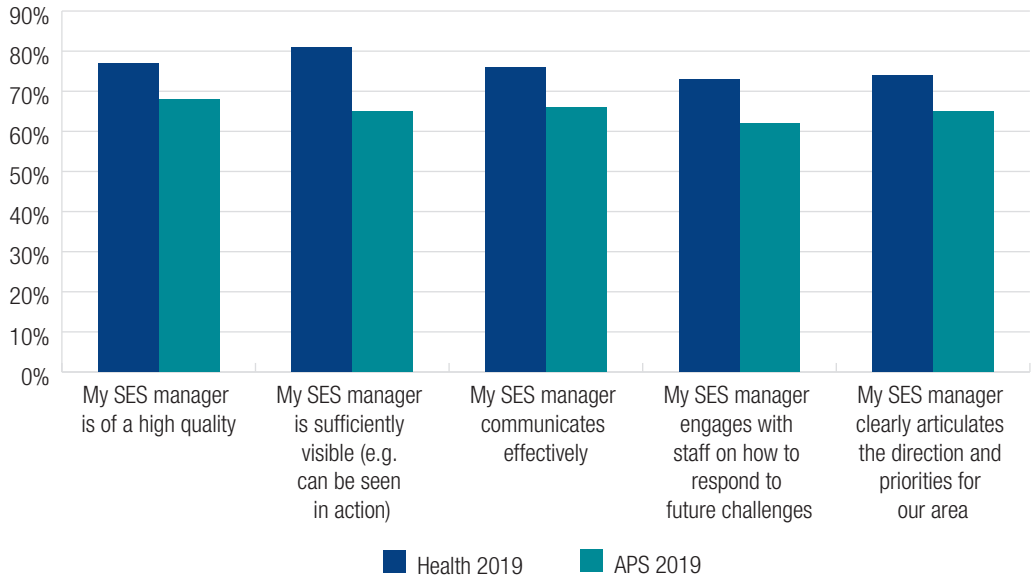
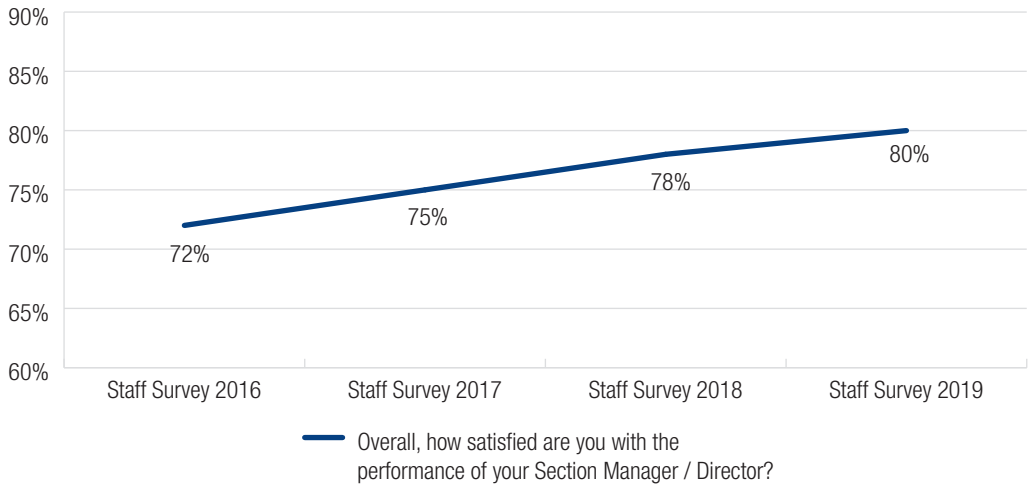


Figure 3.4.2: EL2 leadership perception over time



Workforce composition

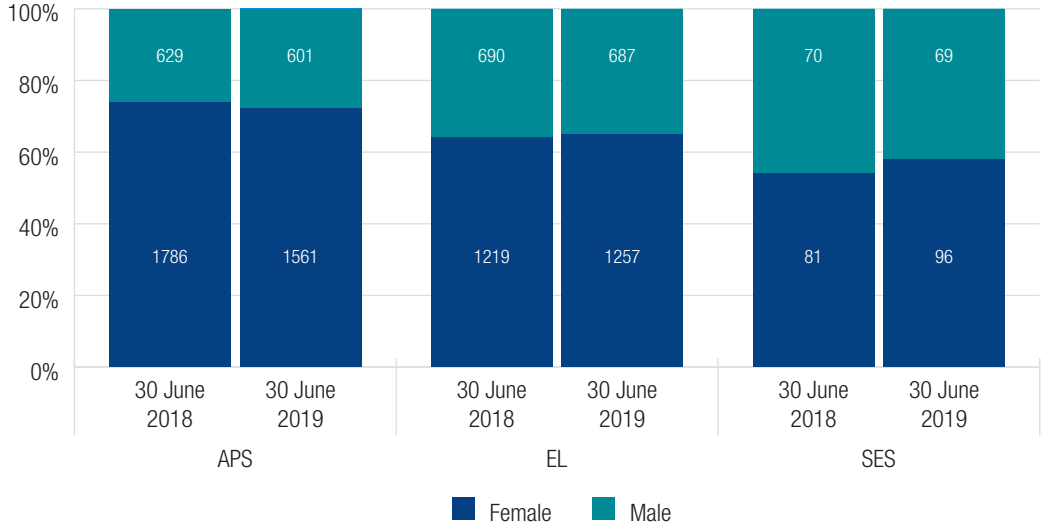
As at 30 June 2019, the Department had a workforce of 4,280 APS staff (including staff on leave and secondment). This is a decrease from 4,486 as at 30 June 2018, which is largely due to Machinery of Government transfers of staff undertaking grant management roles to the Community Grants Hub and staff from the former Aged Care Complaints Commissioner to the Aged Care Quality and Safety Commission, tighter recruitment controls, and some redundancies.

At 30 June 2019:

- 95.9 per cent of staff were ongoing and 4.1 per cent were non-ongoing;
- 21.4 per cent of staff were employed on a part-time basis;
- 68.2 per cent of staff were female;
- 2.4 per cent of staff identified as Aboriginal and/or Torres Strait Islander; and
- 4.4 per cent of staff identified a disability.

The ongoing staff turnover rate in 2018-19, excluding voluntary redundancies and Machinery of Government moves, was 8.5 per cent, a minor decrease from 8.6 per cent in 2017-18. Including the voluntary redundancies and excluding Machinery of Government moves, the ongoing staff turnover rate was 10.3 per cent.

Figure 3.4.3: Comparison of gender profile at 30 June 2018 and 30 June 2019[90] [91]



[90] Excluding the Secretary, Holders of Public Office and the Chief Medical Officer. SES staff and equivalent comprise SES Band 1-3 and Medical Officers 5-6. EL Staff and equivalents comprise EL 1-2, Medical Officers 2-4, Legal 1-2, Public Affairs 3, Senior Principal Research Scientist and Principal Research Scientist.

[91] The Department has implemented the Australian Government Guidelines on the Recognition of Sex and Gender and made changes to human resource management systems to enable collection of non-binary gender. At 30 June 2019, one staff member had self-identified as non-binary.

Employment arrangements

The Department's practices for making employment arrangements with its staff are consistent with the requirements of the *Workplace Bargaining Policy 2018* and the *Fair Work Act 2009*. Information on employment arrangements is outlined below.

Enterprise Agreement

During 2018-19, the Department negotiated a new Enterprise Agreement (EA). The *Department of Health Enterprise Agreement 2019–2022* provides the terms and conditions of employment for non-SES staff. The EA commenced operation on 26 March 2019 and will nominally expire on 25 March 2022.

The EA contains a flexibility term, which enables the Department to make an Individual Flexibility Arrangement with a non-SES staff member. An Individual Flexibility Arrangement varies specified terms and conditions provided under the EA for that individual where necessary and appropriate.

All salary increases awarded to staff by the EA are funded through a range of productivity improvements. These productivity improvements include corporate initiatives, such as property and Information Technology efficiencies and improved management of work health and safety (WHS) obligations and unscheduled absences.

Executive Remuneration and performance pay

During 2018-19, the Department's remuneration for SES officers was consistent with equivalent public sector entities. Base salaries and inclusions complied with Government policy and guidelines. Remuneration for SES takes into account the parameters set out in the Australian Public Service Bargaining Framework, the APS Remuneration Management Policy and any data provided by the APSC. Individual SES salaries are negotiated on commencement and all SES salaries are reviewed regularly by the Department's Secretary and Deputy Secretaries. The Secretary determines SES remuneration.

Comprehensive terms and conditions of employment for new departmental SES staff are set out in individual determinations made under section 24(1) of the *Public Service Act 1999*. The Department's framework for SES remuneration is published in a policy approved by the Executive.

No departmental staff received performance pay in 2018-19.

Refer to *Appendix 1: Workforce Statistics* for more information on the Department's staffing numbers, workplace arrangements, remuneration and salary structures.

Workforce Capability

Building the right capability

The Department's *Learning and Development Strategy 2016–2019* (L&D Strategy) supports a diverse learning environment that builds a capable workforce to achieve departmental outcomes. The strategy identifies a number of key drivers and learning principles, recognising the different influences, learning methods and challenges staff in the Department face.

In 2018-19, the Department delivered a number of new learning and development initiatives including:

- Aboriginal and Torres Strait Islander Build Your Brand Workshop;
- Design Thinking and Evidence Based Problem Solving;
- Accidental Counsellor;
- Project Management for Leaders; and
- Project Management Essentials for APS staff.

The Department also supports the continued professional development of our Medical Officer employees to assist them to attain and maintain work relevant skills and knowledge. Medical Officers have access to an annual professional development allowance to assist them in maintaining their professional qualifications.

The Department continued to deliver training incorporating elements from the APSC's fundamental programs. Face-to-face, instructor-led training covered:

- information technology;
- writing and communication;
- project management;
- stakeholder engagement;
- finance and procurement;
- culture and inclusion;
- work health and safety; and
- leadership and management.

The Department also offers e-learning programs to staff, encompassing subjects such as APS values, security awareness, Aboriginal and Torres Strait Islander cultural appreciation, work health and safety, privacy, financial management and knowledge management.

In 2018-19, the Department offered varied learning solutions including access to Lynda.com to provide more learning opportunities to staff in all locations.

In addition to the training above, most of which is relevant to all roles in the Department, training and development opportunities are also provided to support employees to develop skills relevant to their particular roles, including:

- better practice regulation and costing regulatory impacts;
- data analytics; and
- formal investigation training for those working in compliance roles.

Staff also access training and development to build their understanding of the policy and program areas they work on. This can include attending seminars and conference to give staff a broader perspective on the policy or program area, or specific targeted training. For example, Aged Care Funding Instrument (ACFI) reviewers undergo mandatory induction, ongoing and annual refresher training.

Leadership capability

The Leadership and Management Framework outlines leadership expectations required at each level and provides an overview of core leadership and management expectations for all staff. The Department supports leadership and management capability building at all levels by providing opportunities for learning and development through structured programs, practical workshops and social learning.

These opportunities include the IGNITE program for Individual Leaders (aimed at technical and specialist leaders), Ready to Supervise (those who are new to supervision or soon to be first time managers), Foundational Leaders (those who manage a small team), Expansion Leaders (for more experienced managers) and the Section Leaders program (for Directors). The 'Unlocking Best Work' coaching program aims to embed *Our Behaviours in Action* and supports our focus on building a coaching culture in the Department. There are also a range of management programs and tools, such as 360 degree feedback, the Upwards Feedback Survey and on the job learning to support building leadership and management capability in the workplace.

The Department's monthly 'Management Snapshot' sessions, delivered to EL2 and SES staff, focus on a leadership or management topic of interest, and facilitated 'learning circles' allow our managers to share and discuss matters in an open and supportive forum.

Sir Roland Wilson Scholarship

Three departmental staff were awarded scholarships through the Sir Roland Wilson (SRW) Foundation for 2020.
The SRW Foundation was established in 1998 to advance the study and development of public policy and management within Australia and internationally. The SRW Foundation offers two scholarship programs: the SRW PhD Scholarship and the SRW Pat Turner Scholarship. The scholarships are highly competitive and are awarded to high achieving public servants, enabling them to undertake research on issues of national importance.

Patricia Akee, Indigenous Health Division, was awarded the Pat Turner Scholarship to complete a Masters of Culture, Health and Medicine through the Australian National University. As a proud Meriam woman, Patricia has a thorough understanding of the issues impacting the health and wellbeing of Aboriginal and Torres Strait Islander Australians and is keen to effect positive change and influence policy and program to improve health outcomes for Aboriginal and Torres Strait Islander Australians.

Cathy Fussell, Health Economics and Research Division, was awarded a scholarship to complete a PhD on 'Saving Lives with Big Data – Methods for Policy Impact in Health and Social Systems Analytics'. Cathy's research aims to discover effective methods for producing big data analytics research with high policy impact. She seeks to identify critical methodology attributes to ensure success in delivering policy impactful outputs.

Katrina Howe, Regulatory Practice and Support Division, was awarded a scholarship to complete a PhD on 'Understanding the challenges associated with 'off-label' prescribing and re-purposing of older medicines currently on the Australian Register of Therapeutic Goods to inform future policy development'. Katrina seeks to better align the use of 'off label' medicines with the objectives of the National Medicines policy, thereby improving access and safety.

Culture

The Department invests in its people, values, processes and systems to build the capability necessary to achieve and foster a high performance culture.

The Department's leaders model the APS values and communicate priorities and expectations to ensure workplace behaviours align with the department's strategic vision. This includes:

- encouraging and rewarding high performance;
- investing in the ongoing development and capability of staff;
- clearly articulating and setting expectations through the Department's Performance Development Scheme and *Our Behaviours in Action*;
- creating a safe, inclusive and supportive workplace; and
- encouraging flexibility, innovation and collaboration.

Through *Our Behaviours in Action* staff across all classifications are encouraged to take personal responsibility for their own performance and behaviour. Staff are encouraged to lead by example and support others to do the same.

All staff are required to participate in the Department's Performance Development Scheme. The scheme requires formal performance discussions and assessments between managers and staff. It encourages regular, informal discussions to support timely performance feedback and ongoing development.

Workforce inclusivity and diversity

The Department acknowledges and respects the importance of workplace diversity and inclusion, how it enriches our workplace and helps us to deliver better health outcomes for all Australians.

Throughout 2018-19, the Department continued to implement the:

- Accessibility Action Plan (AAP) 2016–19;
- Innovate Reconciliation Action Plan (RAP) 2017–19; and
- Gender Equality and Flexibility Blueprint 2017–20.

The Department also began the process of updating both the AAP and RAP. These plans collectively outline clear pathways for the Department to achieve a more inclusive workplace.

After a selection process of eligible Executive Level staff, two staff participated in the Jawun Program from April to June 2019. Jawun is a not-for-profit organisation that manages secondments for government and corporate sector staff to work temporarily in Aboriginal and Torres Strait Islander organisations. The two Departmental staff members participated in a six week secondment in the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Lands and Echuca. Through the secondment, Jawun supported the Department's staff to use their own strengths and strategies to contribute to the capability development of Aboriginal and Torres Strait Islander organisations and communities.

The Department's diversity networks continued to expand during 2018-19 to include the:

- Culturally and Linguistically Diverse Network;
- Disability and Carers Network;
- Gender Equality Network;
- Health Pride (LGBTI+) Network;
- National Aboriginal and Torres Strait Islander Network; and
- Friends of the National Aboriginal and Torres Strait Islander Network.

These networks provide representation, networking opportunities, information and valuable workplace and peer support. The executives of the networks met and agreed to work together to assist each other as they mature, while enhancing awareness and inclusion across the Department though promotion of joint days of significance.

Each network continues to receive support from an increasing number of SES Champions. This year our two newest networks, the Culturally and Linguistically Diverse Network and the Gender Equality Network, consolidated and established SES Champions. At 30 June 2019, a total of 14 SES Champions supported our networks.

The Department continues to participate in the annual Australian Workplace Equality Index, which is the national benchmark for LGBTI+ workplace inclusion in Australia. In May 2019, the Department received an overall Bronze Member status (with a total score of 120 out of 200), which is consistent with last year's status result and demonstrates a sustained commitment to workplace equality.

Disability confidence and recognition of carers

Supporting staff

The Department strives to be an inclusive organisation that supports its staff with disability and those with caring responsibilities. Activities are aligned with *As One: Making it Happen, APS Disability Employment Strategy 2016–19*.

The Department's AAP 2016–19 is currently under review and an extension is being considered. Highlights to date include:

- participation in the APSC GradAccess program and affirmative measure recruitment program for people with a disability;
- implementation of 'Lunch and Learn' and 'Cuppa with Carers' sessions offering opportunities for connection. Some topics at these sessions included Assistive Technology, Mindfulness and Invisible Disability;
- development and implementation of our workplace adjustment passport. This valuable tool is designed to support manager staff conversations;
- growth of our SES Changing Mindsets Program. This program is designed to provide SES experiential activities to interact with staff with disability and/or caring responsibilities; and
- continued gold membership with the Australian Network on Disability.

Working with carer organisations

The Department consults with carer organisations to develop support mechanisms and implement reforms. Consultation ensures that programs and services continue to meet the requirements of the *Carer Recognition Act 2010* and considers the needs of carers, people with a disability and vulnerable populations.

Disability Reporting

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at: www.apsc.gov.au. From 2010-11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy was overtaken by the *National Disability Strategy 2010–2020*. The Strategy sets out a 10-year national policy framework for improving the lives of people with disability, promoting participation and creating a more inclusive society. A two-yearly report tracks progress against the six outcome areas of the Strategy, further information is available at: www.dss.gov.au

Our values and behaviours

The Department of Health adheres to the APS ICARE principles, which are central to *Our Behaviours in Action*. The Department continued to champion *Our Behaviours in Action* through 2018-19, with a particular emphasis on leadership requiring us all to model these behaviours.

Career and succession

Performance management and development

The Department continues to focus on high performance by developing staff knowledge, confidence and capability.

All staff participate in the Department's Performance Development Scheme. Through the Scheme each staff member agrees their goals for the year with their manager. Formal performance discussions and assessments between managers and staff occur at least twice a year, with regular informal discussions strongly encouraged to provide ongoing feedback, direction and supported development. Staff and their managers discuss individual development plans, to ensure staff have the right capability to meet their agreed goals.

The department offers training and development opportunities to build managers' capability in setting clear goals, providing constructive feedback, and coaching their staff. In 2018-19, the Department also provided training to SES and EL2 staff to improve their understanding of the employment framework in the APS. The topics covered were WHS due diligence, bullying, harassment and discrimination and tough conversations about poor performance.

The Department also recognises the need to manage underperformance, whether it relates to an employee's skills and capabilities, and/or their behaviour and conduct. Where performance concerns are identified, managers and staff are supported to consider job fit, ensure expectations are clearly articulated, address any capability gaps, and provide regular actionable feedback with the goal of closing any performance gap. Where this is not successful, the Department may initiate its formal underperformance process.

All alleged breaches of the APS Code of Conduct are treated seriously and managed in accordance with best practice. The majority of complaints received were handled through local management action or preliminary assessments. The Department finalised eight APS Code of Conduct investigations during 2018-19, resulting in seven breaches of the APS Code of Conduct being determined.

Entry-level programs

During 2018-19, the Department participated in a number of recruitment programs and activities to engage a diverse range of participants. These included the:

- Department of Health Graduate Program, including an Affirmative Measures process for Aboriginal and Torres Strait Islander Australians;
- Digital Transformation Agency's Australian Government ICT Graduate Program;
- Office of the Chief Scientist Australian Science Policy Fellowships Program;
- APSC GradAccess Program (an Affirmative Measures recruitment program for people with a disability);
- APSC Indigenous Graduate Program (Affirmative Measures); and
- Department of Human Services Indigenous Apprenticeship Program.

In 2019-20 there will be a continued focus on enhancements to entry level programs including:

- program attraction and retention strategies;
- reviewing the learning and development offering; and
- post-program pathways.

Indigenous Apprenticeship Program

The Department proudly participates in the Indigenous Apprenticeship Program, a Department of Human Services' initiative. The Department engages candidates from this program, commencing at an APS 3 with advancement to an APS 4 after successful completion. Participants are placed in various roles and locations across the Department. The program is available to Aboriginal and/or Torres Strait Islander Australians, and sees participants complete a Diploma of Government qualification as well as being provided with a range of networking, learning and development opportunities.

Career development and mobility

The Department maintains an internal mobility register that allows ongoing staff to be considered for temporary and permanent placements. The use of this internal register was promoted to hiring managers seeking to fill a vacancy. During a period of controlled recruitment activity, there was a significant increase in both managers and applicants accessing the register.

Mobility was also supported through an increased volume of internal expressions of interest with consideration given to allowing non-ongoing officers to apply for these, increasing workforce mobility.

The Department supports broader APS mobility, with the use of available APS merit pools promoted to hiring managers seeking to fill a vacancy. In 2018-19, the Department put particular focus on the APSC Australian Government Indigenous Lateral Entry Program (AGILE) merit pool. The AGILE merit pool included Aboriginal and Torres Strait Islander professionals and managers at the APS 6 level, and Executive Levels 1 and 2 with a broad range of skills and experience.

The Department is committed to career development and supports secondment and mobility opportunities both within the APS and beyond, maintaining strong connections with the private sector, professional bodies and academia to promote collaboration and sharing of professional expertise. Mobility and stretch opportunities are encouraged as ways of developing depth and breadth of experience.

Talent management practices link to the long term needs of the Department's business. During 2018-19, the Department participated in Secretaries' Talent Council processes. The Department also established a talent council to support the development of high-performing, high-potential EL2 officers. Development opportunities for these officers included secondments, acting opportunities, 360 degree feedback, leadership training, participation in Institute of Public Administration Australia events, coaching and mentoring.

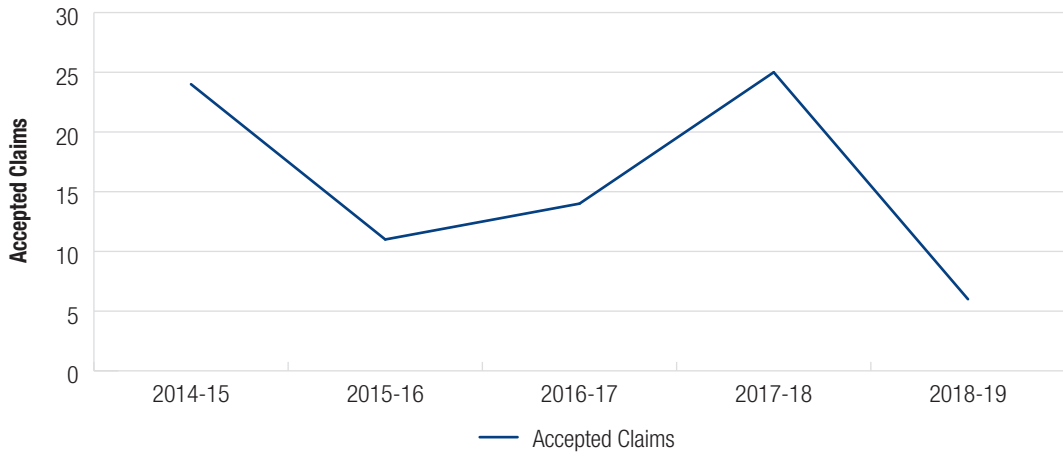
Work Health and Safety (WHS)

The Department continued to improve its injury and illness management in 2018-19. The Department's premium rate for the 2018-19 financial year was 0.86 per cent compared to the Commonwealth scheme average rate of 1.06 per cent. This positive trend has been consistent over the last four years.

The Department has a diverse workplace environment with our most common risks predominantly stemming from the office environment, in the form of ergonomic issues. These risks are well known and are managed through the provision of well-designed workspaces and WHS programs. Some parts of the Health Products Regulation Group (HPRG) have a unique risk profile that includes laboratory environments, where, whilst controlled, workers could be exposed to hazardous substances. The HPRG is also situated in a location requiring additional controls for encountering wildlife. The Department has policies, procedures, and practices in place to appropriately protect workers from, and respond to, all potential hazards.

Since 2013-14, the number of compensation claims accepted for the Department has been declining. Whilst there was a spike in accepted claims in the 2017-18 financial year, the Department has seen a significant decrease in the number of accepted claims for the 2018-19 financial year (six), with initial end of year data identifying a 75 per cent decrease from the previous year in accepted claims. No psychological injury/illness related claims were accepted.

Figure 3.4.4: Number of accepted compensation claims from 2014-15 to 2018-19



Evaluation of the Department's WHS performance

The Department provides support to ill or injured employees and their managers to assist both workers' compensation claims and non-work related injury and illness. The Department aims to return employees to the workplace as quickly as possible and provide a positive influence on our productivity through low rates of unscheduled absence.

The Department addressed the majority of recommendations and findings from the Comcare WHS management system audit conducted in 2016, and addressed all non-conformance findings from the Comcare Rehabilitation Management System audit in 2018. Only three actions to address observation findings remain.

Improving WHS in the workplace

In response to the higher than usual number of compensation claims in 2017-18, in early 2018-19, the Department developed a WHS Strategy to improve injury prevention and return to work outcomes. This strategy also resulted in a significant reduction in the number of accepted compensation claims during 2018-19.

A Department specific and mandatory WHS e-learning training module was launched to increase employees' awareness and knowledge of WHS. The module was launched in March 2019 and was identified as essential learning for all workers.

The Department matured its approach to early intervention by providing early support to prevent and reduce the impact of both work-related and non-work related injuries and illness. This was achieved through initiatives including workstation assessments, the Employee Assistance Program, flexible working arrangements, prompt case management and where appropriate, reimbursement for medical treatments.

The Department is also participating in Comcare's six-month Early Intervention Pilot Program. The Pilot Program uses an external service to provide 24/7 telephonic nurse triage support and advice to clinically assess injury or illness and make recommendations about the most appropriate intervention. Nurse triage outcomes may include self-management advice, referral to a medical practitioner or an allied health professional (either a physiotherapist or psychologist), or emergency care, and will help keep the employee at work or return them to work sooner.

With an increase in psychological claims made to Comcare in 2017-18, a key prevention initiative to mitigate the risk of mental ill-health was to develop a departmental mental health strategy. The Department engaged CommuniCorp Pty Ltd to assist with this important task. All departmental staff had the opportunity to participate in the initial consultation phase conducted in May and June 2019 to inform the content of the mental health strategy. Consultation will continue to feature in the next stages of development of the strategy and related action plan.

The Health and Wellbeing Program

During 2018-19, the Department continued to provide:

- Access to the Employee Assistance Program (EAP). The EAP is available to Health and portfolio agency staff, and their immediate family members. EAP provides personal coaching and counselling to support staff and their family with issues at work or at home. EAP also provides services tailored to specific needs and specific groups such as coaching and advice to managers, vocational counselling and career planning, financial counselling, and specialist help lines for Aboriginal and Torres Islander employees, LGBTI issues, and domestic violence. The annual utilisation rate for EAP for the financial year was 15 per cent, that is, the EAP was accessed 722 times throughout the year. This is higher than the Public Administration/Government benchmark of 6.9 per cent.
- An annual influenza vaccination program. In 2018–19, 2,718 employees and contractors across the country received an influenza vaccination.
- 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 417 incident and hazard reports in 2018-19. This is a decrease from the 2017-18 financial year where 453 incident and hazard reports were received. In previous years, the same form was also used to request workstation assessments. However, this is no longer the case. The decrease in the number of reported incidents and hazards is likely attributable to this change. The Department is working to improve the WHS related reporting culture, with a focus on increasing the reporting of near misses and hazards and the identification of early intervention opportunities.

Of the 417 incident and hazard reports, Comcare was notified for seven incidents. Comcare notified the Department that one was not deemed to be notifiable under the relevant legislation. These incidents were investigated and improvements to work health and safety systems, processes and training were implemented where required.

Part 3.5: Financial and Property Management

Financial accountability responsibilities

The Department's financial accountability responsibilities are set out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subordinate legislation, collectively known as finance law.

In support of the finance law, the Department's Accountable Authority Instructions are issued in accordance with section 20A of the PGPA Act. The Department also issued Finance Business Rules that clearly set out the rules and processes required for the financial administration of the Department.

Finance law and the supporting instructions and rules provide a framework to ensure the efficient, effective, economical and ethical use of public resources. The Executive Board is responsible for monitoring and addressing departmental performance and risks. Advice on financial matters including administered, departmental and capital expenditure is provided through monthly reports from the Chief Finance Officer, and supported by the Administered Program Board and the Investment and Implementation Board. Further, the Department's Audit and Risk Committee provides independent advice and assurance 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 complete set of financial statements for the Department is provided in Part 4: Financial Statements.

Managing our assets

The Department holds financial and non-financial assets. Financial assets include cash and receivables, which are subject to internal controls and reconciliations.

Non-financial assets are held for operational purposes and include computing software and hardware, building fit-out, furniture and fittings. Decisions about whole-of-life asset management are undertaken in the context of the Department's broader strategic planning to ensure that investment in assets supports cost-effective achievement of the Department's objectives.

Effective management of the Department's capital budgets is achieved by:

- including whole-of-life consideration in proposals for capital expenditures;
- whole-of-Department prioritisation of capital projects and major purchases by the Department's Investment and Implementation Board;
- undertaking regular stocktakes of physical assets; and
- 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 2018-19, the Department continued its focus on improving the procurement practices and knowledge of officers and delegates undertaking procurement activities. External reviews were undertaken to develop a roadmap for improving the central procurement advice function and assurance maturity. Additional assistance is being offered to business areas undertaking large or complex procurements and the corporate service offering has been defined to promote best practice and collaboration across business functions.

Initiatives to support small business

Small and Medium Enterprises (SME) 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 participation statistics are available on the Department of Finance's website at: www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/

The Department's measures to support SMEs include:

- ongoing promotion and application of the Indigenous Procurement Policy, of which detailed information is included below;
- Small Business Engagement Principles 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 contracts under $1 million;
- use of the Commonwealth Contracting Suite (CCS) to minimise the burden on businesses contracting with the Commonwealth Government; and
- internal guidance and advice to support the Indigenous Procurement Policy, Small Business Engagement Principles and the CCS.

The Department recognises the importance of ensuring that small businesses are paid on time. The results of the most recent Survey of Australian Government Payments to Small Business are available on the Treasury's website.[92]

Over the 2018-19 financial year, the Department has continued to enhance and mature its Vendor Invoice Management System to ensure timely payment to small businesses.

SME Assist is a dedicated service that the Therapeutic Goods Administration offers to help small to medium enterprises, researchers, start-ups and those unfamiliar with medicine and medical device regulation to understand their regulatory and legislative obligations.

The service provides support through email and phone help, interactive decision tools, guidance material, webinars, workshops and a subscription service.

Since launch of the service in June 2017 there have been:

- 116,000 visitors to the SME Assist web pages;
- 424 subscribers to SME Assist;
- 32,500 uses of interactive decision tools;
- 11 'Meeting Your Obligations' workshops held across Australia;
- 643 attendees at workshops; and
- 1 educational webinar.

[92] Available at: www.treasury.gov.au

Indigenous Procurement Policy

Indigenous businesses are vital to creating jobs for, and employing more Indigenous Australians. The Indigenous Procurement Policy aims to enable these Indigenous businesses to grow and create opportunities for Indigenous Australians.

The Department's target of 74 contracts with Indigenous businesses was exceeded with 140 new contracts entered into with Indigenous business during 2018-19, worth a combined value of $24.8 million. This represents a reduction of 1.3 per cent of contract volume from 2017-18, but the overall value of these contracts increased 15.8 per cent from $21.4 million.

From 1 July 2019, to ensure Indigenous businesses win higher value contracts at a level closer to those of non-Indigenous businesses, a target based on the value of contracts awarded will be introduced. The target will be set at one per cent for financial year 2019-20 and will be increased by 0.25 per cent each year until it reaches three per cent in 2027-28.

The Department continued to promote awareness of opportunities to procure goods and services from Indigenous businesses. Together with the implementation of the Department's *Innovate Reconciliation Action Plan 2017–19*, which incorporates Indigenous business development targets, these initiatives provided greater awareness and recognition of Indigenous suppliers and the benefits of their involvement in the Department's procurements.

The Department is a member of Supply Nation, which supports and empowers Indigenous enterprises to achieve success and build business.

Consultants

The Department engages consultants to provide specialist expertise, independent research, reviews or assessments in relation to:

- investigating or diagnosing a defined issue or problem;
- carrying out defined reviews or evaluations; or
- providing independent advice, information or creative solutions to assist the Department in decision-making.

The Department takes into account 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 2018-19, 557 new consultancy contracts were entered into involving total actual expenditure of $28.7 million. In addition, 280 ongoing consultancy contracts were active during the period, involving total actual expenditure of $18.1 million. The total actual expenditure on both new and ongoing contracts for 2018-19 was $46.9 million.

This Annual Report contains information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at: www.tenders.gov.au/. In line with the Commonwealth Procurement Rules, Austender contains information on contract and consultancies valued at or above $10,000.

Exempt contracts and Australian National Audit Office access

Exempt contracts

In 2018-19, a total of 111 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 2017-18 where 136 contracts were exempt from reporting.

Australian National Audit Office access clauses

In 2018-19, there were no departmental contracts exempt from the standard contract clauses which grant the Auditor-General access to contractor premises.

Grants

The Department supports a range of Government policy decisions through provision of grant funding across 18 programs and all six Outcomes. In 2018-19, the Department administered over 10,000 grant activities. The most significant grant activity was in Outcome 6 in relation to ageing and aged care, involving over 8,600 grant activities, most of which fell under the Commonwealth Home Support Program. The Department's grants administration practices are based on the mandatory requirements and principles of grants administration in the Commonwealth Grant Rules and Guidelines (CGRG). The CGRG establish the overarching Commonwealth grants policy framework and articulate expectations of non-corporate Commonwealth entities in relation to grants administration.

The Department's grants administration is also undertaken in partnership with the Community Grants Hub within the Department of Social Services and the Business Grants Hub within the Department of Industry, Innovation and Science, and the National Health and Medical Research Council, and involves five distinct but interrelated stages:

- design;
- select;
- establish;
- manage; and
- evaluate.

In line with the requirements of the CGRG, the Department adopted a risk-based approach to grants administration. Key to the Department's risk-based approach is risk assessment and management at the design and select stages of the grants administration lifecycle. This approach helps the Department achieve value for money, meet outcomes, reduce administrative burden for funded organisations and apply the principle of proportionality.

Information on grants awarded by the Department during the period 1 July 2018 to 30 June 2019 is available on the Australian Government's grant information system see, GrantConnect at: www.grants.gov.au. For grants awarded up to 31 December 2017, information is available on the Department's website at: www.health.gov.au.

Advertising and market research

In 2018-19, the Department is required to report on all payments over $13,800 (GST inclusive) 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 during 2018-19.

Advertising campaigns

During 2018-19, the Department conducted the below advertising campaigns which were certified by the Secretary in line with the *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies (March 2010)*:

- Childhood Immunisation Education;
- Head to Health;
- Health Star Rating;
- Maternal Vaccination;
- Pharmaceutical Benefits Scheme;
- Private Health Insurance; and
- Promotion of the human papillomavirus (HPV) vaccine for adolescents.

Further information on these advertising campaigns is available at www.health.gov.au, and in the reports on Australian Government advertising prepared by the Department of Finance and published at: www.finance.gov.au/advertising/

Table 3.5.1: Advertising, market research, direct mail and media advertising payments for 2018-19

Organisation	Service provided	Paid (GST incl)
Advertising agencies (creative advertising agencies which have developed advertising campaigns)		
AJF Partnership	Medicine communications (Pharmaceuticals Benefits Scheme)	$961,839
Carbon Media Pty Ltd	Childhood Immunisation Education campaign creative services	$200,464
Carbon Media Pty Ltd	Promotion of the human papillomavirus (HPV) vaccine for adolescents campaign creative services	$30,580
Carbon Media Pty Ltd	Maternal Vaccination Campaign creative services	$21,604
Leo Burnett	Communication for health related information	$287,331
Spinach	Creative services for Health Star Rating Campaign (Private Health Insurance)	$166,473
Market research		
Bastion Insights Pty Ltd	Concept testing research Private Health Insurance	$218,900
Bastion Insights Pty Ltd	Research services for communication for the 45 and 65 year old Life Checks	$207,240
Bastion Insights Pty Ltd	Immunisation Attitudinal Monitoring Research	$87,670
Bastion Insights Pty Ltd	Research services to support the establishment of the Aged Care Safety & Quality Commission	$46,420
Bastion Insights Pty Ltd	Concept Testing research services to inform the Head to Health Campaign	$27,445
Engine (Formerly ORC)	Evaluation research for the National Tobacco Campaign	$166,900
Hall & Partners Pty Ltd	Evaluation of the Health Star Rating Campaign	$73,366
Hall & Partners Pty Ltd	Evaluation research for the Immunisation - Get the Facts Campaign	$130,675
Hall & Partners Pty Ltd	Evaluation research for the Private Health Insurance Campaign	$123,517
Hall & Partners Pty Ltd	Evaluation research for Pharmaceutical Benefits Scheme Campaign	$83,976
Snapcracker Research & Strategy Pty Ltd	Concept Testing research for Phase 3 of the Childhood Immunisation Education Campaign	$155,100
Snapcracker Research & Strategy Pty Ltd	Qualitative research around school based Vaccination	$110,000
Snapcracker Research & Strategy Pty Ltd	Maternal vaccination concept testing research	$33,000
Snapcracker Research & Strategy Pty Ltd	Concept testing research for human papillomavirus (HPV) vaccine communications	$33,000
Symego Pty Ltd Trading As Qualie	Research services for the National Bowel Cancer Screening Program (Market testing of Colonoscopy Brochure)	$31,364
Taylor Nelson Sofres Australia Pty Ltd, Trading as Kantar Public	Market research to inform the development of the Pharmaceutical Benefits Scheme Campaign	$264,000

Organisation	Service provided	Paid (GST incl)
Taylor Nelson Sofres Australia Pty Ltd, Trading as Kantar Public	Provide advice and undertake consumer testing of language for home care pricing	$65,450
Whereto Research Based Consulting	Market research to inform development of a consumer resource for pregnant women	$163,900
Instinct and Reason Pty Ltd	Community attitude of gene technology survey 2018-19	$55,000
Direct mail organisations (includes organisations which handle the sorting and mailing out of information material to the public)		
National Mail and Marketing Pty Ltd	National Immunisation Program expansion generic letter and resources	$41,307
National Mail and Marketing Pty Ltd	Cervical screening resources to GPs	$48,811
National Mail and Marketing Pty Ltd	Health Care Homes resource mailout	$50,761
National Mail and Marketing Pty Ltd	Gardasil9 HPV vaccine mailout	$21,602
National Mail and Marketing Pty Ltd	2018 Influenza resources	$71,260
National Mail and Marketing Pty Ltd	Compliance personalised letter	$16,428
National Mail and Marketing Pty Ltd	Maternal pertussis for pregnant women	$96,866
National Mail and Marketing Pty Ltd	Head to Health letter and resources	$52,078
National Mail and Marketing Pty Ltd	National Immunisation Program Schedule changes	$83,562
National Mail and Marketing Pty Ltd	Home Care Reform letters 2017-18	$191,594
Sonic Healthcare	National Bowel Cancer Screening Program - Home Test Kit mail out	$479,952

Organisation	Service provided	Paid (GST incl)
Media advertising organisations (the master advertising agencies which place Government advertising in the media – this covers both campaign and non-campaign advertising)		
Mediabrands Australia Pty Ltd	Media buy National Immunisation Program childhood schedule changes	$49,488
Mediabrands Australia Pty Ltd	Media buy Childhood Immunisation Education Phase 3	$2,190,743
Mediabrands Australia Pty Ltd	Media buy Aboriginal and Torres Strait Islander Childhood Immunisation Campaign	$48,738
Mediabrands Australia Pty Ltd	Media buy Head to Health Campaign	$418,567
Mediabrands Australia Pty Ltd	Media buy for Health Star Rating Phase 5	$3,258,295
Mediabrands Australia Pty Ltd	Media buy Maternal Vaccination Campaign	$207,515
Mediabrands Australia Pty Ltd	Pharmaceuticals Benefits Scheme	$3,650,707
Mediabrands Australia Pty Ltd	Media buy Private Health Insurance Campaign	$1,898,202
Mediabrands Australia Pty Ltd	Media buy for the HPV Campaign	$289,970
Mediabrands Australia Pty Ltd	Media buy seasonal influenza 2019	$49,498
Mediabrands Australia Pty Ltd	Media buy Meningococcal adolescents	$48,151
Mediabrands Australia Pty Ltd	Media buy Fruit and Vegetable Communication	$208,948
Mediabrands Australia Pty Ltd	Media buy Australian General Practice Training	$29,494
Mediabrands Australia Pty Ltd	Media buy Life Checks	$238,028
Mediabrands Australia Pty Ltd	Adverse Events – Therapeutic Goods Administration	$198,271
Mediabrands Australia Pty Ltd	Newspaper advertisement for nominations to Gene Technology Committees	$22,022

Property management and environmental impact

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 that 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; and
- improved valuation, pricing and incentive mechanisms should be promoted.

Our contribution

In 2018-19, the Department continued its commitment to ESD through a methodical approach to planning, implementing and monitoring the Department's environmental performance through programs and policies that are in accordance with current legislation, whole-of-government requirements and environmental best practice. The Department also administers legislation as outlined below that is relevant to, and meets the principles of, ESD.

Gene Technology Act 2000

Through the Gene Technology Regulator (the Regulator), the Department protects the health and safety of people and the environment by identifying risks posed by gene technology and manages those risks through regulating activities with genetically modified organisms (GMOs). These activities range from contained work in certified laboratories to 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 (Notification and Assessment) Act 1989

The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) aids in the protection of the Australian people and the environment by assessing the risks from the introduction and use of industrial chemicals and promoting their safe use. NICNAS operates within an agreed framework for chemical management that is consistent with the National Strategy for ESD and is aligned with the United Nations Conference on Environment and Development Agenda 21 (Rio Declaration) chapter on the environmentally sound management of toxic chemicals.

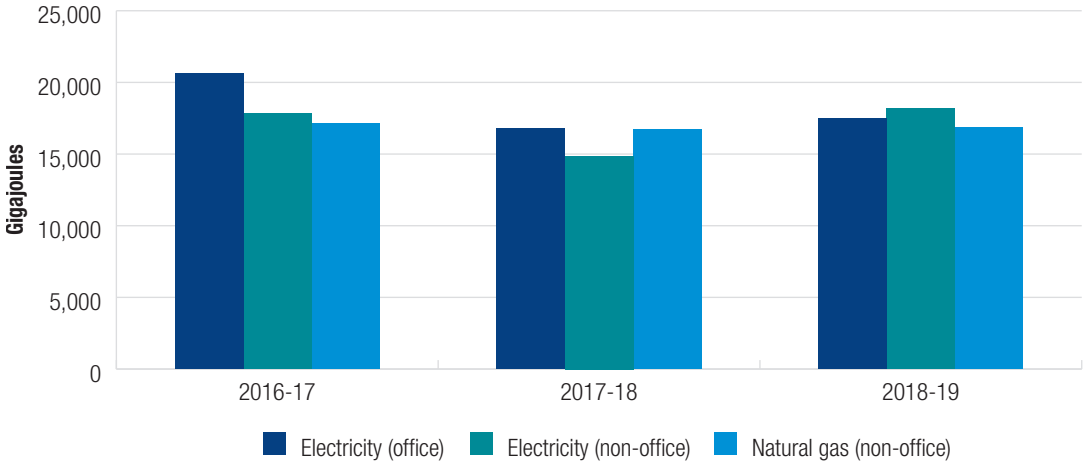
Environmental impact of our operations

The Energy Efficient in Government Operations (EEGO) Policy contains minimum energy performance standards for Australian Government office buildings as a strategy for achieving energy targets. This ensures that entities progressively improve their performance through the procurement and ongoing management of energy efficient office buildings and environmentally sound equipment and appliances.

The Department, as part of its strategic accommodation planning, undertakes to meet the requirements of the Green Lease Schedule. That is, for tenancies of greater than 2,000m2 with a lease term greater than two years, accommodation will meet the 'A' grade standard of the Building Owners and Managers Association International guidelines and meet a minimum National Australian Built Environment Rating System rating of 4.5 stars.

Energy consumption

Figure 3.5.1: The Department's electricity and natural gas consumption



The Department is required to meet the target of no more than 7,500 megajoules (MJ) per person, per annum, for office tenant light and power under the EEGO Policy. In 2018-19, the Department met this target, using 3,667 per person, per annum. This represents a reduction of 390MJ per person from the previous reporting period. This reduction is, in part, attributable to improvements in the Department's occupational density.

This achievement reflects the Department's efforts in its leased property portfolio to reduce energy consumption through technology such as:

- T5 fluorescent and movement activated sensor lighting;
- double glazed windows;
- energy efficient heating;
- ventilation; and
- air-conditioning systems.

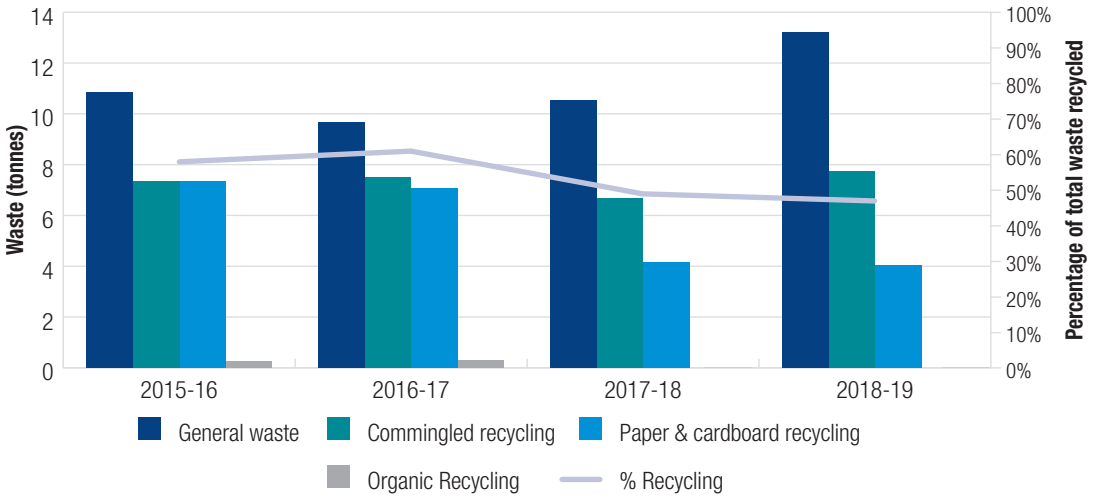
There is no target for energy consumption for non-office space, which includes sites used for laboratories, workshop and storage facilities. This includes the Symonston facility, housing the HPRG, which also accounts for the Department's use of natural gas.

While there is no energy target for non-office space, the Department monitors the energy consumption in these facilities as part of its commitment to reducing the impact on the environment from its activities.

The Department also encourages staff participation in Earth Hour 2019 by switching off non-essential building lights, terminals, monitors and office equipment at all of its properties around Australia.

Waste management

Figure 3.5.2: Average monthly waste produced by the Department[93]



The Department is committed to protecting the environment through the implementation of efficient and effective waste management programs.

In the majority of the Department's offices, waste management initiatives include segregated waste streams to improve management of general waste, commingled recycling, organic recycling, and paper and cardboard recycling. The Department aims to increase the amount of waste recycled as a proportion of total waste.

The increase in general waste shown in the graph above reflects changes to the reporting methods of the Department's waste management service provider. Waste from commercial premises co-located with two of the Department's office buildings is now included because the service provider reports at the site level, not by individual customer.

The increasing uptake of digital record keeping by the Department has reduced office paper consumption, which in turn has led to a reduction in paper recycling.

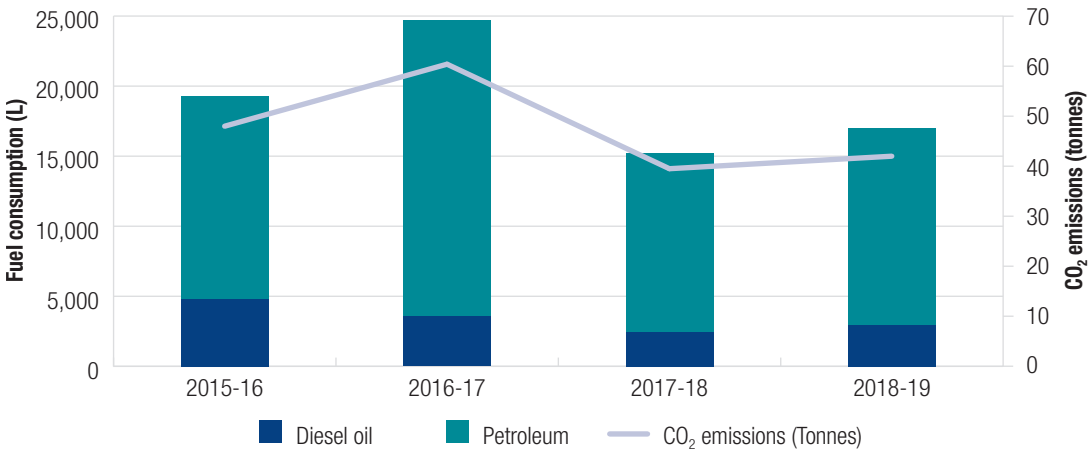
Additional materials recycling efforts include the recycling of printer and toner cartridges, batteries and mobile phones to ensure these items are diverted from landfill and used in sustainable programs.

The Department's largest office building, the Sirius Building in Woden ACT, also uses recycled grey water for flushing toilet cisterns, which along with the use of waterless urinals in the building significantly reduces reliance on mains water in the operation of the building.

[93] 2017-18 organic recycling data is not available.

Vehicle fleet management

Figure 3.5.3: Fleet fuel consumption and CO_2 emissions



In 2018-19, the Department operated 38 vehicles, which travelled a total of 727,711km and expended 472,381MJ. This resulted in an energy consumption of approximately 1.54MJ/km.

Part 3.6: External Scrutiny and Compliance

External Scrutiny

Parliamentary scrutiny

The Department appears before parliamentary committees to answer questions about our administration of health, aged care and sport programs.

During 2018-19, the Department received 26 Parliamentary Questions on Notice from the House of Representatives and the Senate, and 774 Senate Estimates Questions on Notice.

Joint Committee of Public Accounts and Audit reviews

During 2018-19, the Joint Committee of Public Accounts and Audit (JCPAA) tabled two reviews involving the Department:

- JCPAA Report No. 472 – Commonwealth Procurement – Second Report (October 2018): Procurement of the National Cancer Screening Register (ANAO Audit Report No. 61 2016-17).
- JCPAA Report No. 476 – Australian Government Funding (February 2019): Primary Healthcare Grants under the Indigenous Australians' Health Program (ANAO Audit Report No. 50 2017-18).

Senate Estimates hearings

During 2018-19, the Department appeared before the Community Affairs Legislation Committee:

- Supplementary Budget Estimates – 24 October 2018;
- Additional Estimates – 20 February 2019; and
- Budget Estimates – 5 and 10 April 2019.

The Department also appeared before the Finance and Public Administration Legislation Committee for the Cross Portfolio Indigenous hearings:

- Supplementary Budget Estimates – 26 October 2018; and
- Additional Estimates – 22 February 2019.

Parliamentary Committee inquiries

The Department provided evidence and/or submissions to the following Parliamentary Committee inquiries.

Committee	Evidence/submission provided
Senate Community Affairs Legislation Committee	• Aged Care Quality and Safety Commission Bill 2018 and related Bill. • My Health Records Amendment (Strengthening Privacy) Bill 2018. • Private Health Insurance Legislation Amendment Bill 2018 and related Bills.
Senate Community Affairs References Committee	• Effectiveness of the Aged Care Quality Assessment and accreditation framework for protecting residents from abuse and poor practices, and ensuring proper clinical and medical care standards are maintained and practiced. • Support for Australia's thalidomide survivors. • Accessibility and quality of mental health services in rural and remote Australia. • My Health Record system.
Senate Economics References Committee	• Financial and tax practices of for-profit aged care providers.
Senate Foreign Affairs, Defence and Trade References Committee	• United Nations Sustainable Development Goals.
Senate Legal and Constitutional Affairs Committee	• Criminal Code and Other Legislation Amendment (Removing Commonwealth Restrictions on Cannabis) Bill 2018.
Senate Select Committee	• Obesity Epidemic in Australia. • Stillbirth Research and Education.
Standing Committee on Health, Aged Care and Sport	• 2017-18 Annual Reports of the Department of Health and Australian Hearing. • Sleep Health Awareness in Australia. • Advisory Report on the Aged Care Amendment (Staffing Ratio Disclosure) Bill 2018. • Quality of Care in Residential Aged Care Facilities in Australia. • Biotoxin-related Illnesses in Australia.
Standing Committee on Foreign Affairs, Defence and Trade References Committee	• Management of per and polyfluoroalkyl substances (PFAS) contamination in and around Defence bases.

Freedom of Information

In 2018-19, the Department received 434 Freedom of Information requests.

Entities subject to the *Freedom of Information Act 1982* are required, under Part II of the Act, to publish information as part of the Information Publication Scheme. Information including an Agency Plan showing what information is published, is available on the Department's website, available at: www.health.gov.au/about-us/corporate-reporting/freedom-of-information-foi

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 his reports to Parliament.

During 2018-19, the ANAO tabled two audits involving the Department, detailed below. The Department agreed to all audit recommendations made with related implementation activities either underway or completed.

Audits specific to the Department

Audit	**Australian Government funding of public hospital services – risk management, data monitoring and reporting arrangements** Published – 15 February 2019 Performance audit (Auditor-General Report No.26 of 2018-19)
Objective	To assess the effectiveness of risk management, data monitoring and public reporting arrangements associated with the Australian Government's funding of public hospital services under the 2011 National Health Reform Agreement.
Recommendations	**Recommendation 1.** The Department of Health: 1. work with relevant state government entities to reach agreement on the appropriate data monitoring analysis roles for the Independent Hospital Pricing Authority and National Health Funding Body; and 2. incorporate the agreed roles into the revised National Health Reform Agreement currently under negotiation. **Recommendation 2.** The Department of Health: 1. identify and prevent potential duplicate payments, including Medicare Benefits Schedule payments, by the Australian Government for public hospital services; and 2. identify and recover past duplicate payments to the maximum extent permitted by law. **Recommendation 3.** The Department of Health seek the agreement of states to implement reporting arrangements that provide transparency on whether state governments are maintaining public hospital services funding levels in accordance with National Health Reform Agreement obligations.

Audit	Application of cost recovery principles Published – 14 May 2019 Performance audit (Auditor-General Report No.38 of 2018-19)
Objective	To assess whether selected regulatory entities effectively apply the cost recovery principles of the Australian Government's cost recovery framework. The selected regulatory entities were the Department of Agriculture and Water Resources, the Australian Maritime Safety Authority and the Department of Health (Therapeutic Goods Administration).
Recommendations	**Recommendation 1.** The Australian Maritime Safety Authority, Department of Agriculture and Water Resources and Department of Health: 1. ensure that their Cost Recovery Implementation Statements are fully compliant with the Cost Recovery Guidelines, including in relation to required updates; and 2. report annually in their Cost Recovery Implementation Statements on their cost recovery performance at the regulatory activity level. **Recommendation 5.** The Department of Health: 1. implements a consistent quality assured approach for the collection of staff effort data for use in the cost recovery model of the Therapeutic Goods Administration; 2. adjusts charges to reduce cross-subsidisation across industry sectors; and 3. further reviews the cross-subsidisation of fee-free services and seeks a decision from the Government on how the cost of the services should be met. **Recommendation 6.** The Australian Maritime Safety Authority, Department of Agriculture and Water Resources and the Department of Health: 1. implement ongoing stakeholder engagement strategies for their respective cost recovery arrangements in consultation with stakeholders; 2. include these planned engagement strategies in their draft Cost Recovery Implementation Statement each year; and 3. include performance measures for engagement on cost recovery in their Cost Recovery Implementation Statements.

Judicial decisions, decisions of administrative tribunals and decisions of the Information Commissioner

During 2018-19, the Department was involved in:

- one matter in the Full Federal Court;
- 13 matters in the Federal Court;
- one matter in the Supreme Court of NSW;
- one matter in the District Court;
- 25 matters in the Administrative Appeals Tribunal; and
- 14 Freedom of Information review requests with the Information Commissioner.

The Department was not involved in any matters in the High Court in 2018-19.

Reports by the Commonwealth Ombudsman

The Department continues to liaise with the Office of the Commonwealth Ombudsman (the Office) on complaints relating to aspects of the Department's administrative activities.

During 2018-19, the Office completed two preliminary inquiries (section 7A of the *Ombudsman Act 1976*) and undertook six investigations (section 8 of the *Ombudsman Act 1976*). Four of these were finalised under section 12 of the *Ombudsman Act 1976*. None of these investigations resulted in a finding of administrative deficiency. Two investigations were carried over to 2019-20.

Anyone with concerns about the Department's actions or decision-making is encouraged 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 Commonwealth Ombudsman is available at www.ombudsman.gov.au

Tobacco Plain Packaging

The Department has responsibility to investigate and enforce the legislation, on behalf of the Commonwealth, which requires that all tobacco products sold in Australia must be in plain packaging and be labelled with health warnings.

The Department, pursuant to section 108 of the *Tobacco Plain Packaging Act 2011*, reports that 135 potential contraventions of this Act were investigated in 2018-19 and 63 warning letters were issued.

A copy of this report has been provided to the Minister for Health.

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 powers were exercised in 2018-19.

	Section 42(1) paragraphs (a) to (h)	
(a)	the number of signed instruments made under section 8M;	3
(b)	the number of notices in writing given under section 8P;	91
(c)	the number of notices in writing given to individual patients under section 8P;	-
(d)	the number of premises entered under section 8U;	-
(e)	the number of occasions when powers were used under section 8V;	-
(f)	the number of search warrants issued under section 8Y;	1
(g)	the number of search warrants issued by telephone or other electronic means under section 8Z; and	-
(h)	the number of patients advised in writing under section 8ZN.	-

Legal services expenditure

The table below outlines the Department's legal services expenditure for 2018-19, in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2017*.

Description	2018-19 cost $'m (excluding GST)
Total external legal services expenditure	$12.919
Total internal legal services expenditure	$13.035

Part 4: Financial Statements

Part 4.1:
Financial Statements Process

The Department is required to prepare annual financial statements to comply with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The statements must comply with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* and Australian Accounting Standards. Additional guidance is provided by the Department of Finance through Resource Management Guide No. 125.

In preparing the 2018-19 financial statements, the Department applied professional judgement to ensure that the financial statements fairly present the financial position, financial performance and cash flows.

The Department has continued its practice of additional disclosures where, in the opinion of the Chief Financial Officer, these disclosures add value for the reader. In 2018-19, this includes a note specific to the Therapeutic Goods Administration special account and detailed descriptions supporting the note disclosures.

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.

The financial statements are audited by the Australian National Audit Office.

Readers of the financial statements will be assisted by the colour coding incorporated in the statements, notes and narrative. Grey shaded items are items that the Department administers on behalf of the Government, unshaded items are departmental in nature and accounting policy has a blue background.

Part 4.2:
2018-19 Financial Statements

Table of contents

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

Opinion

In my opinion, the financial statements of the Department of Health for the year ended 30 June 2019:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Department of Health as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Department of Health, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Overview;
- Departmental Statement of Comprehensive Income;
- Departmental Statement of Financial Position;
- Departmental Statement of Changes in Equity;
- Departmental Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Key audit matter	How the audit addressed the matter
Accuracy of personal benefits and subsidies *Refer to Note 20B 'Personal benefits' and Note 20C 'Subsidies – aged care''* I focused on personal benefits and subsidies expenses related to health and aged care programs including Medicare, Pharmaceutical Benefits Scheme and Private Health Insurance Rebate because these payments are: • calculated by multiple, complex information technology systems; • based on the information provided by the payment recipients and may be significantly impacted by delays in recipients providing correct or updated information and/or provision of misleading information in order to obtain financial gain; and • significant to the financial statements. During 2018–19 financial year, the Department of Health recognised personal benefits expenses of $46,174,150,000 and $12,566,487,000 of aged care subsidies expenses.	I applied the following audit procedures to address this key audit matter: • tested the key business processes, controls and information technology (IT) systems related to the calculation and processing of payments; • assessed the design and operating effectiveness of internal controls related to the accreditation and registration of medical providers, pharmacies and aged care providers; and • for a sample of payments, tested that the transaction was accurately calculated and recorded, and assessed the eligibility of recipients.

Key audit matter	How the audit addressed the matter
Valuation of personal benefits provisions and subsidies provisions *Refer to Note 20B 'Personal benefits provisions' and Note 20C 'Subsidies provisions* I considered this area a key audit matter due to the significant actuarial based assumptions and judgements involved in estimating the personal benefits and subsidies provisions. The complicated judgements relate to the amount and timing of future cash flows, estimating the period over which these provisions are expected to be settled by the Department of Health and use of an appropriate discount rate. These judgements rely on the completeness and accuracy of the underlying historical data used in the estimation process. As at 30 June 2019, the personal benefits provisions were $898,879,000 and subsidies provisions were $430,000,000.	I applied the following audit procedures to address this key audit matter: • tested the Department of Health's review and approval process of actuarial assumptions used in the estimation of provisions; • assessed the appropriateness of significant assumptions and judgements made during the estimation process including the timing and amount of future cash flows and appropriateness of the discount rate used; and • assessed the data used in the estimation process for accuracy and completeness.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Department of Health, 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 – Reduced Disclosure Requirement and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary 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 Secretary is responsible for assessing the ability of the Department of Health to continue as a going concern, taking into account whether the Department of Health's operations will cease as a result of an administrative restructure or for any other reason. The Secretary 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

Sean Benfield

Executive Director

Delegate of the Auditor-General

Canberra

26 August 2019

Department of Health

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2019 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 will be able to pay its debts as and when they fall due.

Signed.....

Glenys Beauchamp PSM
Secretary
Department of Health

23 August 2019

Signed.....

David Hicks CPA
Acting Chief Financial Officer
Department of Health

23 August 2019

Department of Health

Overview

1. Objectives of the Department of Health

The Department of Health (the Department) is a not-for-profit Australian Government controlled entity. 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 2019 the Department was structured to meet the following six outcomes:

Outcome 1: Health System Policy, Design and Innovation

Outcome 2: Health Access and Support Services

Outcome 3: Sport and Recreation

Outcome 4: Individual Health Benefits

Outcome 5: Regulation, Safety and Protection

Outcome 6: Ageing and Aged Care

The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continued 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:

- payment of subsidies for residential, aged care and community programs;
- payment of personal benefits for Medicare and pharmaceutical services as well as for affordability and choice of health care initiatives; and
- payment of grants, with the majority of these made to non-profit organisations.

2. Basis of Preparation of the Financial Statements

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:

- the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements 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 are 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.

Administered revenues, expenses, assets, liabilities and cash flows reported in the administered schedules and related notes are accounted for on the same basis and using the same policies as for Departmental items, except as otherwise stated.

Items of a similar nature together with disclosure of the relevant accounting policy are grouped together in the notes to the financial statements. The accounting policy disclosures have been shaded blue to distinguish them from other commentary.

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 National Industrial Chemicals Notification and Assessment Scheme (NICNAS).

All transactions between the departmental ledgers have been eliminated from the departmental financial statements.

Comparative figures

Comparative figures have been adjusted, where required, to conform to changes in presentation of the financial statements.

3. New Australian 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.

During the period, the Department adopted AASB 9 *Financial Instruments* which did not materially change the disclosure of financial assets and liabilities.

Future accounting standard requirements

The following new, revised and amending standards and interpretations were issued by the AASB prior to the signing of the statement by the Secretary and Chief Financial Officer:

New standard	Expected impact
AASB 15 *Revenue from Contracts with Customers*	No material change to revenue recognised during a reporting period. Significant increase to carrying values of unearned revenue related to contracts in progress.
AASB 1058 *Income of Not-for-Profit Entities*	No material impact anticipated.
AASB 16 *Leases*	An overall increase in expenses related to lease agreements in reporting periods following adoption with progressive decrease in expenses toward the end of the lease agreements. Leases identified are limited to leases for property and motor vehicles.

All other new, revised, and amending standards or interpretations that have been issued by the AASB prior to sign-off date that are applicable to the future reporting period(s) are not expected to have a future material financial impact on the Department's financial statements.

4. Significant Accounting Judgements and Estimates

Except where specifically identified and disclosed, the Department has determined that no accounting assumptions and estimates have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

5. Transactions with the Australian Government as Owner

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.

During the reporting period Departmental staff transferred to the Department of Social Services (DSS) to participate in the Community Services Grants Hub.

The Government established the independent Aged Care Quality and Safety Commission, effective 1 January 2019. The agency incorporated the functions of the Aged Care Complaints Commissioner, formerly part of the Department.

The financial impact of the restructuring arrangements is reported in detail at Note 17: Restructuring.

No administered functions were transferred to or from the Department under restructure arrangements during the financial year.

6. 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.

7. Events after the reporting period

TGA special account annual charges 2018-19

Sponsors of certain products on the Australian Register of Therapeutic Goods during the 2018-19 year have until 15 September 2019 to apply for exemption from the annual charges for the year. An estimate of the value of the exemptions has been incorporated in 2018-19 revenues.

My Aged Care systems asset transfer

The Department and DSS are in the process of confirming arrangements to transfer responsibility for the Aged Care Gateway IT systems application platform from DSS, scheduled to occur in the 2020 financial year.

Administered Inventory

$11.1m of administered inventory held in the National Medical Stockpile will pass its expiry date during the period July to October 2019 (2018: $1.7m).

Department of Health

Departmental Statement of Comprehensive Income
for the period ended 30 June 2019

	Notes	**ACTUAL 2019 $'000**	ACTUAL 2018 $'000	**BUDGET** 2019 $'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	4A	**533,383**	511,041	544,486
Suppliers	7A	**334,256**	294,478	308,861
Depreciation and amortisation	11	**34,240**	30,474	34,090
Grants		**24,931**	-	-
Other expenses	7B	**2,253**	4,253	2,500
Total expenses		**929,062**	840,246	889,937
OWN-SOURCE INCOME				
Revenue	8A	**194,778**	185,436	193,799
Gains	8B	**412**	955	870
Total own-source income		**195,190**	186,391	194,669
Net cost of services		**733,873**	653,855	695,268
Revenue from Government	9A	**705,401**	658,441	670,975
(Deficit)/surplus attributable to the Australian Government		**(28,471)**	4,586	(24,293)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		-	2,541	-
Total other comprehensive income		-	2,541	-
Total comprehensive (loss)/income attributable to the Australian Government	1	**(28,471)**	7,127	(24,293)

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.

Department of Health

Departmental Statement of Financial Position
as at 30 June 2019

	Notes	ACTUAL 2019 $'000	ACTUAL 2018 $'000	BUDGET 2019 $'000
ASSETS				
Financial assets				
Cash and cash equivalents	10A	**104,373**	100,591	99,452
Appropriations receivable	9B	**65,850**	54,868	-
Trade and other receivables	8C	**16,258**	16,896	20,139
Receivable from Government		**24,931**	-	-
Accrued revenue		**9,851**	5,431	2,160
Total financial assets		**221,263**	177,786	121,751
Non-financial assets				
Land and buildings	11	**49,597**	55,067	47,186
Property, plant and equipment	11	**6,096**	6,210	5,859
Intangibles	11	**120,160**	117,899	131,104
Prepayments		**13,305**	15,474	27,477
Lease incentives		**8,530**	9,338	-
Total non-financial assets		**197,689**	203,988	211,626
Total assets		**418,951**	381,774	333,377
LIABILITIES				
Payables				
Supplier payables	10C	**90,788**	73,498	56,787
Employee payables	4B	**10,560**	5,413	4,616
Other payables	7D	**41,384**	44,088	49,055
Total payables		**142,732**	122,998	110,458
Provisions				
Employee provisions	4C	**160,344**	148,101	142,712
Other provisions	7E	**32,309**	30,347	30,179
Total provisions		**192,653**	178,448	172,891
Total liabilities		**335,386**	301,447	283,349
Net assets		**83,566**	80,327	50,028
EQUITY				
Contributed equity		**302,795**	271,086	299,010
Asset revaluation reserve		**37,746**	37,747	35,206
Accumulated deficit		**(256,976)**	(228,506)	(284,188)
Total equity		**83,566**	80,327	50,028

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.

Department of Health

Departmental Statement of Changes in Equity
for the period ended 30 June 2019

	ACTUAL 2019 $'000	ACTUAL 2018 $'000	BUDGET 2019 $'000
ACCUMULATED DEFICIT			
Opening balance			
Balance carried forward from previous period	**(228,506)**	(233,092)	(259,895)
(Deficit)/surplus attributable to the Australian Government	**(28,471)**	4,586	(24,293)
Closing balance as at 30 June	**(256,978)**	(228,506)	(284,188)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	**37,748**	35,206	35,206
Other comprehensive income	**-**	2,541	-
Closing balance as at 30 June	**37,748**	37,748	35,206
CONTRIBUTED EQUITY			
Balance carried forward from previous period	**271,086**	252,569	271,086
Transactions with owners			
Equity injection - appropriations	**19,246**	7,422	19,017
Departmental Capital Budget	**12,708**	11,095	8,907
Restructuring[1]	**(245)**	-	-
Total transactions with owners	**31,709**	18,517	27,924
Closing balance as at 30 June	**302,795**	271,086	299,010
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	**80,328**	54,682	46,397
Comprehensive (loss)/gain for the period	**(28,471)**	7,127	(24,293)
Transactions with owners	**31,709**	18,517	27,924
Closing balance as at 30 June	**83,566**	80,327	50,028

[1] Refer to Note 17 – Restructuring for details

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.

Department of Health

Departmental Cash Flow Statement
for the period ended 30 June 2019

	Notes	ACTUAL 2019 $'000	ACTUAL 2018 $'000	BUDGET 2019 $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**804,138**	746,701	745,323
Sale of goods and rendering of services		**195,788**	181,068	191,882
Net GST received		**30,920**	25,797	20,570
Other		**-**	-	1,635
Total cash received		**1,030,845**	953,566	959,410
Cash used				
Employees		**(517,472)**	(515,999)	(548,966)
Suppliers		**(348,663)**	(307,395)	(307,488)
Net GST paid		-	-	(20,570)
Section 74 receipts transferred to the Official Public Account		**(125,387)**	(107,463)	(64,192)
Grants		**(24,931)**	-	-
Other		**(595)**	(1,123)	(8,097)
Total cash used		**(1,017,048)**	(931,980)	(949,313)
Net cash from operating activities	3	**13,797**	21,586	10,097
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of property, plant and equipment		**-**	1	-
Total cash received		**-**	1	-
Cash used				
Purchase of property, plant, equipment and intangibles		**(32,463)**	(30,856)	(35,301)
Total cash used		**(32,463)**	(30,856)	(35,301)
Net cash (used by) investing activities		**(32,463)**	(30,855)	(35,301)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Equity injection		**11,479**	3,146	19,017
Appropriations - Departmental capital budget		**10,969**	10,992	8,907
Total cash received		**22,448**	14,138	27,924
Net cash from financing activities		**22,448**	14,138	27,924
Net increase in cash held		**3,782**	4,869	2,720
Cash and cash equivalents at the				
- beginning of the reporting period		**100,591**	95,722	96,732
- end of the reporting period	10A	**104,373**	100,591	99,452

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.

Note 1: Departmental operating result reconciliation

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.

The Department's accountability for its operating result is at its result net of unfunded depreciation and amortisation.

	2019	2018
	$'000	$'000
Total comprehensive (loss)/gain	**(28,471)**	7,127
Unfunded depreciation and amortisation		
Total depreciation	**34,240**	30,474
Less cost recovered depreciation		
NICNAS	**(645)**	(508)
TGA	**(7,518)**	(6,846)
Net unfunded depreciation	**26,077**	23,120
Comprehensive (loss)/surplus net of unfunded depreciation and amortisation	**(2,395)**	30,247

The total comprehensive loss includes the impact of the accounting adjustment for the application of prevailing bond rates to the Department's employee entitlements which increased 2018-19 expenses by $14.26m.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 2: Departmental explanation of budget variances

General Commentary
AASB 1055 *Budgetary Reporting* requires explanations of major variances between the original budget as presented in the *2018-19 Portfolio Budget Statements* (PBS) and the final 2019 outcome. The information presented below should be read in the context of the following:

- the original budget was prepared before the 2018 final outcome could be known. As a consequence, the opening balance of the statement of financial position was estimated and in some cases variances between the 2019 final outcome and budget estimates can in part be attributed to unanticipated movement in the prior year period balances;
- the Department's executive maintained its long term financial management plan to increase cash reserves and improve financial sustainability. A key element of the plan is to target a modest operating surplus net of end of year accounting adjustments and unfunded depreciation and amortisation;
- variances attributable to factors which would not reasonably have been identifiable at the time of the budget preparation, such as revaluation or impairment of assets or reclassifications of asset reporting categories have not been included as part of this analysis;
- the Department considers that major variances are those greater than 10% of the estimate. Variances below this threshold are not included unless considered significant by their nature;
- variances relating to cash flows are a result of the factors detailed under expenses, own source income, assets or liabilities. Unless otherwise individually significant or unusual, no additional commentary has been included;
- the departmental budget was prepared under the Commonwealth budgeting framework where revenue is not appropriated for depreciation and amortisation expenses, except as funded through cost recovered activity; and
- the Budget is not audited.

Net cost of services
The Department's total expenses for 2018-19 were higher than budgeted. The Department incurred non-budgeted expenses for grants and higher levels of expenses for suppliers largely as a result of a change in the delivery arrangements for the My Aged Care gateway system. These increases were in part offset by a reduction in employee expenses through a combination of resource transfers within the Commonwealth and the effective management of staffing levels for compliance with the Government's staffing strategies.

The Government provided additional revenue through the Budget and Additional Estimates process largely for the Department to:

- provide Health portfolio input to the Royal Commission into Aged Care Quality and Safety;
- address pressures on medicinal cannabis license assessment and compliance activities driven by higher than expected demand; and
- implement three mandatory quality indicators in residential aged care.

The other significant variations to the Department's appropriation revenue in 2018-19 were:

- the reclassification of administered expenses to departmental with regards to the My Aged Care IT system; and
- the transfer of resources to the newly established Aged Care Quality and Safety Commission for the aged care complaints function and to the Department of Social Services Community Grants Hub for grants administration.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Financial assets
The Department's year-end financial asset position was higher than budgeted primarily due to higher than anticipated opening balances for the year. Appropriation receivable and cash and cash equivalents also increased during the year largely related to the operating result, which was a surplus prior to year-end non-cash accounting adjustments, these include adjustments to employee provisions and lease straight line adjustments. Higher than budgeted supplier liabilities has also impacted the department's year-end financial asset position. The Department has recorded a $24.9m receivable from Government in respect of non-budgeted expenses for grants.

Non-financial assets
The Department estimated higher levels of acquisition of non-financial assets than were achieved during the year.

Liabilities
Total provisions and payables are higher than budget with supplier and employee payables both higher than budget offset in part by lower other payables. The greater than anticipated supplier payables relates to timing of end of year supplier payments.

The Department experienced a significant increase in employee provisions in 2018-19 largely as a result of the application of actuarial adjustments and the impact of lower than anticipated bond rates.

Departmental cash flows
The Department makes payments when due and obtains funds from the Official Public Account in a just-in-time manner to make these payments as they fall due. The timing of payments, particularly for suppliers, will be dependent on the receipt of the goods and services and their related invoices and so can vary between reporting periods.

The cash flows from investing activities essentially relate to outflows associated with the purchase of non-financial assets being property, plant and equipment and intangibles. These outflows are funded through capital appropriation and equity injections from Government and through funds received through the sale of regulatory services. Investment in capital projects may extend across multiple reporting periods.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 3: Departmental cash flow reconciliation

	2019 $'000	2018 $'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Report cash and cash equivalents as per		
Cash Flow Statement	**104,373**	100,591
Statement of Financial Position	**104,373**	100,591
Discrepancy	**-**	-
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	**(733,873)**	(653,855)
Add revenue from Government	**705,401**	658,441
Adjustment for non-cash items		
Gain on sale of assets	-	(1)
Depreciation/amortisation	**34,240**	30,474
Net write-down of non-financial assets	**1,547**	2,443
Movements in assets and liabilities		
Assets		
Decrease/(increase) in net receivables	**(25,768)**	(17,890)
Decrease/(increase) in other financial assets	**(4,419)**	(3,271)
Decrease/(increase) in other non-financial assets	**2,977**	2,160
Liabilities		
Increase/(decrease) in employee provisions/payables	**17,146**	(4,286)
Increase/(decrease) in supplier payables	**18,114**	14,528
Increase/(decrease) in other payables	**(3,531)**	(7,188)
Increase/(decrease) in other provisions	**1,963**	31
Net cash from operating activities	**13,797**	21,586

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 4: Employees

	2019 $'000	2018 $'000
Note 4A: Employee benefits		
Wages and salaries	**356,060**	355,128
Superannuation:		
Defined contribution plans	**39,634**	33,940
Defined benefit plans	**38,276**	40,635
Leave and other entitlements	**91,812**	75,811
Separation and redundancies	**7,601**	5,527
Total employee benefits	**533,383**	511,041
Note 4B: Employee payables		
Wages and salaries	**3,915**	4,207
Superannuation	**4,932**	241
Separations and redundancies	**1,713**	965
Total employee payables	**10,560**	5,413

All employee payables are expected to be settled within 12 months of the balance date.

Note 4C: Employee provisions		
Leave	**159,802**	147,615
Separations and redundancies	**542**	486
Total employee provisions	**160,344**	148,101

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting policy

Liabilities for 'short term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within 12 months of the end of 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.

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 May 2018. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

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.

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 with the rates of contribution being set by the Department of Finance on an annual basis.

The CSS and PSS are defined benefit 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 employee superannuation schemes at rates determined by an 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 contribution 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.

Note 5: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The Department has determined the key management personnel to be the Secretary, the Chief Medical Officer (CMO) and all Deputy Secretaries. Key management personnel also include officers who have acted as the CMO or a Deputy Secretary 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:

	2019	2018
	$'000	$'000
Key management personnel remuneration		
Short term employee benefits	**3,416**	3,520
Post-employment benefits	**555**	593
Other long term employee benefits	**329**	312
Total key management personnel remuneration expenses [1]	**4,300**	4,425

The total number of key management personnel that are included in the above table is 12 (2018: 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.

[1] The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

Note 6: Related party transactions

Related party relationships
The entity is an Australian Government controlled entity. Related parties to this entity 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 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:
- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

Note 7: Departmental suppliers, other expenses and payables

	2019 $'000	2018 $'000
Note 7A: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**80,140**	53,776
Information technology costs	**106,208**	91,538
Services delivered under contract or others	**32,231**	38,852
Property	**16,132**	15,551
Travel	**11,107**	9,523
Training and other staff related expenses	**6,072**	5,327
Legal	**8,264**	3,011
Committees	**3,581**	4,208
Other	**15,061**	15,187
Total goods and services supplied or rendered	**278,797**	236,973
Other suppliers		
Operating lease rentals	**51,580**	52,235
Workers compensation premiums	**3,879**	5,270
Total other suppliers	**55,459**	57,505
Total suppliers	**334,256**	294,478
Note 7B: Other expenses		
Write-down and impairment of assets		
Impairment of financial instruments	**111**	689
Impairment of land and buildings	**-**	1
Impairment of property, plant and equipment	**211**	33
Impairment on intangibles	**1,335**	2,408
Payments made on behalf of Portfolio entities[1]	**595**	1,121
Act of Grace payments	**-**	1
Total other expenses	**2,253**	4,253

[1] Payments made on behalf of Portfolio entities are recovered in full, refer Note 8A.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019 $'000	2018 $'000
Note 7C: Commitments		
Lease commitments		
Operating leases[1]	**618,195**	345,704
Total commitments	**618,195**	345,704
Minimum lease payments expected to be settled		
Within 1 year	**51,420**	42,329
Between 1-5 years	**179,804**	216,381
More than 5 years	**386,971**	86,994
Total leases	**618,195**	345,704

[1] The operating lease commitments mainly relate to property lease payments.

Note: Commitments are not reported in the Statement of Financial Position.

Accounting policy
A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

	2019 $'000	2018 $'000
Note 7D: Other payables		
Lease incentive	**19,825**	25,333
Unearned income	**20,732**	18,755
Other	**827**	-
Total other payables	**41,384**	44,088
Note 7E: Other provisions		
Provision for surplus lease space	**-**	526
Provision for restoration	**1,683**	1,840
Provision for lease straightlining	**30,627**	27,981
Total other provisions	**32,309**	30,347

Accounting policy
Lease Incentives
Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced on a straight-line basis by allocating lease payments between rental expense and reduction of the lease incentive liability.

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.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 7F: Reconciliation of movement in other provisions

	Provision for surplus lease space $'000	Provision for restoration[1] $'000	Provision for lease straightlining[2] $'000	Total $'000
As at 1 July 2018	**526**	**1,840**	**27,981**	**30,347**
Additional provisions made	**-**	**-**	**3,424**	**3,424**
Amounts used	**(239)**	**(81)**	**(779)**	**(1,099)**
Amounts reversed	**(287)**	**(77)**	**-**	**(364)**
Total as at 30 June 2019	**-**	**1,683**	**30,627**	**32,309**

1 The Department currently has four (2018: six) agreements for the leasing of premises which have provisions requiring the entity 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.

2 The Department holds a provision for lease straight lining on ten leases.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 8: Departmental income and receivables

	2019 $'000	2018 $'000
Note 8A: Revenue		
Sale of goods and rendering of services		
Sale of goods	**2,818**	1,274
Rendering of services	**189,341**	181,487
Recoveries received from Portfolio entities	**595**	1,121
Financial statement audit services	**880**	860
Other revenue	**1,144**	694
Total own-source revenue	**194,778**	185,436

Financial statement audit services were provided free of charge to the Department by the Australian National Audit Office (ANAO) and are recorded at the fair value of resources received. No other services were provided by the auditors of the financial statements.

Note 8B: Gains		
Gains from sale of assets		
Infrastructure, plant and equipment		
Proceeds from sale	**-**	1
Other gains	**412**	954
Total gains	**412**	955

Accounting policy

Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Department retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when the:

- amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- probable economic benefits associated with the transaction will flow to the Department.

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.

On 1 July 2015 the TGA introduced the annual charges exemption scheme to provide relief from annual charges until a product on the Australian Register of Therapeutic Goods commences generating turnover. Under this scheme, which is detailed in the regulations covering therapeutic goods, some of the charges in respect of 2018-19 may not be known until the end of the declaration period on 15 September 2019. While there is some uncertainty in the revenue calculation for the financial year, the uncertainty is reducing as the scheme progresses and annual data is accumulated.

Gains
Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

Resources received free of charge are recognised as gains 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

	2019	2018
	$'000	$'000
Note 8C: Receivables		
Trade and other receivables		
Goods and services receivable	**13,267**	15,152
GST receivable from the Australian Taxation Office	**3,850**	2,744
Total trade and other receivables (gross)	**17,117**	17,896
Less impairment allowance [1]	**(859)**	(1,000)
Total trade and other receivables (net)	**16,258**	16,896

[1] The impairment allowance relates to receivables for goods and services.

Credit terms for goods and services were within: the Department 30 days (2018: 30 days), TGA 28 days (2018: 28 days).

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 9: Departmental appropriation income and receivable

	2019 $'000	2018 $'000
Note 9A: Revenue from Government		
Appropriations		
Departmental appropriations	**705,401**	658,441
Total revenue from Government	**705,401**	658,441
Note 9B: Appropriations receivable		
Existing programs	**49,289**	47,813
Undrawn equity injection	**14,719**	6,952
Departmental Capital Budget	**1,842**	103
Total appropriations receivable	**65,850**	54,868

Appropriations receivable undrawn are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangement.

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 Department 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.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 10: Departmental cash and financial instruments

	2019 $'000	2018 $'000
Note 10A: Cash and cash equivalents		
Cash and cash equivalents		
Cash in special accounts	**103,329**	99,136
Cash on hand or on deposit	**1,044**	1,455
Total cash and cash equivalents	**104,373**	100,591
Note 10B: Financial instruments		
Financial assets under AASB 139		
Loans and receivables		
Goods and services receivable		15,152
Less: Impairment allowance		(1,000)
Total loans and receivables		14,152
Financial assets under AASB 9		
Financial assets at amortised cost		
Receivables	**13,267**	
Less: Impairment allowance	**(859)**	
Total assets at amortised cost	**12,408**	
Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment	**(111)**	(689)
Net gains or (losses) on financial assets at amortised cost	**(111)**	(689)
Note 10C: Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**90,788**	73,498
Total financial liabilities measured at amortised cost	**90,788**	73,498

Note 10D: Classification of financial instruments

Financial asset class	Note	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 $'000	AASB 9 carrying amount at 1 July 2018 $'000
Cash and cash equivalents					
Cash in special accounts	10A	Held to maturity	Amortised cost	99,136	99,136
Cash on hand or on deposit	10A	Held to maturity	Amortised cost	1,455	1,455
Trade receivables	10B	Loans and receivables	Amortised cost	14,152	14,152
Total financial assets				**114,743**	**114,743**

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting policy

Cash and equivalents

Cash and cash equivalents are:

- cash in special accounts, which includes amounts that are banked in the Australian Government's Official Public Account or held in a bank account; and
- cash on hand or on deposit, which is the amounts held in the departmental bank accounts.

Financial assets

With the implementation of AASB 9 *Financial* Instruments for the first time in 2019 the department classifies its departmental financial assets, which are trade receivables, as financial assets measured at amortised cost. Financial assets are recognised when the department becomes a party to the contract and has a legal right to receive cash.

Comparatives have not been restated on initial application.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Supplier and other payables are recognised at amortised cost and are recognised to the extent that the goods or services have been received and irrespective of having been invoiced.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for items held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Department of Health

Notes to and forming part of the financial statements

Note 11: Departmental property, plant and equipment and intangibles

Reconciliation of the opening and closing balances for 2019

	Land and buildings	Property, plant and equipment	Computer software - internally developed	Computer software - purchased	Total intangibles	Total Non-financial assets
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2018						
Gross book value	**56,168**	**6,426**	245,500	4,496	**249,996**	**312,589**
Accumulated depreciation/amortisation and impairment	**(1,100)**	**(216)**	(128,553)	(3,543)	**(132,096)**	**(133,413)**
Total as at 1 July 2018	**55,067**	**6,210**	116,947	953	**117,899**	**179,177**
Additions						
Purchase or internally developed	**4,763**	**1,517**	26,183	-	**26,183**	**32,463**
Depreciation and amortisation	**(10,233)**	**(1,419)**	(22,264)	(324)	**(22,587)**	**(34,240)**
Impairments recognised in net cost of services	-	**(211)**	(1,335)	-	**(1,335)**	**(1,547)**
Total as at 30 June 2019	**49,597**	**6,096**	119,531	629	**120,160**	**175,853**
Total as at 30 June 2019 represented by						
Work in progress	**4,685**	**-**	26,808	-	**26,808**	**31,493**
Gross book value	**56,246**	**7,647**	243,440	4,496	**247,935**	**311,828**
Accumulated depreciation/amortisation and impairment	**(11,333)**	**(1,551)**	(150,717)	(3,867)	**(154,584)**	**(167,469)**
Total as at 30 June 2019	**49,597**	**6,096**	119,531	629	**120,160**	**175,852**

Note: The Department expects to increase its Computer software – internally developed in 2020 as the My Aged Care Gateway asset balances are taken up.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for information technology equipment purchases costing less than $500 (TGA $2,000), leasehold improvements costing less than $50,000 (TGA $10,000), and all other purchases costing less than $2,000, which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to prescribed conditions. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at latest 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 as 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 was carried out by JLL as at 31 May 2018 and a desktop review to assess fair value was conducted as at 30 June 2019. Revaluation adjustments are made on a class basis. Any revaluation increment was 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.

Assets held for sale

Property plant and equipment owned by the Department to provide computing services to the TGA is at, or nearing, end-of-life. The Department will sell to its IT service provider, dispose or retain the items but given the uncertainty around the treatment for individual assets, in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets are recorded as being in use as at 30 June 2019.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

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:
- buildings on freehold land: 20 to 25 years;
- leasehold improvements*:* The lower of the lease term or the estimated useful life; and
- plant and equipment: 3 to 20 years.

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 in use is taken to be its depreciated replacement cost.

Impairment
All assets were assessed for impairment as at 30 June 2019. Where indications 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.

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 are:
- internally developed software two to ten years; and
- purchased software two to seven years.

All software assets were assessed for indications of impairment as at 30 June 2019.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 12: Fair value measurement

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 leasehold improvements and property, plant and equipment but exclude assets under construction. Assets not held at fair value include intangibles and assets under construction.

The Department reviews its valuation model each year via a desktop exercise with a formal revaluation undertaken every three years: the last comprehensive revaluation was undertaken in 2018. 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:
Level 1: quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement date.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
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 predominately 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 professional judgement.

Note 13: Departmental aggregate assets and liabilities

	2019 $'000	2018 $'000
Assets expected to be recovered in		
No more than 12 months	**234,567**	179,607
More than 12 months	**184,384**	202,167
Total assets	**418,951**	381,774
Liabilities expected to be settled in		
No more than 12 months	**185,815**	165,928
More than 12 months	**149,571**	135,519
Total liabilities	**335,386**	301,447

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 14: Departmental contingent assets and liabilities

	Guarantees		Claims for damages or costs		Total	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Contingent assets						
Balance from previous period	**-**	-	**-**	150	**-**	150
Rights expired	**-**	-	**-**	(150)	**-**	(150)
Total contingent assets	**-**	-	**-**	-	**-**	-
Contingent liabilities						
Balance from previous period	**5,000**	5,000	-	645	**5,000**	5,645
Obligations expired	**(5,000)**	-	**-**	(645)	**(5,000)**	(645)
Total contingent liabilities	**-**	5,000	**-**	-	**-**	5,000
Net contingent (liabilities)	**-**	(5,000)	**-**	-	**-**	(5,000)

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.

The Department applies Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* in determining disclosure of contingent assets and liabilities.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Quantifiable contingencies

Quantifiable contingent assets

The Department had no quantifiable contingent assets as at 30 June 2019 (2018: $NIL).

Quantifiable contingent liabilities

Claims for damages and costs
The schedule of contingencies reports no contingent liabilities in respect of claims for damages/costs as at 30 June 2019 (2018: $NIL).

Guarantees
The schedule of contingencies reports no contingent liabilities in respect of claims for payments as at 30 June 2019 (2018: $5.000m).

Unquantifiable contingencies

Unquantifiable contingent assets and liabilities

At 30 June 2019 the Department was involved in a number of litigation cases before the courts. The Department has been advised by its solicitors that it is not possible to quantify amounts relating to these cases and the information is not disclosed on the grounds that it might seriously prejudice the outcomes of these cases.

The Department has provided indemnities to its transactional bankers in relation to any claims made against the bank resulting from errors in the Department's payment files. There were no claims made during the year.

Significant remote contingencies

The Department did not have any significant remote contingencies in either reporting year.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 15: Departmental appropriations

Table A: Annual and Unspent Appropriation ("Recoverable GST exclusive")

	2019	2018
	$'000	$'000
DEPARTMENTAL		
Ordinary Annual Services		
Annual appropriation[1,2]	**726,804**	659,018
Capital budget[3]	**13,376**	11,095
Receipts retained under PGPA Act - Section 74	**125,388**	107,463
Transfers of appropriations under PGPA Act - Section 75 - annual appropriation	**(50,286)**	-
Transfers of appropriations under PGPA Act - Section 75 - capital budget	**(668)**	-
Total appropriation	**814,614**	777,576
Appropriation applied (current and prior years)	**(803,340)**	(763,044)
Variance[4]	**11,274**	14,532
Unspent appropriations		
Own unspent appropriation balance	**48,223**	49,371
Closing unspent appropriation balance	**48,223**	49,371
Balance comprises appropriations as follows:		
Appropriation Act (No. 1) 2017-2018	**-**	47,813
Appropriation Act (No. 1) 2017-2018 - Cash at bank[5]	**-**	1,455
Appropriation Act (No. 3) 2017-2018 - Departmental Capital Budget (DCB)	**-**	103
Appropriation Act (No. 1) 2018-2019	**42,030**	-
Appropriation Act (No. 1) 2018-2019 - Cash at bank[5]	**1,044**	-
Appropriation Act (No. 3) 2018-2019	**3,307**	-
Appropriation Act (No. 3) 2018-2019 - Departmental Capital Budget (DCB)	**1,842**	-
Total unspent appropriation - ordinary annual services	**48,223**	49,371

1 There were no amounts temporarily quarantined from 2019 or 2018 departmental ordinary annual services appropriations.
2 There were no amounts withheld under section 51 of the PGPA Act from 2019 or 2018 departmental ordinary annual services appropriations.
3 Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1,3) and Supply Acts (No. 1,3). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
4 The variance of $11,274,000 for departmental ordinary annual services primarily represents the timing difference of payments to suppliers and employees.
5 Cash at bank mainly relates to deposits made on 30 June, subject to Section 74 of the PGPA Act (annotated Appropriation Act No. 1).

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019	2018
	$'000	$'000
Other Services - Equity		
Annual appropriation[1,2]	**19,246**	7,422
Total appropriation	**19,246**	7,422
Appropriation applied (current and prior years)	**(11,479)**	(3,146)
Variance[3]	**7,767**	4,276
Unspent appropriations		
Own unspent appropriation balance	**14,719**	6,952
Closing unspent appropriation balance[4]	**14,719**	6,952
Balance comprises appropriations as follows:		
Appropriation Act (No. 2) 2016-2017	**-**	600
Appropriation Act (No. 2) 2017-2018	**-**	1,296
Appropriation Act (No. 4) 2017-2018	**2,447**	4,560
Appropriation Act (No. 6) 2017-2018	**-**	496
Appropriation Act (No. 2) 2018-2019	**12,043**	-
Appropriation Act (No. 4) 2018-2019	**229**	-
Total unspent appropriation - other services - equity	**14,719**	6,952

1 There were no amounts temporarily quarantined from 2019 or 2018 departmental other services - equity appropriations.
2 There were no amounts withheld under section 51 of the PGPA Act from 2019 or 2018 departmental other services – equity appropriations.
3 The variance of $7,767,000 for departmental equity primarily relates to delayed commencement of projects funded in 2018-19 Additional Estimates.
4 This balance is net of $11,778,000 which is permanently quarantined under section 51 of the PGPA Act. The total unspent appropriations gross of quarantined amounts under section 51 of the PGPA Act is $26,497,000.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 16: Therapeutic Goods Administration

Note 16A: Therapeutic Goods Administration overview

The Therapeutic Goods Administration (TGA) contributes to Outcome 5: Regulation, Safety and Protection. 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 30: 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.

TGA receives payment for evaluation services in advance of service delivery, which can extend across financial years. TGA estimates the stage of service completion and recognises the matching revenue. Revenue reported for 2018-19 includes an estimate for annual charges.

	2019	2018
	$'000	$'000
Note 16B: TGA Comprehensive income		
Expenses		
Employee benefits	**93,618**	75,802
Consultants and contractors	**13,108**	18,474
Corporate Services	**36,044**	36,142
Other	**8,405**	8,221
Depreciation and amortisation	**7,518**	6,846
Write-down and impairment of assets	**1,448**	2,895
Total expenses	**160,141**	148,380
Revenues		
Sale of goods and rendering of services	**159,000**	152,905
Other revenue and gains	**48**	1
Total own-source revenue	**159,048**	152,906
Revenue from Government	**2,257**	2,439
Surplus on continuing operations	**1,164**	6,965

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019 $'000	2018 $'000
Note 16C: TGA Financial Position		
Assets		
Financial assets[1]	**86,616**	82,082
Non-financial assets	**30,021**	34,607
Total assets	**116,637**	116,690
Liabilities		
Payables	**28,433**	33,368
Provisions	**25,320**	21,601
Total liabilities	**53,753**	54,970
Equity		
Contributed equity	**2,029**	2,029
Asset revaluation reserve	**9,138**	9,138
Retained surplus	**51,717**	50,554
Total Equity	**62,884**	61,720

[1] Includes cash balance of $76.501m which is disclosed in Note 30: Special accounts.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 17: Restructuring

	2019 $'000	2019 $'000
Functions in relation to:	Grants management function, Department of Social Services[1]	Aged Care Complaints Commissioner, Aged Care Quality and Safety Commission[2]
Assets relinquished		
Appropriation receivable	**7,529**	**4,893**
Total assets relinquished	**7,529**	**4,893**
Liabilities relinquished		
Employee provisions	**7,546**	**4,923**
Total liabilities relinquished	**7,546**	**4,923**
Net liabilities relinquished	**(17)**	**(30)**

1 To support the Community Services Grants Hub within the Department of Social Services, staff and related assets and liabilities were transferred from the Department during 2018-19.

2 From 1 January 2019, the Government established an independent Aged Care Quality and Safety Commission combining the functions of the former Australian Aged Care Quality Agency and the Department's Aged Care Complaints Commissioner. Staff and related assets and liabilities were transferred during 2018-19.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Administered Schedule of Comprehensive Income
for the period ended 30 June 2019

	Notes	ACTUAL 2019 $'000	ACTUAL 2018 $'000	BUDGET 2019 $'000
NET COST OF SERVICES				
Expenses				
Grants	20A	**9,181,314**	7,721,904	9,176,365
Personal benefits	20B	**46,174,150**	44,599,704	45,631,261
Subsidies	20C	**12,659,007**	11,762,424	12,644,690
Suppliers	21A	**1,020,337**	999,016	698,858
Payments to corporate Commonwealth entities	22A	**644,096**	510,005	582,970
Other expenses	21B	**31,669**	39,156	30,749
Total expenses		**69,710,573**	65,632,209	68,764,893
Income				
Special accounts revenue	23A	**36,442,177**	34,779,233	35,482,104
Recoveries	23B	**2,640,141**	2,943,418	2,816,034
Other revenue	23C	**418,836**	214,966	98,559
Total income		**39,501,154**	37,937,617	38,396,697
Net cost of services		**30,209,419**	27,694,592	30,368,196
Deficit		**(30,209,419)**	(27,694,592)	(30,368,196)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in administered investment reserves		**(61,239)**	(42,272)	-
Total other comprehensive income/(loss)		**(61,239)**	(42,272)	-
Total comprehensive loss		**(30,270,658)**	(27,736,864)	(30,368,196)

The above schedule should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 18. The original budget is the budget published in the *2018-19 Portfolio Budget Statements*. The budget statement information has been reclassified and presented on a consistent basis with the corresponding financial statement.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Administered Schedule of Assets and Liabilities
as at 30 June 2019

	Notes	ACTUAL 2019 $'000	ACTUAL 2018 $'000	BUDGET 2019 $'000
ASSETS				
Financial assets				
Cash and cash equivalents	24A	**794,505**	559,100	119,932
Accrued recoveries revenue	23B	**1,080,356**	1,368,959	801,896
Loans and other receivables	23C	**983,193**	755,494	561,766
Investments	22B	**496,222**	482,642	542,558
Total financial assets		**3,354,276**	3,166,195	2,026,152
Non-financial assets				
Inventories held for distribution	25	**117,139**	115,765	117,238
Total non-financial assets		**117,139**	115,765	117,238
Total assets administered on behalf of Government		**3,471,415**	3,281,960	2,143,390
LIABILITIES				
Payables				
Suppliers	21A	**(27,976)**	(35,635)	(22,765)
Subsidies	20C	**(111,919)**	(105,740)	(37,590)
Personal benefits	20B	**(1,082,711)**	(1,027,893)	(998,562)
Grants	20A	**(423,909)**	(312,088)	(308,460)
Total payables		**(1,646,515)**	(1,481,356)	(1,367,377)
Provisions				
Subsidies	20C	**(430,000)**	(441,000)	(450,000)
Personal benefits	20B	**(898,879)**	(1,074,260)	(1,057,773)
Total provisions		**(1,328,879)**	(1,515,260)	(1,507,773)
Total liabilities administered on behalf of Government		**(2,975,394)**	(2,996,616)	(2,875,150)
Net assets/(liabilities)		**496,021**	285,344	(731,760)

The above schedule should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 18. The original budget is the budget published in the *2018-19 Portfolio Budget Statements*. The budget statement information has been reclassified and presented on a consistent basis with the corresponding financial statement.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Administered Reconciliation Schedule

	2019 $'000	2018 $'000
Opening assets less liabilities as at 1 July	**285,344**	(557,722)
Adjusted opening assets less liabilities	**285,344**	(557,722)
Net cost of services		
Income	**39,501,154**	37,937,617
Expenses		
Payments to entities other than corporate Commonwealth entities	**(69,066,477)**	(65,122,204)
Payments to corporate Commonwealth entities	**(644,096)**	(510,005)
Other comprehensive income		
Revaluations transferred to/(from) reserves	**(61,239)**	(42,272)
Transfers (to)/from Australian Government		
Appropriation transfers from the Official Public Account (OPA)		
Administered assets and liabilities appropriations		
Payments to entities other than corporate Commonwealth entities	**63,948**	44,893
Payments to corporate Commonwealth entities	**37,453**	54,533
Appropriations for ordinary annual services		
Payments to entities other than corporate Commonwealth entities	**9,757,198**	8,549,464
Payments to corporate Commonwealth entities	**643,837**	510,429
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	**23,100,753**	22,093,488
Special appropriations (limited)		
Refund of receipts (section 77 of the PGPA Act)	**18,105**	583
Net GST appropriations	**26,114**	(6,220)
Appropriation transfers to OPA		
Transfers to OPA	**(3,166,073)**	(2,667,240)
Closing assets less liabilities as at 30 June	**496,021**	285,344

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Administered Cash Flow Statement
for the period ended 30 June 2019

	Notes	2019 $'000	2018 $'000
OPERATING ACTIVITIES			
Cash received			
Recoveries		**2,741,568**	2,538,031
Net GST received		**609,189**	577,889
Special accounts receipts		**36,442,177**	34,779,233
Other		**402,947**	109,595
Total cash received		**40,195,881**	38,004,748
Cash used			
Grants		**(9,712,541)**	(8,285,896)
Subsidies		**(12,660,510)**	(11,712,886)
Personal benefits		**(46,321,044)**	(44,585,662)
Suppliers		**(1,054,915)**	(1,011,194)
Payments to corporate Commonwealth entities		**(643,837)**	(510,005)
Total cash used		**(70,392,847)**	(66,105,643)
Net cash used by operating activities	19	**(30,196,966)**	(28,100,895)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		**30,924**	32,649
Total cash received		**30,924**	32,649
Cash used			
Advances and loans made		**(6,638)**	(29,451)
Equity injections to corporate Commonwealth entities		**(37,453)**	(54,533)
Purchase of investments		**(35,798)**	(15,409)
Total cash used		**(79,889)**	(99,393)
Net cash used by investing activities		**(48,965)**	(66,744)
Net decrease in cash held		**(30,245,931)**	(28,167,639)
Cash and cash equivalents at the beginning of the reporting period		**559,100**	146,809
Cash from Official Public Account			
Appropriations		**33,519,893**	31,153,964
Special Accounts		**5,607**	12,524
Capital appropriations		**101,402**	99,426
Administered GST appropriations		**626,462**	567,504
Total cash from Official Public Account		**34,253,364**	31,833,418
Cash to Official Public Account			
Special Accounts		**(5,607)**	(12,524)
Return of GST appropriations to the Official Public Account		**(600,348)**	(573,724)
Other		**(3,166,073)**	(2,667,240)
Total cash to Official Public Account		**(3,772,028)**	(3,253,488)
Cash and cash equivalents at the end of the reporting period	24A	**794,505**	559,100

The above schedule should be read in conjunction with the accompanying notes.

Accounting policy
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 are reported as such in the Administered Cash Flow Statement and in the Administered Reconciliation Schedule.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 18: Administered explanation of budget variances

Administered expenses

Total administered expenses for 2018-19 were significantly higher than the original budget, driven largely by the increase in personal benefits and supplier expenses. Personal benefits expenses relate to a range of program groups, most of which are funded through appropriations relating to demand. Growth in personal benefits expenditure is consistent with the revised budget included in the Portfolio Additional Estimates, and is attributable to the ongoing Government commitment to guaranteeing Medicare and improving access to medicines, including increasing new or amended PBS listings as well as adding new MBS items.

Significantly higher supplier expenses against the original budget related to aged care programs, which were initially budgeted against grants, with the resulting underspend against grants masked by other programs overspending against the original grants budget. This issue was corrected in the revised budget included in the Portfolio Additional Estimates.

Administered revenues

The key driver of the variance in administered revenue in 2018-19 was the Medicare Guarantee Fund (MGF) special account. The original budget represents the initial annual funding allocation for this special account, however a second tranche of funding was transferred into the MGF special account late in the year based on PBS and MBS growth and variations in funding requirements. The Medical Research Future Fund (MRFF) special account also received a substantial funding allocation in 2018-19, reflecting an accelerated rate of grant activity in the funded programs.

Other revenue was also higher than the original budget. Other revenue represents revenue transactions that are not standard or predictable in nature, such as acquittals of prior year grants and returns of overpaid benefits, and are difficult to budget for effectively, as past performance is not indicative of future patterns.

The PBS drug recoveries arising from cost sharing agreements between the Commonwealth and pharmaceutical companies were lower than originally anticipated due to the changing pattern of use, particularly reducing demand for the high value hepatitis C drugs.

Administered assets

The total value of assets administered on behalf of the Commonwealth at 30 June 2019 was significantly higher than the original budget. The key driver of this variance was cash and cash equivalents, relating to the unspent portion of the 2018-19 funding allocation remaining in the MGF special account, which varies based on the timing and quantum of payments in the last week of the financial year. This remaining funding was utilised in the first week of 2019-20.

Accrued PBS drug recoveries and other receivables have also contributed to the increase. Due to the nature of these items, the value of accruals and debtors at the end of the year fluctuates with no predictable pattern based on the timing of invoicing and billing cycles and past performance.

Administered liabilities

The total value of liabilities administered on behalf of the Commonwealth at 30 June 2019 was in excess of the budget. This increase was largely driven by higher grants and suppliers liabilities, as funding and procurement activities were impacted by the timing of the caretaker period associated with the federal election in the last quarter of 2018-19.

This was partially mitigated by lower personal benefits liabilities due to the reduction in the payment lag for claims submitted via PBS Online from 9-16 days to 2-9 days which was implemented in March 2019.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 19: Administered cash flow reconciliation

	2019 $'000	2018 $'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Administered Cash Flow Statement	**794,505**	559,100
Administered Schedule of Assets and Liabilities	**794,505**	559,100
Discrepancy	**-**	-
Reconciliation of net cost of services to net cash used by operating activities		
Net cost of services	**(30,209,419)**	(27,694,592)
Adjustment for non-cash items		
Net write-down of assets	**25,850**	26,564
Inventory adjustments	**35**	13
Concessional loans discount and unwinding	**(4,831)**	(6,942)
Movements in assets and liabilities		
Assets		
Decrease/(increase) in net receivables	**60,430**	(522,292)
Decrease/(increase) in inventories	**(24,917)**	(24,917)
Liabilities		
Increase/(decrease) in suppliers payable	**(9,228)**	12,794
Increase/(decrease) in subsidies payable	**6,179**	54,444
Increase/(decrease) in personal benefits payable	**54,818**	51,919
Increase/(decrease) in grants payable	**90,498**	(5,373)
Increase/(decrease) in subsidies provision	**(11,000)**	(9,000)
Increase/(decrease) in personal benefits provision	**(175,381)**	16,487
Net cash used by operating activities	**(30,196,966)**	(28,100,895)

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 20: Administered transfer payments

	2019 $'000	2018 $'000
Note 20A: Grants		
Grants paid		
Public sector		
Australian Government entities (related entities)	**787,639**	749,636
Private sector		
Profit and non-profit organisations	**8,377,839**	6,957,205
Overseas	**15,836**	15,063
Total grants paid	**9,181,314**	7,721,904
Grants payable		
Public sector		
Australian Government entities (related entities)	**15,183**	17,781
Private sector		
Profit and non-profit organisations	**408,726**	294,307
Total grants payable	**423,909**	312,088

Accounting policy

The Department administers a number of grant schemes on behalf of the Government. Grant liabilities 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. All grants liabilities are expected to be settled within 12 months of the balance date.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019 $'000	2018 $'000
Note 20B: Personal Benefits		
Personal benefits paid		
Direct personal benefits paid		
Private health insurance	**6,061,728**	6,010,185
Total direct personal benefits paid	**6,061,728**	6,010,185
Indirect personal benefits paid		
Medical services	**24,512,427**	23,609,384
Pharmaceuticals and pharmaceutical services	**11,942,377**	11,794,308
Primary care practice incentives	**339,931**	342,852
Hearing services	**538,443**	514,330
Targeted assistance	**149,760**	146,043
Aged care	**2,559,322**	2,122,271
Other	**70,162**	60,331
Total indirect personal benefits paid	**40,112,422**	38,589,519
Total personal benefits paid	**46,174,150**	44,599,704
Personal benefits payable		
Direct personal benefits payable		
Private health insurance	**466,829**	470,693
Total direct personal benefits payable	**466,829**	470,693
Indirect personal benefits payable		
Medical services	**472,014**	409,441
Pharmaceuticals and pharmaceutical services	**13,654**	3,094
Aged care	**65,275**	77,272
Other	**64,939**	67,393
Total indirect personal benefits payable	**615,882**	557,200
Total personal benefits payable	**1,082,711**	1,027,893
Personal benefits provisions		
Outstanding claims		
Medical services	**753,316**	738,455
Pharmaceuticals and pharmaceutical services	**145,563**	335,805
Total personal benefits provisions	**898,879**	1,074,260

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

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 the Government that provide a range of health care entitlements to individuals. These include, but are not limited to:

- pharmaceutical benefits (the primary means through which the Australian Government ensures Australians have timely access to pharmaceuticals);
- medical benefits (provide high quality and clinically relevant medical and associated services through Medicare);
- private health insurance rebate (helps make private health insurance more affordable, provides greater choice and accessibility to private health care options, and reduces pressure on the public hospital system);
- primary care practice incentives (support activities that encourage continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients);
- targeted assistance (support the provision of relevant pharmaceuticals, aids and appliances);
- 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
- home support and care (providing 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 various schemes. The recognition of receivables and recovery actions take place once the overpayments are identified.

Significant 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 weights recent payment experience more heavily and is therefore self-adjusting for emerging trends.

	2019 $'000	2018 $'000
Note 20C: Subsidies		
Subsidies paid		
Subsidies in connection with		
Aged care	**12,566,487**	11,673,223
Medical indemnity	**83,021**	79,306
Other	**9,499**	9,895
Total subsidies paid	**12,659,007**	11,762,424
Subsidies payable		
Subsidies in connection with		
Aged care	**105,373**	99,722
Medical indemnity	**6,543**	6,018
Other	**3**	-
Total subsidies payable	**111,919**	105,740

Accounting policy

The Department administers a number of subsidy schemes on behalf of the Government. Subsidies 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. All subsidies liabilities are expected to be settled within 12 months of the balance date.

Subsidies provisions

	Balance as at 30 June 2018 $'000	Claims paid $'000	Administered Schedule of Comprehensive Income Impact $'000	Balance as at 30 June 2019 $'000
Medical Indemnity Liabilities				
Incurred But Not Reported Scheme	**26,000**	**(6,239)**	**(7,761)**	**12,000**
High Cost Claims Scheme	**323,000**	**(70,368)**	**62,368**	**315,000**
Run-Off Cover Scheme	**92,000**	**(8,225)**	**19,225**	**103,000**
Total	**441,000**	**(84,832)**	**73,832**	**430,000**

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Accounting policy

Medical Indemnity schemes are administered by the Department under the *Medical Indemnity Act 2002* and the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*. The Department administers the following medical indemnity schemes:

- Incurred But Not Reported Scheme (IBNRS);
- High Cost Claims Scheme (HCCS);
- Exceptional Claims Scheme (ECS);
- Run-Off Cover Scheme (ROCS);
- Premium Support Scheme (PSS);
- Midwife Professional Indemnity (Commonwealth Contribution) Scheme (MPIS); and
- Midwife Professional Indemnity Run-off Cover Scheme (MPIRCS).

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 payment was recognised for IBNRS, HCCS, and ROCS. No provision was recognised for ECS, MPIS or MPIRCS as, to date, no payment has been made against these schemes, they could not be reliably measured and are reported as a contingent liability in Note 27. No provision was recognised for the PSS as the nature and timing of payments associated with this scheme are based on a relatively predictable pattern of annual payments that must be settled within 12 months of the end of a premium period.

The methods used by the AGA to estimate the liability under the different schemes are as follows:

General

The AGA has relied on projections that have been prepared by the appointed actuaries to the five medical indemnity insurers (MIIs) and provided to the Commonwealth under the relevant provisions of the *Medical Indemnity Act 2002* and the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*. Payment information from the Medicare program complemented the projection. Where appropriate, adjustments have been made to those projections as described below.

The methods used by the AGA to estimate the liability under the different schemes are as follows:

IBNRS

The IBNRS provides for payments to Avant Mutual Group for claims made in relation to its IBNR liability at 30 June 2002. Some claims that will be payable under the IBNRS may also be eligible for payment under the HCCS.

The AGA has carried out chain ladder modelling using the payments data. The results of this analysis have been compared to the projections prepared by the industry actuaries. The results closely match and, as a result, the AGA has largely relied on industry projections to estimate the liability.

ROCS

ROCS provides free run-off cover for specific groups of medical practitioners including those retired and over 65, on maternity leave, retired for more than three years, retired due to permanent disability or the estates of those that have died. This scheme is funded through the collection of support payments imposed as a tax on MIIs.

The AGA has developed an independent ROCS actuarial model which estimates the total annual accruing ROCS cost to the Australian Government. The model output is used to check against industry actuaries' projections. For the estimate of the outstanding ROCS liability as at 30 June 2019, the AGA has relied on the projections from the actuary of each of the MIIs, but has adjusted the IBNRS component on comparison with the projections from its own ROCS internal model. Given that the majority of the claims anticipated under this scheme have not yet been made, the AGA noted a relatively high level of uncertainty in the estimate.

HCCS

Under HCCS, the Government pays 50% of the cost of claims made to all MIIs that exceed a specified threshold, up to the limit of the practitioner's insurance. The threshold to be applied depends on the date of notification of the claim, as follows:

- from 1 January 2003 to 21 October 2003 - $2m;
- from 22 October 2003 to 31 December 2003 - $0.500m; and
- on or after 1 January 2004 - $0.300m.

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.

Significant accounting judgements and estimates

The nature of the medical indemnity liability estimates is inherently, and unavoidably, uncertain. The uncertainty arises for the following reasons:

- it is not possible to precisely model the claim process, and random variation both in past and future claims have or will have adverse consequences on the model;
- there can be a long delay between incident occurrences, to notification and to settlement, making the projection of timing very uncertain;
- the nature and cause of injury is difficult to determine and prove;
- the claims experience can be very sensitive to the surrounding factors such as technology, legislation, attitudes and the economy; and
- 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.

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 has used a 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 revised average observed liability duration of five years for the medical indemnity payments. This discount rate is deemed to be more appropriate than the ten year bond yield at 30 June 2019, which was 1.3%. A discount rate of 2.3% 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 2% would result in a discounted liability estimate which is about 4.9% ($21m) less than the base estimate. On the other hand, decreasing the discount rate to 0% would result in a liability estimate which is about 5.8% ($25m) higher than base estimate.

	2018-19			2017-18
	discounted	discounted	discounted	discounted
	0%	1%[1]	2%	2.3%
	$m	$m	$m	$m
Incurred But Not Reported	13	12	12	26
High Cost Claims Scheme	330	315	302	323
Run-Off Cover Scheme	112	103	95	92
Total	**455**	**430**	**409**	**441**

[1] 1% was used as the basis of estimation in 2018-19.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 21: Administered suppliers and other expenses and payables

	2019 $'000	2018 $'000
Note 21A: Suppliers		
Services rendered		
Consultants	**27,207**	26,493
Contract for services	**935,663**	897,373
Travel	**1,146**	1,417
Communications and publications	**15,763**	36,610
Committee related expenses	**3,661**	3,988
Other	**36,897**	33,135
Total services rendered	**1,020,337**	999,016
Suppliers payable		
Trade creditors and accruals	**27,976**	35,635
Total suppliers payable	**27,976**	35,635
Note 21B: Other Expenses		
Other expenses		
Write-down and impairment of assets		
Impairment on financial instruments	**2,342**	2,163
Write-off of inventories	**23,508**	24,401
Payments to Special Accounts	**5,607**	12,524
Other	**212**	68
Total other expenses	**31,669**	39,156

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 22: Administered Corporate Commonwealth Entities

		2019 $'000	2018 $'000
Note 22A: Appropriations			
Appropriations transferred to corporate entities			
Australian Institute of Health and Welfare		**33,322**	28,078
Food Standards Australia New Zealand		**17,158**	16,961
Australian Sports Commission		**374,346**	267,904
Australian Digital Health Agency		**219,270**	197,062
Total appropriations transferred to corporate entities		**644,096**	510,005
Note 22B: Investments			
Investments in portfolio entities			
Equity interest - Australian Institute of Health and Welfare	(i)	**31,208**	30,323
Equity interest - Food Standards Australia New Zealand	(ii)	**7,683**	7,900
Equity interest - Australian Commission on Safety and Quality in Health Care	(iii)	**3,719**	2,838
Equity interest - Australian Sports Commission	(iv)	**265,475**	289,345
Equity interest - Australian Sports Foundation Ltd	(v)	**6,335**	4,625
Equity interest - Independent Hospital Pricing Authority	(vi)	**12,768**	12,737
Equity interest - Australian Digital Health Agency	(vii)	**110,033**	112,577
Total investments in portfolio entities		**437,221**	460,345
Other investments			
Biomedical Translation Fund - Brandon Capital Partners		**18,946**	8,420
Biomedical Translation Fund - OneVentures Management		**21,669**	4,491
Biomedical Translation Fund - BioScience Managers		**18,386**	9,386
Total other investments		**59,001**	22,297
Total investments		**496,222**	482,642

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 Table A of Note 28.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

(i) 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.

(ii) The Food 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.

(iii) 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.

(iv) The Australian Sports Commission manages, develops and invests in sport at all levels. It works closely with a range of national sporting organisations, state and local governments, schools and community organisations to ensure sport is well run and accessible.

(v) The Australian Sports Foundation Ltd assists sporting, community, educational and other government organisations to raise funds for the development of sports infrastructure.

(vi) The Independent Hospital Pricing Authority determines a national efficient price for public hospital services where the services are funded on an activity basis. It also determines the efficient cost for health care services provided by public hospitals where the services are block funded.

(vii) 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.

Other investments

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, Innovation and Science (AusIndustry) on behalf of the Department through licensed private sector venture capital fund managers.

Accounting policy

Administered investments represent corporate Commonwealth entities 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 2019. Fair value has been taken to be the Australian Government's proportional interest in the value of net assets of each licensed investment fund, based on the latest available audited trust accounts and increased by the value of new investments acquired during the reporting period.

None of the investments are expected to be recovered within 12 months.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 23: Administered income, debtors and loans

	2019 $'000	2018 $'000
Note 23A: Special Accounts		
Special accounts revenue		
Medicare Guarantee Fund (Health) special account	**36,233,451**	34,774,894
Medical Research Future Fund special account	**204,863**	-
Other special accounts	**3,863**	4,339
Total special accounts revenue	**36,442,177**	34,779,233
Note 23B: Recoveries		
Recoveries received		
Medical and pharmaceutical benefits and health rebate schemes	**4,670**	99,694
PBS drug recoveries	**2,241,955**	2,358,863
Aged care recoveries, cross-billings and budget neutrality adjustments	**393,018**	484,209
Other recoveries	**498**	652
Total recoveries received	**2,640,141**	2,943,418
Accrued recoveries revenue		
Personal benefits		
Pharmaceutical benefits	**1,031,543**	1,297,766
Aged care	**12,595**	14,971
Medicare benefits	**8,444**	25,241
Other personal benefits	**529**	418
Subsidies		
Medical indemnity	**2,352**	2
Aged care	**24,844**	30,512
Other	**49**	49
Total accrued recoveries revenue	**1,080,356**	1,368,959

Accounting policy

All administered revenues are revenues relating 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. Recoveries are recognised on an accrual basis and relate to:

- recoveries under the medical benefits, pharmaceutical benefits and health rebate schemes after settlement of personal injury claims;
- recoveries for services provided under the National Disability Insurance Scheme and for young people in residential care;
- rebates associated with PBS drug recoveries; and
- recoveries from Services Australia Recovery of Compensation for Health Care and Other Services Special Account.

All accrued recoveries revenue is expected to be recovered within 12 months.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019 $'000	2018 $'000
Note 23C: Other Revenue, Receivables and Loans		
Other revenue		
Levies and taxes	**21,285**	20,202
Interest from loans	**13,662**	13,035
Other	**383,889**	181,729
Total other revenue received	**418,836**	214,966
Other receivables		
Trade and other miscellaneous receivables	**674,756**	465,286
GST receivable from the Australian Taxation Office	**50,742**	33,469
Total other receivables	**725,498**	498,755
Advances and loans		
Aged care facilities		
Nominal value	**311,615**	314,577
Less: Unexpired discount	**(39,685)**	(44,515)
Total advances and loans	**271,930**	270,062

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. Interest rates are linked to the Consumer Price Index. Interest payments are due on the 21st day of each calendar month.

Total loans and other receivables (gross)	**997,428**	768,817
Aged as follows		
Not overdue	**822,863**	678,375
Overdue by:		
0 to 30 days	**28,943**	35,698
31 to 60 days	**4,769**	1,848
61 to 90 days	**2,681**	1,097
More than 90 days	**138,172**	51,799
Total overdue	**174,565**	90,442
Total loans and other receivables (gross)	**997,428**	768,817
Less impairment allowance	**(14,235)**	(13,323)
Total loans and other receivables (net)	**983,193**	755,494
Loans and other receivables - past due but not impaired	**160,330**	77,119

Accounting Policy
Credit terms for goods and services were 30 days (2018: 30 days).

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Reconciliation of the Impairment Allowance		
	2019	2018
	$'000	$'000
Opening balance	**(13,323)**	(12,481)
Amounts written off	**71**	222
Amounts recovered and reversed	**1,853**	1,110
Increase recognised in net cost of services	**(2,836)**	(2,174)
Closing balance	**(14,235)**	(13,323)

Accounting Policy
The entire impairment allowance relates to debts aged more than 90 days.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 24: Administered cash and financial instruments

	2019 $'000	2018 $'000
Note 24A: Financial Assets		
Cash and cash equivalents		
Cash on hand or on deposit	**38,931**	5,212
Cash in special accounts	**755,574**	553,888
Total cash and cash equivalents	**794,505**	559,100
Financial assets under AASB 139		
Loans and receivables		
Accrued recoveries revenue		1,296,326
Other receivables		451,963
Advances and loans		270,062
Total loans and receivables		2,018,351
Available-for-sale financial assets		
Investments in portfolio agencies		460,345
Other investments		22,297
Total available-for-sale financial assets		482,642
Total financial assets under AASB 139		2,500,993
Net gains or losses on financial assets		
Loans and receivables		
Interest revenue		13,035
Impairment		(2,163)
Net gains or losses on loans and receivables		10,872
Financial assets under AASB 9		
Financial assets at amortised cost		
Accrued recoveries revenue	**1,029,687**	
Other receivables	**660,521**	
Advances and loans	**271,930**	
Total financial assets at amortised cost	**1,962,138**	
Financial assets at fair value through other comprehensive income		
Investments in portfolio agencies	**437,221**	
Other investments	**59,001**	
Total financial assets at fair value through other comprehensive income	**496,222**	
Total financial assets under AASB 9	**2,458,360**	
Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**13,662**	
Impairment	**(2,342)**	
Net gains or losses on financial assets at amortised cost	**11,320**	

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019	2018
	$'000	$'000
Note 24B: Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**27,976**	35,635
Grants payable	**423,909**	312,088
Total financial liabilities measured at amortised cost	**451,885**	347,723
Total financial liabilities	**451,885**	347,723

The Department's administered accounts incurred no gains or losses on the exchange of financial liabilities.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Notes to and forming part of the financial statements

Classification of financial assets on the date of initial application of AASB 9

Financial assets class	Notes	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018	AASB 9 carrying amount at 1 July 2018
				$'000	$'000
Accrued recoveries revenue	24A	Loans and receivables	Amortised cost	1,296,326	1,296,326
Other receivables	23C	Loans and receivables	Amortised cost	451,963	451,963
Advances and loans	23C	Loans and receivables	Amortised cost	270,062	270,062
Investments in portfolio agencies	22B	Available-for-sale equity instruments	FVOCI Equity instruments	460,345	460,345
Other investments	22B	Available-for-sale equity instruments	FVOCI Equity instruments	22,297	22,297
Total financial assets				**2,500,993**	**2,500,993**

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 25: Administered non-financial assets

	2019 $'000	2018 $'000
Note 25: Inventory		
National Medical Stockpile		
Opening balance	**115,765**	115,262
Add purchases	**24,944**	24,925
Less deployment	**(35)**	(13)
Less impairment	**(23,508)**	(24,401)
Add stocktake adjustments and other movements	**(27)**	(8)
Closing balance	**117,139**	115,765

Accounting policy

The Department's inventories relate to the National Medical Stockpile (the Stockpile). The Stockpile 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. Not all inventories are expected to be distributed in the next 12 months.

Costs incurred in bringing each item of the Stockpile to its present location and condition include purchase cost plus other reasonably attributable costs, such as overseas shipping and handling and import duties, less any bulk order discounts and rebates received from suppliers.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 26: Administered aggregate assets and liabilities

	2019 $'000	2018 $'000
AGGREGATE ASSETS AND LIABILITIES		
Assets expected to be recovered in		
No more than 12 months	**2,626,864**	2,467,985
More than 12 months	**844,551**	813,975
Total assets	**3,471,415**	3,281,960
Liabilities expected to be settled in		
No more than 12 months	**(2,618,389)**	(2,640,448)
More than 12 months	**(357,005)**	(356,168)
Total liabilities	**(2,975,394)**	(2,996,616)

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 27: Administered contingent assets and liabilities

	Indemnities		Claims for costs		Aged Care Accommodation Bond Guarantee Scheme		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Contingent assets								
Balance from previous period	**-**	-	**16,200**	20,000	**-**	-	**16,200**	20,000
New contingent assets recognised	**-**	-	**200**	6,200	**-**	-	**200**	6,200
Assets recognised	**-**	-	**(5,800)**	(10,000)	**-**	-	**(5,800)**	(10,000)
Total contingent assets	**-**	-	**10,600**	16,200	**-**	-	**10,600**	16,200
Contingent liabilities								
Balance from previous period	**45,000**	73,000	**16,444**	20,245	**-**	-	**61,444**	93,245
New contingent liabilities recognised	**16,300**	-	**200**	6,218	**-**	-	**16,500**	6,218
Re-measurement	**6,000**	(28,000)	**-**	-	**-**	-	**6,000**	(28,000)
Liabilities recognised	**-**	-	**(35)**	(2)	**-**	-	**(35)**	(2)
Obligations expired	**-**	-	**(5,965)**	(10,017)	**-**	-	**(5,965)**	(10,017)
Total contingent liabilities	**67,300**	45,000	**10,644**	16,444	**-**	-	**77,944**	61,444
Net contingent liabilities	**(67,300)**	(45,000)	**(44)**	(244)	**-**	-	**(67,344)**	(45,244)

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Quantifiable Contingent Assets

Claims for costs

The Schedule of contingencies reports contingent assets in respect of claims for costs of $10.6m (2018: $16.2m).

Quantifiable Contingent Liabilities

Indemnities

The table on the previous page reports contingent liabilities in respect of medical indemnity payments under the High Cost Claims Scheme of up to $51m (2018: $45m) and $16.3m (2018: $NIL) relating to indemnities granted to a service provider in respect of early termination of subcontracting arrangements.

Claims for costs

The table also reports a contingent liability in respect of claims for costs of up to $10.644m (2018: $16.444m).

Unquantifiable Contingent Assets

Legal action seeking compensation

The Department is engaged in legal action against certain pharmaceutical companies to recover savings 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. This 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 of Health 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. At this stage any potential recoveries are unquantifiable.

Unquantifiable Contingent Liabilities

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 that 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 $27.5 billion. Since the Guarantee Scheme was introduced, it has been activated eleven times requiring payment of $43.57m. It is difficult to predict if the past patterns of payments are indicative of future payments. The Guarantee Scheme was not activated during the period ended 30 June 2019, however the Department is aware of the potential for it to be activated in respect of one provider currently in administration. The quantum of potential refunds cannot be estimated at this stage, but the total value of accommodation bonds held by the affected provider is estimated at $130m.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Diagnostic Products Agreement

The Australian Government has provided an indemnity to a review of certain matters in relation to the 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 2019 no claims have been made (2018: $NIL).

Medical Indemnity

Services Australia delivers the Exceptional Claims Scheme (ECS) on behalf of the Australian Government. Under this scheme, 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 limit, 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 to 30 June 2003 and $20m for claims notified from 1 July 2003.

At 30 June 2019, the Department had received no notification of any incidents that would give rise to claims under the ECS scheme. 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 2019 no claims have been made or notified (2018: $NIL).

CSL Ltd

Under existing agreements, the Australian Government has indemnified CSL Ltd for certain existing and potential claims made for personal injury, loss or damage suffered through therapeutic and diagnostic use of certain products manufactured by CSL Ltd. For the period ended 30 June 2019 no claims have been made (2018: $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 2019 no claims have been made (2018: $NIL).

Australian Red Cross Blood Service

Under certain conditions the Australian Government, states and territories jointly provide indemnity for the Australian Red Cross Blood Service through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of life. Under a Memorandum of Understanding between governments and the Blood Service, the blood and blood products liability cover for the Blood Service remains in force until all parties agree to terminate the arrangements from an agreed date.

The existing Deed of Agreement between the Commonwealth and the Australian Red Cross Society (ARCS), in relation to the operations of the Blood Service, includes certain indemnities and limited liability in favour of ARCS. For the period ended 30 June 2019 no claims have been made (2018: $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 in October 2020 and June 2025 respectively. 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 2019 no claims have been made (2018: $NIL).

Human Pituitary Hormone Program

Under certain conditions the Australian Government has provided indemnity for the supply of growth hormones manufactured from human pituitary glands and human pituitary gonadotropin manufactured before 31 December 1985. For the period ended 30 June 2019 no claims have been made (2018: $NIL).

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

The Australian Medical Association

This is an agreement between the Australian Medical Association Ltd (AMA), the Commonwealth, Australian Private Hospitals Association Ltd and Private Healthcare Australia for participation in and support of the Private Mental Health Alliance. In respect of identified information collected, held or exchanged by the parties in connection with the National Model for the Collection and Analysis of a Minimum Data Set with Outcome Measures in Private, Hospital-based Psychiatric Services each party has agreed to indemnify each other in respect of any loss, liability, cost, claim or expense, misuse of Confidential Information or breach of the *Privacy Act 1988*. The AMA's liability to indemnify the other parties will be reduced proportionally to the extent that any unlawful or negligent act or omission of the other parties or their employees or agents contributed to the loss or damage. For the period ended 30 June 2019 no claims have been made (2018: $NIL).

Significant Remote Contingencies

The Department did not have any significant remote contingencies this year or prior year.

Note 28: Administered appropriations

Table A: Annual and Unspent Appropriations ('Recoverable GST exclusive')

	2019 $'000	2018 $'000
ADMINISTERED		
Ordinary Annual Services - Administered items		
Annual appropriation[1,2]	**10,320,073**	8,977,100
Receipts retained under PGPA Act - Section 74	**5,679**	16,935
Total appropriation	**10,325,752**	8,994,035
Appropriation applied (current and prior years)[4]	**(9,762,877)**	(8,566,399)
Variance[3]	**562,875**	427,636
Unspent appropriations		
Own unspent appropriation balance	**1,321,789**	826,361
Closing unspent appropriation balance[5]	**1,321,789**	826,361
Balance comprises appropriations as follows:		
Appropriation Act (No. 1) 2015-2016[6]	**-**	67,448
Appropriation Act (No. 1) 2016-2017[7]	**74,236**	67,527
Appropriation Act (No. 3) 2016-2017[7]	**8,276**	24,910
Appropriation Act (No. 1) 2017-2018	**329,053**	562,978
Appropriation Act (No. 3) 2017-2018	**66,094**	84,019
Appropriation Act (No. 5) 2017-2018	**14,060**	19,479
Appropriation Act (No. 1) 2018-2019	**364,880**	-
Appropriation Act (No. 3) 2018-2019	**465,190**	-
Total unspent appropriation - ordinary annual services - administered items	**1,321,789**	826,361

1 There were no amounts temporarily quarantined from 2019 or 2018 administered ordinary annual services appropriations.
2 In 2018 administered ordinary annual services appropriations $21,617,000 of the *Appropriation Act (No. 1) 2017-2018* was permanently quarantined under section 51 of the PGPA Act. This represents a loss of control of the appropriations and therefore these amounts were not reported as available above.
3 The administered ordinary annual services items variance of $562,875,000 relates to the utilisation of retained funding from 2018 during 2019 (the former section 11 of the Appropriation Acts).
4 Services Australia spent money from the CRF on behalf of the Department under a payment authority. The money spent has been included in the table above.
5 This balance is net of $182,625,483 which is permanently quarantined under section 51 of the PGPA Act, of which $21,617,000 relates to 2018 appropriations and $161,008,483 to 2017 appropriations. The total unspent appropriations gross of quarantined amounts under section 51 of the PGPA Act is $1,504,414,483.
6 This balance lapsed on 1 July 2018 in accordance with the repeal date of the underlying Appropriation Acts.
7 These balances will lapse on 1 July 2019 when the underlying Appropriation Acts are repealed.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

	2019 $'000	2018 $'000
Ordinary Annual Services - Payments to corporate Commonwealth entities		
Annual appropriation	**644,096**	510,429
Total appropriation	**644,096**	510,429
Appropriation applied (current and prior years)	**(643,837)**	(510,429)
Variance[1]	**259**	-
Other services - Administered assets and liabilities		
Annual appropriation	**120,133**	25,000
Total appropriation	**120,133**	25,000
Appropriation applied (current and prior years)	**(63,949)**	(44,893)
Variance[2]	**56,184**	(19,893)
Unspent appropriations		
Own unspent appropriation balance	**183,473**	222,421
Closing unspent appropriation balance	**183,473**	222,421
Balance comprises appropriations as follows:		
Appropriation Act (No. 4) 2015-2016[3]	**-**	95,133
Supply Act (No. 2) 2016-2017[4]	**52,083**	52,083
Appropriation Act (No. 2) 2016-2017[4]	**31,839**	72,917
Appropriation Act (No. 2) 2017-2018	**2,097**	2,288
Appropriation Act (No. 2) 2018-2019	**2,321**	-
Appropriation Act (No. 4) 2018-2019	**95,133**	-
Total unspent appropriation - other services - administered assets and liabilities	**183,473**	222,421
Other Services - Payments to corporate Commonwealth entities		
Annual appropriation	**39,023**	54,533
Total appropriation	**39,023**	54,533
Appropriation applied (current and prior years)	**(37,453)**	(54,533)
Variance[1]	**1,570**	-

1 These variances represent the value of 2018-19 funding not transferred to the relevant CCEs before the balance date.
2 The administered other services assets and liabilities variance of $56,184,000 relates largely to the utilisation of prior year funding for the investment in the Biomedical Translation Fund.
3 This balance lapsed on 1 July 2018 in accordance with the repeal date of the underlying Appropriation Acts.
4 These balances will lapse on 1 July 2019 when the underlying Appropriation Act are repealed.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Table B: Special Appropriations Applied ('Recoverable GST exclusive')

	Appropriation applied	
	2019	2018
Authority	**$'000**	$'000
Aged Care (Accommodation Payment Security) Act 2006	**-**	83
Aged Care Act 1997	**15,043,797**	13,678,701
Health Insurance Act 1973	**14,326**	309,229
National Health Act 1953	**1,524,249**	1,760,120
Medical Indemnity Act 2002	**93,495**	75,838
Private Health Insurance Act 2007	**6,065,591**	6,017,801
Dental Benefits Act 2008	**322,446**	333,993
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	**-**	**-**
Public Governance, Performance and Accountability Act 2013 s.77	**18,105**	583
Total special appropriations applied	**23,082,009**	22,176,348

Services Australia drew money from the CRF on behalf of the Department against the following special appropriations:
Aged Care Act 1997;
Health Insurance Act 1973;
National Health Act 1953;
Medical Indemnity Act 2002;
Dental Benefits Act 2008; and
Private Health Insurance Act 2007.

Table C: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	2019	2018
	$'000	$'000
Department of Social Services		
Total receipts	**39,885**	36,839
Total payments	**(39,885)**	(36,839)

The Department made wage supplementation payments from the Social and Community Services Pay Equity Special Account administered by the Department of Social Services to eligible social and community services workers during 2019 and 2018.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 29: Compliance with statutory requirement for payments from the Consolidated Revenue Fund

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. Payments totalling about $59 billion in 2018-19 were authorised against Special Appropriations, including special accounts, by the Department in accordance with a range of frequently complex legislation. Most of the payments are administered by Services Australia under the Medicare program 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 the legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated. Certain legislation administered by the Department contains specific or objective criteria that rely on information from recipients and provides for the recovery of overpayments which are actively managed.

The reported section 83 breaches represent only a very small portion of payments, both in number and in value, and the Department is committed to implementing measures to ensure that the possibility of unintentional breaches of section 83 has as low a financial risk and impact as possible.

The Department has developed an approach for assessing the alignment of payment processes with legislation. During 2019, the Department:

- included consideration of processes to minimise the risk of section 83 breaches as part of any review of legislation or administrative processes;
- received assurance from Services Australia that action has been undertaken to detect and prevent potential breaches of section 83;
- continued its ongoing reviews of special accounts by internal audit as part of its rolling compliance program;
- obtained legal advice, as appropriate, to resolve questions of potential non-compliance; and
- 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 28 Table B, with Special Appropriations involving statutory requirements for payments. Of this legislation, some payments have been identified as having either actual or potential breaches of section 83 and the Department will continue to review these.

The legislation where actual breaches occurred in the 2018-19 year was:

Health Insurance Act 1973
Services Australia have advised that during 2018-19, 313 instances have been identified with a total value of $243,911.65 where the payment made was not authorised by section 125(1) of the Health Insurance Act 1973 for the Medicare Easyclaim Programme.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Special Accounts
Currently the Department has nine Special Accounts, as disclosed in Note 30. Seven are assessed as low risk for actual or potential non-compliance with section 83, one is assessed as medium risk and one is assessed as medium to high risk.

The Special Account where actual breaches occurred in the 2018-19 year was:

Medicare Guarantee Fund
Services Australia have advised that during 2018-19 there have been three overpayments with regards to the Remote Area Aboriginal Health Services with a total value of $110,796.85.

Continued Focus
The Department will continue to review legislation and New Policy Proposals that create or modify payment eligibility and to ensure that business rules and process are in place to minimise the risk of breaches of section 83. In addition, the Department will continue ongoing reviews of special accounts by internal audit as part of its rolling compliance program.

Department of Health

Notes to and forming part of the financial statements

Note 30: Special accounts

	Services for Other Entities and Trust Moneys Account[1]		Australian Immunisation Register Account[2]		Human Pituitary Hormones Account[3]	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**17,376**	19,135	**1,957**	4,616	**2,256**	2,371
Timing adjustments related to prior years	**29**	(119)	**-**	-	**-**	-
Increases						
Appropriation credited to special account	**8,564**	12,447	**7,161**	3,222	**-**	-
Other increases	**15,279**	7,674	**3,744**	4,014	**-**	-
Total increases	**23,842**	20,121	**10,905**	7,236	**-**	**-**
Available for payments	**41,247**	39,137	**12,862**	11,852	**2,256**	2,371
Decreases						
Administered	**-**	-	**9,499**	9,895	**246**	115
Total administered decreases	**-**	-	**9,499**	9,895	**246**	115
Relevant Money	**19,207**	21,761	**-**	-	**-**	-
Total relevant money decreases	**19,207**	21,761	**-**	**-**	**-**	**-**
Total decreases	**19,207**	21,761	**9,499**	9,895	**246**	115
Total balance carried to the next period	**22,040**	17,376	**3,363**	1,957	**2,010**	2,256

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

[1] Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth; disburse amounts in connection with services performed on behalf of other government bodies that are not non-corporate Commonwealth entities; to repay amounts where an Act or other law requires or permits the repayment of an amount received; to reduce the balance of the special account (and, therefore the available appropriation for the special account) without making a real or notional payment.

[2] Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: to make incentive payments to recognised vaccination providers who notify the Australian Immunisation Register that they have completed immunisations for children up to seven years of age, through the National Immunisation Program.

[3] Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: for expenditure through grants and other payments for:

- counselling and support services to recipients of pituitary-derived hormones and their families;
- medical and other care to people treated with pituitary-derived hormones should they contract Creutzfeldt-Jakob disease as a result of the treatment;
- one-off payments for recipients of pituitary-serviced hormones who can demonstrate that they have suffered a psychiatric illness prior to 1 January 1998 due to their having been informed that they are at a greater risk of contracting Creutzfeldt-Jakob disease; and
- one-off payments for the children of recipients of pituitary-derived hormones who can demonstrate that they have suffered a psychiatric illness as a consequence of the death of their parent from Creutzfeldt-Jakob disease.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Notes to and forming part of the financial statements

	Sport and Recreation Account[4]		Therapeutic Goods Administration Account[5]		Gene Technology Account[6]	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**517**	596	**73,326**	62,604	**8,412**	8,259
Increases						
Appropriation credited to special account	**-**	-	**2,257**	2,439	**7,506**	7,544
Other increases	**119**	325	**159,480**	150,563	**218**	143
Total increases	**119**	325	**161,737**	153,002	**7,724**	7,687
Available for payments	**636**	921	**235,063**	215,606	**16,136**	15,946
Decreases						
Departmental	**-**	-	**158,562**	142,280	**7,377**	7,534
Total departmental decreases	**-**	-	**158,562**	142,280	**7,377**	7,534
Administered	**352**	404	**-**	-	**-**	-
Total administered decreases	**352**	404	**-**	-	**-**	-
Total decreases	**352**	404	**158,562**	142,280	**7,377**	7,534
Total balance carried to the next period	**284**	517	**76,501**	73,326	**8,759**	8,412

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

[4] Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: to undertake sport and recreation related projects of common interest to the Sport and Recreation Ministers' Council, its successor or subordinate bodies, and that benefit all or a majority of members.

[5] Establishing Instrument: *Therapeutic Goods Act 1989*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: The purpose has been set out in section 45 of the *Therapeutic Goods Act 1989* and are:

- to make payments to further the objects of the Act; and
- to enable the Commonwealth to participate in the international harmonisation of regulatory controls on therapeutic goods and other related activities.

[6] Establishing Instrument: *Gene Technology Act 2000*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the Gene Technology Regulator.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Notes to and forming part of the financial statements

	Industrial Chemicals Account[7]		Medical Research Future Fund Account[8]		Medicare Guarantee Fund[9]	
	2019	2018	**2019**	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**17,398**	18,055	**16,594**	47,916	**532,564**	-
Increases						
Appropriation credited to special account	**331**	322	**204,863**	-	**36,233,451**	34,774,894
Other increases	**17,388**	16,928	**-**	-	**-**	-
Total increases	**17,719**	17,250	**204,863**	-	**36,233,451**	34,774,894
Available for payments	**35,117**	35,305	**221,457**	47,916	**36,766,015**	34,774,894
Decreases						
Departmental	**17,049**	17,907	**-**	-	**-**	-
Total departmental decreases	**17,049**	17,907	**-**	-	**-**	-
Administered	**-**	-	**207,698**	31,322	**36,029,857**	34,242,330
Total administered decreases	**-**	-	**207,698**	31,322	**36,029,857**	34,242,330
Total decreases	**17,049**	17,907	**207,698**	31,322	**36,029,857**	34,242,330
Total balance carried to the next period	**18,068**	17,398	**13,759**	16,594	**736,158**	532,564

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

[7] Establishing Instrument: *Industrial Chemicals (Notification and Assessment) Act 1989*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the National Industrial Chemicals Notification and Assessment Scheme.

[8] Establishing Instrument: *Medical Research and Future Fund Act 2015*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: to provide grants of financial assistance to support medical research and medical innovation.
The Medical Research Future Fund Health Special Account was established on 26 August 2015.

[9] Medicare Guarantee Fund (Health) Special Account
Establishing Instrument: *Medicare Guarantee Act 2017*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: to secure the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme.
The Medicare Guarantee Fund (Health) Special Account was established on 26 June 2017.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 31: Regulatory charging summary

	2019 $'000	2018 $'000
Amounts applied		
Departmental		
Annual appropriations	**20,229**	27,519
Special appropriations (including special account)	**175,089**	169,413
Own source revenue	**4,722**	4,888
Administered		
Annual appropriations	**7,445**	2,329
Total amounts applied	**207,485**	204,148
Expenses		
Departmental	**195,919**	193,553
Administered	**7,556**	2,671
Total expenses	**203,475**	196,224
Revenue		
Departmental	**179,811**	174,301
Administered	**21,984**	16,659
Total external revenue	**201,795**	190,960
Amounts written off		
Departmental	**49**	79
Total amounts written-off	**49**	79

The department has reviewed its compliance with the requirements of the regulatory charging summary and determined that the calculation should be made on an accrual, not cash, basis. The 2018 comparative has been restated.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Regulatory charging activities:
The **Therapeutic Goods Administration** funds are used to undertake activities to evaluate the safety, quality and efficacy of medicines, medical devices and biologicals available for supply in, or export from Australia.

National Industrial Chemicals Notification and Assessment Scheme charges are levied for registration or assessment of chemicals across Australia.

The **Prostheses Listing** arrangements refer to the activities involved in listing prostheses and their benefits for the purposes of private health insurance reimbursement.

The **National Joint Replacement Registry** facilitates the collection of data that provides a prospective case series on all joint replacement surgery undertaken in Australia.

Administered revenue only is recorded for the **Private Health Insurance Ombudsman Levy.**

Listing of medicines on the **Pharmaceutical Benefits Scheme** and designated vaccines on the **National Immunisation Program** are subject to regulatory charges.

Medicinal cannabis: Licence and permit applications for the cultivation and manufacture of Australian produced medicinal cannabis products.

Assessment and certification for **Private Health Insurance 2nd Tier Private Hospital Default Benefits** has been cost recovered for the first time, commencing 1 January 2019. All amounts included for that activity are for the period 1 January to 30 June 2019.

Documentation for the above activities is available at:
www.tga.gov.au/cost-recovery-implementation-statement
www.nicnas.gov.au/about-us/how-we-work/cris-implementation-statement-2018-2019
www1.health.gov.au/internet/main/publishing.nsf/Content/EE9D7DA6EA42BDE0CA257BF00020623C/$File/Prostheses%20List%20CRIS%202018-19%20and%202019-2020.pdf
www1.health.gov.au/internet/main/publishing.nsf/Content/46F584DF9B7003A3CA257BF0001CFDB3/$File/NJRR%20CRIS%202019-20%20-%20June%202019%20-%20V2.pdf
www.pbs.gov.au/info/industry/listing/elements/fees-and-charges
www.odc.gov.au/publications/cost-recovery-implementation-statement-regulation-medicinal-cannabis
www1.health.gov.au/internet/main/publishing.nsf/Content/5854E2DDCCA1D2F8CA2583400018B8D9/$File/CRIS.pdf

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Appendices

Appendix 1: Workforce Statistics

The following tables show workforce statistics for the Department of Health for 2018-19. This included Indigenous staff numbers, staff numbers by classification, distribution of staff by state and territory, as well as a range of other information relating to workplace arrangements, remuneration and salary structures.

For information on the Department's workforce composition and human resource policies, refer *Part 3.4: People*.

Contents

Table 1: Ongoing employees at 30 June 2019

State	Male			Female			Non-binary			30 June 2019 total	30 June 2018 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Australian Capital Territory	1,013	57	1,070	1,684	669	2,353	1	-	1	3,424	3,356
New South Wales	88	4	92	127	47	174	-	-	-	266	325
Northern Territory	2	1	3	5	1	6	-	-	-	9	25
Queensland	32	-	32	61	23	84	-	-	-	116	148
South Australia	15	-	15	36	5	41	-	-	-	56	80
Tasmania	15	3	18	17	8	25	-	-	-	43	52
Victoria	53	7	60	56	26	82	-	-	-	142	227
Western Australia	13	1	14	19	15	34	-	-	-	48	65
Total	**1,231**	**73**	**1,304**	**2,005**	**794**	**2,799**	**1**	**-**	**1**	**4,104**	**4,278**

Table 2: Non-Ongoing employees at 30 June 2019

State	Male			Female			Non-binary			30 June 2019 total	30 June 2018 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Australian Capital Territory	32	14	46	76	30	106	-	-	-	152	159
New South Wales	6	1	7	3	2	5	-	-	-	12	13
Northern Territory	-	-	-	-	-	-	-	-	-	-	-
Queensland	2	-	2	-	2	2	-	-	-	4	5
South Australia	-	-	-	-	-	-	-	-	-	-	10
Tasmania	-	-	-	3	-	3	-	-	-	3	10
Victoria	1	-	1	1	-	1	-	-	-	2	5
Western Australia	2	-	2	-	1	1	-	-	-	3	6
Total	**43**	**15**	**58**	**83**	**35**	**118**	**-**	**-**	**-**	**176**	**208**

Table 3: Ongoing staff numbers by classification at 30 June 2019

	Male			Female			Non-binary			30 June 2019 total	30 June 2018 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
SES 3	3	-	3	4	-	4	-	-	-	7	6
SES 2	15	-	15	17	-	17	-	-	-	32	29
SES 1	38	-	38	63	5	68	-	-	-	106	93
Holder of Public Office	2	-	2	1	-	1	-	-	-	3	3
EL2	190	3	193	246	58	304	-	-	-	497	494
EL1	416	25	441	571	284	855	-	-	-	1,296	1,268
APS 6	292	17	309	570	226	796	1	-	1	1,106	1,232
APS 5	133	12	145	262	107	369	-	-	-	514	585
APS 4	59	6	65	158	56	214	-	-	-	279	312
APS 3	12	2	14	25	13	38	-	-	-	52	41
APS 2	4	1	5	2	3	5	-	-	-	10	11
APS 1	4	3	7	-	2	2	-	-	-	9	9
Health Entry-Level Broadband	13	-	13	25	2	27	-	-	-	40	50
Legal 2	9	1	10	13	4	17	-	-	-	27	26
Legal 1	5	1	6	21	7	28	-	-	-	34	28
Medical Officer 6	3	-	3	-	-	-	-	-	-	3	3
Medical Officer 5	7	-	7	4	3	7	-	-	-	14	16

Table 3: Ongoing staff numbers by classification at 30 June 2019 (continued)

	Male			Female			Non-binary			30 June 2019 total	30 June 2018 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Medical Officer 4	15	1	16	5	7	12	-	-	-	28	26
Medical Officer 3	7	1	8	11	16	27	-	-	-	35	25
Medical Officer 2	1	-	1	2	1	3	-	-	-	4	9
Public Affairs 3	1	-	1	4	-	4	-	-	-	5	8
Public Affairs 2	-	-	-	-	-	-	-	-	-	-	1
Senior Principal Research Scientist	1	-	1	-	-	-	-	-	-	1	1
Principal Research Scientist	1	-	1	-	-	-	-	-	-	1	1
Other*	-	-	-	1	-	1	-	-	-	1	1
Total	**1,231**	**73**	**1,304**	**2,005**	**794**	**2,799**	**1**	**-**	**1**	**4,104**	**4,278**

* Other includes Secretary

Table 4: Non-ongoing staff number by classification at 30 June 2019

	Male			Female			Non-binary			30 June 2019 total	30 June 2018 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
SES 3	-	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	-	-	-	-	-	-	-	-
Holder of Public Office	2	-	2	1	-	1	-	-	-	3	4
EL2	1	1	2	2	3	5	-	-	-	7	7
EL1	3	2	5	5	5	10	-	-	-	15	17
APS 6	12	1	13	18	7	25	-	-	-	38	36
APS 5	9	-	9	14	1	15	-	-	-	24	41
APS 4	7	1	8	34	4	38	-	-	-	46	43
APS 3	2	1	3	3	1	4	-	-	-	7	16
APS 2	2	6	8	3	12	15	-	-	-	23	28
APS 1	-	-	-	-	-	-	-	-	-	-	-
Health Entry-Level Broadband	-	-	-	-	-	-	-	-	-	-	-
Legal 2	-	-	-	-	-	-	-	-	-	-	-
Legal 1	-	-	-	2	1	3	-	-	-	3	-
Chief Medical Officer	1	-	1	-	-	-	-	-	-	1	1
Medical Officer 6	-	-	-	-	-	-	-	-	-	-	1
Medical Officer 5	2	1	3	-	-	-	-	-	-	3	3

Table 4: Non-ongoing staff number by classification at 30 June 2019 (continued)

	Male			Female			Non-binary			30 June 2019 total	30 June 2018 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Medical Officer 4	-	1	1	-	1	1	-	-	-	2	2
Medical Officer 3	2	1	3	-	-	-	-	-	-	3	2
Medical Officer 2	-	-	-	1	-	1	-	-	-	1	6
Public Affairs 3	-	-	-	-	-	-	-	-	-	-	1
Public Affairs 2	-	-	-	-	-	-	-	-	-	-	-
Senior Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	**43**	**15**	**58**	**83**	**35**	**118**	**-**	**-**	**-**	**176**	**208**

Table 5: Distribution of all staff by state and territory at 30 June 2019

State	Ongoing	Non-ongoing	Total
Australian Capital Territory	3,424	152	3,576
New South Wales	266	12	278
Northern Territory	9	-	9
Queensland	116	4	120
South Australia	56	-	56
Tasmania	43	3	46
Victoria	142	2	144
Western Australia	48	3	51
Department Total	**4,104**	**176**	**4,280**

Table 6: Comparison of Indigenous staff by employment status between 30 June 2018 and 30 June 2019

Employment status	Indigenous staff	
	30 June 2019	30 June 2018
Ongoing	99	119
Non-ongoing	3	5
Total	102	124
Percentage of Indigenous staff in the Department	**2.4%**	**2.8%**

Table 7: Number of SES staff covered by Individual Agreements

Nominal Classification	Number of staff with individual agreements		Total
	Female	Male	
Senior Executive Band 3	4	2	6
Senior Executive Band 2	12	12	24
Senior Executive Band 1	58	34	92
Chief Medical Officer	-	1	1
Medical Officer 6	-	3	3
Medical Officer 5	7	10	17
Total	**81**	**62**	**143** [1]

Notes:
[1] This total does not include the Secretary or the Public Office Holders.

Table 8: Information about remuneration for Key Management Personnel

At 30 June 2019, the Department had 12 Key Management Personnel (KMP). Of the 12 KMP, eight served for the full year and four for part of the year as a result of acting and interim arrangements.

		Short term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long term benefits		
Glenys Beauchamp	Secretary	736,968	-	2,557	101,150	17,339	-	-	858,014
Brendan Murphy	Chief Medical Officer	440,394	-	41,545	73,264	12,403	-	-	567,606
Margot McCarthy	Deputy Secretary	413,088	-	32,461	70,282	12,326	-	-	528,157
John Skerritt	Deputy Secretary	387,353	-	30,901	67,599	13,873	-	-	499,726
Caroline Edwards	Deputy Secretary	346,275	-	34,992	65,411	13,393	-	-	460,071
Matt Yannopoulos	Chief Operating Officer	328,178	-	33,458	58,400	13,366	-	-	433,402
Lisa Studdert	Deputy Secretary	283,888	-	48,316	52,092	8,034	-	-	392,330
Penny Shakespeare	Deputy Secretary	286,098	-	46,533	45,073	8,243	-	-	385,946
Matthew Boyley	Deputy Secretary (ag)	61,554	-	13,456	9,868	1,869	-	-	86,747
David Hallinan	Deputy Secretary (ag)	26,714	-	9,588	4,976	777	-	-	42,055
Nick Hartland	Deputy Secretary (ag)	22,180	-	8,049	4,492	1,154	-	-	35,876
Daniel McCabe	Chief Operating Officer (ag) (Interim)	15,544	-	6,392	2,822	470	-	-	25,227

Notes:
Includes four (4) employees who have acted in a KMP position either in excess of four (4) weeks, or is a continuation of the 2018-19 KMP acting.

Table 9: Information about remuneration for senior executives

	Short term benefits	Post-employment benefits	Other long term benefits	Termination benefits	Total remuneration				
Total remuneration bands	Number of senior executives[1]	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[2]	Average other long term benefits	Average termination benefits[3]	Average total remuneration[4]
0 - 220,000	38	83,322	-	11,550	16,617	2,664	-	-	114,153
220,001 - 245,000	23	168,193	-	28,812	31,705	6,279	-	-	234,990
245,001 - 270,000	41	184,663	-	30,132	33,957	7,410	-	-	256,161
270,001 - 295,000	26	208,722	-	25,880	37,147	7,671	-	4,101	283,521
295,001 - 320,000	16	218,618	-	29,815	35,053	7,056	-	15,585	306,126
320,001 - 345,000	11	251,757	-	27,699	42,843	7,736	-	-	330,036
345,001 - 370,000	2	277,722	-	18,458	53,032	7,946	-	-	357,158
370,001 - 395,000	2	306,849	-	17,527	51,642	8,332	-	-	384,349
420,001 - 445,000	2	302,315	-	13,979	30,129	10,367	-	75,036	431,826
470,001 - 495,000	1	377,451	-	29,481	66,151	10,950	-	-	484,034

Notes:

[1] Any employee who held a substantive senior executive or equivalent position during 2018-19 is represented as one (1). This excludes those who have been disclosed in table 8.

[2] Excludes bond rate impact on Long Service Leave.

[3] Termination payments (excluding employee leave entitlement payments) were made to three (3) senior executives or equivalent employees during 2018-19.

[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 8.

Table 10: Information about remuneration for other highly paid staff

		Short term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[1]	Average other long term benefits	Average termination benefits[2]	Average total remuneration[3]
220,001 - 245,000	10	151,812	-	13,416	28,655	4,668	-	27,805	226,356
245,001 - 270,000	5	142,673	-	25,701	31,368	4,482	-	46,037	250,262
295,001 - 320,000	1	139,709	-	3,091	25,874	4,449	-	142,601	315,725
320,001 - 345,000	1	276,003	-	2,567	42,504	-	-	-	321,074

Notes:

[1] Excludes bond rate impact on Long Service Leave.

[2] Termination payments (excluding employee leave entitlement payments) relate to five (5) employees who terminated during 2018-19.

[3] The table includes the part year impact of some employees who have temporarily filled a senior executive position during 2018-19.

Table 11: Salary ranges by classification level

Classification	Minimum salary	Maximum salary
Senior Executive Band 3	307,750	398,030
Senior Executive Band 2	227,311	281,432
Senior Executive Band 1	175,354	216,487
Executive Level 2	122,306	144,804
Executive Level 1	102,512	116,916
APS 6	83,420	94,110
APS 5	74,518	80,588
APS 4	69,523	73,459
APS 3	61,364	68,017
APS 2	53,100	57,946
APS 1	45,434	51,026
Other*	27,262	41,346

* Other includes staff ranging from under 18 years of age to 20 years of age

Table 12: Non-senior executive staff covered by Individual Flexibility Arrangements and the Enterprise Agreement at 30 June 2019

Number of staff covered by the:		Total
EA	EA and an approved Individual Flexibility Arrangement	
4,047	83	4,130

Table 13: Non-salary benefits

Non-SES staff
Access to engage in private medical practice for Medical Officers
Access to negotiated discount registration/membership fees to join a fitness or health club
Access to paid leave at half pay
Access to remote locality conditions
Access to the Employee Assistance Program
Additional cultural and ceremonial Aboriginal and Torres Strait Islander employee's leave
Australian Defence Force Reserve, full-time service or cadet leave
Annual close down and early stand down at Easter and Christmas Eve and annual leave
Annual free onsite influenza vaccinations for staff
Bereavement and compassionate leave
Breastfeeding facilities and family care rooms
Cash-out of annual leave
Community service leave
Financial assistance to access financial advice for staff 54 years and older
Flexible working locations and home-based work including, where appropriate, access to laptop computers, dial-in facilities, and mobile phones
Flextime (not all non-SES employees) and time in lieu
Hepatitis B vaccinations for staff who are required to come into regular contact with members of the community classified as at increased risk with regard to hepatitis B
Miscellaneous leave with or without pay
Parental leave – includes maternity, adoption and partner leave
Personal/carers leave
Provision of eyesight testing and reimbursement of prescribed eyewear costs specifically for use with screen-based equipment
Public Transport Loan Scheme
Purchased and extended purchased leave
Recognition of travel time
Study assistance and support for professional and personal development
SES staff
All the above benefits except flextime and access to Individual Flexibility Arrangements
Airport lounge membership
Car parking
Individual determinations made under section 24(1) of the *Public Service Act 1999*
IT Reimbursement Scheme

Table 14: Health Entry-Level Broadband

Local title	APS classification	Salary ranges at 30 June 2019 $
Health Entry-Level (T, I, A, or G)	APS 4	73,459
		71,436
		69,523
	APS 3	68,017
		64,932
		63,101
		61,364
	APS 2	57,946
		56,336
		54,693
		53,100
	APS 1	51,026
		48,652
		47,040
		45,434
	Staff at 20 years of age	41,346
	Staff at 19 years of age	36,803
	Staff at 18 years of age	31,804
	Staff under 18 years of age	27,262

Notes:
(T) = Trainees
(I) = Indigenous Australian Government Development Program participants
(A) = Indigenous Apprenticeship Programme
(G) = Graduates

Table 15: Professional 1 salary structure

Local title	APS classification	Salary ranges at 30 June 2019 $
Professional 1	APS 5	80,588
	APS 5	76,545
	APS 4	71,437
	APS 4*	69,524
	APS 3**	64,932
	APS 3	63,101

Notes:
* Salary on commencement for a professional with a four year degree (or higher).
** Salary on commencement for a professional with a three year degree.

Table 16: Medical Officer salary structure

Local title	Salary ranges at 30 June 2019 $
Medical Officer Class 6	281,432
	270,608
	254,372
	238,135
Medical Officer Class 5	238,135
	227,311
	216,487
	207,827
Medical Officer Class 4	173,938
	164,179
	158,024
Medical Officer Class 3	151,719
	144,906
Medical Officer Class 2	136,548
	129,596
Medical Officer Class 1	118,429
	107,285
	99,685
	92,019

Table 17: Legal salary structure

Local title	APS classification	Salary ranges at 30 June 2019 $
Legal 2	Executive Level 2	149,874
		143,368
		138,734
Legal 1	Executive Level 1	126,855
		116,782
		106,974
	APS 6	92,049
		87,466
		83,420
	APS 5	77,211
	APS 4	72,384

Table 18: Public Affairs salary structure

Local title	APS classification	Salary ranges at 30 June 2019 $
Senior Public Affairs 2	Executive Level 2	150,598
		144,744
Senior Public Affairs 1	Executive Level 2	137,853
Public Affairs 3	Executive Level 1	125,685
		119,589
		112,320
Public Affairs 2	APS 6	94,207
		87,466
		83,420
	APS 5	80,588
		76,545
	APS 4	73,459
	APS 4*	69,524

Note:
* This level is generally reserved for staff with less than two years' experience.

Table 19: Research Scientist salary structure

Local title	APS classification	Salary ranges at 30 June 2019 $
Senior Principal Research Scientist	Executive Level 2	183,902
		165,427
Principal Research Scientist	Executive Level 2	162,181
		157,154
		150,741
		146,766
		141,323
Senior Research Scientist	Executive Level 2	147,267
		137,853
		133,399
		122,306
Research Scientist	Executive Level 1	110,157
		102,512
	APS 6	87,627
		83,051
		80,793

Appendix 2: Processes Leading to PBAC Consideration – Annual Report for 2018-19

Introduction

This is the tenth annual report to the Parliament on the processes leading to the consideration by the Pharmaceutical Benefits Advisory Committee (PBAC) of applications for recommendation for listing of 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 the Pharmaceutical Benefits Advisory Committee consideration, including:*
>
> *a) the extent and timeliness with which responsible persons are provided copies of documents relevant to their submission to the Pharmaceutical Benefits Advisory Committee;*
>
> *b) the extent to which responsible persons exercise their right to comment on these documents, including appearing at hearings before the Pharmaceutical Benefits Advisory Committee;*
>
> *c) the number of responsible persons seeking a review of the Pharmaceutical Benefits Advisory Committee recommendation.*

PBAC

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, health economists, as well as industry and consumer nominees. 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 (the Minister). The PBAC holds three scheduled meetings each year, usually in March, July and November.

When considering a medicine for listing, the PBAC takes into account the medical condition(s) for which the medicine was registered for use in Australia and its clinical effectiveness, safety and cost-effectiveness ('value for money') compared with other treatments, including non-medical treatments.

The PBAC has three 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; and
- **Nutritional Products Working Party (NPWP)** which advises the PBAC on matters relating to the effectiveness and use of therapeutic foods and nutritional products.

Roles of the PBAC

- Recommends medicines and medicinal preparations to the Minister for funding under the PBS.
- Recommends vaccines to the Minister for funding under the NIP (since 2006).
- Advises the Minister and Department about cost-effectiveness.
- Recommends maximum quantities and repeats on the basis of community use, and any restrictions on the indications where PBS subsidy is available.
- Regularly reviews the list of PBS items.
- 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[94]

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 six weeks before the applicable PBAC meeting. These documents are referred to as 'commentaries'.

Applicants' pre-subcommittee response(s) are received by the PBAC Secretariat five weeks before the relevant PBAC meeting. Following the meeting of PBAC subcommittees, the PBAC Secretariat provides relevant subcommittee papers to applicants two 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 three weeks (positive recommendations) and five weeks (all other outcomes) after the relevant PBAC meeting.

Where requested, the PBAC Secretariat, the PBAC and its subcommittees provide informal access to departmental officers and formal access to the PBAC for applicants or their representative, including the option for the sponsor to appear before the PBAC in person.

b) Extent to which responsible persons comment on their commentaries

During 2018-19, the PBAC held three ordinary meetings (as is usual practice) and considered a total of 86 major submissions. For the:

- **July 2018 PBAC meeting**, 30 applicants lodged major submissions. 30 sponsors responded to their commentaries.
- **November 2018 PBAC meeting**, 29 applicants lodged major submissions. 29 sponsors responded to their commentaries.
- **March 2019 PBAC meeting**, 27 applicants lodged major submissions. 27 sponsors responded to their commentaries and one sponsor withdrew its submission before responding to its commentary.

Consequently, of the 86 major submissions considered by PBAC in 2018-19, 86 applicants exercised their right to respond to their commentaries.

At a special meeting held in August 2018, the PBAC also considered options for listing PD(L)-1 checkpoint inhibitors for multiple cancer indications on the PBS. In late 2017, the Minister requested that the PBAC provide advice on options for listing PD-1 and PD-L1 checkpoint inhibitors for the treatment of multiple cancer indications on the Pharmaceutical Benefits Schedule. To inform the development of its advice, the PBAC published a discussion paper on 25 May 2018 and invited submissions from interested parties. A total of 28 submissions from a range of stakeholders were received and considered.

In December 2018, the PBAC provided its report on *Options for listing PD(L)-1 checkpoint inhibitors for multiple cancer indications on the PBS* to the Minister. The Minister welcomed the options proposed by the PBAC and requested a range of further work be conducted.[95]

c) Number of responsible persons seeking a review of PBAC recommendations

During the 2018-19 financial year, there were no requests to the PBAC for an Independent Review.

---

[94] 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.

[95] Further information available at: www.pbs.gov.au/pbs/home

Number and category of applications for each PBAC meeting in 2018-19[96]

July 2018 PBAC Meeting

Category	Number
Major	30
Minor	26
Other	2

November 2018 PBAC Meeting

Category	Number
Major	29
Minor	22
Other	1

March 2019 PBAC Meeting

Category	Number
Major	27
Minor	30
Other	0

Number and category of withdrawn applications for each PBAC meeting in 2018-19

July 2018 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	0	n/a
Minor	0	n/a

November 2018 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	5	Decision by applicants – no reason provided
Minor	1	Decision by applicants – no reason provided

March 2019 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	1	Decision by applicants – no reason provided
Minor	0	n/a

[96] The categories for applications are prescribed by the *National Health (Pharmaceuticals and Vaccines—Cost Recovery) Regulations 2009*. Further information on the categories of submissions available at: www.legislation.gov.au/Details/F2009L04013

Number of responsible persons that responded to their commentaries, including appearing before PBAC meetings

All of the responsible persons who submitted a major submission to PBAC during 2018-19 responded to their commentary.

July 2018 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
30	30	11

November 2018 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
29	29	13

March 2019 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
27	27	10

Number of pre-submission meetings held in 2018-19[97]

Pre-submission meetings per month	Meetings held
2018	
July	0
August	8
September	3
October	1
November	0
December	7
2019	
January	8
February	4
March	3
April	4
May	15
June	1
Total	54

[97] Figures do not take into account extended meetings where two or more drugs are discussed within one meeting date.

Appendix 3: Report on the operation of the *Industrial Chemicals (Notification and Assessment) Act 1989* for 2018-19

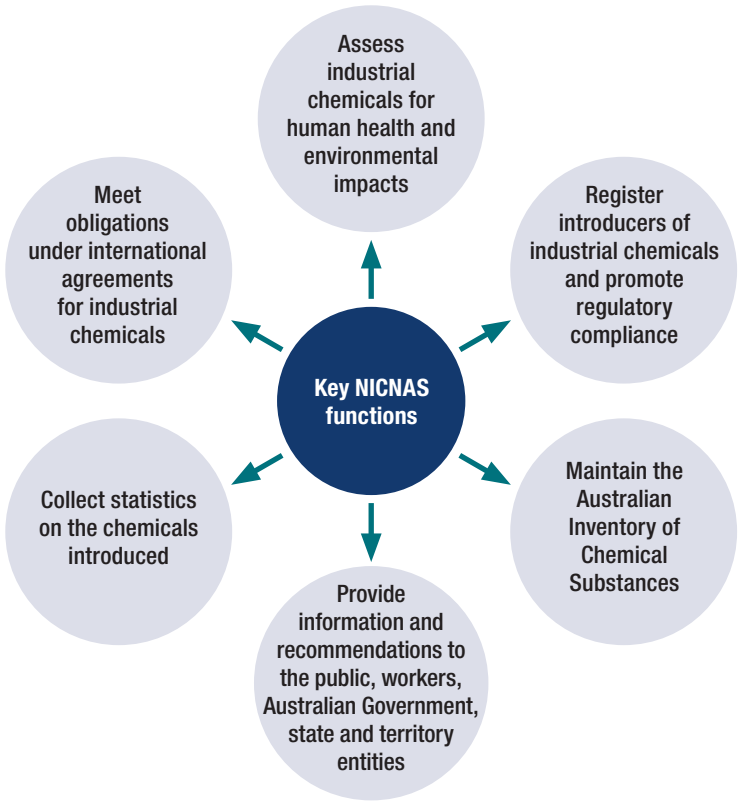
About the National Industrial Chemicals Notification and Assessment Scheme (NICNAS)

NICNAS is a statutory scheme established under the *Industrial Chemicals (Notification and Assessment) Act 1989* (ICNA Act). The scheme protects the Australian people and their environment from risks associated with the introduction (import or manufacture) and use of industrial chemicals, and provides information to promote the safe use of these chemicals. Information from NICNAS assessment reports is available to the public, as well as to state, territory and other Australian Government authorities, to assist them in regulating the transport, storage, use and disposal of industrial chemicals. NICNAS contributes to the Health Portfolio Outcome 5.

From 1 July 2020, NICNAS will be replaced by the Australian Industrial Chemicals Introduction Scheme (AICIS), established under the *Industrial Chemicals Act 2019* (IC Act). The main purpose of the new scheme will remain the same as the current scheme, but improves on it by:

- making regulatory effort more proportionate to the risk posed by industrial chemicals; and
- promoting safer innovation by encouraging the introduction of lower risk chemicals.

Figure 1. NICNAS functions



Highlights

In 2018-19:

- NICNAS exceeded all of its performance measures (refer Outcome 5: Regulation, Safety and Protection, pg 102–120 of this Annual Report).
- Regulatory changes to the current Scheme came into force, reducing the red tape burden on industry ahead of more extensive regulatory reforms under AICIS that commence on 1 July 2020.
- New online application forms relating to managing the Australian Inventory of Chemical Substances (the Inventory) were launched through the NICNAS Business Services Portal.
- The *Cosmetics Standard 2007* was replaced by the *Therapeutic Goods (Excluded Goods) Determination 2018*, to implement the Government's decision to remove responsibility from NICNAS for the regulation of cosmetic products, while retaining its responsibility for regulating their chemical ingredients.

Registration and compliance

Registration

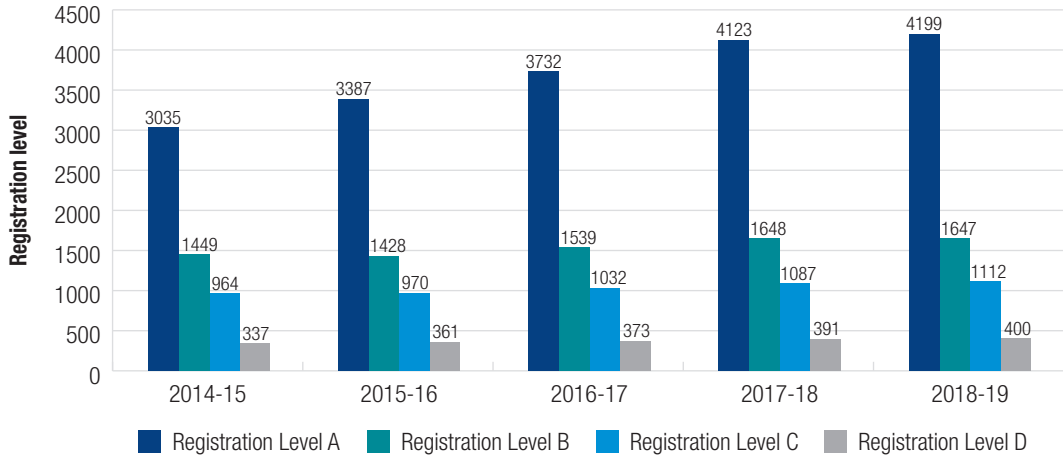
Introducers (importers and manufacturers) of industrial chemicals in Australia must be included on the publicly available Register of Industrial Chemical Introducers.[98] Registration assists the regulated community to be aware of and voluntarily comply with its obligations under the ICNA Act.

NICNAS compliance activities continue to focus on the registration of all known introducers of relevant industrial chemicals. During 2018-19, 7,353 introducers were registered with NICNAS, representing the highest number of registrants since the commencement of the scheme.

The majority of NICNAS activities are funded through a charge on those introducing chemicals. The amount payable by each introducer is determined in a four tiered framework (known as levels A–D) by the total value of relevant industrial chemicals introduced in a registration year.

[98] Available at: www.nicnas.gov.au/register-your-business/register-of-industrial-chemical-introducers

Figure 2. Five year trend data for NICNAS registrations



Source: NICNAS Annual Reports and internal data

Compliance monitoring

The NICNAS compliance strategy utilises a staged process of risk-based compliance monitoring of registered introducers. Compliance monitoring and enforcement activities are proportionate to risk, with an initial focus on education and awareness raising to assist introducers to understand and comply with their obligations under the ICNA Act.

Key compliance statistics during 2018-19

- 764 new businesses registered with NICNAS as a direct result of compliance monitoring activities.
- The registration levels of over 500 introducers were adjusted as a result of NICNAS audits.
- 154 compliance cases were opened and 159 cases were resolved.
- At the end of 2018-19, 521 previously registered introducers were identified to be introducing industrial chemicals whilst unregistered and were subsequently managed according to the NICNAS compliance strategy.
- 41 new industrial chemicals introduced without notification or reporting to NICNAS were identified through compliance monitoring activities and were subsequently managed according to the NICNAS compliance strategy.

Inventory management

The Inventory provides chemical identity information and specific conditions of use associated with certain industrial chemicals. The Inventory comprises both public and confidential sections.

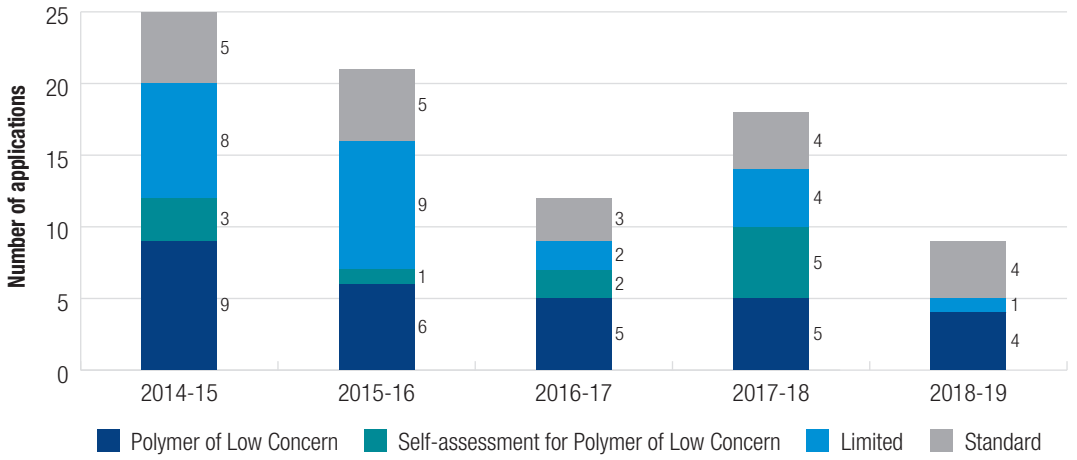
Unless chemicals are listed on the Inventory, or are exempt from assessment under the ICNA Act, they are considered to be new chemicals and require assessment of risks to the environment and human health before they can be introduced. Chemicals listed on the Inventory are considered existing chemicals and can be introduced into Australia in accordance with the terms of the Inventory listing without notification to NICNAS.

Chemicals are listed on the public section of the Inventory five years after an assessment certificate has been issued, unless the certificate holder applies for earlier listing or seeks (and is granted) listing on the confidential section of the Inventory. Chemicals are only listed in the confidential section if it can be demonstrated that the commercial prejudice to the introducer, resulting from the publication of information about the chemical, outweighs the public interest in the disclosure of this information (a statutory test).

Key statistics during 2018-19 for the Inventory

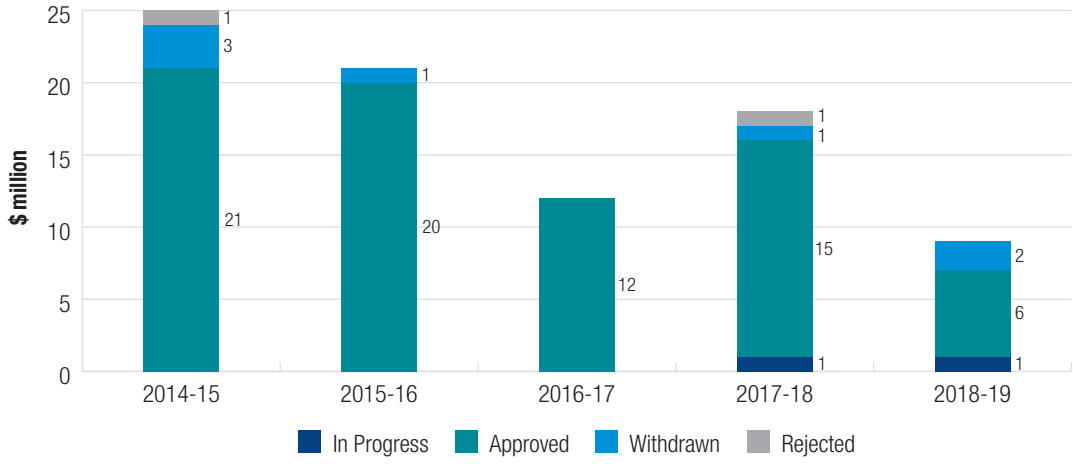
- At 30 June 2019, 40,604 chemicals were listed on the public section of the Inventory and 119 chemicals on the confidential section of the Inventory.
- The number of applications for listing on the confidential section of the Inventory has halved since last year (refer Figure 3).
- Since February 2019, Inventory-related application forms have been processed online through the NICNAS Business Services portal. Online applications have increased efficiency and resulted in quicker responses to introducers.

Figure 3. Assessment categories for applications for listing on the confidential section of the Inventory from 2014-15 to 2018-19



Source: NICNAS Annual Reports and internal data

Figure 4. Outcomes of applications for confidential listing on the Inventory received from 2014-15 to 2018-19



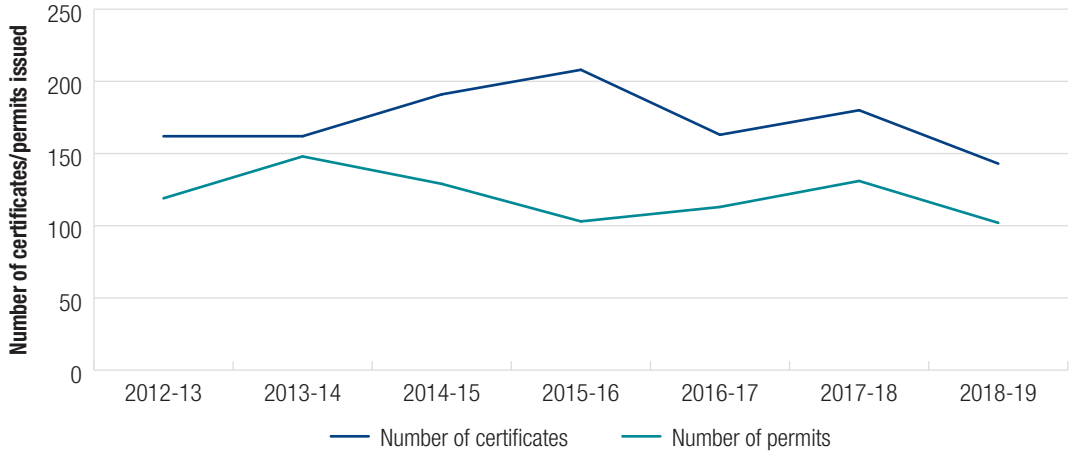
Source: NICNAS Annual Reports and internal data

Assessment of new industrial chemicals

New industrial chemicals are assessed according to criteria, including the type of chemical, the amount to be introduced per year, the proposed use(s) and proposed duration of use. Permits and certificates are issued after risks to human health and the environment have been assessed. Introducers (manufacturers or importers) of chemicals exempt from notification, as defined under the ICNA Act, have annual reporting and record-keeping obligations.

The number of new chemical assessments has decreased slightly since the announcement of the new scheme in May 2015 (refer Figure 5).

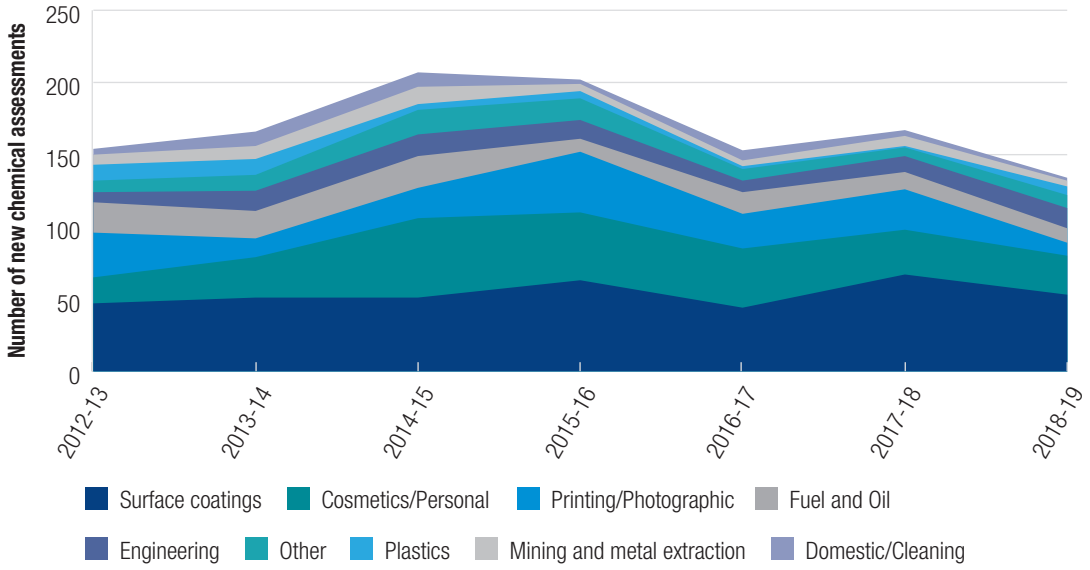
Figure 5. Number of certificates and permits issued over the period from 2012-13 to 2018-19



Source: NICNAS Annual Reports and internal data

The uses assessed under Standard (STD), Limited (LTD) and Polymer of Low Concern (PLC) certificate categories are detailed in Figure 6. Each year, surface coatings are the most commonly assessed industrial application, except in 2014-15 where there was a slightly higher number of applications for cosmetic/personal use. Based on the number of assessments, industrial use categories remain relatively constant over the seven year period, except for chemicals in printing/photographic applications.

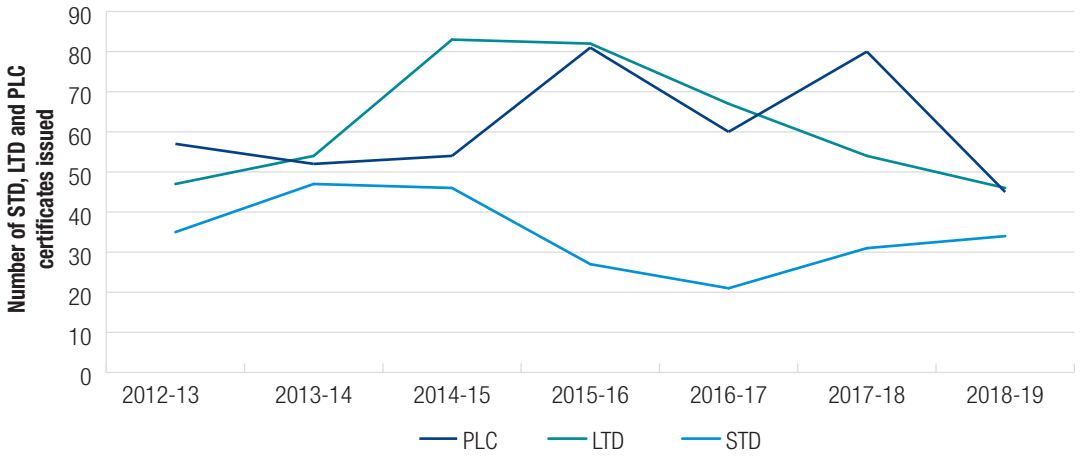
Figure 6. Industrial uses of chemicals assessed under Standard, Limited and Polymer of Low Concern certificate categories



Source: NICNAS Annual Reports and internal data

Figure 7 details the different certificate categories for chemicals assessed during the same period (2012-13 to 2018-19). The number of PLC has decreased during 2018-19, due to the amendments of the ICNA Act (from April 2019) that removed the requirement for assessment of chemicals that meet PLC criteria.

Figure 7. Number of Polymer of Low Concern, Limited and Standard certificates issued from 2012-13 to 2018-19

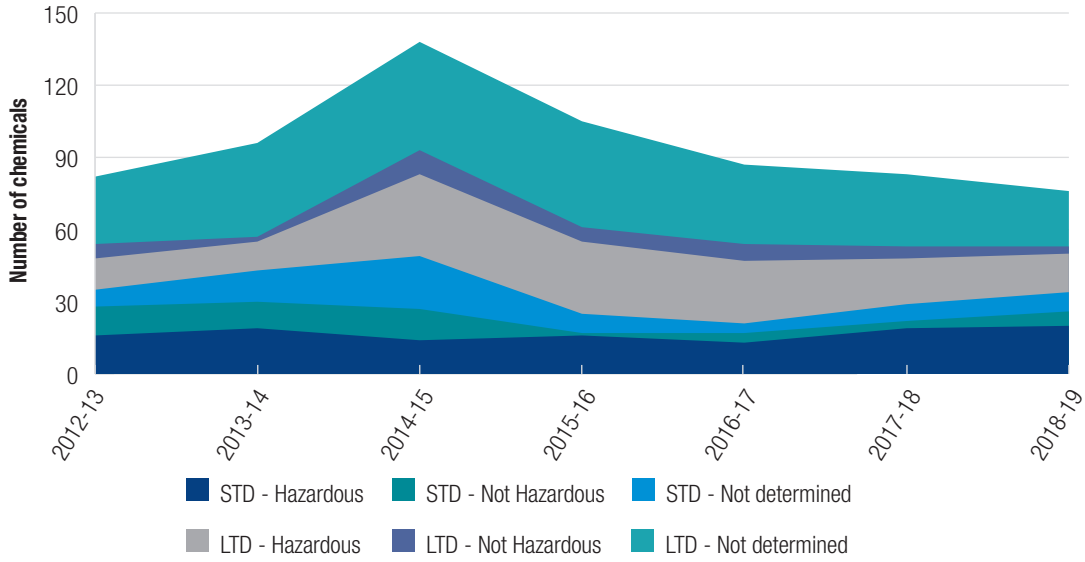


Source: NICNAS Annual Reports and internal data

Figure 8 provides information on the nature of identified hazards of the 674 individual new chemicals assessed under STD and LTD certificate categories from 2012-13 to 2018-19. These are classified according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). By definition, PLCs are non-hazardous and are not included in this figure.

GHS classification is based on the information available for assessment. It should be noted that while an individual chemical substance can be determined to be a hazardous substance, the end product may not be hazardous due to the low concentration of the chemical in the final product being below the threshold for hazard classification.

Figure 8. Hazards of chemicals assessed under Limited and Standard categories (certificates issued) from 2012-13 to 2018-19

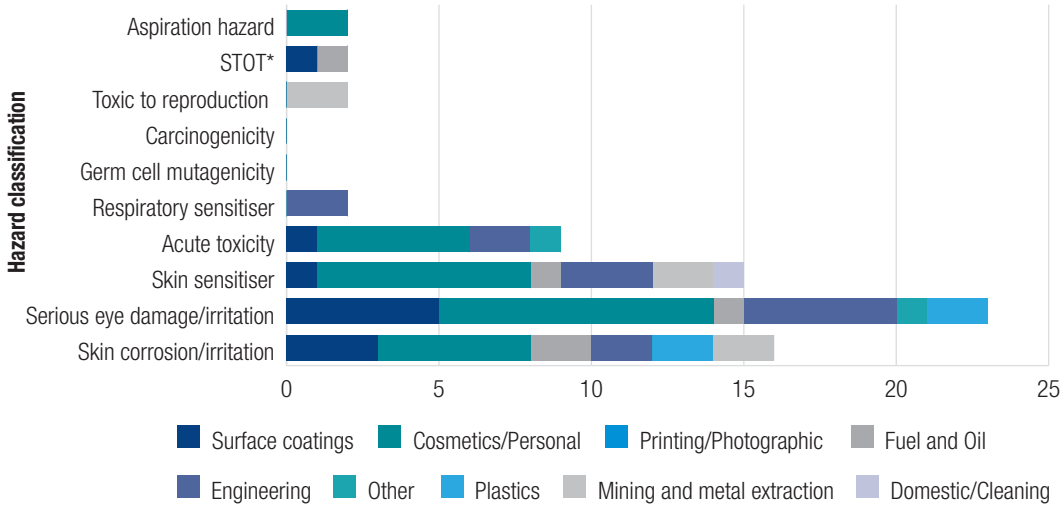


Source: NICNAS Annual Reports and internal data

Chemicals or polymers introduced at ≤ 1 tonne per year have fewer data requirements (that is, undergo a LTD assessment) compared to chemicals with a higher introduction volume that undergo a STD assessment. The 'not determined' hazard classification from LTD assessments is the largest category in Figure 8 above and arises when the information received is insufficient to meet GHS hazard classification criteria. In some other cases, such as when the chemical is used solely for industrial applications and worker exposure can be mitigated through measures such as engineering controls and personal protective equipment, a standard assessment can be adequately conducted with data that are also insufficient for GHS classification purposes.

Figure 9 demonstrates GHS hazard classifications for chemicals assessed under LTD and STD certificate categories and their distribution of industrial uses during 2018-19. An individual chemical can have multiple hazards. For those chemicals classified as hazardous, the most common hazard classification was serious eye damage/irritation.

Figure 9. The number of chemicals classified as hazardous by GHS hazard classification and their distribution of industrial uses in 2018-19



Source: NICNAS Annual Reports and internal data
* STOT – specific target organ toxicity (single or repeated).

Chemicals for cosmetic/personal use tend to be classified as hazardous to human health more often than any other industrial use category. However, it should be noted that, where relevant, the risks to human health from new industrial chemicals used in cosmetic/personal care products can generally be effectively managed through recommendations to scheduling under the Poisons Standard.

Key statistics for new industrial chemicals during 2018-19

- 245 certificates and permits were issued during the year.
- 12,805 industrial chemical introductions were reported under exemption categories by 256 introducers.
- Two comparable agency assessments (Health Canada and the United States Environmental Protection Agency) and five foreign scheme assessments were received and used in new chemical assessments.

Assessment of existing industrial chemicals

Inventory Multi-Tiered Assessment and Prioritisation (IMAP) framework

The IMAP framework is a science and risk-based framework for the rapid identification and assessment of industrial chemicals listed on the Australian Inventory of Chemical Substances (the Inventory). IMAP Stage One (2012–2016) focused on chemicals of high regulatory concern. As part of IMAP Stage Two (2016–2020), the focus has been on identifying chemicals of low regulatory concern, which are then deprioritised from requiring further assessment while continuing to assess higher priority chemicals of concern (refer Figure 10).

Our approaches include:

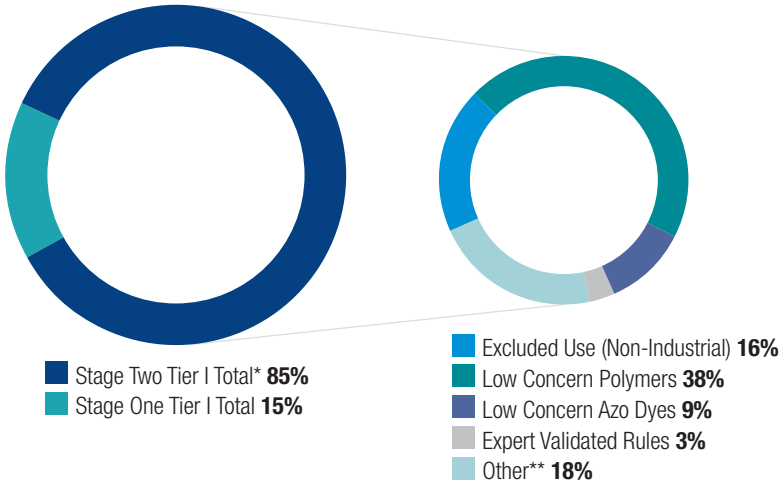
- reviewing physico-chemical properties;
- data source collation and validation;
- exposure data-profiling;
- read-across strategies (including strategies for targeting efficient chemical grouping); and
- computer based modelling (*in silico*) studies.

During 2018-19, NICNAS developed a step-wise, semi-automated screening methodology to further screen, categorise and deprioritise unassessed azo-based substances (and their aromatic amine metabolites) for their potential risks associated with use in textiles by using the:

- threshold of toxicological concern approach to risk assess systemic toxicity and genotoxicity; and
- dermal sensitisation threshold and dermal sensitisation quantitative risk assessment approaches.

Our international regulatory counterparts, Health Canada and Environment and Climate Change Canada, validated these innovative methodologies through peer review.

Figure 10. Comparison of the proportion of deprioritised (Tier I) Chemicals between IMAP Stages One and Two



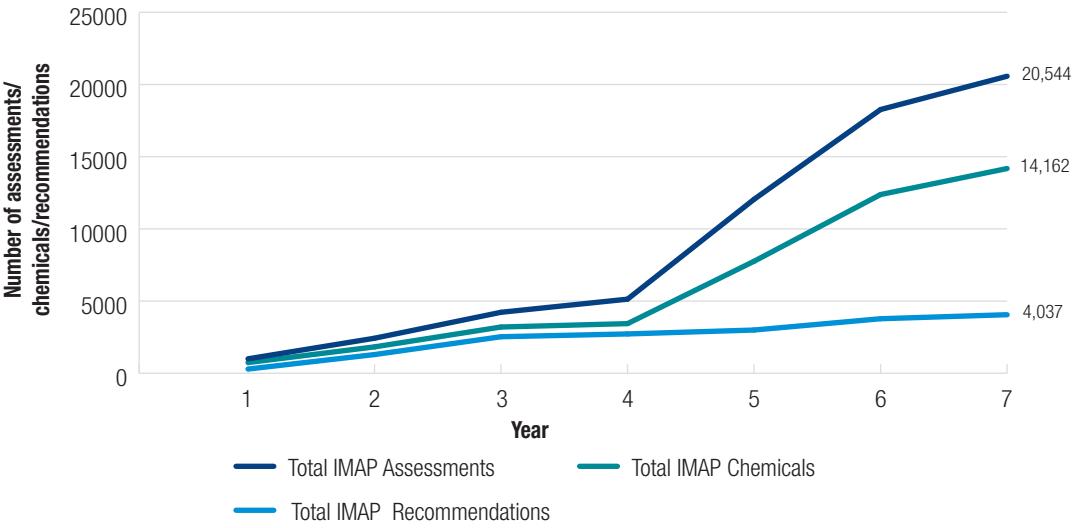
Source: NICNAS Annual Reports and internal data

* Tier I are chemicals that pose no unreasonable risk to human health and the environment that have been deprioritised for any further assessment.

** 'Other' includes substances derived from natural products and plant extracts used in low volumes. Chemicals with excluded uses are chemicals used exclusively for therapeutic, agricultural and veterinary or food purposes, with no known industrial use.

Since the commencement of the IMAP framework, chemical safety information and regulatory advice have been made available for more than 14,100 previously unassessed unique chemicals listed on the Inventory (refer Figure 11).

Figure 11. The number of assessments, unique chemicals assessed and risk management recommendations determined from IMAP assessments



Source: NICNAS Annual Reports and internal data

The IMAP framework continues to support risk management of chemicals in Australia, with a significant number of risk management recommendations resulting from an IMAP assessment (refer Figures 11, 12a and 12b). As at 30 June 2019, 4,037 risk management recommendations have resulted from IMAP assessments for 3,250 unique chemicals (refer Figure 11).

Figure 12a. Recommendations resulting from an assessment through IMAP during 2018-19

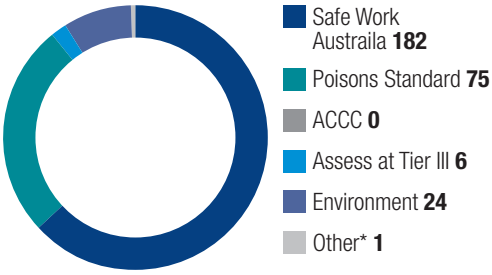
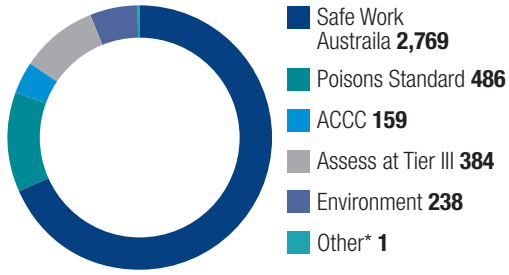


Figure 12b. Recommendations resulting from an assessment through IMAP during 2012–19



Source: NICNAS Annual Reports and internal data

* 'Other' refers to new miscellaneous recommendation category for which there is no current risk management options/mechanism in place (based on Tier III Human Health Assessment recommendation on Acetaldehyde in Tranche 26 (March 2019): 'Recommendation to consider establishing an indoor air guidance value.').

Secondary notification assessments

A chemical may require re-assessment when new information becomes available or changed circumstances arise, such as a significant change to the way a chemical is used. This category of assessment is called secondary notification assessment.

Introducers of a chemical must provide information on changed circumstances. NICNAS staff then determine whether a secondary notification assessment is required. Three secondary notification assessment reports were published in 2018-19.

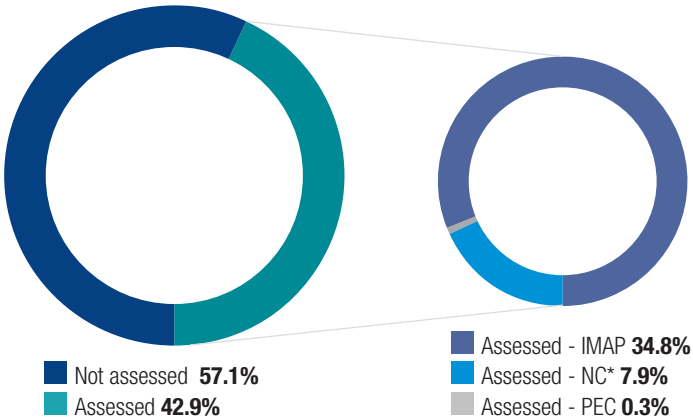
Priority Existing Chemical (PEC) assessments

The Health Minister may declare an industrial chemical that is listed on the Inventory to be a PEC, on the basis that reasonable evidence suggests the manufacture, handling, storage, use or disposal of the chemical gives rise, or may give rise, to a risk of adverse health or environmental effects. During 2018-19, a risk assessment of decabromodiphenyl ether (decaBDE) was published with recommendations relating to its human health and environmental effects, and its fate in the environment. DecaBDE is listed on Annex A of the Stockholm Convention on Persistent Organic Pollutants, for which secondary notification conditions now apply to manage the importation and use of the chemical in Australia.

Key statistics for existing chemicals in 2018-19

- 2,136 human health and environment IMAP assessments were undertaken for 2,128 unique chemicals.
- 288 recommendations to manage newly identified risks associated with the industrial use of 212 unique chemicals resulted from IMAP assessments.
- By June 2019, NICNAS has produced 27 tranches of IMAP assessment reports since 2012, resulting in 20,554 reports (on either health or environmental risks) of 14,162 unique chemicals being published on the NICNAS website (refer Figure 11).

Figure 13. Percentage of existing chemicals assessed to date



Source: NICNAS Annual Reports and internal data
* 'NC' represents new chemicals assessed prior to Inventory listing.

Australian Industrial Chemicals Introduction Scheme (AICIS) Implementation

The reforms to NICNAS announced in 2015 have resulted in a new industrial chemicals law this year, the *Industrial Chemicals Act 2019* (IC Act). This law establishes a new scheme, AICIS, to replace NICNAS from 1 July 2020.

Amendments to the *Industrial Chemicals (Notification and Assessment) Act 1989* (ICNA Act) commenced in April 2019 to allow for early regulatory changes. These changes are consistent with the shift to a more risk-based and proportionate regulatory scheme by reducing the regulatory burden for certain lower risk chemicals. These changes include:

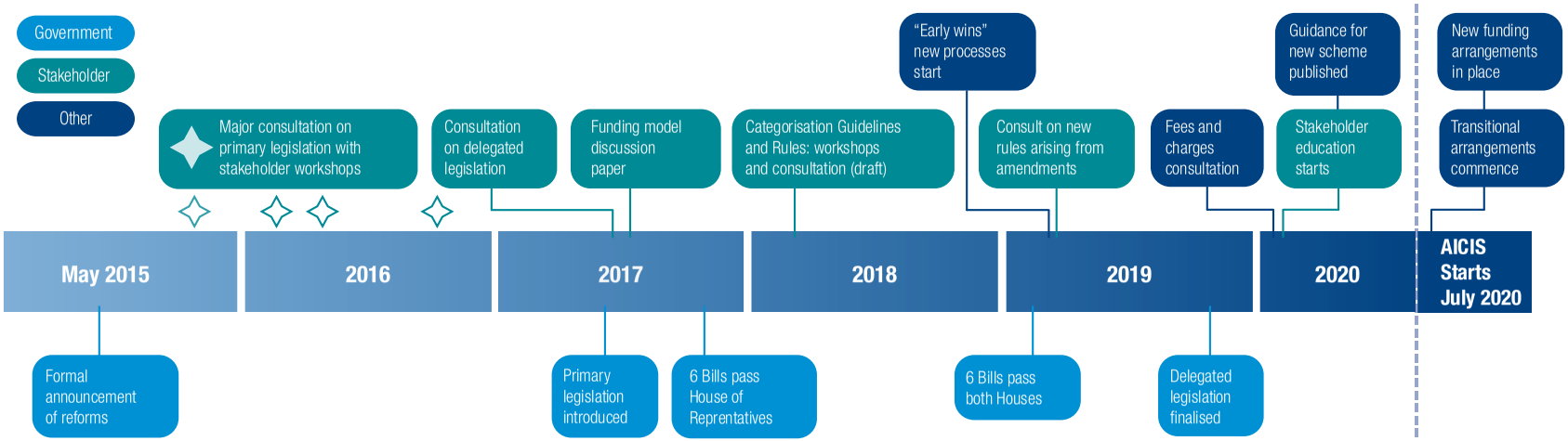
- no more annual reporting for permit holders and self-assessed assessment certificate holders;
- removal of requirement to submit a Safety Data Sheet and label for exempt cosmetic ingredients;
- synthetic polymer definition further aligned with international definitions;
- expansion of the Polymer of Low Concern (PLC) criteria;
- PLCs can now be introduced without notification or assessment; and
- timeframes for Approved Foreign Scheme assessments reduced from 90 to 60 days.

The technical and operational details of the new scheme continued to be developed in 2018-19, including in response to amendments made during the passage of the IC Act through Parliament. The following consultations were undertaken during 2018-19 for stakeholders to provide feedback on details of the new scheme:

- Assessment certificate information requirements – eight submissions received and analysed.
- Guidance on the use of AICIS approved chemical names for protecting confidentiality – six submissions received and analysed.
- Proposed Rules to be made under the IC Act – 26 submissions received and analysed.

At the end of 2018-19, a total of 253 stakeholder submissions were received and analysed since the NICNAS reforms process commenced in 2015.

Figure 14. Milestones for industrial chemicals reforms: NICNAS to AICIS



Digital transformation

During 2018-19, online Inventory processes were built and available to users through the NICNAS Business Services Portal, increasing efficiencies in applying and processing requests. The NICNAS website continued to be improved through enhanced links, additional guidance material and a user-centred, accessible approach that applied the GOV.AU Content Guide.

NICNAS is developing Australian regulatory specific customisation of the International Uniform Chemical Information Database (IUCLID) software to store and exchange data on chemicals in an internationally harmonised manner. Australia is collaborating with the European Chemicals Agency (ECHA), which manages the software, in association with the Organisation for Economic Co-operation and Development (OECD). New Australian certificate submission types for AICIS have been created by the Office of Chemical Safety (OCS) staff in collaboration with ECHA. It is anticipated that the next major IUCLID version will contain these submission types.

Stakeholder engagement

The NICNAS Strategic Consultative Committee (SCC), with representatives drawn from peak industry and civil society groups, continued as the primary stakeholder advisory body to NICNAS. The outcomes from SCC meetings are published on the NICNAS website.[99]

During 2018-19, NICNAS continued to actively engage with Government entities, chemical industry bodies and community groups through a range of mechanisms. Twelve issues of a new interactive stakeholder newsletter were issued, with information on new online forms, consultation opportunities, user testing and research.

International engagement

As part of our ongoing efforts to harmonise international standards and risk assessment methods (where applicable in the Australian context) and to establish international best practice approaches, we regularly engage with our international counterparts. Our international collaboration enhances regulatory efficiency through sharing experiences, saving regulatory effort by avoiding unnecessary duplication of assessment activities, optimising our resources and reducing costs. These activities also facilitate access to international scientific expertise, assessment tools, standards and risk assessment materials and promote an internationally consistent approach to chemical regulation through the harmonisation of data requirements for assessments (where appropriate). They also encourage acceptance of assessments from overseas jurisdictions where comparable assessment standards can be demonstrated, support collaboration on emerging issues of international concern and strengthen relationships with strategic international regulatory partners.

In 2018-19, NICNAS continued its active engagement at a multilateral level, predominantly through the Chemicals Committee of the OECD and its key subsidiary committees and the Asia-Pacific Economic Cooperation Chemical Dialogue. Bilateral engagement continued with our counterparts in Europe, Canada, the United States and New Zealand. NICNAS staff were invited speakers at meetings arranged by ECHA and the National Institute of Food and Drug Safety Evaluation of the Republic of Korea.

[99] Available at: www.nicnas.gov.au/about-us/advisory-groups/strategic-consultative-committee

Staff development

NICNAS continued to develop staff capability through:

- providing access to the Department's various learning and development courses and activities;
- hosting regular forums on a diverse range of scientific and non-scientific topics with visiting experts; and
- self-directed computer based learning using the OCS Learning Centre. Courses include the Regulatory Toxicology unit and the newly released Chemistry for Toxicology unit.

Financial performance

Compared with 2017-18, total revenue increased by $0.2 million and expenses decreased by $0.9 million. Revenue recovered from the regulated industry was $17.2 million. Net revenue from other sources was $0.3 million, which was consistent with the previous financial year.

Total expenses were $15.4 million, which was $0.9 million lower than the previous financial year. This result is due to operational costs associated with the re-phasing of activities due to the delay in passage of the IC Act and the deferral of the commencement of AICIS to July 2020.

The NICNAS final net result for 2018-19 was a surplus of $2.1 million, which will be maintained in the NICNAS Special Account. Funds in the Special Account will provide for business continuity requirements and future capital projects.

Table 1. Five year comparison of NICNAS revenue and expenses

	2014-15 $'000	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000
Industry cost recovered revenue	13,045	16,324	17,383	17,026	17,245
Other revenue	1,023	493	321	332	331
Total revenue	14,068	16,817	17,704	17,358	17,576
Total expenses	13,764	14,602	15,502	16,406	15,488
Operating surplus/(deficit)	304	2,215	2,202	952	2,088

Acknowledgements

The Director of NICNAS is an independent statutory office holder, who is grateful for the assistance of staff from the OCS within the Department of Health in both the day-to-day administration of the scheme and in the scientific assessment of the human health risks of industrial chemicals. The Director of NICNAS is also grateful for the assistance of scientific staff from the Department of the Environment and Energy, who assess the environmental risks of industrial chemicals. Staff from both of these departments are also involved in preparing for the implementation of AICIS, which replaces NICNAS from 1 July 2020, including through managing an extensive stakeholder consultation process.

In addition, the Director of NICNAS receives constructive advice on the operation of the scheme from the NICNAS SCC, which includes representation from both civil society and industry organisations.

Contact details

Dr Brian Richards
Director of NICNAS

Address: GPO Box 58, Sydney NSW 2001 Australia
Level 7, 260 Elizabeth St, Surry Hills, NSW 2010
Phone: (02) 8577 8800
Free call: 1800 638 528
NICNAS website: www.nicnas.gov.au
Email address: info@nicnas.gov.au

Appendix 4: Australian National Preventive Health Agency Financial Statements

Essential functions of the Australian National Preventive Health Agency (ANPHA) transferred to the Department of Health from 1 July 2014.

The Secretary of the Department of Health, pursuant to subsection 17A(3) of the *Public Governance, Performance and Accountability Rule 2014*, is responsible for producing the financial statements for ANPHA, as would have been required by the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

Contents

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

Opinion

In my opinion, the financial statements of the Australian National Preventive Health Agency ('the Entity') for the year ended 30 June 2019:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2019 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 statements as at 30 June 2019 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Changes in Equity;
- Administered Schedule of Assets and Liabilities; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 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 – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary 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 Secretary 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 Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

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

Sean Benfield

Executive Director

Delegate of the Auditor-General

Canberra

26 August 2019

Australian National Preventive Health Agency

Statement by the Secretary and Chief Financial Officer

The Secretary of the Department of Health pursuant to Section 31 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014 is the accountable authority responsible to prepare the financial statements of the Australian National Preventive Health Agency for the period ended 30 June 2019.

In our opinion, the attached financial statements for the period 1 July 2018 to 30 June 2019:

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 .....

Glenys Beauchamp PSM
Secretary
Department of Health

23 August 2019

Signed .....

David Hicks CPA
A/g Chief Financial Officer
Department of Health

23 August 2019

Page | 1

Australian National Preventive Health Agency

Statement of Comprehensive Income
for the period ended 30 June 2019

	2019 $	2018 $
Net Cost of Services		
Expenses		
Expenses incurred[1]	**14,133**	12,205
Total expenses	**14,133**	12,205
Revenue		
Resources received free of charge[1]	**14,133**	12,205
Total own-source income	**14,133**	12,205
Net cost of services	**-**	-
Surplus attributable to the Australian Government	**-**	-

Statement of Changes in Equity
as at 30 June 2019

	2019 $	2018 $
Opening balance		
Retained earnings	**-**	1,364,169
Opening balance	**-**	1,364,169
Contributed equity		
Reduction of annual appropriation[2]	**-**	(1,364,169)
Total transactions with owners	**-**	(1,364,169)
Closing balance as at 30 June	**-**	-

The above statements should be read in conjunction with the accompanying notes.

1 Expenses incurred and revenue recognised relate to the costs associated with preparation and audit of the financial statements.

2 *Appropriation Act (No. 1) 2013-14* - Repealed 28 March 2018.

Australian National Preventive Health Agency

Administered Schedule of Assets and Liabilities
as at 30 June 2019

	2019	2018
	$	$
Assets		
Financial assets		
Cash in special accounts	**12,382,827**	12,382,827
Total assets administered on behalf of Government	**12,382,827**	12,382,827
Net assets	**12,382,827**	12,382,827

Australian National Preventive Health Agency

Administered Reconciliation Schedule
as at 30 June 2019

	2019	2018
	$	$
Net Administered liabilities as at 30 June	**12,382,827**	12,382,827

The above schedules should be read in conjunction with the accompanying notes.

Australian National Preventive Health Agency

Notes to and forming part of the financial statements

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.

A Bill to abolish ANPHA 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 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 2019, ANPHA had no debts and no employees.

The Secretary of the Department of Finance, pursuant to subsection 17A(3) of the *Public Governance, Performance and Accountability Rule 2014* instructed the Secretary of the Department of Health to produce the financial statements for ANPHA as would have been required by the accountable authority.

ANPHA is an Australian Government Agency and does not have a separate legal identity to the Australian Government.

Objectives of the Australian National Preventive Health Agency

ANPHA is listed as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and its role and functions are set out in the *Australian National Preventive Health Agency Act 2010.*

The Australian Government established ANPHA on 1 January 2011 to provide a new national capacity to drive preventive health policy and programs.

ANPHA was structured to meet one outcome:

A reduction in the prevalence of preventable disease, including through research and evaluation to build the evidence base for future action, and by managing lifestyle education campaigns and developing partnerships with non-government sectors.

ANPHA activities that contributed toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ANPHA in its own right. Administered activities involve the management or oversight by ANPHA, on behalf of the Government, of items controlled or incurred by the Government.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements 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.

Significant 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 2018-19 or in the comparative year.

New Australian Accounting Standards

No accounting standard has been adopted earlier than the application date as stated in the standard. No new standards, revised standards, interpretations and amending standards that were issued by the Australian Accounting Standards Board prior to the sign-off date, are expected to have a material financial impact on the ANPHA for future reporting periods.

Taxation

ANPHA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Events after the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Administered

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Reporting of Administered Activities

ANPHA had no Administered activities to report during the reporting year or in the comparative year.

Note 2: Special accounts

The Australian National Preventive Health Agency special account (administered)[1,2,3]		
	2019	2018
	$	$
Special account balance	**12,382,827**	12,382,827

No transactions were recorded against the ANPHA special account in the reporting period.

1 Appropriation: *Public Governance, Performance and Accountability Act 2013*, Section 80.
2 Establishing Instrument: *Australian National Preventive Health Agency Act 2010*, Section 50.
3 Purposes of the Account:
(a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Chief Executive Officer's functions;
(b) paying any remuneration and allowances payable to any person under the *Australian National Preventive Health Agency Act 2010*; and
(c) meeting the expenses of administering the Account.

Navigation Aids

List of Requirements

The list below outlines compliance with key annual performance reporting information, as required in section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014*.

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(g)	**Letter of Transmittal**			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	Page 1
17AD(h)	**Aids to Access**			
17AJ(a)		Table of contents.	Mandatory	Page 2
17AJ(b)		Alphabetical index.	Mandatory	Page 331
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	Page 324
17AJ(d)		List of requirements.	Mandatory	Page 318
17AJ(e)		Details of contact officer.	Mandatory	Page ii
17AJ(f)		Entity's website address.	Mandatory	Page ii
17AJ(g)		Electronic address of report.	Mandatory	Page ii
17AD(a)	**Review by Accountable Authority**			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	Page 4
17AD(b)	**Overview of the Entity**			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	Page 22
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	Page 150
17AE(1)(a)(iii)		A description of the outcomes and programs administered by the entity.	Mandatory	Page 23
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	Page 22
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority.	Mandatory	Page 1
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority.	Mandatory	Page 146
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Page 146
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory	Page 19

PGPA Rule Reference	Part of Report	Description	Requirement	Location
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, include details of variation and reasons for change.	If applicable, Mandatory	Not applicable
17AD(c)	**Report on the Performance of the Entity**			
	Annual Performance Statements			Part 2
17AD(c)(i); 16F		Annual Performance Statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Page 26
17AD(c)(ii)	**Report on Financial Performance**			Part 1 & Part 2
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	Page 14
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	Page 36
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	Page 14
17AD(d)	**Management and Accountability**			
	Corporate Governance			Part 3.1
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	Page 145
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Page 145
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	Page 145
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	Page 145
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Page 140
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	Not applicable

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	External Scrutiny			Part 3.6
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	Page 176
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	Page 179
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	Page 178
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	Not applicable
	Management of Human Resources			Part 3.4
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Part 3.4
17AG(4)(aa)		Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; and (d) statistics on staff location	Mandatory	Page 154 & Appendix 1
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; and • Statistics on employees who identify as Indigenous.	Mandatory	Page 154 & Appendix 1
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory	Page 155
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AD(4)(c).	Mandatory	Page 277 & 281
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	Page 281
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	Page 282
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Not applicable
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Not applicable

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	Not applicable
	Assets Management			Part 3.5
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	Page 165
	Purchasing			Part 3.5
17AG(6)		An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory	Page 165
	Consultants			Part 3.5
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	Page 167
17AG(7)(b)		A statement that *"During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of $[specified million]."*	Mandatory	Page 167
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	Page 167
17AG(7)(d)		A statement that *"Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."*	Mandatory	Page 167
	Australian National Audit Office Access Clauses			Part 3.5
17AG(8)		If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	Page 167

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	Exempt Contracts			Part 3.5
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	Page 167
	Small Business			Part 3.5
17AG(10)(a)		A statement that *"[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."*	Mandatory	Page 166
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Page 166
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that *"[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."*	If applicable, Mandatory	Page 166
	Financial Statements			Part 4
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Page 185
	Executive Remuneration			Part 3.4
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	Page 155 & 278

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(f)	**Other Mandatory Information**			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that; *"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, Mandatory	Page 168
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	Not applicable
17AH(1)(b)		A statement that *"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."*	If applicable, Mandatory	Page 168
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Page 159
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	Page 178
17AH(1)(e)		Correction of material errors in previous annual report.	If applicable, Mandatory	Not applicable
17AH(2)		Information required by other legislation.	Mandatory	Part 3.6 & Appendices

Acronyms and Abbreviations

AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACCHS	Aboriginal Community Controlled Health Services
ACSS	Australia-Canada-Singapore-Switzerland
AHMAC	Australian Health Ministers' Advisory Council
AICIS	Australian Industrial Chemicals Introduction Scheme
AIDS	Acquired immunodeficiency syndrome
AIHW	Australian Institute of Health and Welfare
AMR	Antimicrobial resistance
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APS	Australian Public Service
APSC	Australian Public Service Commission
BBV	Blood borne virus(es)
BPSD	Behavioural and Psychological Symptoms of Dementia
CGH	Community Grants Hub
CGM	Continuous glucose monitoring
CHC	COAG Health Council
CHSP	Commonwealth Home Support Programme
CMO	Chief Medical Officer
COAG	Council of Australian Governments
CoS	Continuity of Support
CPP	Chronic plaque psoriasis
CSO	Community Service Obligation
DACS	Dementia and Aged Care Services
DBMAS	Dementia Behaviour Management Advisory Service
EA	Enterprise Agreement
EL2	Executive Level 2
ESD	Ecologically sustainable development
FASD	Fetal alcohol spectrum disorder
FCPA	Fellow Certified Practicing Accountant
GHS	Globally Harmonized System of Classification and Labelling of Chemicals
GMP	Good Manufacturing Practice
GMO(s)	Genetically modified organism(s)
GP(s)	General practitioner(s)

HCH	Health Care Homes
HI	Healthcare Identifiers
HIV	Human immunodeficiency virus
HPV	Human papillomavirus
HSR	Health Star Rating
IMAP	Inventory Multi-Tiered Assessment and Prioritisation
JBC	Jurisdictional Blood Committee
JEE	Joint External Evaluation
LGBTI+	Lesbian, gay, bisexual, transgender, intersex and others
LSDP	Life Saving Drugs Program
MBS	Medicare Benefits Schedule
MPS	Multi-Purpose Services
MRFF	Medical Research Future Fund
NABERS	National Australian Built Environment Rating System
NAPHS	National Action Plan for Health Security
NCSP	National Cervical Screening Program
NCSR	National Cancer Screening Register
NDIS	National Disability Insurance Scheme
NDSS	National Diabetes Services Scheme
NICNAS	National Industrial Chemicals Notification and Assessment Scheme
NIP	National Immunisation Program
NIR	National Incident Room
NMS	National Medical Stockpile
NPS	National Prescribing Service
NSP&B	National Supply Plan and Budget
OCS	Office of Chemical Safety
OECD	Organisation for Economic Co-operation and Development
OGTR	Office of the Gene Technology Regulator
PAH	Pulmonary arterial hypertension
PBAC	Pharmaceutical Benefits Advisory Committee
PBS	Pharmaceutical Benefits Scheme
PEC	Priority Existing Chemical
PGPA	*Public Governance, Performance and Accountability*
PHN(s)	Primary Health Network(s)
PIP	Practice Incentives Program
SES	Senior Executive Service
STI	Sexually transmissible infection(s)
TGA	Therapeutic Goods Administration
WHO	World Health Organization
WHS	Work health and safety

Glossary

Aedes albopictus	Exotic mosquitoes that are carriers (vectors) of dengue, yellow fever, Zika and chikungunya.
Antimicrobial resistance (AMR)	The ability of a microorganism (like bacteria, viruses and parasites) to stop an antimicrobial (such as antibiotics, antivirals and antimalarials) from working against it.
Asia-Pacific Economic Cooperation (APEC)	APEC is a regional economic forum with 21 members, established in 1989 to leverage the growing interdependence of the Asia-Pacific. The APEC cooperative process focuses on trade and economic issues, with members engaging with one another as economic entities.
Australian Digital Health Agency (the Agency)	The Agency is responsible for national digital health services and systems, with a focus on engagement, innovation and clinical quality and safety. The Agency focuses on putting data and technology safely to work for patients, consumers and the health care professionals who look after them.
Australian Health Ministers' Advisory Council (AHMAC)	AHMAC is the advisory and support body to the Council of Australian Governments (COAG) Health Council. It operates to deliver health services more efficiently through a coordinated or joint approach on matters of mutual interest.
Batten disease	A fatal, inherited disorder of the nervous system that begins in childhood.
Blood borne viruses (BBV)	Viruses that are transmitted through contact between infected blood and uninfected blood (eg. hepatitis B and hepatitis C).
Cervical cancer	A cancer of the cervix, often caused by human papillomavirus, which is a sexually transmissible infection.
Chikungunya	A viral disease transmitted to humans by infected mosquitoes.
Chronic disease	The term applied to a diverse group of diseases, such as heart disease, cancer and arthritis that tend to be longlasting and persistent in their symptoms or development. Although these features also apply to some communicable diseases (infections), chronic diseases is usually confined to noncommunicable diseases.
Closing the Gap	Council of Australian Governments Closing the Gap initiatives designed to close the gap in health equality between Indigenous and non-Indigenous Australians.
Communicable disease	An infectious disease transmissible (as from person to person) by direct contact with an infected individual or the individual's discharges or by indirect means. Communicable (infectious) diseases include sexually transmitted diseases, vectorborne diseases, vaccine preventable diseases and antimicrobial resistant bacteria.
Council of Australian Governments (COAG)	COAG is the peak intergovernmental forum in Australia. The members of COAG are the Prime Minister, state and territory Ministers and the President of the Australian Local Government Association.
Dengue	A mosquito-borne viral infection.

Diabetes	Refers to a group of syndromes caused by a malfunction in the production and release of insulin by the pancreas leading to a disturbance in blood glucose levels. Type 1 diabetes is characterised by the abrupt onset of symptoms, usually during childhood, and inadequate production of insulin requiring regular injections to regulate insulin levels. Type 2 diabetes is characterised by gradual onset commonly over the age of 45 years, but increasingly occurring in younger age groups. Type 2 diabetes can usually be regulated through dietary control.
Digital health	Application of internet and other related technologies in the health care industry to improve the access, efficiency, effectiveness and quality of clinical and business processes utilised by health care organisations, practitioners, patients and consumers to improve the health status of patients.
Epidermolysis Bullosa	A rare inherited skin disorder that causes blistering and requires clinically appropriate dressings.
Fabry disease	An inherited disorder that results from the buildup of a particular type of fat, called globotriaosylceramide, in the body's cells.
Fetal alcohol spectrum disorder (FASD)	Refers to a range of problems caused by exposure of a fetus to alcohol during pregnancy.
Financial year	The 12 month period from 1 July to 30 June.
G20	G20 is the premier international forum for global economic cooperation. The G20 members account for 85 per cent of the world economy, 75 per cent of global trade and two thirds of the world's population.
General Practitioner (GP)	A medical practitioner who provides primary care to patients and their families within the community.
Genetically modified organisms (GMO)	Organisms modified by gene technology.
Gene technology	Gene technology is a technique for the modification of genes or other genetic material.
Haemopoietic Progenitor Cell (HPC)	Blood cells found in bone marrow, peripheral blood and umbilical cord blood that are capable of self-renewal into all blood cell types.
Head to Health	Provides help to find digital mental health services from some of Australia's most trusted mental health organisations. Provided by the Department, Head to Health brings together apps, online programs, online forums and phone services, as well as a range of digital information resources.
Health care	Services provided to individuals or communities to promote, maintain, monitor or restore health. Health care is not limited to medical care and includes selfcare.
Health outcome	A change in the health of an individual or population due wholly or partly to a preventive or clinical intervention.
Hepatitis B	A viral infection that attacks the liver and can cause both acute and chronic disease. It is most commonly transmitted from mother to child during delivery as well as through contact with blood or other bodily fluids.
Hepatitis C	A blood borne viral disease that can result in serious liver disease such as cirrhosis, liver failure and liver cancer. Hepatitis C is usually transmitted by parenteral means (as injection of an illicit drug or blood transfusion or exposure to blood or blood products).
Human papillomavirus (HPV)	A virus that causes genital warts which is linked in some cases to the development of more serious cervical cell abnormalities.

Immunisation	Inducing immunity against infection by the use of an antigen to stimulate the body to produce its own antibodies. See **vaccination**.
Implementation Plan Advisory Group (IPAG)	IPAG was established to provide a forum for government to work in partnership with the Aboriginal and Torres Strait Islander health leaders to review, asses and guide action under the *Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013–2023* (Implementation Plan).
Incidence	The number of new cases (of an illness or event, and so on) occurring during a given period. Compare with **prevalence**.
Jurisdictions	In the Commonwealth of Australia, these include the six states, the Commonwealth Government and the two territories.
Malaria	A mosquito-borne infectious disease that affects humans and other animals.
Measles	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.
Medical indemnity insurance	A form of professional indemnity cover that provides surety to medical practitioners and their patients in the event of an adverse outcome arising from medical negligence.
Medical Research Future Fund (MRFF)	The MRFF delivers better and more advanced health care and medical technology for Australians. It provides support to researches to discover the next penicillin, pacemaker, cervical cancer vaccine or cochlear ear.
Medicare	A national, Government-funded scheme that subsidises the cost of personal medical services for all Australians and aims to help them afford medical care. The Medicare Benefits Schedule (MBS) is the listing of the Medicare services subsidised by the Australian Government. The schedule is part of the wider MBS (Medicare).
Memorandum of Understanding	A written but noncontractual agreement between two or more entities or other parties to take a certain course of action.
Meningococcal disease	The inflammation of meninges of the brain and the spinal cord caused by meningococcal bacteria that invade the body through the respiratory tract. The infection develops quickly and is often characterised by fever, vomiting, an intense headache, stiff neck and septicemia (an infection in the bloodstream).
My Health Record	An online summary of a person's key health information that can be viewed securely online, from anywhere, at any time. A person's health information can be securely accessed from any computer or device that is connected to the internet.
Organisation for Economic Cooperation and Development (OECD)	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.
Outcomes	Outcomes are the Government's intended results, benefits or consequences for the Australian community. The Government requires entities, such as the Department, to use Outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an Outcomes basis. The Department's current Outcomes are listed on page 23.
Palliative care	Care provided to achieve the best possible quality of life for patients with a progressive and far-advanced disease, with little or no prospect of cure.
Pathology	The study and diagnosis of disease through the examination of organs, tissues, cells and bodily fluids.

Pharmaceutical Benefits Advisory Committee (PBAC)	PBAC is an independent expert body appointed by the Australian Government. Members include doctors, health professionals, health economists and consumer representatives. Its primary role is to recommend new medicines for listing on the PBS. No new medicine can be listed unless the committee makes a positive recommendation.
Pharmaceutical Benefits Scheme (PBS)	A national, Government-funded scheme that subsidises the cost of a wide range of pharmaceutical drugs for all Australians to help them afford standard medications. The PBS lists all the medicinal products available under the PBS and explains the uses for which they can be subsidised.
Portfolio Budget Statements (PBS)	Statements prepared by portfolios to explain the Budget appropriations in terms of outcomes and programs.
Prevalence	The number or proportion (of cases, instances, and so forth) in a population at a given time. In relation to cancer, prevalence refers to the number of people alive who had been diagnosed with cancer in a prescribed period (usually 1, 5, 10 or 26 years). Compare with **incidence**.
Primary care	Provides the patient with a broad spectrum of care, both preventive and curative, over a period of time and coordinates all of the care the person receives.
Program/Programme	A specific strategy, initiative or grouping of activities directed toward the achievement of Government policy or a common strategic objective.
Prostheses List	Under the *Private Health Insurance Act 2007*, private health insurers are required to pay benefits for a range of prostheses that are provided as part of an episode of hospital treatment or hospital substitute treatment for which a patient has cover and for which a Medicare benefit is payable for the associated professional service. The types of products on the Prostheses List include cardiac pacemakers and defibrillators, cardiac stents, joint replacements and intraocular lenses, as well as human tissues such as human heart valves. The list does not include external legs, external breast prostheses, wigs and other such devices. The Prostheses List contains prostheses and human tissue prostheses and the benefit to be paid by the private health insurers. The Prostheses List is published bi-annually.
Public health	Activities aimed at benefiting a population, with an emphasis on prevention, protection and health promotion as distinct from treatment tailored to individuals with symptoms. Examples include anti-smoking education campaigns and screening for diseases such as cancer of the breast or cervix.
Quality Use of Medicines (QUM)	QUM means: • selecting management options wisely; • choosing suitable medicines if a medicine is considered necessary; and • using medicines safely and effectively. The definition of QUM applies equally to decisions about medicine use by individuals and decisions that affect the health of the population.
Registrar	Any person undertaking medical vocational training in a recognised medical specialty training program accredited by the Australian Medical Council.
Sexually transmissible infection (STI)	An infectious disease that can be passed to another person by sexual contact. Notable examples include chlamydia and gonorrhoea.
Stoma	Artificial body opening in the abdominal region for the purpose of waste removal.
Tyrosinaemia Type 1 (HT-1)	A genetic disorder characterised by elevated blood levels of the amino acid tyrosine, a building block of most proteins.

Vaccination	The process of administering a vaccine to a person to produce immunity against infection. See **immunisation**.
World Anti-Doping Agency (WADA)	An international independent agency composed and funded equally by the sport movement and governments of the world.
World Health Organization (WHO)	The WHO is a specialised agency of the United Nations (UN). Its primary role is to direct and coordinate international health within the UN system. The WHO has 194 member states, including Australia.
Yellow fever	An acute viral haemorrhagic disease transmitted by infected mosquitoes.
Zika virus	A virus closely related to dengue. It is transmitted to humans primarily through the bite of certain infected Aedes species mosquitoes.

Index

B

C

D

E

F

G

H

I

J

K

L

M

N

O

P

Q

R

S

T

U

V

W

Y

2018-19 Snapshot References

1 Australian Digital Health Agency (2019), My Health Record, My Health Record Statistics May 2019, www.myhealthrecord.gov.au/sites/default/files/my_health_record_dashboard_-_26_may_2019.pdf?v=1561352401

2 Department of Health, Health Funding Facts - Hospital Funding, www.health.gov.au/resources/apps-and-tools/health-funding-facts/health-funding-facts

3 Organ and Tissue Authority (2019), Facts and statistics, www.donatelife.gov.au/about-donation/get-facts/facts-and-statistics

4 Department of Health 2018-19 Annual Report, Refer *Outcome 4*, p.83

5 Department of Health 2018-19 Annual Report, Refer *Outcome 4*, p.78

6 Department of Health (2015), 31 Primary Health Networks. Boundaries - September 2015, www1.health.gov.au/internet/main/publishing.nsf/Content/03F3D39E5C44403DCA257FB000095CA8/$File/phnNatSep15.pdf

7 Department of Health, Minister Hunt's Media, Medicare bulk billing at record level, www.health.gov.au/ministers/the-hon-greg-hunt-mp/media/medicare-bulk-billing-at-record-level

8 Department of Health, Australia's Long Term National Health Plan to build the world's best health system (2019), www.health.gov.au/sites/default/files/australia-s-long-term-national-health-plan_0.pdf

9 Department of Health 2018-19 Annual Report, Refer *Appendix 3*: Report on the operation of the Industrial Chemicals (Notification and Assessment) Act 1989 for 2018-19, p.291

10 Department of Health (2019), Pharmaceutical Benefits Scheme, Fees, Patient Contributions and Safety Net Thresholds, www.pbs.gov.au/info/healthpro/

11 Department of Health, Mental Health, www.health.gov.au/health-topics/mental-health

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