Portfolio Additional Estimates Statements 2017-18

Health Portfolio

Explanations of Additional Estimates 2017-18

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ISBN: 978-1-76007-354-1

Online ISBN: 978-1-76007-353-4

Publications Number: 12121

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This is an image of the Letter of Transmittal submitting the statements to Parliament. Signed by the Minister for Health, the Honerable Greg Hunt MP

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User Guide  
to the  
Portfolio Additional  
Estimates Statements

# User Guide

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the Portfolio. The focus of the PAES differs from the Portfolio Budget Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provide information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2017-18. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2017-18* (MYEFO) is a mid-year budget report which provides updated information to allow the assessment of the Government’s fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the Portfolio.

# Abbreviations and conventions

The following notations may be used:

NEC/nec not elsewhere classified

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

$m $ million

$b $ billion

p split across outcomes

Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

# Enquiries

Should you have any enquiries regarding this publication contact the Director, Performance Reporting Section, Financial Management Division, Department of Health on (02) 6289 7181.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at: www.budget.gov.au

Structure of the Portfolio Additional Estimates Statements

The Portfolio Additional Estimates Statements are presented in three parts with subsections.

|  |  |
| --- | --- |
| User Guide | |
| Provides a brief introduction explaining the purpose of the PAES. | |
| Portfolio Overview | |
| Provides an overview of the Portfolio, including a chart that outlines the outcomes for entities in the Portfolio. | |
| Entity Additional Estimates Statements | |
| A statement (under the name of the entity) for each entity affected by Additional Estimates. | |
| Section 1: Entity Overview and Resources | This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact on Appropriation Bills No. 3 and No. 4. |
| Section 2: Revisions to Outcomes and Planned Performance | This section details **changes** to Government outcomes and/or **changes** to the planned performance of entity programs. |
| Section 3: Special Account Flows and Budgeted Financial Statements | This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements. |
| Portfolio Glossary | |
| Explains key terms relevant to the Portfolio. | |

**Portfolio Overview**

**Health Portfolio Overview**

The Health Portfolio works towards achieving better health and wellbeing for all Australians, now and for future generations.

Since the 2017-18 Budget the Australian Government has continued to implement initiatives to support an improved health system that will deliver better health outcomes and access to care for all Australians.

For more information refer Section 1.1 Strategic Direction Statement on page 8.

Ministerial Changes

On 19 December 2017, Senator the Hon Bridget McKenzie was sworn in as the Minister for Sport, Minister for Rural Health and Minister for Regional Communications (within the Communications and the Arts Portfolio).

The Hon Greg Hunt MP will continue as Minister for Health and the Hon Ken Wyatt AM, MP will continue as Minister for Aged Care and Minister for Indigenous Health.

Portfolio Structure

Minister and Portfolio responsibilities, and a list of the 17 entities currently within the Health Portfolio, can be found in Figure 1.

**Figure 1: Health Portfolio Structure and Outcomes**

| **The Hon Greg Hunt MP**  Minister for Health  **Portfolio Responsibilities**  *Department of Health:*  Outcomes: 1, 2, 4, 5 and 6  *Entities:*  ACSQHC, AIHW, CA, Digital Health Agency, IHPA, NHFB, NHMRC, NMHC and PSR | **Senator the Hon  Bridget** **McKenzie**  Minister for Sport  Minister for Rural Health  **Portfolio Responsibilities**  *Department of Health:*  Outcomes: 2 and 3  *Entities:*  ARPANSA, ASADA, ASC, ASF, FSANZ and NBA | **The Hon Ken Wyatt AM, MP**  Minister for Aged Care  Minister for Indigenous Health  **Portfolio Responsibilities**  *Department of Health:*  Outcomes: 1, 2, 4 and 6  *Entities:*  OTA and Quality Agency |
| --- | --- | --- |

**Department of Health**

**Glenys Beauchamp PSM**, Secretary

| **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.  **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.  **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. | **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.  **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.  **Outcome 6. Ageing and Aged Care**  Improved wellbeing for older Australians through targeted support, access to quality care and related information services. |
| --- | --- |

**Figure 1: Health Portfolio Structure and Outcomes (continued) – Portfolio Entities**

| **Australian Aged Care Quality Agency**  **Nick Ryan** Chief Executive Officer  **Outcome 1**. High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.  **Australian Commission on Safety and Quality in Health Care**  **Adjunct Professor Debora Picone AM** Chief Executive Officer  **Outcome 1**. Improved safety and quality in health care across the health system, including through the development, support for implementation, and monitoring of national clinical safety and quality guidelines and standards.  **Australian Digital Health Agency**  **Tim Kelsey** Chief Executive Officer  **Outcome 1**. To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians.  **Australian Institute of Health and Welfare**  **Barry Sandison** Director  **Outcome 1**. A robust evidence-base for the health, housing and community sectors, including through developing and disseminating comparable health and welfare information and statistics.  **Australian Radiation Protection and Nuclear Safety Agency**  **Dr Carl-Magnus Larsson** Chief Executive Officer  **Outcome 1**. Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation.  **Australian Sports Anti-Doping Authority**  **David Sharpe** Chief Executive Officer  **Outcome 1**. Protection of the health of athletes and the integrity of Australian sport including through engagement, deterrence, detection and enforcement to minimise the risk of doping. | **Australian Sports Commission**  **Kate Palmer** Chief Executive Officer  **Outcome 1**. Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport.  **Australian Sports Foundation Limited**  **Patrick Walker** Chief Executive Officer  **Outcome 1**. Improved Australian sporting infrastructure through assisting eligible organisations to raise funds for registered sporting projects.  **Cancer Australia**  **Professor Helen Zorbas AO** Chief Executive Officer  **Outcome 1**. Minimised impacts of cancer, including through national leadership in cancer control with targeted research, cancer service development, education and consumer support.  **Food Standards Australia New Zealand**  **Mark Booth** Chief Executive Officer  **Outcome 1**. A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices.  **Independent Hospital Pricing Authority**  **James Downie** Chief Executive Officer  **Outcome 1**. Promote improved efficiency in, and access to, public hospital services primarily through setting efficient national prices and levels of block funding for hospital activities.  **National Blood Authority**  **John Cahill** Chief Executive  **Outcome 1**. Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements. |
| --- | --- |

**Figure 1: Portfolio Structure and Outcomes (continued) – Portfolio Entities**

| **National Health Funding Body**  **Svetlana Angelkoska** A/g Chief Executive Officer  **Outcome 1**. Provide transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system, and support the obligations and responsibilities of the Administrator of the National Health Funding Pool.  **National Health and Medical Research Council**  **Professor Anne Kelso AO** Chief Executive Officer  **Outcome 1**. Improved health and medical knowledge, including through funding research, translating research findings into evidence-based clinical practice, administering legislation governing research, issuing guidelines and advice for ethics in health and the promotion of public health. | **National Mental Health Commission**  **Dr Peggy Brown** Chief Executive Officer and Commissioner  **Outcome 1**. Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers.  **Organ and Tissue Authority**  **Lucinda Barry** Chief Executive Officer  **Outcome 1**. Improved access to organ and tissue transplants, including through a nationally coordinated and consistent approach and system.  **Professional Services Review**  **Professor Julie Quinlivan** Director  **Outcome 1**. A reduction of the risks to patients and costs to the Australian Government of inappropriate clinical practice, including through investigating health services claimed under the Medicare and Pharmaceutical benefits schemes. |
| --- | --- |
| **Statutory Office Holders**  **Aged Care Complaints Commissioner**  Rae Lamb  **Aged Care Pricing Commissioner**  Kim Cull  **Director, National Industrial Chemicals Notification and Assessment Scheme**  Dr Brian Richards  **Gene Technology Regulator**  Dr Raj Bhula  **National Health Funding Pool Administrator**  Peter Achterstraat AM  **National Rural Health Commissioner**  Emeritus Professor Paul Worley |

**Portfolio Resources**

Table 1 shows, for those entities reporting in the Portfolio Additional Estimates Statements, the additional resources provided to the Portfolio in the 2017-18 Budget year, by entity.

**Table 1: Additional Portfolio Resources 2017-18**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Appropriations (a)** | | | **Receipts** | **Total** |
|  | **Bill No. 3** $'000 | **Bill No. 4** $'000 | **Special** $'000 | $'000 | $'000 |
|  |  |  |  |  |  |
| **DEPARTMENTAL** | | | | | |
|  |  |  |  |  |  |
| Department of Health | 10,819 | 4,560 | - | 2,235 | 17,614 |
| Australian Sports Commission | 3,526 | - | - | 1,165 | 4,691 |
| National Blood Authority | 53 | - | - | - | 53 |
| **Total departmental** | **14,398** | **4,560** | **-** | **3,400** | **22,358** |
|  |  |  |  |  |  |
| **ADMINISTERED** | | | | | |
|  |  |  |  |  |  |
| Department of Health | 102,477 | - | (37,196) | 561,677 | 626,958 |
| **Total administered** | **102,477** | **-** | **(37,196)** | **561,677** | **626,958** |
|  |  |  |  |  |  |
| **Total Portfolio** | **116,875** | **4,560** | **(37,196)** | **565,077** | **649,316** |

All figures are GST exclusive.

(a) Administered and Departmental Bill No. 3 and No. 4 does not include notional reductions to the 2017-18 Budget Bill (No. 1). For notional reductions to the Budget Bill (No. 1) see Table 1.4 in each entity chapter.

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**Department of Health**

Section 1: Entity Overview and Resources

**1.1 Strategic Direction Statement**

The *2017-18 Health Portfolio Additional Estimates Statements* continues to build on the long-term health plan set out in the *2017-18 Health Portfolio Budget Statements*.

The Government is also including new Medicare Benefits Schedule and Veterans’ Benefits items for the provision of new services across a number of areas, as well as improving access to a range of new and innovative medicines through the Pharmaceutical Benefits Scheme.

The *2017-18 Mid-Year Economic and Fiscal Outlook* (MYEFO) supports the Government’s commitment to provide Australians with a simpler, more affordable private health insurance system. A range of new reforms are being introduced to ensure that Australia has a strong and competitive private health insurance market.

The Government remains committed to supporting a diverse range of communities across Australia. Funding has been provided for a number of initiatives aimed at supporting older Australians, people with cancer, individuals living with mental illnesses and those with substance misuse issues. Significant investment continues as the Government builds Australia’s health and medical research capacity to ensure a stronger, more innovative and sustainable health system.

**Guaranteeing Medicare and improving access to medicines**

The Government remains focused on guaranteeing Medicare’s future by building sustainability into the Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS).

Additional funding of $415.6 million will be spent over four years from 2017-18 to fund continued growth of the MBS to ensure Australians have access to best clinical practice and quality care, as well as providing value for money for consumers and taxpayers. The Government will provide $10.6 million over four years for new and amended MBS and Veterans’ Benefits items, based on recommendations by the independent Medical Services Advisory Committee and the independent, clinician-led MBS Review Taskforce. These include new services for magnetic resonance imaging (MRI) of the heart, the treatment of progressive corneal ectatic disease, diagnosis of a trial fibrillation and the treatment of varicose veins caused by chronic venous insufficiency.

New MBS fees and items for improved cervical screening were also introduced on 1 December 2017 as part of the move from a two-yearly Pap test to a five-yearly Cervical Screening Test. Due to the test being more accurate at detecting human papillomavirus (HPV), the move is expected to protect up to 30 per cent more women while still ensuring continued access to safe, quality cervical screening.

A total of over $2.1 billion over five years will be invested to support the Government’s ongoing commitment to new and amended listings on the PBS. New and amended listings include Ustekinumab (Stelara®) for the treatment of chronic inflammatory bowel disease, Alprazolam for the treatment of panic disorders and Adalimumab for the treatment of chronic skin disorders.

The Government continues to ensure ongoing access to life-saving medicines to treat Australians with rare life threatening diseases. From 1 August 2017, $44.2 million over five years was provided to list Vimizim® (elosulfase alfa) on the Life Saving Drugs Program. This is a life-saving treatment for patients who have a rare medical condition known as Morquio A Syndrome. People born with the syndrome are either missing, or do not have enough of, a crucial enzyme needed to break down long chains of sugar molecules.

A nationally consistent system for the electronic recording and reporting of controlled drugs moves a step closer, with the Government allocating $16.4 million over five years for work with States and Territories.

The Government will continue to own and operate the Medicare payments system, with $16.6 million to be provided in 2017-18 for existing maintenance of the ICT systems that support health, aged care and related veterans’ payments.

**Making private health insurance simpler and more affordable**

The Government will deliver a historic package of reforms to private health insurance in order to make it more accessible and more affordable for Australians.

Consumers will have greater certainty about the services covered by each type of private health insurance product with the establishment of the new easy‑to‑understand product categories. This will make it easier for consumers to compare insurance products to find one that meets their needs.

The Government is encouraging younger Australians to take up private health insurance by allowing insurers to discount hospital insurance premiums by up to ten per cent for 18 to 29 year olds.

The Government will continue to support improved access to mental health services with the removal of private health insurance waiting periods and benefit limitations for mental health services for existing policy holders.

Last year the private health insurance industry weighted average premium change was 4.84 per cent, the lowest in a decade. This year the Government has worked with insurers to achieve an even lower average premium change of 3.95 per cent, the lowest in almost two decades.

**Fighting cancer**

MYEFO 2017-18 confirmed over half a billion dollars extra for the fight against cancer with additional funding for new medicines, screening and testing. The Government has established a $100.0 million Australian Brain Cancer Mission, including $50.0 million of Government funding over ten years, for a partnership including experts and people living with brain cancer to improve survival rates.

New PBS-subsidised drugs, continued support for bowel screening, assistance for radiotherapy providers and MBS efficiencies around cervical screening continue the Government’s unrelenting fight against cancer.

Now listed on the PBS, Ibrutinib (Imbruvica®) is a new life-changing medicine for treating rare cancers and is considered significantly more effective than many of the treatments already available through the PBS. Also listed from 1 August 2017 is Nivolumab (Opdivo®), an immunotherapy medicine for the treatment of Stage IV clear cell variant renal cell carcinoma and non-small cell lung cancer.

A total of $35.1 million will be spent over four years from 2018-19 to ensure people who receive a positive result under the National Bowel Cancer Screening Program and have not progressed along the screening pathway for appropriate medical care will be promptly followed up.

To assist with the increasing demand for radiation oncology services, additional funding of $4.5 million over four years is being provided to the *Radiation Oncology Health Program Grants Scheme*. This will help private radiotherapy providers with replacing new cancer treatment machines.

**Boosting health and medical research**

The Government continues to give unprecedented support for health and medical research, backing Australia’s world-class research talent with further funds released through the landmark Medical Research Future Fund (MRFF).

As part of the total $1.4 billion over four years in Government investments from MRFF proceeds, the Government will invest: $70.0 million (including $10.0 million in   
2021-22) to support Australia’s next generation of clinical researcher fellowships; and $30.0 million over four years to support Australia’s medical technology sector to advance new medical technology ideas.

The MRFF’s Rare Cancers, Rare Diseases and Unmet Needs Clinical Trials Programhas also received a significant increase in funding. More than $69.0 million, an increase from $13.0 million, is being provided for more than 19 research projects to undertake clinical trials. These trials will target conditions such as acute lymphoblastic leukaemia in infants, aplastic anaemia, multiple sclerosis and Huntington’s disease.

From 2017-18, the Government will provide $23.0 million over four years to ensure the delivery of MRFF funded health and medical research. This investment will ensure delivery of this research is efficient, cost-effective and aligns with whole‑of‑government initiatives, including those for grants delivery.

**Investing in high performance sport**

The Government’s $10.0 million investment in high performance sport will support athletes and key sports prepare for success at the 2020 Olympic and Paralympic Games.

The Government also provided $1.0 million to support Stage 1 planning and initial development of an Australian bid to host the 2023 FIFA Women’s World Cup and associated 2022 U20 FIFA Women’s World Cup. Further funding of $4.0 million is available on the basis that there are reasonable prospects of success and that the process conforms with the highest standards of probity.

**Improving service delivery and access in aged care**

The Government is continuing to progress the substantial reforms to the aged care sector to improve access to safe, quality services for older Australians.

Additional high care packages for older Australians will be released to better meet demand and help more people with high care needs to live at home longer. The number of high care packages is to be more than doubled over the next two years, as the Government responds quickly to large unmet demand from older Australians and long waiting lists for packages.

To further ensure safety and quality care standards are maintained at all aged care homes, unannounced audits are replacing accreditation visits for Australian residential aged care facilities.

**1.2 Entity Resource Statement**

The Entity Resource Statement details the resourcing for the Department of Health at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1.1: Department of Health Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016-17 Total  available appropriation** $'000 | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed additional estimates** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **DEPARTMENTAL** |  |  |  |  |
| Prior year appropriation available (a) (b) | 117,431 | 38,089 | - | 38,089 |
| **Annual appropriations** |  |  |  |  |
| Ordinary annual services (c) |  |  |  |  |
| Departmental appropriation | 654,627 | 639,683 | 7,530 | 647,213 |
| s74 retained revenue receipts (d) | 14,300 | 19,117 | 2,235 | 21,352 |
| Departmental capital budget | 9,828 | 7,806 | 3,289 | 11,095 |
| Other services (e) |  |  |  |  |
| Equity injection | 6,571 | 2,366 | 4,560 | 6,926 |
| **Total departmental annual appropriations** | **685,326** | **668,972** | **17,614** | **686,586** |
| **Special accounts (f)** |  |  |  |  |
| Opening balance (b) | 88,692 | 88,919 | - | 88,919 |
| Appropriation receipts | 13,977 | 10,254 | - | 10,254 |
| Non-appropriation receipts | 161,551 | 157,175 | - | 157,175 |
| **Total special account** | **264,220** | **256,348** | **-** | **256,348** |
| Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations | (13,977) | (10,254) | - | (10,254) |
| **Total departmental resourcing for Health** | **1,053,000** | **953,155** | **17,614** | **970,769** |

**Table 1.1: Department of Health Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016-17 Total  available appropriation** $'000 | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed additional estimates** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **ADMINISTERED** |  |  |  |  |
| **Annual appropriations** |  |  |  |  |
| Ordinary annual services (c) |  |  |  |  |
| Outcome 1: Health System Policy, Design and Innovation | 124,674 | 134,436 | (5,680) | 128,756 |
| Outcome 2: Health Access and Support Services | 4,039,400 | 4,132,253 | 27,995 | 4,160,248 |
| Outcome 3: Sport and Recreation | 18,475 | 19,527 | 182 | 19,709 |
| Outcome 4: Individual Health Benefits | 1,338,531 | 1,439,887 | 40,298 | 1,480,185 |
| Outcome 5: Regulation, Safety and Protection | 125,051 | 119,983 | 3,271 | 123,254 |
| Outcome 6: Ageing and Aged Care | 2,771,169 | 3,008,247 | 30,731 | 3,038,978 |
| Payments to corporate entities | 405,060 | 560,425 | 4,330 | 564,755 |
| Other services (e) |  |  |  |  |
| Administered assets and liabilities | 150,537 | 25,000 | - | 25,000 |
| **Total administered annual appropriations** | **8,972,897** | **9,439,758** | **101,127** | **9,540,885** |
| **Special appropriations limited by criteria/entitlement** |  |  |  |  |
| *National Health Act 1953* - blood fractionation, products and blood related products to National Blood Authority | 664,802 | 748,914 | (30,293) | 718,621 |
| *Public Governance, Performance and Accountability Act 2013 s77* - repayments | 2,000 | 2,000 | - | 2,000 |
| *Health Insurance Act 1973* - payments relating to the former Health and Hospitals Fund | 37,321 | 37,631 | 881 | 38,512 |
| *Health Insurance Act 1973* - medical benefits (g) | 22,092,457 | - | - | - |
| *National Health Act 1953* - pharmaceutical benefits (g) | 12,516,173 | - | - | - |

**Table 1.1: Department of Health Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016-17 Total  available appropriation** $'000 | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed additional estimates** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **Special appropriations limited by criteria/entitlement (continued)** |  |  |  |  |
| *Private Health Insurance Act 2007* - incentive payments and rebate | 6,054,635 | 6,175,728 | (60,811) | 6,114,917 |
| *Medical Indemnity Act 2002* | 91,800 | 96,900 | - | 96,900 |
| *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010* | 6,870 | 4,061 | - | 4,061 |
| *Dental Benefits Act 2008* | 331,860 | 346,039 | (14,450) | 331,589 |
| *National Health Act 1953* - aids and appliances | 354,493 | 353,784 | - | 353,784 |
| *National Health Act 1953* - essential vaccines | 302,619 | 284,930 | 87,234 | 372,164 |
| *Aged Care Act 1997* - home care packages | 1,760,492 | 1,967,122 | 1,082 | 1,968,204 |
| *National Health Act 1953* - continence aids payments | 85,291 | 86,792 | 97 | 86,889 |
| *Aged Care Act 1997* - residential care | 10,885,981 | 11,429,323 | (18,918) | 11,410,405 |
| *Aged Care Act 1997* - flexible care | 431,390 | 472,175 | (2,103) | 470,072 |
| *Aged Care (Accommodation Payment Security) Act 2006* | 801 | - | 85 | 85 |
| **Total administered special appropriations** | **55,618,985** | **22,005,399** | **(37,196)** | **21,968,203** |

**Table 1.1: Department of Health Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016-17 Total  available appropriation** $'000 | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed additional estimates** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **Special accounts (f)** |  |  |  |  |
| Opening balance (b) | 7,070 | 55,499 | - | 55,499 |
| Appropriation receipts | 6,971 | 5,966 | 1,089 | 7,055 |
| Non-appropriation receipts (g) | 64,870 | 33,978,132 | 561,677 | 34,539,809 |
| **Total Special Accounts** | **78,911** | **34,039,597** | **562,766** | 34,602,363 |
| **Total administered resourcing** | **64,670,793** | **65,484,754** | **626,697** | **66,111,451** |
| Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations | (412,031) | (566,391) | (5,419) | (571,810) |
| **Total administered resourcing for Health** | **64,258,762** | **64,918,363** | **621,278** | **65,539,641** |
| **Total resourcing for Health** | **65,311,762** | **65,871,518** | **638,892** | **66,510,410** |
|  |  |  |  |  |
|  | **2016-17** | **2017-18** |  |  |
| **Average staffing level (number)** | 4,398 | 4,360 |  |  |

All figures are GST exclusive.

(a) The estimate of prior year amounts available constitutes opening balance at bank and appropriation receivable for the core department (excluding special accounts).

(b) The estimate at Budget has been revised to reflect the Department's 2016-17 Annual Report.

(c) Appropriation Bill (No. 1 & 3) 2017-18.

(d) Estimated retained revenue receipts under the section 74 of the PGPA Act 2013.

(e) Appropriation Bill (No. 2 & 4) 2017-18.

(f) Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health. For further information on special accounts see Table 3.1.1.

(g) The Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme became part of the Medicare Guarantee Fund from 1 July 2017 and 2017-18 estimates are now reported under special accounts. The 2016‑17 'Estimate as at Budget' has been revised to include MGF estimates. Special accounts are reported in Section 3.1.

**1.3 Entity Measures**

Table 1.2 summarises new Government measures taken since the 2017-18 Budget. The table is split into revenue, expense and capital measures, with the affected programs identified.

**Table 1.2: Department of Health 2017-18 Measures since Budget**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
|  |  |  |  |  |  |
| **Outcome 1: Health System Policy, Design and Innovation** | | | | | |
| **Guaranteeing Medicare - Health and Aged Care Payment Systems - maintenance (a)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 1.2 | - | - | - | - |
|  | 6.1 | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
| **Investing in Health and Medical Research - Medical Research Future Fund - continued support (b)** | | | | | |
| Department of Health |  |  |  |  |  |
| Departmental expenses | 1.1 | 3,206 | 5,804 | 4,099 | 4,115 |
| **Total expenses** |  | **3,206** | **5,804** | **4,099** | **4,115** |
| **National Blood Arrangements - National Fractionation Agreement** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 1.1 | (4,385) | (9,327) | (8,944) | (9,655) |
| National Blood Authority |  |  |  |  |  |
| Departmental expenses |  | 53 | 190 | 190 | - |
| **Total expenses** |  | **(4,332)** | **(9,137)** | **(8,754)** | **(9,655)** |
| **Western Australian Children's Health Telethon (b)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 1.1 | 1,300 | 1,300 | 1,300 | 1,300 |
|  | 2.4 | - | - | - | - |
| **Total expenses** |  | **1,300** | **1,300** | **1,300** | **1,300** |

**Table 1.2: Department of Health 2017-18 Measures since Budget (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
|  |  |  |  |  |  |
| **Outcome 2: Health Access and Support Services** | | | | | |
| **Fighting Cancer - National Bowel Cancer Screening Program - continuation of the participant follow-up function** | | | | | |
| Department of the Treasury |  |  |  |  |  |
| Administered expenses | 2.4 | - | 7,989 | 8,911 | 9,121 |
| **Total expenses** |  | **-** | **7,989** | **8,911** | **9,121** |
| **Guaranteeing Medicare - Medicare Benefits Schedule - new and amended listings** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 2.5 | (104) | (140) | (68) | - |
|  | 4.1 | 39,952 | 27,980 | (9,336) | (40,966) |
| Department of Human Services |  |  |  |  |  |
| Departmental expenses |  | 207 | (831) | (2,585) | (3,652) |
| Department of Veterans' Affairs |  |  |  |  |  |
| Administered expenses |  | 364 | 240 | (97) | (332) |
| **Total expenses** |  | **40,419** | **27,249** | **(12,086)** | **(44,950)** |
| **Management of Per- and Poly-Fluorinated Alkyl Substances - community support package for RAAF Base Tindal** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 2.1 | 373 | 614 | 224 | 167 |
|  | 5.2 | 1,408 | 1,486 | 921 | 544 |
| Department of Defence |  |  |  |  |  |
| Administered expenses |  | (1,781) | (2,100) | (1,145) | (711) |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
| **Western Australian Children's Health Telethon (b)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 1.1 | 1,300 | 1,300 | 1,300 | 1,300 |
|  | 2.4 | - | - | - | - |
| **Total expenses** |  | **1,300** | **1,300** | **1,300** | **1,300** |
|  |  |  |  |  |  |
| **Outcome 3: Sport and Recreation** | |  |  |  |  |
| **FIFA Women's World Cup 2023 Bid - support to Football Federation Australia (a)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 3.1 | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
| **Reduce Drownings Initiative (c)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 3.1 | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
| **Women's Rugby League World Cup 2017 - contribution (a)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 3.1 | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |

**Table 1.2: Department of Health 2017-18 Measures since Budget (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
|  |  |  |  |  |  |
| **Outcome 4: Individual Health Benefits** | |  |  |  |  |
| **Fighting Cancer - Radiation Oncology Health Program Grants Scheme - additional funding for linear accelerators** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.1 | 75 | 1,050 | 1,275 | 2,100 |
| **Total expenses** |  | **75** | **1,050** | **1,275** | **2,100** |
| **Guaranteeing Medicare - Medicare Benefits Schedule - new and amended listings** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 2.5 | (104) | (140) | (68) | - |
|  | 4.1 | 39,952 | 27,980 | (9,336) | (40,966) |
| Department of Human Services |  |  |  |  |  |
| Departmental expenses |  | 207 | (831) | (2,585) | (3,652) |
| Department of Veterans' Affairs |  |  |  |  |  |
| Administered expenses |  | 364 | 240 | (97) | (332) |
| **Total expenses** |  | **40,419** | **27,249** | **(12,086)** | **(44,950)** |
| **Guaranteeing Medicare - Medicare Benefits Schedule Review - response to Taskforce recommendations (d)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.1 | - | - | - | - |
| Departmental expenses | 4.1 | - | - | - | - |
| Department of Human Services |  |  |  |  |  |
| Departmental expenses |  | - | - | - | - |
| Department of Veterans' Affairs |  |  |  |  |  |
| Administered expenses |  | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
| **Improving Access to Medicines - Life Savings Drug Program - new listing** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.3 | 5,295 | 7,201 | 9,345 | 10,869 |
| **Total expenses** |  | **5,295** | **7,201** | **9,345** | **10,869** |

**Table 1.2: Department of Health 2017-18 Measures since Budget (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.1 | 1,852 | 1,680 | 1,470 | 1,300 |
|  | 4.3 | 327,690 | 459,251 | 446,723 | 450,674 |
| Administered revenue |  | nfp | nfp | nfp | nfp |
| Department of Human Services |  |  |  |  |  |
| Departmental expenses |  | 571 | 227 | 216 | 212 |
| Department of Veterans' Affairs |  |  |  |  |  |
| Administered expenses |  | 6,112 | 7,315 | 6,542 | 6,148 |
| **Total** |  | **336,225** | **468,473** | **454,951** | **458,334** |
| **Making Private Health Insurance Simpler and More Affordable** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.4 | 2,326 | 9,794 | 11,504 | 4,748 |
| Administered revenue | 4.4 | - | (2,026) | (1,273) | (1,212) |
| Departmental expenses | 4.4 | 1,343 | 2,080 | 836 | 121 |
| Departmental capital | 4.4 | 2,327 | 747 | 416 | - |
| Office of the Commonwealth Ombudsman |  |  |  |  |  |
| Departmental expenses |  | - | 1,936 | 1,099 | 1,036 |
| Department of Veterans' Affairs |  |  |  |  |  |
| Administered expenses |  | (3,460) | (9,822) | (11,599) | (14,502) |
| **Total** |  | **2,536** | **2,709** | **983** | **(9,809)** |
| **National Approach to Prescription Drug Misuse (e)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.3 | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |

**Table 1.2: Department of Health 2017-18 Measures since Budget (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
|  |  |  |  |  |  |
| **Outcome 5:Regulation, Safety and Protection** | | |  |  |  |
| **Improving Access to Medicines - National Immunisation Program - new and amended listings** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 5.3 | (7,670) | (8,331) | (8,540) | (9,181) |
| Department of the Treasury |  |  |  |  |  |
| Administered expenses | 5.3 | (509) | (858) | (888) | (905) |
| **Total expenses** |  | **(8,179)** | **(9,189)** | **(9,428)** | **(10,086)** |
| **Management of Per- and Poly-Fluorinated Alkyl Substances - community support package for RAAF Base Tindal** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 2.1 | 373 | 614 | 224 | 167 |
|  | 5.2 | 1,408 | 1,486 | 921 | 544 |
| Department of Defence |  |  |  |  |  |
| Administered expenses |  | (1,781) | (2,100) | (1,145) | (711) |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
|  |  |  |  |  |  |
| **Outcome 6: Ageing and Aged Care** | |  |  |  |  |
| **Guaranteeing Medicare - Health and Aged Care Payment Systems - maintenance (a)** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 1.2 | - | - | - | - |
|  | 6.1 | - | - | - | - |
| **Total expenses** |  | **-** | **-** | **-** | **-** |
| **Strengthening Aged Care - improvements to quality services and access** | | | | | |
| Department of Health |  |  |  |  |  |
| Administered expenses | 6.2 | 1,082 | (196) | (886) | - |
| **Total expenses** |  | **1,082** | **(196)** | **(886)** | **-** |

**Table 1.2: Department of Health 2017-18 Measures since Budget (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
|  |  |  |  |  |  |
| **Other Portfolio Measures (f)** |  |  |  |  |  |
| **Encouraging Self-Sufficiency for Newly Arrived Migrants** | | | | | |
| *Department of Social Services* |  |  |  |  |  |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.1 | - | (1,001) | (3,067) | (5,475) |
|  | 4.3 | - | (292) | (862) | (1,792) |
|  | 4.6 | - | (1,443) | (4,911) | (8,865) |
| **Total expenses** |  | **-** | **(2,736)** | **(8,840)** | **(16,132)** |
| **Family Tax Benefit and Paid Parental Leave - maintaining income thresholds** | | | | | |
| *Department of Social Services* |  |  |  |  |  |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.1 | - | - | - | (1,689) |
| **Total expenses** |  | **-** | **-** | **-** | **(1,689)** |
| **Rollout of National Disability Insurance Scheme in Western Australia - revised implementation arrangements** | | | | | |
| *Department of Social Services* |  |  |  |  |  |
| Department of Health |  |  |  |  |  |
| Administered expenses | 6.2 | - | (15,249) | (15,782) | (16,335) |
| Administered revenue |  | - | 81 | (489) | - |
| Administered expenses | 6.3 | (2,825) | (1,741) |  |  |
| Administered revenue |  | - | 1,699 | - | - |
| Administered expenses | 2.1 | - | - | 413 | 295 |
| **Total expenses** |  | **(2,825)** | **(15,210)** | **(15,858)** | **(16,040)** |
| **Strengthening the Integrity of Welfare Payments and Better Management of the Social Welfare System - unlegislated components - not proceeding** | | | | | |
| *Department of Social Services* |  |  |  |  |  |
| Department of Health |  |  |  |  |  |
| Administered expenses | 4.3 | 76 | 264 | 271 | 277 |
| **Total expenses** |  | **76** | **264** | **271** | **277** |
| **Treatment Support Services for the Drug Testing Trial** | | | | | |
| *Department of Social Services* |  |  |  |  |  |
| Department of Health |  |  |  |  |  |
| Administered expenses | 2.4 | 2,926 | 1,463 | - | - |
| **Total expenses** |  | **2,926** | **1,463** | **-** | **-** |

(a) The cost of this measure will be met from within existing resources.

(b) The cost of this measure will be partially met from within existing resources.

(c) This measure has been announced since MYEFO 2017-18 and will be included in the 2018-19 Budget Paper 2. Fiscal impacts are already included in the forward estimates

(d) Savings from this measure have already been reinvested by the Government in Medicare.

(e) Provision for this funding has already been included in the forward estimate.

(f) The Department of Health is not the lead entity for these measures. Health Portfolio impacts only are shown in this table.

**1.4 Additional Estimates, Resourcing and Variations to Outcomes**

**Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since 2017-18 Budget**

There is no Table 1.3. For details on changes to the resourcing from the Department of Health at Additional Estimates from measures and other variations, refer to each Outcome chapter in Section 2.

**1.5 Breakdown of Additional Estimates by Appropriation Bill**

The following tables detail the Additional Estimates sought for the Department of Health through Appropriation Bills No. 3 and No. 4.

**Table 1.4: Appropriation Bill (No. 3) 2017-18**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2016-17 Available (a)** $'000 | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Administered** | |  |  |  |  |  |
| **Outcome 1** | |  |  |  |  |  |
|  | Health System Policy, Design and Innovation | 124,674 | 134,436 | 128,756 | - | 5,680 |
| **Outcome 2** | |  |  |  |  |  |
|  | Health Access and Support Services | 4,039,400 | 4,132,253 | 4,160,248 | 27,995 | - |
| **Outcome 3** | |  |  |  |  |  |
|  | Sport and Recreation | 18,475 | 19,527 | 19,709 | 182 | - |
| **Outcome 4** | |  |  |  |  |  |
|  | Individual Health Benefits | 1,338,531 | 1,439,887 | 1,480,185 | 40,298 | - |
| **Outcome 5** | |  |  |  |  |  |
|  | Regulation, Safety and Protection | 125,051 | 119,983 | 123,254 | 3,271 | - |
| **Outcome 6** | |  |  |  |  |  |
|  | Ageing and Aged Care | 2,771,169 | 3,008,247 | 3,038,978 | 30,731 | - |
| **Total administered** | | **8,417,300** | **8,854,333** | **8,951,130** | **102,477** | **5,680** |
| **Departmental** | |  |  |  |  |  |
| **Outcome 1** | |  |  |  |  |  |
|  | Health System Policy, Design and Innovation | 36,886 | 84,779 | 91,274 | 6,495 | - |
| **Outcome 2** | |  |  |  |  |  |
|  | Health Access and Support Services | 207,906 | 174,290 | 174,290 | - | - |
| **Outcome 3** | |  |  |  |  |  |
|  | Sport and Recreation | 6,666 | 6,695 | 6,695 | - | - |
| **Outcome 4** | |  |  |  |  |  |
|  | Individual Health Benefits | 163,859 | 170,065 | 173,812 | 3,747 | - |
| **Outcome 5** | |  |  |  |  |  |
|  | Regulation, Safety and Protection | 34,705 | 37,058 | 37,058 | - | - |
| **Outcome 6** | |  |  |  |  |  |
|  | Ageing and Aged Care | 214,433 | 174,602 | 175,179 | 577 | - |
| **Total departmental** | | **664,455** | **647,489** | **658,308** | **10,819** | **-** |
| **Total appropriation administered and departmental Bill No. 3** | | **9,081,755** | **9,501,822** | **9,609,438** | **113,296** | **5,680** |

(a) 2016-17 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year and is represented on the basis of the current Outcome structure. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + Advance to the Finance Minister - Savings - Rephasings - Other reduction +/- Section 75.

**Table 1.5: Appropriation Bill (No. 4) 2017-18**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Available (a)** $'000 | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Non-operating** |  |  |  |  |  |
| Equity injections | 6,571 | 2,366 | 6,926 | 4,560 | - |
| Administered assets and liabilities | 150,537 | 25,000 | 25,000 | - | - |
| **Total non-operating** | **157,108** | **27,366** | **31,926** | **4,560** | **-** |
| **Total appropriation administered and departmental Bill No. 4** | **157,108** | **27,366** | **31,926** | **4,560** | **-** |

(a) 2016-17 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + Advance to the Finance Minister ‑ section 51 withholdings – administrative quarantines +/- Machinery of Government transfers.

Section 2: Revisions to Outcomes and Planned Performance

The Department’s activities, resourcing and performance reporting are organised under a structure of six Outcomes. These Outcomes represent the results or impacts on the community that the Government wishes to achieve.

Revisions to performance information since the 2017-18 Budget are detailed in the Outcome chapters in this section. Changes have been made to the performance information for Outcomes 5 and 6.

**Cross Outcome Variations**

**Table 2: Cross Outcome Variations**

The table below shows variations to the departmental estimates not allocated to a specific outcome.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Cross outcome departmental variations** |  |  |  |  |
| **Changes in departmental appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Movement of funds - DCB | 3,289 | - | - | (3,289) |
| Price parameter adjustments (a) - operational | - | 607 | 592 | 1,165 |
| Price parameter adjustments (a) - DCB | - | 9 | 13 | 28 |
|  | **3,289** | **616** | **605** | **(2,096)** |

DCB = Departmental Capital Budget.

(a) See explanation in Portfolio Glossary.

**2.1 Budget Expenses and Performance for Outcome 1**

**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

**Table 2.1.1: Resource Summary – Outcome 1**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 1.1: Health Policy Research and Analysis (a)** | |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 50,512 | 44,941 | - | 5,571 |
| Special accounts |  |  |  |  |
| Medical Research Future Fund | 121,565 | 143,315 | 21,750 | - |
| Special appropriations |  |  |  |  |
| *National Health Act 1953* - blood fractionation, products and blood related products to National Blood Authority | 748,914 | 718,621 | - | 30,293 |
| *Public Governance, Performance and Accountability Act 2013 - s77* repayments | 2,000 | 2,000 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 60,789 | 63,995 | 3,206 | - |
| Expenses not requiring appropriation in the Budget year (d) | 1,569 | 1,569 | - | - |
| **Total for Program 1.1** | **985,349** | **974,441** | **24,956** | **35,864** |
| **Program 1.2: Health Innovation and Technology** | |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 50,533 | 50,533 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 14,276 | 14,276 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 197 | 197 | - | - |
| **Total for Program 1.2** | **65,006** | **65,006** | **-** | **-** |
|  |  |  |  |  |

**Table 2.1.1: Resource Summary – Outcome 1 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 1.3: Health Infrastructure (a)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 8,712 | 8,712 | - | - |
| Special appropriations |  |  |  |  |
| *Health Insurance Act 1973* - payments relating to the former Health and Hospitals Fund | 37,631 | 38,512 | 881 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 2,659 | 2,659 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 46 | 46 | - | - |
| **Total for Program 1.3** | **49,048** | **49,929** | **881** | **-** |
| **Program 1.4: Health Peak and Advisory Bodies** | |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 7,559 | 7,559 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 1,436 | 1,436 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 25 | 25 | - | - |
| **Total for Program 1.4** | **9,020** | **9,020** | **-** | **-** |
| **Program 1.5: International Policy** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 17,120 | 17,011 | - | 109 |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 7,134 | 7,134 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 120 | 120 | - | - |
| **Total for Program 1.5** | **24,374** | **24,265** | **-** | **109** |
|  |  |  |  |  |

**Table 2.1.1: Resource Summary – Outcome 1 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Outcome 1 totals by appropriation type** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 134,436 | 128,756 | - | 5,680 |
| Special accounts | 121,565 | 143,315 | 21,750 | - |
| Special appropriations | 788,545 | 759,133 | - | 29,412 |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 86,294 | 89,500 | 3,206 | - |
| Expenses not requiring appropriation in the Budget year (d) | 1,957 | 1,957 | - | - |
| **Total expenses for Outcome 1** | **1,132,797** | **1,122,661** | **24,956** | **35,092** |
|  |  |  |  |  |
|  | **2017-18 Budget** | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 470 | 465 |  |  |

(a) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2017-18 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2017-18 Mid-Year Economic Fiscal Outlook*.

(b) Appropriation (Bill No. 1 & 3) 2017-18.

(c) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).

(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

**Table 2.1.2: Variations Table – Outcome 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 1.1: Health Policy Research and Analysis** | |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - National Blood Arrangements - National Fractionation Agreement | - | 400 | 750 | - |
| **Measure** - Western Australian Children's Health Telethon | 1,300 | 1,300 | 1,300 | 1,300 |
| Haemopoietic Progenitor Cells Program - variation to reflect demand | (6,871) | (9,133) | (12,003) | 4,899 |
| Price parameter adjustments (a) | - | - | (52) | (37) |
| **Changes to departmental appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Investing in Health and Medical Research  - Medical Research Future Fund - continued support | 3,206 | 5,804 | 4,099 | 4,115 |
|  | **(2,365)** | **(1,629)** | **(5,906)** | **10,277** |
| **Program 1.2: Health Innovation and Technology** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | 3 | 1 | 1 |
|  | **-** | **3** | **1** | **1** |
| **Program 1.4: Health Peak and Advisory Bodies** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | - | (8) | (7) |
|  | **-** | **-** | **(8)** | **(7)** |
| **Program 1.5: International Policy** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Reallocation to Program 5.1 | (109) | - | - | - |
|  | **(109)** | **-** | **-** | **-** |

(a) See explanation in Portfolio Glossary.

**Table 2.1.3: Program Expenses Table – Outcome 1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 1.1: Health Policy Research and Analysis** | | |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 50,336 | 44,941 | 43,647 | 43,971 | 45,551 |
| Special Accounts |  |  |  |  |  |
| Medical Research Future Fund | 17,960 | 143,315 | 222,383 | 392,703 | 650,236 |
| Special appropriations |  |  |  |  |  |
| *National Health Act 1953* - blood fractionation, products and blood related products to National Blood Authority | 657,785 | 718,621 | 790,339 | 843,249 | 918,842 |
| *Public Governance, Performance and Accountability Act 2013 -* s77 repayments | 576 | 2,000 | 2,000 | 2,000 | 2,000 |
| Other Services | 3,169 | - | - | - | - |
| Program support | 69,652 | 65,564 | 68,476 | 65,858 | 65,765 |
| **Total for Program 1.1** | **799,478** | **974,441** | **1,126,845** | **1,347,781** | **1,682,394** |
| **Program 1.2: Health Innovation and Technology** | | |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 38,894 | 50,533 | 3,107 | 370 | 442 |
| Program support | 11,905 | 14,473 | 10,214 | 10,062 | 10,041 |
| **Total for Program 1.2** | **50,799** | **65,006** | **13,321** | **10,432** | **10,483** |
|  |  |  |  |  |  |

**Table 2.1.3: Program Expenses Table – Outcome 1 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 1.3: Health Infrastructure** | |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 4,921 | 8,712 | 911 | 911 | 911 |
| Special appropriations |  |  |  |  |  |
| *Health Insurance Act 1973* - payments relating to the former Health and Hospitals Fund | 17,554 | 38,512 | 29,381 | 7,275 | 240 |
| Program support | 3,280 | 2,705 | 2,714 | 2,679 | 2,674 |
| **Total for Program 1.3** | **25,755** | **49,929** | **33,006** | **10,865** | **3,825** |
| **Program 1.4: Health Peak and Advisory Bodies** | | |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 8,098 | 7,559 | 7,458 | 7,312 | 7,650 |
| Program support | 1,698 | 1,461 | 1,465 | 1,446 | 1,444 |
| **Total for Program 1.4** | **9,796** | **9,020** | **8,923** | **8,758** | **9,094** |
| **Program 1.5: International Policy** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 13,038 | 17,011 | 17,120 | 17,651 | 18,203 |
| Program support | 8,707 | 7,254 | 7,275 | 7,183 | 7,170 |
| **Total for Program 1.5** | **21,745** | **24,265** | **24,395** | **24,834** | **25,373** |

**Planned Performance for Outcome 1**

**Table 2.1.4: Performance Criteria for Outcome 1**

There have been no changes to performance information for Outcome 1 since the 2017‑18 Budget which require new or modified performance criteria. Refer page 46 of the *2017-18 Health Portfolio Budget Statements* for current performance information.

**2.2 Budgeted Expenses and Performance for Outcome 2**

**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

**Table 2.2.1: Resource Summary – Outcome 2**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 2.1: Mental Health (a)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 777,669 | 778,042 | 373 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 22,137 | 22,137 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 406 | 406 | - | - |
| **Total for Program 2.1** | **800,212** | **800,585** | **373** | **-** |
| **Program 2.2: Aboriginal and Torres Strait Islander Health (a)** | | |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 865,806 | 865,806 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 39,577 | 39,577 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 709 | 709 | - | - |
| **Total for Program 2.2** | **906,092** | **906,092** | **-** | **-** |
| **Program 2.3: Health Workforce** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 1,302,695 | 1,302,695 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 33,024 | 33,024 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 586 | 586 | - | - |
| **Total for Program 2.3** | **1,336,305** | **1,336,305** | **-** | **-** |
|  |  |  |  |  |

**Table 2.2.1: Resource Summary – Outcome 2 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 2.4: Preventive Health and Chronic Disease Support (a)** | | |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 414,546 | 442,272 | 27,726 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 34,857 | 34,857 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 625 | 625 | - | - |
| **Total for Program 2.4** | **450,028** | **477,754** | **27,726** | **-** |
| **Program 2.5: Primary Health Care Quality and Coordination** | | |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 405,000 | 404,896 | (104) | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 17,438 | 17,438 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 320 | 320 | - | - |
| **Total for Program 2.5** | **422,758** | **422,654** | **(104)** | **-** |
| **Program 2.6: Primary Care Practice Incentives** | |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 352,063 | 352,063 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 2,034 | 2,034 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 36 | 36 | - | - |
| **Total for Program 2.6** | **354,133** | **354,133** | **-** | **-** |
| **Program 2.7: Hospital Services (a)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 14,474 | 14,474 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 28,535 | 28,535 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 3,755 | 3,755 | - | - |
| **Total for Program 2.7** | **46,764** | **46,764** | **-** | **-** |
|  |  |  |  |  |

**Table 2.2.1: Resource Summary – Outcome 2 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Outcome 2 totals by appropriation type** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 4,132,253 | 4,160,248 | 27,995 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 177,602 | 177,602 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 6,437 | 6,437 | - | - |
| **Total expenses for Outcome 2** | **4,316,292** | **4,344,287** | **27,995** | **-** |
|  |  |  |  |  |
|  | **2017-18 Budget** | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 970 | 961 |  |  |

(a) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2017-18 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2017-18 Mid-Year Economic Fiscal Outlook.*

(b) Appropriation (Bill No. 1 & 3) 2017-18.

(c) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).

(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

**Table 2.2.2: Variations Table – Outcome 2**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 2.1: Mental Health** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Management of Per- and Poly-Fluorinated Alkyl Substances - community support package for RAAF Base Tindal | 373 | 614 | 224 | 167 |
| **Measure** - Rollout of National Disability Insurance Scheme in Western Australia - revised implementation arrangements | - | - | 413 | 295 |
| Price parameter adjustments (a) | - | - | (581) | (565) |
|  | **373** | **614** | **56** | **(103)** |
| **Program 2.2: Aboriginal and Torres Strait Islander Health** | |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | - | - | 937 |
|  | **-** | **-** | **-** | **937** |
| **Program 2.3: Health Workforce** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | - | (1,243) | (1,293) |
|  | **-** | **-** | **(1,243)** | **(1,293)** |
|  |  |  |  |  |

**Table 2.2.2: Variations Table – Outcome 2 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 2.4: Preventive Health and Chronic Disease Support** | | |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Treatment Support Services for the Drug Testing Trial | 2,926 | 1,463 | - | - |
| **Measure** - Western Australia Children's Health Telethon | 2,000 | - | - | - |
| National Cancer Screening Register - movement of funds | 22,800 | - | - | - |
| Price parameter adjustments (a) | - | - | (377) | (380) |
|  | **27,726** | **1,463** | **(377)** | **(380)** |
| **Program 2.5: Primary Health Care Quality and Coordination** | |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Guaranteeing Medicare - Medicare Benefits Schedule - new and amended listings | (104) | (140) | (68) | - |
| Price parameter adjustments (a) | - | - | (327) | (304) |
|  | **(104)** | **(140)** | **(395)** | **(304)** |
| **Program 2.6: Primary Care Practice Incentives** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | - | - | 366 |
|  | **-** | **-** | **-** | **366** |
| **Program 2.7: Hospital Services** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | - | (14) | (15) |
|  | **-** | **-** | **(14)** | **(15)** |

1. See explanation in Portfolio Glossary.

**Table 2.2.3: Program Expenses Table – Outcome 2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised  Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 2.1: Mental Health** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 712,832 | 778,042 | 831,791 | 589,608 | 573,599 |
| Program support | 23,494 | 22,543 | 21,925 | 21,622 | 21,580 |
| **Total for Program 2.1** | **736,326** | **800,585** | **853,716** | **611,230** | **595,179** |
| **Program 2.2: Aboriginal and Torres Strait Islander Health** | | | |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 779,044 | 865,806 | 879,264 | 915,589 | 953,467 |
| Program support | 46,847 | 40,286 | 40,470 | 39,923 | 39,846 |
| **Total for Program 2.2** | **825,891** | **906,092** | **919,734** | **955,512** | **993,313** |
| **Program 2.3: Health Workforce** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 1,243,345 | 1,302,695 | 1,270,760 | 1,260,711 | 1,311,004 |
| Program support | 35,780 | 33,610 | 33,717 | 33,276 | 31,925 |
| **Total for Program 2.3** | **1,279,125** | **1,336,305** | **1,304,477** | **1,293,987** | **1,342,929** |
| **Program 2.4: Preventive Health and Chronic Disease Support** | | | |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 364,773 | 442,272 | 379,194 | 380,151 | 383,884 |
| Program support | 47,363 | 35,482 | 35,592 | 35,110 | 35,043 |
| **Total for Program 2.4** | **412,136** | **477,754** | **414,786** | **415,261** | **418,927** |

**Table 2.2.3: Program Expenses Table – Outcome 2 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised  Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 2.5: Primary Health Care Quality and Coordination** | | | |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 400,498 | 404,896 | 435,378 | 331,972 | 309,190 |
| Program support | 20,501 | 17,758 | 17,845 | 17,477 | 17,443 |
| **Total for Program 2.5** | **420,999** | **422,654** | **453,223** | **349,449** | **326,633** |
| **Program 2.6: Primary Care Practice Incentives** | | |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 341,845 | 352,063 | 365,670 | 365,736 | 371,587 |
| Program support | 2,375 | 2,070 | 2,076 | 2,049 | 2,046 |
| **Total for Program 2.6** | **344,220** | **354,133** | **367,746** | **367,785** | **373,633** |
| **Program 2.7: Hospital Services** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 109,019 | 14,474 | 14,832 | 14,954 | 16,041 |
| Non cash expenses | 1,355 | - | - | - | - |
| Program support | 32,838 | 32,290 | 32,227 | 29,519 | 29,515 |
| **Total for Program 2.7** | **143,212** | **46,764** | **47,059** | **44,473** | **45,556** |

**Planned Performance for Outcome 2**

**Table 2.2.4: Performance Criteria for Outcome 2**

There have been no changes to performance information for Outcome 2 since the 2017‑18 Budget which require new or modified performance criteria. Refer page 63 of the *2017-18 Health Portfolio Budget Statements* for current performance information.

**2.3 Budgeted Expenses and Performance for Outcome 3**

**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

**Table 2.3.1: Resource Summary – Outcome 3**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 3.1: Sport and Recreation (a)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 19,527 | 19,709 | 182 | - |
| Special accounts |  |  |  |  |
| Sport and Recreation | 407 | 407 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 6,802 | 6,802 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 145 | 145 | - | - |
| **Total for Program 3.1** | **26,881** | **27,063** | **182** | **-** |
| **Outcome 3 totals by appropriation type** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (b) | 19,527 | 19,709 | 182 | - |
| Special accounts | 407 | 407 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (c) | 6,802 | 6,802 | - | - |
| Expenses not requiring appropriation in the Budget year (d) | 145 | 145 | - | - |
| **Total expenses for Outcome 3** | **26,881** | **27,063** | **182** | **-** |
|  |  |  |  |  |
|  | **2017-18 Budget** | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 47 | 47 |  |  |

(a) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2017-18 Health Portfolio Budget Statements* under each program. For updated estimates refer to the *2017-18 Mid-Year Economic Fiscal Outlook.*

(b) Appropriation (Bill No. 1 & 3) 2017-18.

(c) Departmental appropriation combines 'Ordinary annual services’ (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources’ (s74).

(d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

**Table 2.3.2: Variations Table – Outcome 3**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 3.1: Sport and Recreation** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Reduce Drownings Initiative | 182 | 3,076 | - | - |
| Price parameter adjustments (a) | - | 10 | - | - |
|  | **182** | **3,086** | **-** | **-** |

(a) See explanation in Portfolio Glossary.

**Table 2.3.3: Program Expenses Table – Outcome 3**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 3.1: Sport and Recreation** | |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 19,466 | 19,709 | 18,276 | 15,212 | 12,920 |
| Special Accounts |  |  |  |  |  |
| Sport and Recreation | 298 | 407 | 407 | 407 | 407 |
| Program support | 9,108 | 6,947 | 7,000 | 6,974 | 6,961 |
| **Total for Program 3.1** | **28,872** | **27,063** | **25,683** | **22,593** | **20,288** |

**Planned Performance for Outcome 3**

**Table 2.3.4: Performance Criteria for Outcome 3**

There have been no changes to performance information for Outcome 3 since the 2017‑18 Budget which require new or modified performance criteria. Refer page 83 of the *2017-18 Health Portfolio Budget Statements* for current performance information.

**2.4 Budgeted Expenses and Performance for Outcome 4**

**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

**Table 2.4.1: Resource Summary – Outcome 4**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 4.1: Medical Benefits** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 85,327 | 105,623 | 20,296 | - |
| Special account |  |  |  |  |
| Medicare Guarantee Fund  ‑ medical benefits (b) | 22,897,861 | 22,993,524 | 95,663 | - |
| accrual adjustment (c) | - | 8,349 | 8,349 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 33,868 | 34,022 | 154 | - |
| Expenses not requiring appropriation in the Budget year (e) | 473 | 473 | - | - |
| **Total for Program 4.1** | **23,017,529** | **23,141,991** | **124,462** | **-** |
| **Program 4.2: Hearing Services** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 530,697 | 528,894 | (1,803) | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 6,955 | 6,955 | - | - |
| Expenses not requiring appropriation in the Budget year (e) | 1,185 | 1,185 | - | - |
| **Total for Program 4.2** | **538,837** | **537,034** | **(1,803)** | **-** |
| **Program 4.3: Pharmaceutical Benefits (f)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 797,213 | 813,240 | 16,027 | - |
| Special account |  |  |  |  |
| Medicare Guarantee Fund  - pharmaceutical benefits (b) | 10,950,710 | 11,420,031 | 469,321 | - |
| accrual adjustment (c) | - | 6,540 | 6,540 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 50,932 | 50,932 | - | - |
| Expenses not requiring appropriation in the Budget year (e) | 2,010 | 2,010 | - | - |
| **Total for Program 4.3** | **11,800,865** | **12,292,753** | **491,888** | **-** |

**Table 2.4.1: Resource Summary – Outcome 4 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 4.4: Private Health Insurance** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 3,114 | 4,492 | 1,378 | - |
| Special appropriations |  |  |  |  |
| *Private Health Insurance* |  |  |  |  |
| *Act 2007 -* incentive |  |  |  |  |
| payments and rebate | 6,175,728 | 6,114,917 | - | 60,811 |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 10,048 | 11,391 | 1,343 | - |
| Expenses not requiring appropriation in the Budget year (e) | 123 | 123 | - | - |
| **Total for Program 4.4** | **6,189,013** | **6,130,923** | **2,721** | **60,811** |
| **Program 4.5: Medical Indemnity** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 142 | 142 | - | - |
| Special appropriations |  |  |  |  |
| *Medical Indemnity Act 2002* | 96,900 | 96,900 | - | - |
| *Midwife Professional Indemnity* |  |  |  |  |
| *(Commonwealth Contribution)* |  |  |  |  |
| *Scheme Act 2010* | 4,061 | 4,061 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 958 | 958 | - | - |
| Expenses not requiring appropriation in the Budget year (e) | 14 | 14 | - | - |
| **Total for Program 4.5** | **102,075** | **102,075** | **-** | **-** |
| **Program 4.6: Dental Services (f)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | - | - | - | - |
| Special appropriations |  |  |  |  |
| *Dental Benefits Act 2008* | 346,039 | 331,589 | - | 14,450 |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 2,411 | 2,411 | - | - |
| Expenses not requiring appropriation in the Budget year (e) | 40 | 40 | - | - |
| **Total for Program 4.6** | **348,490** | **334,040** | **-** | **14,450** |

**Table 2.4.1: Resource Summary – Outcome 4 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 4.7: Health Benefit Compliance** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 12,000 | 15,500 | 3,500 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 67,795 | 67,795 | - | - |
| Expenses not requiring appropriation in the Budget year (e) | 1,165 | 1,165 | - | - |
| **Total for Program 4.7** | **80,960** | **84,460** | **3,500** | **-** |
| **Program 4.8: Targeted Assistance - Aids and Appliances** | | |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 11,394 | 12,294 | 900 | - |
| Special appropriations |  |  |  |  |
| *National Health Act 1953*  - aids and appliances |  |  |  |  |
| 353,784 | 353,784 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 4,062 | 4,062 | - | - |
| Expenses not requiring appropriation in the Budget year (e) | 65 | 65 | - | - |
| **Total for Program 4.8** | **369,305** | **370,205** | **900** | **-** |
| **Outcome 4 totals by appropriation type** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 1,439,887 | 1,480,185 | 40,298 | - |
| Special appropriations | 6,976,512 | 6,901,251 | - | 75,261 |
| Special account (b) | 33,848,571 | 34,413,555 | 564,984 | - |
| accrual adjustment (c) | - | 14,889 | 14,889 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (d) | 177,029 | 178,526 | 1,497 | - |
| Expenses not requiring appropriation in the Budget year (e) | 5,075 | 5,075 | - | - |
| **Total expenses for Outcome 4** | **42,447,074** | **42,993,481** | **621,668** | **75,261** |
|  |  |  |  |  |
|  | **2017-18 Budget** | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 934 | 924 |  |  |

(a) Appropriation Bill (No. 1 & 3) 2017-18.

(b) The Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme became part of the Medicare Guarantee Fund (special account) from 1 July 2017. Actuals and estimates are reported under the special account for comparability.

(c) The difference between cash payments from the Medicare Guarantee Fund special account and accrual expenses.

(d) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).

(e) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

(f) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2017-18 Health Portfolio Budget Statements* under each program. For updated estimates refer to the *2017-18 Mid-Year Economic Fiscal Outlook*.

**Table 2.4.2: Variations Table – Outcome 4**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 4.1: Medical Benefits** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Fighting Cancer - Radiation Oncology Health Program Grants Scheme - additional funding for linear accelerators | 75 | 1,050 | 1,275 | 2,100 |
| **Measure** - Guaranteeing Medicare - Medicare Benefits Schedule Review - response to Taskforce recommendations | 366 | - | - | - |
| Medical Treatment Overseas - variation to reflect demand | 4,433 | - | - | - |
| Radiation Oncology Health Program Grants Scheme - variation to reflect demand | 15,422 | - | - | - |
| **Changes to departmental appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Guaranteeing Medicare - Medicare Benefits Schedule Review - response to Taskforce recommendations | 154 | 147 | 82 | 82 |
|  | **20,450** | **1,197** | **1,357** | **2,182** |
| **Program 4.2: Hearing Services** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Community Service Obligations - variation to reflect demand | - | (2,409) | (1,969) | (1,530) |
| Hearing Services Voucher Program - variation to reflect demand | (1,803) | (16,376) | (11,478) | (3,974) |
| Price parameter adjustments (a) | - | - | (560) | (585) |
|  | **(1,803)** | **(18,785)** | **(14,007)** | **(6,089)** |

**Table 2.4.2: Variations Table – Outcome 4 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 4.3: Pharmaceutical Benefits** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Improving Access to Medicines - Life Saving Drugs Program - new listing | 5,295 | 7,201 | 9,345 | 10,869 |
| **Measure** - National Approach to Prescription Drug Misuse | 10,878 | 629 | 379 | 282 |
| Community Pharmacy Programs - movement of funds | - | 4,096 | - | - |
| Pharmaceutical Benefits Scheme Litigation - movement of funds | nfp | nfp | nfp | nfp |
| Reallocation from Program 4.7 | (3,500) | - | - | - |
| Price parameter adjustments (a) | - | 1 | (139) | (141) |
|  | **nfp** | **nfp** | **nfp** | **nfp** |
| **Program 4.4: Private Health Insurance** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Making Private Health Insurance Simpler and More Affordable | 1,378 | 1,033 | 181 | 183 |
| **Changes to departmental appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Making Private Health Insurance Simpler and More Affordable | 1,343 | 2,080 | 836 | 121 |
|  | **2,721** | **3,113** | **1,017** | **304** |
| **Program 4.7: Health Benefit Compliance** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Reallocation to Program 4.3 | 3,500 | - | - | - |
|  | **3,500** | **-** | **-** | **-** |
| **Program 4.8: Targeted Assistance - Aids and Appliances** | |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Continuous glucose monitoring (CGM) - movement of funds | 900 | - | - | - |
|  | **900** | **-** | **-** | **-** |

(a) See explanation in Portfolio Glossary.

**Table 2.4.3: Program Expenses Table – Outcome 4**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 4.1: Medical Benefits** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 106,250 | 105,623 | 107,712 | 105,923 | 103,220 |
| Special account |  |  |  |  |  |
| Medicare Guarantee Fund - medical benefits (a) | 22,098,281 | 22,993,524 | 24,099,663 | 25,699,418 | 27,085,158 |
| accrual adjustment (b) | - | 8,349 | 4,150 | 3,614 | 867 |
| Program support | 35,717 | 34,495 | 34,497 | 32,963 | 25,886 |
| **Total for Program 4.1** | **22,240,248** | **23,141,991** | **24,246,022** | **25,841,918** | **27,215,131** |
| **Program 4.2: Hearing Services** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 498,327 | 528,894 | 538,662 | 569,634 | 594,806 |
| Program support | 8,403 | 8,140 | 8,429 | 8,135 | 8,122 |
| **Total for Program 4.2** | **506,730** | **537,034** | **547,091** | **577,769** | **602,928** |
| **Program 4.3: Pharmaceutical Benefits** | |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 686,315 | 813,240 | 812,864 | 824,154 | 615,366 |
| Special account |  |  |  |  |  |
| Medicare Guarantee Fund *-* pharmaceutical benefits (a) | 12,057,625 | 11,420,031 | 11,420,766 | 11,436,204 | 11,321,404 |
| accrual adjustment (b) | - | 6,540 | 22,711 | 11,593 | 7,652 |
| Program support | 64,789 | 52,942 | 45,345 | 40,471 | 40,390 |
| **Total for Program 4.3** | **12,808,729** | **12,292,753** | **12,301,686** | **12,312,422** | **11,984,812** |

**Table 2.4.3: Program Expenses Table – Outcome 4 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 4.4: Private Health Insurance** | |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 5,169 | 4,492 | 3,594 | 2,642 | 2,644 |
| Special appropriations |  |  |  |  |  |
| *Private Health Insurance Act 2007* - incentive payments and rebate | 5,994,087 | 6,114,917 | 6,251,516 | 6,389,058 | 6,553,613 |
| Program support | 12,679 | 11,514 | 12,273 | 10,934 | 10,206 |
| **Total for Program 4.4** | **6,011,935** | **6,130,923** | **6,267,383** | **6,402,634** | **6,566,463** |
| **Program 4.5: Medical Indemnity** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 222 | 142 | 142 | 142 | 142 |
| Special appropriations |  |  |  |  |  |
| *Medical Indemnity Act 2002* | 91,302 | 96,900 | 82,300 | 86,200 | 90,500 |
| *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010* | - | 4,061 | 4,704 | 5,446 | 6,281 |
| Program support | 1,739 | 972 | 975 | 963 | 962 |
| **Total for Program 4.5** | **93,263** | **102,075** | **88,121** | **92,751** | **97,885** |
| **Program 4.6: Dental Services** |  |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | - | - | - | - | - |
| Special appropriations |  |  |  |  |  |
| *Dental Benefits Act 2008* | 319,384 | 331,589 | 331,600 | 335,161 | 341,149 |
| Program support | 2,451 | 2,451 | 3,191 | 3,164 | 3,159 |
| **Total for Program 4.6** | **321,835** | **334,040** | **334,791** | **338,325** | **344,308** |

**Table 2.4.3: Program Expenses Table – Outcome 4 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 4.7: Health Benefit Compliance** | |  |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 6,211 | 15,500 | 12,000 | 12,000 | 12,000 |
| Program support | 63,923 | 68,960 | 65,247 | 64,397 | 64,290 |
| **Total for Program 4.7** | **70,134** | **84,460** | **77,247** | **76,397** | **76,290** |
| **Program 4.8: Targeted Assistance - Aids and Appliances** | | |  |  |  |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 3,506 | 12,294 | 12,480 | 13,646 | 14,862 |
| Special appropriations |  |  |  |  |  |
| *National Health Act 1953*  -aids and appliances | 338,991 | 353,784 | 356,263 | 371,567 | 377,145 |
| Program support | 4,524 | 4,127 | 4,138 | 4,088 | 4,081 |
| **Total for Program 4.8** | **347,021** | **370,205** | **372,881** | **389,301** | **396,088** |

(a) The Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme became part of the Medicare Guarantee Fund (special account) from 1 July 2017. Actuals and estimates are reported under the special account for comparability.

(b) The difference between cash payments from the Medicare Guarantee Fund special account and accrued expenses.

**Planned Performance for Outcome 4**

**Table 2.4.4: Performance Criteria for Outcome 4**

There have been no changes to performance information for Outcome 4 since the 2017‑18 Budget which require new or modified performance criteria. Refer page 92 of the *2017-18 Health Portfolio Budget Statements* for current performance information.

**2.5 Budgeted Expenses and Performance for Outcome 5**

**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

**Table 2.5.1: Resource Summary – Outcome 5**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 5.1: Protect the Health and Safety of the Community Through Regulation** | | | | |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | - | 109 | 109 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 15,821 | 15,821 | - | - |
| to special accounts | (10,254) | (10,254) | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 85 | 85 | - | - |
| Special accounts |  |  |  |  |
| OGTR Special Account (d) | 7,878 | 7,878 | - | - |
| NICNAS Special Account (e) | 19,710 | 20,296 | 586 | - |
| TGA Special Account (f) | 153,474 | 153,474 | - | - |
| Expense adjustment (g) | (7,029) | (7,615) | - | 586 |
| **Total for Program 5.1** | **179,685** | **179,794** | **695** | **586** |
| **Program 5.2: Health Protection and Emergency Response (h)** | | |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 89,269 | 89,277 | 8 | - |
| Non cash expenses (i) | 29,926 | 24,408 | - | 5,518 |
| Special accounts |  |  |  |  |
| Human Pituitary Hormones - s78 PGPA Act | 170 | 170 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 15,036 | 15,036 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 379 | 379 | - | - |
| **Total for Program 5.2** | **134,780** | **129,270** | **8** | **5,518** |

**Table 2.5.1: Resources Summary – Outcome 5 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 5.3: Immunisation (h)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 30,714 | 33,868 | 3,154 | - |
| to Australian Childhood Immunisation |  |  |  |  |
| Special Account | (5,966) | (7,055) | - | 1,089 |
| Special accounts |  |  |  |  |
| Australian Childhood Immunisation Register - S78 PGPA Act | 9,820 | 9,820 | - | - |
| Special appropriations |  |  |  |  |
| *National Health Act 1943* - essential vaccines | 284,930 | 372,164 | 87,234 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 7,300 | 7,300 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 137 | 137 | - | - |
| **Total for Program 5.3** | **326,935** | **416,234** | **90,388** | **1,089** |
| **Outcome 5 totals by appropriation type** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 119,983 | 123,254 | 3,271 | - |
| to Special accounts | (5,966) | (7,055) | - | 1,089 |
| Non cash expenses (i) | 29,926 | 24,408 | - | 5,518 |
| Special accounts | 9,990 | 9,990 | - | - |
| Special appropriations | 284,930 | 372,164 | 87,234 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 38,157 | 38,157 | - | - |
| to special accounts | (10,254) | (10,254) | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 601 | 601 | - | - |
| Special accounts | 174,033 | 174,033 | - | - |
| **Total expenses for Outcome 5** | **641,400** | **725,298** | **90,505** | **6,607** |
|  |  |  |  |  |
|  | **2017-18 Budget** | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 882 | 881 |  |  |

(a) Appropriation (Bill No. 1 & 3) 2017-18.

(b) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation, expense, makegood expense and audit fees.

(d) Office of the Gene Technology Regulator (OGTR) Special Account.

(e) National Industrial Chemicals Notification and Assessment Scheme (NICNAS) Special Account.

(f) Therapeutic Goods Administration (TGA) Special Account.

(g) Special accounts are reported on a cash basis. This adjustment reflects the differences between expense and cash.

(h) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2017-18 Health Portfolio Budget Statements* under each program. For updated estimates refer to the *2017-18 Mid-Year Economic Fiscal Outlook*.

(i) 'Non cash expenses' relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.

**Table 2.5.2: Variations Table – Outcome 5**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 5.1: Protect the Health and Safety of the Community Through Regulation** | | | |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Reallocation from Program 1.5 | 109 | - | - | - |
|  | **109** | **-** | **-** | **-** |
| **Program 5.2: Health Protection and Emergency Response** | |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Management of Per- and Poly-Fluorinated Alkyl Substances - community support package for RAAF Base Tindal | 1,408 | 1,486 | 921 | 544 |
| Per-and Poly-Fluoroalkyl Substances (PFAS) Blood Testing and Epidemiological - movement of funds | (1,400) | 2,150 | 870 | - |
| Price parameter adjustments (a) | - | - | (89) | (86) |
|  | **8** | **3,636** | **1,702** | **458** |
| **Program 5.3: Immunisation** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Improving Access to Medicines - National Immunisation Program - new and amended listings | 825 | 659 | 639 | 164 |
| Improving Immunisation Coverage Rates - movement of funds | 1,393 | - | - | - |
| Supporting No Jab No Pay improving awareness of Immunisation - movement of funds | 936 | - | - | - |
| Price parameter adjustments (a) | - | - | (27) | (25) |
|  | **3,154** | **659** | **612** | **139** |

(a) See explanation in Portfolio Glossary.

**Table 2.5.3: Program Expenses Table – Outcome 5**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 5.1: Protect the Health and Safety of the Community through Regulation** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | - | 109 | - | - | - |
| Program support | 16,060 | 15,906 | 13,905 | 13,815 | 14,221 |
| to Special Accounts | (10,522) | (10,254) | (8,310) | (8,320) | (8,374) |
| Special Accounts |  |  |  |  |  |
| OGTR Special Account | 7,453 | 7,878 | 7,642 | 7,650 | 7,697 |
| NICNAS Special Account | 18,192 | 20,296 | 14,680 | 14,580 | 14,330 |
| TGA Special Account | 149,656 | 153,474 | 146,169 | 147,628 | 150,234 |
| Expense adjustment | (5,517) | (7,615) | 3,796 | 4,606 | 4,489 |
| **Total for Program 5.1** | **175,322** | **179,794** | **177,882** | **179,959** | **182,597** |
| **Program 5.2: Health Protection and Emergency Response** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 79,724 | 89,277 | 94,803 | 92,473 | 88,426 |
| Non cash expenses | 21,539 | 24,408 | 23,616 | 13,007 | 4,320 |
| Special Accounts |  |  |  |  |  |
| Human Pituitary Hormones Special Account - s78 PGPA Act | 199 | 170 | 170 | 170 | 170 |
| Program support | 17,617 | 15,415 | 15,490 | 15,259 | 15,230 |
| **Total for Program 5.2** | **119,079** | **129,270** | **134,079** | **120,909** | **108,146** |
| **Program 5.3: Immunisation** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 34,023 | 33,868 | 26,853 | 26,769 | 25,105 |
| to Australian Childhood Immunisation Special Account | (6,971) | (7,055) | (7,133) | (7,133) | (7,133) |
| Special Accounts |  |  |  |  |  |
| Australian Childhood Immunisation Register Special Account s78 PGPA Act | 9,955 | 9,820 | 9,820 | 9,820 | 9,820 |
| Special appropriations |  |  |  |  |  |
| *National Health Act 1953*  - essential vaccines | 294,505 | 372,164 | 372,845 | 375,201 | 369,178 |
| Program support | 8,725 | 7,437 | 7,403 | 7,298 | 7,283 |
| **Total for Program 5.3** | **340,237** | **416,234** | **409,788** | **411,955** | **404,253** |

**Planned Performance for Outcome 5**

Table 2.5.4 below details changes to the performance criteria for Program 5.1. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2017-18 Budget. Refer to page 114 of the *2017‑18 Health Portfolio Budget* *Statements* for all remaining unchanged performance criteria.

**Table 2.5.4: Performance Criteria for Program 5.1**

| **Purpose** | | | |
| --- | --- | --- | --- |
| Lead and shape Australia’s health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation. | | | |
| **Program 5.1: Protect the Health and Safety of the Community Through Regulation** | | | |
| **Delivery** | | | |
| **A. Regulating therapeutic goods for safety, effectiveness/performance and quality while promoting best practice**   * Publish performance statistics reports and a key performance indicator report in compliance with the Regulator Performance Framework. * Participate in international engagement and work sharing activities with comparable international regulators. * Monitor regulatory compliance and take appropriate action. * Improve access to therapeutic goods for consumers and streamline regulatory processes for industry by implementing the Australian Government’s reforms arising from the Review of Medicines and Medical Devices Regulation. | | | |
| **Changes to performance criteria** | | | |
| **A. Regulating therapeutic goods for safety, effectiveness/performance and quality while promoting best practice** | | | |
| **Regulate therapeutic goods for safety, effectiveness/performance and quality.[[1]](#footnote-1)**  **a. Percentage of applications lodged under prescription medicines registration (Category 1 applications) processed within the legislated timeframes.**  **b. Percentage of quality related evaluations of prescription medicines (Category 3 applications) processed within 45 working days.**  **c. Percentage of conformity assessments for medical devices processed within 255 working days.**  **d. Percentage of licensing and surveillance inspections completed within target timeframes.** | | | |
| **2017-18 Target** | **2018-19 Target** | **2019-20 Target** | **2020-21 Target** |
| a. 100% | 100% | 100% | 100% |
| b. 100% | 100% | 100% | 100% |
| c. 100% | 100% | 100% | 100% |
| d. 85% | 85% | 85% | 85% |

**2.6 Budgeted Expenses and Performance for Outcome 6**

**Outcome 6: Ageing and Aged Care**

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

**Table 2.6.1: Resource Summary – Outcome 6**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 6.1: Access and Information** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 209,190 | 209,190 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 42,077 | 42,077 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 734 | 734 | - | - |
| **Total for Program 6.1** | **252,001** | **252,001** | **-** | **-** |
| **Program 6.2: Home Support and Care (d)** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 2,549,718 | 2,560,449 | 10,731 | - |
| Special appropriations |  |  |  |  |
| *Aged Care Act 1997* - Home Care Packages | 1,967,122 | 1,968,204 | 1,082 | - |
| *National Health Act 1953* - continence aids payments | 86,792 | 86,889 | 97 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 45,459 | 45,459 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 722 | 722 | - | - |
| **Total for Program 6.2** | **4,649,813** | **4,661,723** | **11,910** | **-** |

**Table 2.6.1: Resource Summary – Outcome 6 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Program 6.3: Residential and Flexible Care** | |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) (e) | 100,929 | 110,929 | 10,000 | - |
| Zero Real Interest Loans |  |  |  |  |
| - appropriation | 34,200 | 44,200 | 10,000 | - |
| - expense adjustment (f) | (22,866) | (28,448) | - | 5,582 |
| Special appropriations |  |  |  |  |
| *Aged Care Act 1997* - residential care | 11,429,323 | 11,410,405 | - | 18,918 |
| *Aged Care Act 1997* - flexible care | 472,175 | 470,072 | - | 2,103 |
| *Aged Care (Accommodation Payment Security) Act 2006* | - | 85 | 85 | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 44,184 | 44,184 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 802 | 802 | - | - |
| **Total for Program 6.3** | **12,058,747** | **12,052,229** | **20,085** | **26,603** |
| **Program 6.4: Aged Care Quality** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 114,210 | 114,210 | - | - |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 45,681 | 45,681 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 799 | 799 | - | - |
| **Total for Program 6.4** | **160,690** | **160,690** | **-** | **-** |

**Table 2.6.1: Resource Summary – Outcome 6 (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Outcome 6 totals by appropriation type** |  |  |  |  |
| Administered expenses |  |  |  |  |
| Ordinary annual services (a) | 3,008,247 | 3,038,978 | 30,731 | - |
| - expense adjustment (f) | (22,866) | (28,448) | - | 5,582 |
| Special appropriations | 13,955,412 | 13,935,655 | - | 19,757 |
| Departmental expenses |  |  |  |  |
| Departmental appropriation (b) | 177,401 | 177,401 | - | - |
| Expenses not requiring appropriation in the Budget year (c) | 3,057 | 3,057 | - | - |
| **Total expenses for Outcome 6** | **17,121,251** | **17,126,643** | **30,731** | **25,339** |
|  |  |  |  |  |
|  | **2017-18 Budget** | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 1,095 | 1,082 |  |  |

(a) Appropriation (Bill No. 1 & 3) 2017-18.

(b) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

(d) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2017-18 Health Portfolio Budget Statements* under each program. For updated estimates refer to the *2017-18 Mid-Year Economic and Fiscal Outlook*.

(e) Ordinary annual services (Bill 1) against Program 6.3 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

(f) 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.

**Table 2.6.2: Variations Table – Outcome 6**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 6.1: Access and Information** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | - | - | (216) | (218) |
|  | **-** | **-** | **(216)** | **(218)** |
| **Program 6.2: Home Support and Care** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - Rollout of National Disability Insurance Scheme in Western Australia - revised implementation arrangements | - | (15,249) | (15,782) | (16,335) |
| Commonwealth Continuity of Support Program - movement of funds | 11,586 | - | 6,624 | - |
| National Disability Insurance Scheme (NDIS) Home Support Program - revised arrangements | (855) | - | - | - |
| Price parameter adjustments (a) | - | 2,645 | 2,774 | 5,829 |
|  | **10,731** | **(12,604)** | **(6,384)** | **(10,506)** |
| **Program 6.3: Residential and Flexible Care** |  |  |  |  |
| **Changes to administered appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Zero Real Interest Loans - movement of funds and model updates | 4,418 | 3,280 | 2,588 | - |
| Rural, Regional and Other Special Needs Buildings Fund - movement of funds | 10,000 | 20,000 | (15,000) | (15,000) |
| Price parameter adjustments (a) | - | (1) | (302) | (326) |
|  | **14,418** | **23,279** | **(12,714)** | **(15,326)** |
| **Program 6.4: Aged Care Quality** |  |  |  |  |
| Changes to administered appropriations |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| Price parameter adjustments (a) | **-** | **-** | **(117)** | **(120)** |
|  | **-** | **-** | **(117)** | **(120)** |

(a) See explanation in Portfolio Glossary.

**Table 2.6.3: Program Expenses Table – Outcome 6**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 6.1: Access and Information** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 193,806 | 209,190 | 210,132 | 218,385 | 220,660 |
| Program support | 48,068 | 42,811 | 43,563 | 43,052 | 42,973 |
| **Total for Program 6.1** | **241,874** | **252,001** | **253,695** | **261,437** | **263,633** |
| **Program 6.2: Home Support and Care** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 2,228,706 | 2,560,449 | 3,073,507 | 3,231,022 | 3,333,022 |
| Special appropriations |  |  |  |  |  |
| *Aged Care Act 1997*  - home care packages | 1,586,164 | 1,968,204 | 2,293,112 | 2,656,004 | 2,974,086 |
| *National Health Act 1953  -* continence aids payments | 84,614 | 86,889 | 84,657 | 75,043 | 77,344 |
| Program support | 46,586 | 46,181 | 50,981 | 48,396 | 47,822 |
| **Total for Program 6.2** | **3,946,070** | **4,661,723** | **5,502,257** | **6,010,465** | **6,432,274** |
| **Program 6.3: Residential and Flexible Care** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 106,934 | 110,929 | 122,900 | 98,899 | 117,151 |
| Zero Real Interest Loans |  |  |  |  |  |
| - appropriation | 39,180 | 44,200 | 27,960 | 7,837 | - |
| - expense adjustment | (14,990) | (28,448) | (18,656) | (5,249) | - |
| Special appropriations |  |  |  |  |  |
| *Aged Care Act 1997*  - residential care | 10,806,366 | 11,410,405 | 12,069,752 | 12,894,503 | 13,579,349 |
| *Aged Care Act 1997*  - flexible care | 419,208 | 470,072 | 493,226 | 536,952 | 580,395 |
| *Aged Care (Accommodation Payment Security) Act 2006* | 128 | 85 | - | - | - |
| Program support | 53,679 | 44,986 | 45,758 | 45,180 | 44,897 |
| **Total for Program 6.3** | **11,410,505** | **12,052,229** | **12,740,940** | **13,578,122** | **14,321,792** |
| **Program 6.4: Aged Care Quality** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services | 121,975 | 114,210 | 117,225 | 118,974 | 120,857 |
| Program support | 53,739 | 46,480 | 45,615 | 45,035 | 44,855 |
| **Total for Program 6.4** | **175,714** | **160,690** | **162,840** | **164,009** | **165,712** |

**Planned Performance for Outcome 6**

Table 2.6.4 below details changes to the performance criteria for Program 6.3. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2017-18 Budget. Refer to page 134 of the *2017-18 Health Portfolio Budget Statements* for all remaining unchanged performance criteria.

**Table 2.6.4: Performance Criteria for Program 6.3**

| **Purpose** | |
| --- | --- |
| Lead and shape Australia’s health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation. | |
| **Program 6.3: Residential and Flexible Care** | |
| **Delivery** | |
| **D. Protecting the financial security of people in Commonwealth-subsidised residential aged care through the Accommodation Payment Guarantee Scheme**   * Administer the Accommodation Payment Guarantee Scheme, when  Commonwealth-subsidised residential aged care service providers are deemed insolvent following the Secretary’s insolvency event declaration under the *Aged Care (Accommodation Payment Security) Act 2006*. | |
| **Changes to performance criteria** | |
| **D. Protecting the financial security of people in Commonwealth-subsidised residential aged care through the Accommodation Payment Guarantee Scheme** | |
| **Accommodation payment refunds made to eligible aged care recipients within 14 days following the Secretary’s refund declaration under the *Aged Care (Accommodation Payment Security) Act 2006*.[[2]](#footnote-2)** | |
| **2017-18 Target** | **2018-19 (& beyond) Target** |
| 100% of accommodation payment refunds are made within 14 days. | As per 2017-18. |

Section 3: Special Account Flows and Budgeted Financial Statements

**3.1 Special Account Flows**

**Estimates of Special Accounts Flows**

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Health.

**3.1.1 Estimates of Special Account Flows and Balances**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Outcome | | Opening balance **2017-18** *2016-17* $'000 | Other  receipts **2017-18** *2016-17* $'000 | Appropriation receipts **2017-18** *2016-17* $'000 | Payments  **2017-18** *2016-17* $'000 | Closing balance **2017-18** *2016-17* $'000 |
| Australian Childhood Immunisation Register (A) | 5 | | **4,616** | **3,853** | **7,055** | **9,820** | **5,704** |
|  |  | | *3,876* | *3,724* | *6,971* | *9,955* | *4,616* |
| Human Pituitary Hormones (A) | 5 | | **2,371** | **-** | **-** | **170** | **2,201** |
|  |  | | *2,570* | *-* | *-* | *199* | *2,371* |
| Medical Research Future Fund (A) | 1 | | **47,916** | **121,565** | **-** | **143,316** | **26,165** |
|  |  | | *-* | *60,876* | *-* | *12,960* | *47,916* |
| Medicare Guarantee Fund (a) (A) | 4 | | **-** | **34,413,984** | **-** | **34,413,555** | **429** |
|  |  | |  |  |  |  |  |
| National Industrial Chemicals Notification and Assessment Scheme (D) | 5 | | **18,055** | **14,700** | **322** | **20,296** | **12,781** |
|  |  | | *14,721* | *17,764* | *3,762* | *18,192* | *18,055* |
| Office of Gene Technology Regulator (D) | 5 | | **8,259** | **134** | **7,544** | **7,878** | **8,059** |
|  |  | | *7,932* | *139* | *7,641* | *7,453* | *8,259* |
| Services for Other | various | |  |  |  |  |  |
| Entities and Trust Moneys (S) | |  | **19,135** | **3,634** | **1,098** | **4,845** | **19,022** |
|  |  | | *18,503* | *8,470* | *10,226* | *18,064* | *19,135* |
| Sport and Recreation (A) | 3 | | **596** | **407** | **-** | **407** | **596** |
|  |  | | *624* | *270* | *-* | *298* | *596* |
| Therapeutic Goods Administration (D) | 5 | | **62,605** | **142,341** | **2,388** | **153,474** | **53,860** |
|  |  | | *66,039* | *143,648* | *2,574* | *149,656* | *62,605* |
| **Total special accounts 2017-18 Estimate** |  | | **163,553** | **34,700,618** | **18,407** | **34,753,761** | **128,817** |
| *Total special accounts  2016-17 Actual* |  | | *114,265* | *234,891* | *31,174* | *216,777* | *163,553* |

D = Departmental; A = Administered; S = Special Public Money

(a) The Medicare Guarantee Fund was established effective 1 July 2017.

**3.2 Budgeted Financial Statements**

**3.2.1 Analysis of Budgeted Financial Statements**

**Departmental**

The departmental budgeted financial statements include the Department of Health, the Therapeutic Goods Administration (TGA), the Office of Gene Technology Regulator (OGTR), and the National Industrial Chemicals Notification and Assessment Scheme (NICNAS).

###### Comprehensive Income Statement

Measures affecting the departmental appropriation are provided in Table 1.2 and other variations since the 2017-18 Budget are provided in the variation tables for each outcome and the cross outcome variations in Table 2.

###### Balance Sheet

Accumulated deficits steadily increase over the forward estimates due to the Net Cash Resourcing framework which provides for capital funding on a just-in-time basis but no longer funds agencies for non-cash depreciation expenses.

###### Cash Flow

Cash flows are consistent with projected income and expense, appropriations from Government, and expenditure on property, plant and equipment, and intangibles.

**Administered**

**Schedule of Budgeted Income and Expenses**

Revenue estimates include levies for the medical indemnity and recoveries for pharmaceutical, aged care and Medicare recoveries.

Personal benefits include pharmaceutical and medical benefits and the Private Health Insurance rebate.

Subsidies mainly include payments for the ageing and aged care functions.

Write down and impairment of assets provides for the obsolescence and expiry of the drug stockpile inventory and the concessional loan discount relates to the recognition of the expenses up-front when making concessional interest loans to aged care providers.

**Schedule of Budgeted Assets and Liabilities**

The administered Schedule of Budgeted Assets and Liabilities primarily reports movements in liabilities, including estimates for accrued liabilities for unpaid amounts relating to medical benefits, pharmaceutical benefits, and the private health insurance rebate.

The administered Schedule of Budgeted Assets and Liabilities also includes estimates for the value of the National Medical Stockpile inventories, provisions for medical indemnity and investments for the Biomedical Translation Fund.

**Schedule of Administered Capital Budget**

Capital funding of $25 million has been provided in 2017-18 to provide for replenishment of the National Medical Stockpile.

**Cash Flows**

Cash flows are consistent with projected income and expenses, capital injections from Government and investments in inventory and the Biomedical Translation Fund.

**Table 3.2.1: Budget Departmental Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 557,695 | 521,853 | 522,388 | 532,611 | 534,357 |
| Supplier expenses | 324,286 | 295,194 | 285,097 | 256,801 | 246,786 |
| Depreciation and amortisation | 26,549 | 28,302 | 30,934 | 28,364 | 28,654 |
| Other expenses | 2,978 | 4,000 | 4,000 | 4,000 | 4,000 |
| **Total expenses** | **911,508** | **849,349** | **842,419** | **821,776** | **813,797** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 170,717 | 176,292 | 181,564 | 184,099 | 186,331 |
| Interest | - | - | 1,893 | 1,893 | 1,893 |
| Other revenue | 680 | 1,380 | 1,403 | 1,428 | 1,428 |
| **Total revenue** | **171,397** | **177,672** | **184,860** | **187,420** | **189,652** |
| **Gains** |  |  |  |  |  |
| Sale of assets | 1,975 | - | - | - | - |
| Other | 850 | 870 | 870 | 870 | 870 |
| **Total gains** | **2,825** | **870** | **870** | **870** | **870** |
| **Total own-source income** | **174,222** | **178,542** | **185,730** | **188,290** | **190,522** |
| **Net cost of (contribution by) services** | **737,286** | **670,807** | **656,689** | **633,486** | **623,275** |
| Revenue from Government | 655,162 | 646,636 | 634,678 | 614,478 | 604,410 |
| **Surplus (Deficit)** | **(82,124)** | **(24,171)** | **(22,011)** | **(19,008)** | **(18,865)** |
| **Surplus (Deficit) attributable to the Australian Government** | **(82,124)** | **(24,171)** | **(22,011)** | **(19,008)** | **(18,865)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation reserves | 4,770 | **-** | - | - | - |
| **Total other comprehensive income (loss)** | **4,770** | **-** | **-** | **-** | **-** |
| **Total comprehensive income (loss) attributable to the Australian Government** | **(77,354)** | **(24,171)** | **(22,011)** | **(19,008)** | **(18,865)** |

**Note: Reconciliation of comprehensive income attributable to the entity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **Total comprehensive income (loss) attributable to the Australian Government** | **(77,354)** | **(24,171)** | **(22,011)** | **(19,008)** | **(18,865)** |
| plus non-appropriated expenses including depreciation and amortisation expenses | 21,829 | 20,567 | 22,011 | 19,008 | 18,865 |
| **Total comprehensive income (loss) attributable to the entity** | **(55,525)** | **(3,604)** | **-** | **-** | **-** |

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 95,722 | 81,503 | 85,299 | 89,905 | 94,394 |
| Receivables | 49,495 | 46,204 | 44,523 | 42,059 | 40,933 |
| Other | 2,160 | 2,160 | 2,160 | 2,160 | 2,160 |
| **Total financial assets** | **147,377** | **129,867** | **131,982** | **134,124** | **137,487** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 54,923 | 51,715 | 46,180 | 40,579 | 37,168 |
| Property, plant and equipment | 5,378 | 5,593 | 5,789 | 5,942 | 6,867 |
| Intangibles | 119,147 | 133,420 | 127,417 | 125,192 | 117,171 |
| Other | 26,972 | 26,972 | 26,972 | 26,972 | 26,972 |
| **Total non-financial assets** | **206,420** | **217,700** | **206,358** | **198,685** | **188,178** |
| **Total assets** | **353,797** | **347,567** | **338,340** | **332,809** | **325,665** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 59,416 | 60,395 | 61,403 | 62,442 | 63,512 |
| Other payables | 55,781 | 52,315 | 48,850 | 45,447 | 43,461 |
| **Total payables** | **115,197** | **112,710** | **110,253** | **107,889** | **106,973** |
| **Provisions** |  |  |  |  |  |
| Employees | 153,521 | 156,196 | 158,925 | 161,708 | 164,546 |
| Other provisions | 30,398 | 30,130 | 28,477 | 25,594 | 22,546 |
| **Total provisions** | **183,919** | **186,326** | **187,402** | **187,302** | **187,092** |
| **Total liabilities** | **299,116** | **299,036** | **297,655** | **295,191** | **294,065** |
| **Net Assets** | **54,681** | **48,531** | **40,685** | **37,618** | **31,600** |
| **EQUITY** |  |  |  |  |  |
| Contributed equity | 252,569 | 270,590 | 284,755 | 300,696 | 313,543 |
| Reserves | 35,206 | 35,206 | 35,206 | 35,206 | 35,206 |
| Accumulated deficits | (233,094) | (257,265) | (279,276) | (298,284) | (317,149) |
| **Total equity** | **54,681** | **48,531** | **40,685** | **37,618** | **31,600** |

**Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Retained earnings** $'000 | **Asset revaluation reserve** $'000 | **Contributed equity/ capital** $'000 | **Total  equity** $'000 |
| **Opening balance as at 1 July 2017** |  |  |  |  |
| Balance carried forward from previous period | (233,094) | 35,206 | 252,569 | **54,681** |
| Surplus (deficit) for the period | (24,171) | - | - | **(24,171)** |
| Equity injection - appropriations | - | - | 6,926 | **6,926** |
| Departmental capital budget | - | - | 11,095 | **11,095** |
| **Estimated closing balance as at 30 June 2018** | **(257,265)** | **35,206** | **270,590** | **48,531** |

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows (for the period  
ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Goods and services | 181,537 | 240,996 | 245,474 | 245,812 | 248,038 |
| Appropriations | 844,086 | 650,203 | 636,564 | 617,229 | 605,829 |
| Interest | - | - | 1,893 | 1,893 | 1,893 |
| Net GST received | 28,858 | 24,010 | 20,570 | 20,000 | 20,000 |
| Other cash received | - | 1,380 | 1,403 | 1,428 | 1,428 |
| **Total cash received** | **1,054,481** | **916,589** | **905,904** | **886,362** | **877,188** |
| **Cash used** |  |  |  |  |  |
| Employees | 553,374 | 519,107 | 519,587 | 529,753 | 531,443 |
| Suppliers | 360,130 | 317,355 | 303,789 | 274,892 | 264,846 |
| Cash to the Official Public Account | 114,459 | 64,980 | 64,192 | 62,000 | 62,000 |
| Other | 526 | 7,805 | 9,113 | 10,361 | 9,110 |
| **Total cash used** | **1,028,489** | **909,247** | **896,681** | **877,006** | **867,399** |
| **Net cash from (or used by) operating activities** | **25,992** | **7,342** | **9,223** | **9,356** | **9,789** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property, plant and equipment | 81 | - | - | - | - |
| **Total cash received** | **81** | **-** | **-** | **-** | **-** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and equipment | 36,488 | 39,582 | 19,592 | 20,691 | 18,147 |
| **Total cash used** | **36,488** | **39,582** | **19,592** | **20,691** | **18,147** |
| **Net cash from (or used by) investing activities** | **(36,407)** | **(39,582)** | **(19,592)** | **(20,691)** | **(18,147)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations - contributed equity | 5,321 | 6,926 | 5,258 | 2,432 | 2,016 |
| Appropriations - Departmental Capital Budget | 10,144 | 11,095 | 8,907 | 13,509 | 10,831 |
| **Total cash received** | **15,465** | **18,021** | **14,165** | **15,941** | **12,847** |
| **Net cash from (or used by) financing activities** | **15,465** | **18,021** | **14,165** | **15,941** | **12,847** |
| **Net increase (or decrease) in cash held** | **5,050** | **(14,219)** | **3,796** | **4,606** | **4,489** |
| Cash and cash equivalents at the beginning of the reporting period | 90,672 | 95,722 | 81,503 | 85,299 | 89,905 |
| **Cash and cash equivalents at the end of the reporting period** | **95,722** | **81,503** | **85,299** | **89,905** | **94,394** |

**Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | 6,651 | 6,926 | 5,258 | 2,432 | 2,016 |
| Capital budget - Bill 1 (DCB) | 9,828 | 11,095 | 8,907 | 13,509 | 10,831 |
| **Total capital appropriations** | **16,479** | **18,021** | **14,165** | **15,941** | **12,847** |
| **Total new capital appropriations represented by:** |  |  |  |  |  |
| Purchase of non-financial assets | 16,479 | 18,021 | 14,165 | 15,941 | 12,847 |
| **Total items** | **16,479** | **18,021** | **14,165** | **15,941** | **12,847** |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations  - equity injection (a) | 4,664 | 12,175 | 5,558 | 2,432 | 2,016 |
| Funded by capital appropriation  - DCB (b) | 9,828 | 11,095 | 8,907 | 13,509 | 10,831 |
| Funded internally from departmental resources | 22,444 | 16,312 | 5,127 | 4,750 | 5,300 |
| Funded by finance leases | - | - | - | - | - |
| **Total acquisitions of  non-financial assets** | **36,936** | **39,582** | **19,592** | **20,691** | **18,147** |

(a) Includes both current Appropriation Bill No. 2 and prior Act 2/4/6 appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

**Table 3.2.6: Statement of Asset Movements (Budget year 2017-18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Buildings** $'000 | **Other property, plant and equipment** $'000 | **Intangibles** $'000 | **Total** $'000 |
| **As at 1 July 2017** |  |  |  |  |
| Gross book value | 55,097 | 9,221 | 237,715 | **302,033** |
| Accumulated depreciation/ amortisation and impairment | (174) | (3,843) | (118,568) | **(122,585)** |
| **Opening net book balance** | **54,923** | **5,378** | **119,147** | **179,448** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |
| By purchase - appropriation equity | - | - | 12,175 | **12,175** |
| By purchase - appropriation ordinary annual services | - | - | 11,095 | **11,095** |
| By purchase - other | 3,540 | 2,259 | 10,513 | **16,312** |
| **Total additions** | **3,540** | **2,259** | **33,783** | **39,582** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (6,748) | (2,044) | (19,510) | **(28,302)** |
| Revaluation to Gross book value | (6,922) | (5,887) | - | **(12,809)** |
| Revaluation to Accumulated depreciation | 6,922 | 5,887 | - | **12,809** |
| **Total other movements** | **(6,748)** | **(2,044)** | **(19,510)** | **(28,302)** |
| **As at 30 June 2018** |  |  |  |  |
| Gross book value | 51,715 | 5,593 | 271,498 | **328,806** |
| Accumulated depreciation/ amortisation and impairment | - | - | (138,078) | **(138,078)** |
| **Closing net book balance** | **51,715** | **5,593** | **133,420** | **190,728** |

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| Suppliers | 807,335 | 740,797 | 686,593 | 691,706 | 673,754 |
| Subsidies | 12,102,130 | 12,039,713 | 12,710,734 | 13,593,524 | 14,343,687 |
| Personal benefits | 42,555,967 | 44,431,585 | 46,039,900 | 48,190,172 | 49,990,637 |
| Grants | 7,468,532 | 8,235,202 | 8,894,828 | 8,905,005 | 9,180,474 |
| Depreciation and amortisation | 1,355 | - | - | - | - |
| Write down and impairment of assets | 33,572 | 24,408 | 23,616 | 13,007 | 4,320 |
| Payments to corporate Commonwealth entities | 405,074 | 510,222 | 494,572 | 251,934 | 252,547 |
| Other expenses | 26,650 | 15,752 | 9,304 | 2,588 | - |
| **Total expenses administered on behalf of Government** | **63,400,615** | **65,997,679** | **68,859,547** | **71,647,936** | **74,445,419** |
| **INCOME ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |
| **Taxation revenue** |  |  |  |  |  |
| Other taxes | 18,932 | 16,100 | 16,400 | 16,800 | 17,200 |
| **Total taxation revenue** | **18,932** | **16,100** | **16,400** | **16,800** | **17,200** |
| **Non-taxation revenue** |  |  |  |  |  |
| Interest | 4,265 | 6,724 | 7,778 | 8,719 | 8,153 |
| Medicare Guarantee Fund | - | 34,413,984 | 35,520,429 | 37,135,622 | 38,406,567 |
| Medical Research Future Fund | 60,876 | 143,315 | 222,383 | 392,703 | 650,236 |
| Recoveries | 3,888,595 | 2,835,046 | 2,713,730 | 2,388,825 | 2,402,883 |
| Other revenues | 8,078 | 3,932 | 5,460 | 6,040 | 5,967 |
| **Total non-taxation revenue** | **3,961,814** | **37,403,001** | **38,469,780** | **39,931,909** | **41,473,806** |
| **Total own-source revenue administered on behalf of Government** | **3,980,745** | **37,419,101** | **38,486,180** | **39,948,709** | **41,491,006** |
| **Gains** |  |  |  |  |  |
| Other gains | - | - | - | - | - |
| **Total gains administered on behalf of Government** | **-** | **-** | **-** | **-** | **-** |
| **Total revenue administered on behalf of Government** | **3,980,745** | **37,419,101** | **38,486,180** | **39,948,709** | **41,491,006** |

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 146,809 | 125,488 | 118,018 | 111,688 | 104,338 |
| Receivables | 1,600,580 | 1,490,960 | 1,486,629 | 1,425,720 | 1,253,593 |
| Investments | 454,972 | 485,984 | 523,526 | 523,526 | 523,526 |
| **Total financial assets** | **2,202,361** | **2,102,432** | **2,128,173** | **2,060,934** | **1,881,457** |
| **Non-financial assets** |  |  |  |  |  |
| Inventories | 115,262 | 115,854 | 117,238 | 129,231 | 124,911 |
| **Total non-financial assets** | **115,262** | **115,854** | **117,238** | **129,231** | **124,911** |
| **Total assets administered on behalf of Government** | **2,317,623** | **2,218,286** | **2,245,411** | **2,190,165** | **2,006,368** |
| **LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 22,841 | 22,764 | 22,764 | 22,764 | 22,764 |
| Subsidies | 51,296 | 73,799 | 79,785 | 88,506 | 100,569 |
| Personal benefits payable | 975,974 | 1,010,746 | 1,051,940 | 1,080,301 | 1,102,580 |
| Grants | 317,461 | 308,945 | 308,460 | 308,312 | 308,312 |
| **Total payables** | **1,367,572** | **1,416,254** | **1,462,949** | **1,499,883** | **1,534,225** |
| **Provisions** |  |  |  |  |  |
| Personal Benefits | 1,057,773 | 1,057,773 | 1,057,773 | 1,057,773 | 1,057,773 |
| Subsidies | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 |
| **Total payables** | **1,507,773** | **1,507,773** | **1,507,773** | **1,507,773** | **1,507,773** |
| **Total liabilities administered on behalf of Government** | **2,875,345** | **2,924,027** | **2,970,722** | **3,007,656** | **3,041,998** |

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period  
ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Interest | 4,265 | 6,724 | 7,778 | 8,719 | 8,153 |
| Taxes | 18,932 | 16,100 | 16,400 | 16,800 | 17,200 |
| GST received | 562,908 | 547,561 | 587,230 | 572,338 | 564,279 |
| Special Account Receipts | 64,870 | 34,557,706 | 35,742,812 | 37,528,325 | 39,056,798 |
| Recoveries | 3,766,815 | 2,957,207 | 2,715,859 | 2,431,907 | 2,552,212 |
| Other | 39,306 | - | - | - | - |
| **Total cash received** | **4,457,096** | **38,085,298** | **39,070,079** | **40,558,089** | **42,198,642** |
| **Cash used** |  |  |  |  |  |
| Grants | 8,045,959 | 8,243,718 | 8,895,313 | 8,905,153 | 9,180,474 |
| Subsidies | 12,234,931 | 99,299 | 102,263 | 104,361 | 106,455 |
| Personal benefits | 42,820,809 | 44,396,336 | 45,998,708 | 48,161,813 | 49,968,362 |
| Suppliers | 819,757 | 12,683,785 | 13,314,078 | 14,197,148 | 14,898,923 |
| Corporate entity payments | 405,074 | 510,222 | 494,572 | 251,934 | 252,547 |
| GST paid | - | 547,561 | 587,230 | 572,338 | 564,279 |
| **Total cash used** | **64,326,530** | **66,480,921** | **69,392,164** | **72,192,747** | **74,971,040** |
| **Net cash from (or used by) operating activities** | **(59,869,434)** | **(28,395,623)** | **(30,322,085)** | **(31,634,658)** | **(32,772,398)** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Repayment of advances | 28,102 | 18,953 | 26,318 | 29,116 | 28,765 |
| **Total cash used** | **28,102** | **18,953** | **26,318** | **29,116** | **28,765** |
| **Cash used** |  |  |  |  |  |
| Advances made | 39,180 | 44,200 | 27,960 | 7,837 | - |
| Corporate entity equity | 10,589 | 54,533 | 37,542 | - | - |
| Purchase of investment | 6,568 | - | - | - | - |
| **Total cash used** | **56,337** | **98,733** | **65,502** | **7,837** | **-** |
| **Net cash from (or used by) investing activities** | **(28,235)** | **(79,780)** | **(39,184)** | **21,279** | **28,765** |
| **Net increase (or decrease) in cash held** | **(59,897,669)** | **(28,475,403)** | **(30,361,269)** | **(31,613,379)** | **(32,743,633)** |
| Cash at beginning of reporting period | 171,579 | 146,809 | 125,488 | 118,018 | 111,688 |
| Cash from OPA for: |  |  |  |  |  |
| - appropriations | 63,697,234 | 31,386,289 | 33,044,658 | 34,013,956 | 35,288,495 |
| - special accounts | 8,613 | - | - | - | - |
| - capital injections | 45,833 | 25,000 | 25,000 | 25,000 | - |
| - GST appropriations | 544,762 | 547,561 | 587,230 | 572,338 | 564,279 |
| Cash to the OPA |  |  |  |  |  |
| - return of GST | (557,510) | (547,561) | (587,230) | (572,338) | (564,279) |
| - other | (3,866,033) | (2,957,207) | (2,715,859) | (2,431,907) | (2,552,212) |
| **Cash at end of reporting period** | **146,809** | **125,488** | **118,018** | **111,688** | **104,338** |

OPA = Official Public Account.

**Table 3.2.10: Administered Capital Budget Statement (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget**   $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Administered assets | 32,104 | 25,000 | 25,000 | 25,000 | - |
| **Total capital appropriations** | **32,104** | **25,000** | **25,000** | **25,000** | **-** |
| **Total new capital appropriations represented by:** |  |  |  |  |  |
| Purchase of non-financial assets | 25,536 | 25,000 | 25,000 | 25,000 | - |
| Other items | 6,568 | - | - | - | - |
| **Total items** | **32,104** | **25,000** | **25,000** | **25,000** | **-** |
| **ACQUISITION OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations | 25,536 | 25,000 | 25,000 | 25,000 | - |
| **Total acquisition of  non-financial assets** | **25,536** | **25,000** | **25,000** | **25,000** | **-** |

**Table 3.2.11: Statement of Administered Asset Movements (Budget year 2017-18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Land** $'000 | **Buildings** $'000 | **Intangibles** $'000 | **Total** $'000 |
| **As at 1 July 2017** |  |  |  |  |
| Gross book value | - | - | - | **-** |
| Accumulated depreciation/ |  |  |  |  |
| amortisation and impairment | - | - | - | **-** |
| **Opening net book balance** | **-** | **-** | **-** | **-** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |
| By purchase or internally developed | - | - | - | **-** |
| **Sub-total** | **-** | **-** | **-** | **-** |
| **Other Movements** |  |  |  |  |
| Depreciation/amortisation expense | - | - | - | **-** |
| Restructuring | - | - | - | **-** |
| **As at 30 June 2018** |  |  |  |  |
| Gross book value | - | - | - | **-** |
| Accumulated depreciation/ amortisation and impairment | - | - | - | **-** |
| **Closing net book balance** | **-** | **-** | **-** | **-** |

# Australian Sports Commission

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Section 1: Entity Overview and Resources

**1.1 Strategic Direction Statement**

The Australian Sports Commission (ASC) is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. The ASC was established in 1985 and operates under the *Australian Sports Commission Act 1989*. The ASC is the Australian Government’s leading sport agency, playing a central role in the development and operation of the Australian sport sector.

For more information about the ASC’s current strategy and context, refer the ASC’s current corporate plan.

**1.2 Entity Resource Statement**

The Entity Resource Statement details the resourcing for the ASC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1.1: Australian Sports Commission Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016-17 Actual available appropriation** $'000 | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed Additional Estimates** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **Opening balance/cash reserves at 1 July (a) (b)** | 75,842 | 76,673 | - | 76,673 |
| **FUNDS FROM GOVERNMENT** |  |  |  |  |
| **Annual appropriations** |  |  |  |  |
| Ordinary annual services (c) |  |  |  |  |
| Outcome 1 | 250,669 | 264,595 | 3,526 | 268,121 |
| Other services **(d)** |  |  |  |  |
| Equity injection | - | 1,069 | - | 1,069 |
| **Total annual appropriations** | **250,669** | **265,664** | **3,526** | **269,190** |
| **Total funds from Government** | **250,669** | 265,664 | **3,526** | **269,190** |
| **Funds from other sources** |  |  |  |  |
| Interest | 3,636 | 2,250 | - | 2,250 |
| Sale of goods and services | 35,214 | 21,422 | - | 21,422 |
| Other | 1,176 | 1,129 | 1,165 | 2,294 |
| **Total funds from other sources** | **40,026** | **24,801** | **1,165** | **25,966** |
| **Total net resourcing for ASC** | **366,537** | **367,138** | **4,691** | **371,829** |
|  |  |  |  |  |
|  | **Actual  2016-17** |  |  | **Budget  2017-18** |
| **Average staffing level (number)** | 530 |  |  | 550 |

All figures are GST exclusive.

The ASC is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Health, which are then paid to the ASC and are considered 'departmental' for all purposes.

(a) Includes cash and investments.

(b) The estimate at Budget has been revised to reflect the 2016-17 Annual Report.

(c) Appropriation Bill (No. 1 & 3) 2017-18.

(d) Appropriation Bill (No. 2 & 4) 2017-18.

**1.3 Entity Measures**

Table 1.2 summarises new Government measures taken since the 2017-18 Budget.

**Table 1.2: Australian Sports Commission 2017-18 Measures Since Budget**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18  $'000** | **2018-19  $'000** | **2019-20  $'000** | **2020-21** $'000 |
| **Tokyo 2020 Olympic Games - additional targeted support for high performance sport** | | | | | |
| Australian Sports Commission |  |  |  |  |  |
| Departmental expenses | 1.1 | 3,336 | 6,643 | - | - |
| **Total** |  | **3,336** | **6,643** | **-** | **-** |

**1.4 Additional Estimates, resourcing and Variations to outcomes**

The following table details the changes to the resourcing for the ASC at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures since the 2017-18 Budget in Appropriation Bills No. 3 and No. 4.

**Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the 2017-18 Budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 1.1: Australian Sports Commission** |  |  |  |  |
| **Changes to departmental appropriations** |  |  |  |  |
| *Appropriation Bill No. 3 and No. 4* |  |  |  |  |
| **Measure** - Tokyo 2020 Olympic Games - |  |  |  |  |
| additional targeted support for high performance | 3,336 | 6,643 | - | - |
| sport |  |  |  |  |
| Transfer of Jubilee Netball Elite Sports Program |  |  |  |  |
| from the Department of Infrastructure | 190 | - | - | - |
| Price parameter adjustments (a) | - | 207 | - | - |
| **Total** | **3,526** | **6,850** | **-** | **-** |

(a) See explanation in Portfolio Glossary.

**1.5 Breakdown of Additional Estimates by Appropriation Bill**

The following tables detail the Additional Estimates sought for the ASC through Appropriation Bills No. 3 and No. 4.

**Table 1.4: Appropriation Bill (No. 3) 2017-18**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Available** $'000 | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Departmental** |  |  |  |  |  |
| **Outcome 1** |  |  |  |  |  |
| Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport | 250,669 | 264,595 | 268,121 | 3,526 | - |
| **Total Appropriation Bill No. 3 departmental** | **250,669** | **264,595** | **268,121** | **3,526** | **-** |

**Table 1.5: Appropriation Bill (No. 4) 2017-18**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Available** $'000 | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Departmental** |  |  |  |  |  |
| **Outcome 1** |  |  |  |  |  |
| Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport | - | 1,069 | 1,069 | - | - |
| **Total Appropriation Bill No. 4 departmental** | **-** | **1,069** | **1,069** | **-** | **-** |

Section 2: Revisions to Outcomes and Planned Performance

**2.1 Budgeted Expenses and Performance for Outcome 1**

**Outcome 1**

Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport

**Budgeted Expenses for the ASC**

**Table 2.1.1: Budgeted Expenses and Resources for the ASC**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual**  $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 1.1: Australian Sports Commission** | | | | | |
| Revenue from Government |  |  |  |  |  |
| Ordinary annual services (a) | 250,669 | 268,121 | 234,407 | 207,942 | 209,083 |
| Revenues from independent sources | 38,317 | 23,742 | 22,828 | 22,370 | 22,272 |
| Operating deficit (surplus) | 7,150 | 8,386 | 8,857 | 8,958 | 8,958 |
| **Total for Program 1.1** | **296,136** | **300,249** | **266,092** | **239,270** | **240,313** |
| **Total expenses for Outcome 1** | **296,136** | **300,249** | **266,092** | **239,270** | **240,313** |
|  |  |  |  |  |  |
|  | **Actual 2016-17** | **Budget 2017-18** |  |  |  |
| **Average staffing level (number)** | 530 | 550 |  |  |  |

(a) Appropriation Bill (No. 1 & 3) 2017-18.

**Planned Performance for the ASC**

**Table 2.1.2: Performance Criteria for the ASC**

There have been no changes to performance information for the ASC since the 2017‑18 Budget which require new or modified performance criteria. Refer page 273 of the *2017-18 Health Portfolio Budget Statements* for current performance information.

Section 3: Special Account Flows and Budgeted Financial Statements

**3.1 Special Account Flows**

**Estimates of Special Account Flows**

The Australian Sports Commission does not manage any special accounts.

**3.2 Budgeted Financial Statements**

An analysis of the Australian Sports Commission budgeted financial statements for 2017-18 is provided below.

**3.2.1 Analysis of Budgeted Financial Statements**

**Departmental**

Revenue from Government will increase in 2017-18 and 2018-19 primarily reflecting the new Government measure – Tokyo 2020 Additional High Performance Funding. The $10.0 million in total funding from the new measure supports athletes and key sports over the next 18 months to maximise their potential for success at the 2020 Olympic and Paralympic Games.

**3.2.2 Budgeted Financial Statements**

**Table 3.2.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual**  $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **EXPENSES** |  |  |  |  |  |
| Employee benefits | 58,673 | 64,510 | 62,187 | 59,896 | 61,717 |
| Suppliers | 41,008 | 37,693 | 33,453 | 30,007 | 28,343 |
| Grants | 171,556 | 172,446 | 144,783 | 123,999 | 124,885 |
| Depreciation and amortisation | 23,180 | 25,600 | 25,669 | 25,368 | 25,368 |
| Other expenses | 1,719 | - | - | - | - |
| **Total expenses** | **296,136** | **300,249** | **266,092** | **239,270** | **240,313** |
| **LESS:** |  |  |  |  |  |
| **OWN-SOURCE INCOME** |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |
| Sale of goods and rendering of services | 34,542 | 21,422 | 20,776 | 20,574 | 20,730 |
| Interest | 3,714 | 2,320 | 2,052 | 1,796 | 1,542 |
| **Total revenue** | **38,256** | **23,742** | **22,828** | **22,370** | **22,272** |
| **Gains** |  |  |  |  |  |
| Other | 61 | - | - | - | - |
| **Total gains** | **61** | **-** | **-** | **-** | **-** |
| **Total own-source income** | **38,317** | **23,742** | **22,828** | **22,370** | **22,272** |
| **Net cost of (contribution by) services** | **257,819** | **276,507** | **243,264** | **216,900** | **218,041** |
| Revenue from Government | 250,669 | 268,121 | 234,407 | 207,942 | 209,083 |
| **Surplus (deficit) attributable to the Australian Government** | **(7,150)** | **(8,386)** | **(8,857)** | **(8,958)** | **(8,958)** |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |
| Changes in asset revaluation reserves | - | - | - | - | - |
| **Total other comprehensive income (loss)** | **-** | **-** | **-** | **-** | **-** |
| **Total comprehensive income (loss) attributable to the Australian Government** | **(7,150)** | **(8,386)** | **(8,857)** | **(8,958)** | **(8,958)** |

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 21,673 | 16,341 | 13,457 | 9,744 | 5,063 |
| Trade and other receivables | 6,298 | 6,298 | 6,298 | 6,298 | 6,298 |
| Loans | 2,860 | 636 | 624 | 568 | 513 |
| Investments | 55,000 | 55,000 | 45,000 | 30,000 | 30,000 |
| **Total financial assets** | **85,831** | **78,275** | **65,379** | **46,610** | **41,874** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 213,552 | 210,625 | 213,042 | 221,414 | 217,353 |
| Property, plant and equipment | 12,567 | 14,429 | 15,850 | 15,084 | 15,549 |
| Intangibles | 2,921 | 4,538 | 3,988 | 6,521 | 6,231 |
| Inventories | 682 | 682 | 682 | 682 | 682 |
| Other | 3,697 | 3,697 | 3,697 | 3,697 | 3,697 |
| **Total non-financial assets** | **233,419** | **233,971** | **237,259** | **247,398** | **243,512** |
| **Total assets** | **319,250** | **312,246** | **302,638** | **294,008** | **285,386** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Suppliers | 2,216 | 2,216 | 2,216 | 2,216 | 2,216 |
| Grants | 26 | 26 | 26 | 26 | 26 |
| Other payables | 1,716 | 1,716 | 1,716 | 1,716 | 1,716 |
| **Total payables** | **3,958** | **3,958** | **3,958** | **3,958** | **3,958** |
| **Provisions** |  |  |  |  |  |
| Employees | 13,017 | 13,330 | 12,579 | 12,907 | 13,243 |
| Other provisions | 67 | 67 | 67 | 67 | 67 |
| **Total provisions** | **13,084** | **13,397** | **12,646** | **12,974** | **13,310** |
| **Total liabilities** | **17,042** | **17,355** | **16,604** | **16,932** | **17,268** |
| **Net assets** | **302,208** | **294,891** | **286,034** | **277,076** | **268,118** |
| **EQUITY** |  |  |  |  |  |
| Contributed equity | 150,210 | 151,279 | 151,279 | 151,279 | 151,279 |
| Reserves | 193,836 | 193,836 | 193,836 | 193,836 | 193,836 |
| Retained surpluses (accumulated deficits) | (41,838) | (50,224) | (59,081) | (68,039) | (76,997) |
| **Total equity** | **302,208** | **294,891** | **286,034** | **277,076** | **268,118** |

**Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Retained earnings**   $'000 | **Asset revaluation reserve**  $'000 | **Contributed equity/ capital**  $'000 | **Total  equity**   $'000 |
| **Opening balance as at 1 July 2017** |  |  |  |  |
| Balance carried forward from previous period | (41,838) | 193,836 | 150,210 | **302,208** |
| Surplus (deficit) for the period | (8,386) | - | - | **(8,386)** |
| Appropriation (equity injection) | - | - | 1,069 | **1,069** |
| **Estimated closing balance as at 30 June 2018** | **(50,224)** | **193,836** | **151,279** | **294,891** |

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Goods and services | 35,214 | 21,422 | 20,776 | 20,574 | 20,730 |
| Appropriations | 250,669 | 268,121 | 234,407 | 207,942 | 209,083 |
| Interest | 3,636 | 2,250 | 2,000 | 1,750 | 1,500 |
| Net GST received | 16,103 | - | - | - | - |
| **Total cash received** | **305,622** | **291,793** | **257,183** | **230,266** | **231,313** |
| **Cash used** |  |  |  |  |  |
| Employees | 59,740 | 64,197 | 62,938 | 59,568 | 61,381 |
| Suppliers | 46,867 | 37,693 | 33,453 | 30,007 | 28,343 |
| Grants | 184,766 | 172,446 | 144,783 | 123,999 | 124,885 |
| **Total cash used** | **291,373** | **274,336** | **241,174** | **213,574** | **214,609** |
| **Net cash from (or used by) operating activities** | **14,249** | **17,457** | **16,009** | **16,692** | **16,704** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property, plant and equipment | 847 | - | - | - | - |
| Repayment of loans and interest | 329 | 2,294 | 64 | 102 | 97 |
| **Total cash received** | **1,176** | **2,294** | **64** | **102** | **97** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and equipment and intangibles | 14,594 | 26,152 | 28,957 | 35,507 | 21,482 |
| **Total cash used** | **14,594** | **26,152** | **28,957** | **35,507** | **21,482** |
| **Net cash from (or used by) investing activities** | **(13,418)** | **(23,858)** | **(28,893)** | **(35,405)** | **(21,385)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Contributed equity | - | 1,069 | - | - | - |
| **Total cash received** | **-** | **1,069** | **-** | **-** | **-** |
| **Net cash from (or used by) financing activities** | **-** | **1,069** | **-** | **-** | **-** |
| **Net increase (or decrease) in cash held** | **831** | **(5,332)** | **(12,884)** | **(18,713)** | **(4,681)** |
| Cash and cash equivalents at the beginning of the reporting period | 75,842 | 76,673 | 71,341 | 58,457 | 39,744 |
| **Cash and cash equivalents at the end of the reporting period** | **76,673** | **71,341** | **58,457** | **39,744** | **35,063** |

**Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Equity injections - Bill 2 | - | 1,069 | - | - | - |
| **Total capital appropriations** | **-** | **1,069** | **-** | **-** | **-** |
| **Total new capital appropriations represented by:** |  |  |  |  |  |
| Purchase of non-financial assets | - | 1,069 | - | - | - |
| **Total items** | **-** | **1,069** | **-** | **-** | **-** |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriations - equity injection (a) | - | 1,069 | - | - | - |
| Funded internally from departmental resources | 14,594 | 25,083 | 28,957 | 35,507 | 21,482 |
| **Total acquisitions of non-financial assets** | **14,594** | **26,152** | **28,957** | **35,507** | **21,482** |
| **RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 14,594 | 26,152 | 28,957 | 35,507 | 21,482 |
| **Total cash used to acquire assets** | **14,594** | **26,152** | **28,957** | **35,507** | **21,482** |

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.2.6: Statement of Asset Movements (Budget year 2017‑18)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Land**     $'000 | **Buildings**     $'000 | **Other property,  plant and equipment**  $'000 | **Intangibles**     $'000 | **Total**     $'000 |
| **As at 1 July 2017** |  |  |  |  |  |
| Gross book value | 10,000 | 534,853 | 30,134 | 11,001 | **585,988** |
| Accumulated depreciation amortisation and impairment | - | (331,301) | (17,567) | (8,080) | **(356,948)** |
| **Opening net book balance** | **10,000** | **203,552** | **12,567** | **2,921** | **229,040** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |  |
| By purchase - internal resources | - | 15,809 | 6,858 | 3,485 | **26,152** |
| **Total additions** | **-** | **15,809** | **6,858** | **3,485** | **26,152** |
| **Other movements** |  |  |  |  |  |
| Depreciation/amortisation expense | - | (18,736) | (4,996) | (1,868) | **(25,600)** |
| **Total other movements** | **-** | **(18,736)** | **(4,996)** | **(1,868)** | **(25,600)** |
| **As at 30 June 2018** |  |  |  |  |  |
| Gross book value | 10,000 | 550,662 | 36,992 | 14,486 | **612,140** |
| Accumulated depreciation/ amortisation and impairment | - | (350,037) | (22,563) | (9,948) | **(382,548)** |
| **Closing net book balance** | **10,000** | **200,625** | **14,429** | **4,538** | **229,592** |

**National Blood Authority**

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Section 1: Entity Overview and Resources

**1.1 Strategic Direction Statement**

The National Blood Authority (NBA) is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. The NBA is a statutory agency established in 2002 and operates under the *National Blood Authority Act 2003*. The NBA manages and coordinates arrangements for the supply of blood and blood products and services on behalf of the Australian Government and State and Territory Governments.

For a full outline of the NBA’s Strategic Direction, refer page 342 of the *2017-18 Health Portfolio Budget Statements*.

**1.2 Entity Resource Statement**

The Entity Resource Statement details the resourcing for the NBA at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2017-18 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1.1: National Blood Authority Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2016-17 Actual available appropriation** $'000 | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed Additional Estimate** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **DEPARTMENTAL** |  |  |  |  |
| Prior year appropriation available (a) | 9,068 | 10,524 | - | 10,524 |
| **Annual appropriations** |  |  |  |  |
| Ordinary annual services (b) |  |  |  |  |
| Departmental appropriation | 5,636 | 5,537 | 53 | 5,590 |
| s74 retained revenue receipts (c) | - | - | - | - |
| Departmental capital budget (d) | 631 | 621 | - | 621 |
| Other services (e) |  |  |  |  |
| Equity injection | - | - | - | - |
| **Total departmental annual appropriations** | **6,267** | **6,158** | **53** | **6,211** |
| **Special Accounts (f)** |  |  |  |  |
| Appropriation receipts | 6,267 | 6,158 | 53 | 6,211 |
| Non-appropriation receipts | 3,799 | 3,617 | - | 3,617 |
| **Total special account** | **10,066** | **9,775** | **53** | **9,828** |
| Less appropriations drawn from annual or special appropriations above and credited to Special Accounts (g) | (6,267) | (6,158) | (53) | (6,211) |
| **Total departmental resourcing** | **19,134** | **20,299** | **53** | **20,352** |

**Table 1.1: National Blood Authority Resource Statement – Additional Estimates for 2017-18 as at Additional Estimates February 2018 (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual available appropriation** $'000 | | **2017-18 Estimate as at Budget** $'000 | **2017-18 Proposed Additional Estimate** $'000 | **2017-18 Total estimate at AEs** $'000 |
| **ADMINISTERED** |  | |  |  |  |
| Prior year appropriation available (a) | 174,005 | | 175,550 | - | 175,550 |
| **Annual appropriations** |  | |  |  |  |
| Ordinary annual services (b) |  | |  |  |  |
| Outcome 1 | 5,190 | | 3,860 | - | 3,860 |
| Other services (e) |  | |  |  |  |
| Administered assets and liabilities | - | | - | - | - |
| **Total administered annual appropriations** | **5,190** | | **3,860** | **-** | **3,860** |
| **Special Accounts (f)** |  | |  |  |  |
| Appropriation receipts | 5,190 | | 3,860 | - | 3,860 |
| Appropriation receipts - other entities (h) | | 658,361 | 748,914 | (30,293) | 718,621 |
| Non-appropriation receipts | 382,212 | | 449,457 | (19,718) | 429,739 |
| **Total Special Accounts** | **1,045,763** | | **1,202,231** | **(50,011)** | **1,152,220** |
| Less appropriations drawn from annual or special appropriations above and credited to Special Accounts (g) | (5,190) | | (3,860) | - | (3,860) |
| **Total administered resourcing** | **1,219,768** | | **1,377,781** | **(50,011)** | **1,327,770** |
| **Total resourcing for NBA** | **1,238,902** | | **1,398,080** | **(49,958)** | **1,348,122** |
|  |  | |  |  |  |
|  | **2016-17 Actual** | | **2017-18 Revised** |  |  |
| **Average staffing level (number)** | 53 | | 53 |  |  |

All figures are GST exclusive.

(a) The estimate at Budget has been updated to reflect the Department's 2016-17 Annual Report.

(b) Appropriation Bill (No. 1 & 3) 2017-18.

(c) Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

(d) Departmental Capital Budgets (DCB) are not separately identified in Appropriation Bill (No. 1 & 3) and form part of ordinary annual services items. Refer to Table 3.2.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Appropriation Bill (No. 2 & 4) 2017-18.

(f) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Refer Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(g) Appropriation receipts included above.

(h) Appropriation receipts from the Department of Health.

**1.3 Entity Measures**

Table 1.2 summarises new Government measures taken since the 2017-18 Budget.

**Table 1.2: National Blood Authority 2017-18 Measures Since Budget**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Program** | **2017-18**  $'000 | **2018-19**  $'000 | **2019-20**  $'000 | **2020-21** $'000 |
| **National Blood Arrangements - National Fractionation Agreement** | | | | | |
| National Blood Authority Agency |  |  |  |  |  |
| Departmental expense | 1.1 | 53 | 190 | 190 | - |
| **Total** |  | **53** | **190** | **190** | **-** |

**1.4 Additional Estimates, resourcing and Variations to outcomes**

The following table details the changes to the resourcing for the National Blood Authority at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures since the 2017-18 Budget in Appropriation Bills No. 3.

**Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the 2017-18 Budget**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Program 1.1: National Blood Agreement Management** | |  |  |  |
| **Changes to departmental appropriations** |  |  |  |  |
| *Appropriation Bill No. 3* |  |  |  |  |
| **Measure** - National Blood Arrangements - National Fractionation Agreement | 53 | 190 | 190 | - |
| Price parameter adjustments (a) | - | 5 | 5 | 11 |
| **Total** | **53** | **195** | **195** | **11** |

(a) See explanation in Portfolio Glossary.

**1.5 Breakdown of Additional Estimates by Appropriation Bill**

The following tables detail the Additional Estimates sought for the National Blood Authority through Appropriation Bills No. 3 and No. 4.

**Table 1.4: Appropriation Bill (No. 3) 2017-18**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Available** $'000 | **2017-18 Budget** $'000 | **2017-18 Revised** $'000 | **Additional estimates** $'000 | **Reduced estimates** $'000 |
| **Departmental** |  |  |  |  |  |
| **Outcome 1** |  |  |  |  |  |
| National Blood Agreement Management | 6,267 | 6,158 | 6,211 | 53 | - |
| **Administered** |  |  |  |  |  |
| **Outcome 1** |  |  |  |  |  |
| National Blood Agreement Management | 5,190 | 3,860 | 3,860 | - | - |
| **Total Appropriation Bill No. 3 (administered and departmental)** | **11,457** | **10,018** | **10,071** | 53 | **-** |

Section 2: Revisions to Outcomes and Planned Performance

**2.1 Budgeted Expenses and Performance for Outcome 1**

**Outcome 1**

Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements

**Budgeted Expenses for the NBA**

**Table 2.1.1: Budgeted Expenses and Resources for the National Blood Authority**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual**  $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 1.1: National Blood Agreement Management** | | | | | |
| Administered expenses |  |  |  |  |  |
| Ordinary annual services (a) | 5,190 | 3,860 | - | - | - |
| *to National Blood Authority Account* | (5,190) | (3,860) | - | - | - |
| *to National Managed Fund (Blood and Blood Products) Special Account* | - | - | - | - | - |
| Special Accounts |  |  |  |  |  |
| *National Blood Authority Account* | 1,062,835 | 1,171,220 | 1,266,128 | 1,348,504 | 1,468,701 |
| *National Managed Fund (Blood and Blood Products) Special Account* | - | - | - | - | - |

**Table 2.1.1: Budgeted Expenses and Resources for the NBA (continued)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual**  $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward Year 1** $'000 | **2019-20 Forward Year 2** $'000 | **2020-21 Forward Year 3** $'000 |
| **Program 1.1: National Blood Agreement Management** | | | | | |
| Departmental expenses |  |  |  |  |  |
| Departmental appropriation (b) | 6,198 | 6,211 | 6,299 | 6,304 | 6,172 |
| *to National Blood Authority Account* | (6,198) | (6,211) | (6,299) | (6,304) | (6,172) |
| Special Accounts |  |  |  |  |  |
| *National Blood Authority Account* | 10,032 | 9,457 | 9,320 | 9,327 | 9,201 |
| Expenses not requiring appropriation in the Budget year (c) | 435 | 418 | 392 | 592 | 559 |
| Operating deficit (surplus) | (852) | - | - | - | - |
| **Total for Program 1.1** | **1,072,450** | **1,181,095** | **1,275,840** | **1,358,423** | **1,478,461** |
| **Total expenses for Outcome 1** | **1,072,450** | **1,181,095** | **1,275,840** | **1,358,423** | **1,478,461** |
|  |  |  |  |  |  |
|  | **2016-17 Actual** | **2017-18 Revised** |  |  |  |
| **Average staffing level (number)** | 53 | 53 |  |  |  |

(a) Appropriation (Bill No. 1 & 3) 2017-18.

(b) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

**Planned Performance for the NBA**

**Table 2.1.2: Performance Criteria for the NBA**

There have been no changes to performance information for the NBA since the 2017‑18 Budget which require new or modified performance criteria. Refer page 348 of the *2017-18 Health Portfolio Budget Statements* for current performance information.

Section 3: Special Account Flows and Budgeted Financial Statements

**3.1 Special Account Flows**

**Estimate of Special Account Flows**

**Table 3.1.1: Estimates of Special Account Flows and Balances**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Outcome | Opening balance **2017-18** *2016-17* $'000 | Appropriation receipts **2017-18** *2016-17* $'000 | Other receipts **2017-18** *2016-17* $'000 | Payments  **2017-18** *2016-17* $'000 | Closing balance **2017-18** *2016-17* $'000 |
| National Blood Authority Account (a) (A) | 1 | **181,865** | **3,860** | **1,265,301** | **1,287,486** | **163,540** |
|  |  | *180,666* | *5,190* | *1,152,753* | *1,156,744* | *181,865* |
| National Blood Authority Account (a) (D) | 1 | **9,913** | **6,267** | **4,049** | **10,378** | **9,851** |
|  |  | *8,533* | *6,201* | *4,540* | *9,361* | *9,913* |
| National Managed Fund (Blood and Blood Products) Special Account (b) (c) (A) | 1 | **1,082** | **-** | **54,646** | **55,000** | **728** |
|  | | *290* | *-* | *62,492* | *61,700* | *1,082* |
| **Total Special Accounts****2017-18 Estimate** |  | **192,860** | **10,127** | **1,323,996** | **1,352,864** | **174,119** |
| *Total Special Accounts 2016-17 actual* |  | *189,489* | *11,391* | *1,219,785* | *1,227,805* | *192,860* |

Other Trust Money - s78 PGPA Act has been abolished.

D = Departmental; A = Administered.

(a) *National Blood Authority Act 2003* - s80 PGPA Act.

(b) s78 PGPA Act.

(c) In 2010-11, the NBA was granted investment powers for the National Managed Fund Special Account. Payments represent the purchase of investments.

**3.2 Budgeted Financial Statements**

An analysis of the National Blood Authority (NBA) budgeted financial statements for 2017-18 is provided below.

**3.2.1 Analysis of Budgeted Financial Statements**

**Departmental**

The NBA’s operational costs are funded jointly by the Australian Government and State and Territory Governments, on a 63 per cent: 37 per cent basis via annual contributions. All NBA receipts and payments are accounted for through special accounts.

As part of the 2017-18 MYEFO process, the National Blood Arrangements – National Fractionation Agreement budget measure was announced. This measure provides the NBA with an increase in Departmental appropriation by $0.433 million over three years. This measure is to fund activities to introduce health technology assessment and post listing review processes to ensure the clinical effectiveness and cost effectiveness of immunoglobulin products funded under the national blood arrangements.

Assets and liabilities are expected to remain stable over the Budget and forward estimates period and comprise mainly of grant and supplier payables and employee entitlements.

Retained surpluses decrease over the forward estimates due to the Net Cash Resourcing framework which provides for capital funding on a just-in-time basis but no longer funds entities for non cash depreciation expenses.

Cash Flows are consistent with the income and expenses discussed above.

**Administered**

The NBA’s administered accounts include contributions from all States and Territories and the Australian Government for the supply of blood and blood related products for 2017-18. Each year the Council of Australian Governments (COAG) Health Council approves an Annual National Supply Plan and Budget which is formulated by the NBA, derived from demand estimates provided by the States and Territories.

Asset and liabilities are expected to remain relatively constant over the forward estimates.

**3.2.2 Budgeted Financial Statements**

**Table 3.2.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual**  $'000 | | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **EXPENSES** |  | |  |  |  |  |
| Employee benefits | 6,744 | | 6,630 | 6,500 | 6,591 | 6,639 |
| Supplier expenses | 2,350 | | 2,902 | 2,895 | 2,810 | 2,636 |
| Depreciation and amortisation | 354 | | 337 | 311 | 511 | 478 |
| Grants | 140 | | - | - | - | - |
| Write-down and impairment of assets | | 25 | - | - | - | - |
| Other expenses | 2 | | 6 | 6 | 7 | 7 |
| **Total expenses** | **9,615** | | **9,875** | **9,712** | **9,919** | **9,760** |
| **LESS:** |  | |  |  |  |  |
| **OWN-SOURCE INCOME** |  | |  |  |  |  |
| **Revenue** |  | |  |  |  |  |
| Sale of goods and rendering of services | 496 | | 250 | 50 | 50 | 50 |
| Other revenue | 3,799 | | 3,617 | 3,588 | 3,591 | 3,625 |
| **Total revenue** | **4,295** | | **3,867** | **3,638** | **3,641** | **3,675** |
| **Gains** |  | |  |  |  |  |
| Other | 81 | | 81 | 81 | 81 | 81 |
| **Total gains** | **81** | | **81** | **81** | **81** | **81** |
| **Total own-source income** | **4,376** | | **3,948** | **3,719** | **3,722** | **3,756** |
| **Net cost of (contribution by) services** | **5,239** | | **5,927** | **5,993** | **6,197** | **6,004** |
| Revenue from Government | 5,636 | | 5,590 | 5,682 | 5,686 | 5,526 |
| **Surplus (deficit)** | **397** | | **(337)** | **(311)** | **(511)** | **(478)** |
| **Surplus (deficit) attributable to the Australian Government** | **397** | | **(337)** | **(311)** | **(511)** | **(478)** |
| **OTHER COMPREHENSIVE INCOME** |  | |  |  |  |  |
| Changes in asset revaluation reserves | 101 | | - | - | - | - |
| **Total other comprehensive income** | **101** | | **-** | **-** | **-** | **-** |
| **Total comprehensive income attributable to the Australian Government** | **498** | | **(337)** | **(311)** | **(511)** | **(478)** |

**Note: Reconciliation of comprehensive income attributable to the entity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17** $'000 | **2017-18** $'000 | **2018-19** $'000 | **2019-20** $'000 | **2020-21** $'000 |
| **Total comprehensive income (loss) attributable to the Australian Government** | **498** | **(337)** | **(311)** | **(511)** | **(478)** |
| plus non-appropriated expenses depreciation and amortisation expenses | 354 | 337 | 311 | 511 | 478 |
| **Total comprehensive income (loss) attributable to the entity** | **852** | **-** | **-** | **-** | **-** |

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **ASSETS** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalents | 30 | 9,890 | 9,896 | 9,909 | 9,916 |
| Receivables | 10,619 | 765 | 765 | 765 | 765 |
| **Total financial assets** | **10,649** | **10,655** | **10,661** | **10,674** | **10,681** |
| **Non-financial assets** |  |  |  |  |  |
| Land and buildings | 732 | 700 | 568 | 436 | 337 |
| Property, plant and equipment | 497 | 402 | 433 | 414 | 375 |
| Intangibles | 116 | 527 | 934 | 1,192 | 1,498 |
| Other | 168 | 168 | 168 | 168 | 168 |
| **Total non-financial assets** | **1,513** | **1,797** | **2,103** | **2,210** | **2,378** |
| **Total assets** | **12,162** | **12,452** | **12,764** | **12,884** | **13,059** |
| **LIABILITIES** |  |  |  |  |  |
| **Payables** |  |  |  |  |  |
| Employees | 70 | 70 | 70 | 70 | 70 |
| Suppliers | 384 | 384 | 384 | 384 | 384 |
| Other payables | 546 | 546 | 546 | 546 | 546 |
| **Total payables** | **1,000** | **1,000** | **1,000** | **1,000** | **1,000** |
| **Provisions** |  |  |  |  |  |
| Employees | 1,892 | 1,892 | 1,892 | 1,892 | 1,892 |
| Other provisions | 143 | 149 | 155 | 168 | 175 |
| **Total provisions** | **2,035** | **2,041** | **2,047** | **2,060** | **2,067** |
| **Total liabilities** | **3,035** | **3,041** | **3,047** | **3,060** | **3,067** |
| **Net Assets** | **9,127** | **9,411** | **9,717** | **9,824** | **9,992** |
| **EQUITY** |  |  |  |  |  |
| Contributed equity | 3,944 | 4,565 | 5,182 | 5,800 | 6,446 |
| Reserves | 460 | 460 | 460 | 460 | 460 |
| Retained surpluses or accumulated deficits | 4,723 | 4,386 | 4,075 | 3,564 | 3,086 |
| **Total equity** | **9,127** | **9,411** | **9,717** | **9,824** | **9,992** |

**Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Retained earnings**   $'000 | **Asset revaluation reserve**  $'000 | **Contributed equity/ capital**  $'000 | **Total  equity**   $'000 |
| **Opening balance as at 1 July 2017** |  |  |  |  |
| Balance carried forward from previous period | 4,723 | 460 | 3,944 | **9,127** |
| Surplus (deficit) for the period | (337) | - | - | **(337)** |
| Appropriation (equity injection) | - | - | - | **-** |
| Capital budget - Bill 1 (DCB) | - | - | 621 | **621** |
| **Estimated closing balance as at 30 June 2018** | **4,386** | **460** | **4,565** | **9,411** |

DCB = Departmental Capital Budget.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Appropriations | 5,639 | 15,444 | 5,682 | 5,686 | 5,526 |
| Goods and services | 478 | 250 | 50 | 50 | 50 |
| Net GST received | 228 | - | - | - | - |
| Other cash received | 3,822 | 3,617 | 3,588 | 3,591 | 3,625 |
| Cash from the Official Public Account | - | - | - | - | - |
| **Total cash received** | **10,167** | **19,311** | **9,320** | **9,327** | **9,201** |
| **Cash used** |  |  |  |  |  |
| Employees | 6,517 | 6,630 | 6,500 | 6,591 | 6,639 |
| Suppliers | 2,576 | 2,821 | 2,814 | 2,729 | 2,555 |
| Grants | 140 | - | - | - | - |
| Cash to the Official Public Account | 1,414 | - | - | - | - |
| **Total cash used** | **10,647** | **9,451** | **9,314** | **9,320** | **9,194** |
| **Net cash from (or used by) operating activities** | **(480)** | **9,860** | **6** | **7** | **7** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sales of property, plant and equipment | 8 | - | - | - | - |
| **Total cash received** | **8** | **-** | **-** | **-** | **-** |
| **Cash used** |  |  |  |  |  |
| Purchase of property, plant and equipment | 114 | 621 | 617 | 612 | 646 |
| **Total cash used** | **114** | **621** | **617** | **612** | **646** |
| **Net cash from (or used by) investing activities** | **(106)** | **(621)** | **(617)** | **(612)** | **(646)** |
| **FINANCING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 562 | 621 | 617 | 618 | 646 |
| **Total cash received** | **562** | **621** | **617** | **618** | **646** |
| **Net cash from (or used by) financing activities** | **562** | **621** | **617** | **618** | **646** |
| **Net increase (or decrease) in cash held** | **(24)** | **9,860** | **6** | **13** | **7** |
| Cash and cash equivalents at the beginning of the reporting period | 54 | 30 | 9,890 | 9,896 | 9,909 |
| **Cash and cash equivalents at the end of the reporting period** | **30** | **9,890** | **9,896** | **9,909** | **9,916** |

DCB = Departmental Capital Budget.

**Table 3.2.5: Departmental Capital Budget Statement (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **CAPITAL APPROPRIATIONS** |  |  |  |  |  |
| Capital budget - Bill 1 (DCB) | 562 | 621 | 617 | 618 | 646 |
| **Total capital appropriations** | **562** | **621** | **617** | **618** | **646** |
| **Total new capital appropriations represented by:** |  |  |  |  |  |
| Purchase of non-financial assets | 114 | 621 | 617 | 618 | 646 |
| **Total items** | **114** | **621** | **617** | **618** | **646** |
| **PURCHASE OF NON-FINANCIAL ASSETS** |  |  |  |  |  |
| Funded by capital appropriation - DCB (a) | 114 | 621 | 617 | 618 | 646 |
| Funded internally from departmental resources | - | - | - | - | - |
| **Total acquisitions of non-financial assets** | **114** | **621** | **617** | **618** | **646** |
| **RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE** |  |  |  |  |  |
| Total purchases | 114 | 621 | 617 | 612 | 646 |
| **Total cash used to acquire assets** | **114** | **621** | **617** | **612** | **646** |

DCB = Departmental Capital Budget.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' DCB.

**Table 3.2.6: Statement of Asset Movements (Budget year 2017‑18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Buildings**     $'000 | **Other property, plant and equipment** $'000 | **Intangibles** $'000 | **Total** $'000 |
| **As at 1 July 2017** |  |  |  |  |
| Gross book value | 764 | 543 | 3,601 | **4,908** |
| Accumulated depreciation/ amortisation and impairment | (32) | (46) | (3,485) | **(3,563)** |
| **Opening net book balance** | **732** | **497** | **116** | **1,345** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |
| By purchase - appropriation equity | - | - | - | **-** |
| By purchase - appropriation ordinary annual services | 100 | 50 | 471 | **621** |
| By purchase - internal resources | - | - | - | **-** |
| **Total additions** | **100** | **50** | **471** | **621** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | (132) | (145) | (60) | **(337)** |
| **Total other movements** | **(132)** | **(145)** | **(60)** | **(337)** |
| **As at 30 June 2018** |  |  |  |  |
| Gross book value | 864 | 593 | 4,072 | **5,529** |
| Accumulated depreciation/ amortisation and impairment | (164) | (191) | (3,545) | **(3,900)** |
| **Closing net book balance** | **700** | **402** | **527** | **1,629** |

**Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| Employee benefits | 345 | 634 | 634 | - | - |
| Suppliers | 1,061,265 | 1,169,411 | 1,264,319 | 1,348,504 | 1,468,701 |
| Grants | 401 | 500 | 500 | - | - |
| Depreciation and amortisation | 824 | 675 | 675 | - | - |
| **Total expenses administered on behalf of Government** | **1,062,835** | **1,171,220** | **1,266,128** | **1,348,504** | **1,468,701** |
| **INCOME ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |
| **Non-taxation** |  |  |  |  |  |
| Sale of goods and rendering of services | 387,964 | 429,739 | 473,980 | 505,255 | 549,859 |
| Interest | 3,834 | 4,146 | 4,146 | 4,146 | 4,146 |
| Other revenue | 658,361 | 718,621 | 790,339 | 843,249 | 918,842 |
| **Total non-taxation revenue** | **1,050,159** | **1,152,506** | **1,268,465** | **1,352,650** | **1,472,847** |
| **Total revenues administered on behalf of Government** | **1,050,159** | **1,152,506** | **1,268,465** | **1,352,650** | **1,472,847** |
| **Total income administered on behalf of Government** | **1,050,159** | **1,152,506** | **1,268,465** | **1,352,650** | **1,472,847** |

**Table 3.2.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Cash and cash equivalent | 436 | 155,441 | 153,357 | 153,357 | 153,357 |
| Receivables | 20,473 | 21,307 | 21,307 | 21,307 | 21,307 |
| Investments | 123,100 | 127,246 | 131,392 | 135,538 | 139,684 |
| **Total financial assets** | **144,009** | **303,994** | **306,056** | **310,202** | **314,348** |
| **Non-financial assets** |  |  |  |  |  |
| Property, plant and equipment | 103 | 93 | 83 | 83 | 83 |
| Intangibles | 3,001 | 3,286 | 3,571 | 3,571 | 3,571 |
| Inventories | 95,125 | 95,125 | 95,125 | 95,125 | 95,125 |
| Other | 76,064 | 76,064 | 76,064 | 76,064 | 76,064 |
| **Total non-financial assets** | **174,293** | **174,568** | **174,843** | **174,843** | **174,843** |
| **Total assets administered on behalf of Government** | **318,302** | **478,562** | **480,899** | **485,045** | **489,191** |
| **LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT** |  |  |  |  |  |
| **Interest bearing liabilities Payables** |  |  |  |  |  |
| Suppliers | 53,843 | 53,843 | 53,843 | 53,843 | 53,843 |
| **Total payables** | **53,843** | **53,843** | **53,843** | **53,843** | **53,843** |
| **Total liabilities administered on behalf of Government** | **53,843** | **53,843** | **53,843** | **53,843** | **53,843** |

**Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2016-17 Actual** $'000 | **2017-18 Revised Budget** $'000 | **2018-19 Forward estimate** $'000 | **2019-20 Forward estimate** $'000 | **2020-21 Forward estimate** $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Commonwealth contributions | 658,361 | 718,621 | 790,339 | 843,249 | 918,842 |
| State and Territory contributions | 383,424 | 429,739 | 473,980 | 505,255 | 549,859 |
| Interest | 4,205 | 4,146 | 4,146 | 4,146 | 4,146 |
| Net GST received | 104,143 | (834) | - | - | - |
| Other | (13) | - | - | - | - |
| **Total cash received** | **1,150,120** | **1,151,672** | **1,268,465** | **1,352,650** | **1,472,847** |
| **Cash used** |  |  |  |  |  |
| Employees | 345 | 634 | 634 | - | - |
| Suppliers | 1,043,584 | 1,169,411 | 1,264,319 | 1,348,504 | 1,468,701 |
| Grants | 365 | 500 | 500 | - | - |
| Net GST paid | 104,394 | - | - | - | - |
| **Total cash used** | **1,148,688** | **1,170,545** | **1,265,453** | **1,348,504** | **1,468,701** |
| **Net cash from (or used by) operating activities** | **1,432** | **(18,873)** | **3,012** | **4,146** | **4,146** |
| **INVESTING ACTIVITIES** |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |
| Proceeds from sale of investments | 58,200 | - | - | - | - |
| **Total cash received** | **58,200** | **-** | **-** | **-** | **-** |
| **Cash used** |  |  |  |  |  |
| Purchase of property plant equipment | 1,577 | 950 | 950 | - | - |
| Purchase of investments | 61,700 | 4,146 | 4,146 | 4,146 | 4,146 |
| **Total cash used** | **63,277** | **5,096** | **5,096** | **4,146** | **4,146** |
| **Net cash from (or used by) investing activities** | **(5,077)** | **(5,096)** | **(5,096)** | **(4,146)** | **(4,146)** |
| **Net increase (or decrease) in cash held** | **(3,645)** | **(23,969)** | **(2,084)** | **-** | **-** |
| Cash at beginning of reporting period | 489 | 436 | 155,441 | 153,357 | 153,357 |
| Cash from Official Public Account for: |  |  |  |  |  |
| - special accounts | - | 175,114 | - | - | - |
| - appropriations | 5,190 | 3,860 | - | - | - |
| Cash to Official Public Account for: |  |  |  |  |  |
| - special accounts | 1,598 | - | - | - | - |
| - appropriations | - | - | - | - | - |
| **Cash at end of reporting period** | **436** | **155,441** | **153,357** | **153,357** | **153,357** |

**Table 3.2.10: Statement of Administered Asset Movements (Budget year 2017-18)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Buildings**     $'000 | **Other property, plant and equipment** $'000 | **Intangibles** $'000 | **Total** $'000 |
| **As at 1 July 2017** |  |  |  |  |
| Gross book value | - | 117 | 5,382 | **5,499** |
| Accumulated depreciation/ amortisation and impairment | - | (14) | (2,381) | **(2,395)** |
| **Opening net book balance** | **-** | **103** | **3,001** | **3,104** |
| **CAPITAL ASSET ADDITIONS** |  |  |  |  |
| **Estimated expenditure on new or replacement assets** |  |  |  |  |
| By purchase - appropriation equity | - | 50 | 900 | **950** |
| By purchase - appropriation ordinary annual services | - | - | - | **-** |
| By purchase - internal resources | - | - | - | **-** |
| **Total additions** | **-** | **50** | **900** | **950** |
| **Other movements** |  |  |  |  |
| Depreciation/amortisation expense | - | (60) | (615) | **(675)** |
| **Total other movements** | **-** | **(60)** | **(615)** | **(675)** |
| **As at 30 June 2018** |  |  |  |  |
| Gross book value | - | 167 | 6,282 | **6,449** |
| Accumulated depreciation/ amortisation and impairment | - | (74) | (2,996) | **(3,070)** |
| **Closing net book balance** | **-** | **93** | **3,286** | **3,379** |

**Portfolio Glossary**

|  |  |
| --- | --- |
| **Accrual accounting** | System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid. |
| **Accumulated depreciation** | The aggregate depreciation recorded for a particular depreciating asset. |
| **Additional Estimates** | The Additional Estimates process updates estimates from the previous Budget update. |
| **Additional Estimates Bills or Acts** | Where amounts appropriated in the annual appropriation acts at Budget time are insufficient, Parliament may appropriate more funds to Portfolios through the Additional Estimates Acts. These are Appropriation Bills No. 3 and No. 4, and a separate Bill for Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No.2)). These Bills are introduced into the Parliament sometime after the Budget Bills. |
| **Administered items** | Expenses, revenues, assets or liabilities managed by entities on behalf of the Australian Government. Entities do not control administered items. Administered items include grants, subsidies and benefits (for example, funding for the Pharmaceutical Benefits Scheme). |
| **Annotated appropriation** | A form of appropriation which allows an entity access to certain money it receives in payment of services. The nature and extent of the amount to be appropriated are specified in Rules under s74 of the *Public Governance, Performance and Accountability Act 2013.* |
| **Annual appropriation** | Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the Additional Estimates process. Parliamentary Departments have their own appropriations. |
| **Appropriation** | The amount of public moneys authorised by Parliament for expenditure from Consolidated Revenue Fund (CRF). Appropriations authorise expenditure by the Australian Government for particular purposes. |
| **ASL (Average Staffing Levels)** | The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full‑time equivalent. |
| **Assets** | Future economic benefits controlled by an entity as a result of past transactions or past events. |
| **Available appropriation** | Available appropriation is used to allow a comparison of the current year’s appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget appropriation + Additional Estimates appropriation + Advance to the Finance Minister (AFM) -Savings - Rephasings - Other Reductions +/- Section 74. |
| **Budget measure** | A decision by Cabinet or Ministers in the Budget process that has resulted in a change in expenditure in the current year and/or the forward years. See also cross-Portfolio Budget measure. |
| **Capital Budget Statement** | A statement of the entity’s estimated capital funding, through Appropriation Act No. 1 Departmental Capital Budget funding or Appropriation Act No. 2 equity injection funding and the entity’s estimated expenditures on non-financial assets. |
| **Capital expenditure** | Expenditure by an entity on non-financial assets, for example purchasing a building. |
| **Cross-Portfolio Budget measure** | This is a Budget measure which affects outcomes administered in a number of Portfolios. |
| **Departmental Capital Budget (DCB)** | Departmental Capital Budget funding appropriated to non‑corporate PGPA Act entities through their Appropriation Act 1 Departmental appropriation, for the ongoing replacement of Departmental assets which cost less than $10 million. |
| **Departmental items** | Assets, liabilities, revenues and expenses which are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred. |
| **Depreciation** | An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life. |
| **Efficiency dividend** | An annual deduction of a percentage of running costs from an entity's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an entity in the previous year. |
| **Equity or net assets** | Residual interest in the assets of an entity after deduction of its liabilities. |
| **Expense** | The value of resources consumed or lost during the reporting period. |
| **Fair value** | Fair values are prices in arm’s length transactions between willing buyers and sellers in an active market. |
| **Forward estimates** | A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another out year is added to the forward estimates. |
| **Historical cost** | The original cost of acquisition of an asset, including any costs associated with acquisition. Under AASB 116 *Property, Plant and Equipment* are required to be reported initially at the cost of acquisition (historical cost). The Australian Government’s financial reporting requirements issued under the Finance Minister's Orders require the revaluation of noncurrent assets with sufficient regularity to ensure that the carrying amount of assets does not differ materially from fair value as at reporting date. |
| **Liabilities** | Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events. |
| **MYEFO** | Mid-Year Economic and Fiscal Outlook. |
| **Operating result** | Equals income less expenses. |
| **Outcomes** | Outcomes are the results of events, actions or circumstances including in particular, the impact of the Australian Government on the Australian community. Outcomes may be linked with both the outputs of entities using the departmental expenses under their control, and with the administered expenses which entities manage on behalf of the Australian Government. Planned outcomes represent the changes desired by Government. The achievement of actual outcomes is assessed and reported in the Annual Report. |
| **Performance criteria** | A concise list of criteria, which are used to measure entity effectiveness in achieving the Government’s outcomes. Criteria must be measurable, but may be qualitative or quantitative. Criteria in the Portfolio Budget Statements are reported in the annual performance statements, in the Annual Report, for the same year. Outcomes are generally measured by performance criteria relating to effectiveness and equity, but may include efficiency and access criteria. |
| **PGPA Act** | *Public Governance, Performance and Accountability Act 2013*  An Act about the governance, performance and accountability of, and the use and management of public resources by the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes. |
| **Portfolio Budget Statements** | Statements prepared by Portfolios to explain the Budget appropriations in terms of outcomes and programs. |
| **Price parameter adjustment** | Expenses are indexed by a price parameter for anticipated increases in costs over the estimates period. Changes in indexation are annotated to each outcome as ‘Price parameter adjustment’ or ‘Application of indexation parameters’. |
| **Programs** | Commonwealth programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole, and are the primary vehicles for Government entities to achieve the intended results of their outcome statements. Commencing from the 2009-10 Budget, entities are required to report to Parliament by program. |
| **Quality** | Relates to the characteristics by which customers or stakeholders judge a product or service. Assessment of quality involves the use of information gathered from a range of sources including customers and stakeholders. |
| **Quantity** | A measure of how many, or how much, of a product or service is produced. Quantities specified in the Portfolio Budget Statements are usually estimates based on the best available evidence. Entities report on actual quantities in their annual reports. |
| **Revenue** | Total value of resources earned or received during the reporting period. |
| **Special account** | A special account is an appropriation mechanism that notionally sets aside an amount within the Consolidated Revenue Fund (CRF) to be expended for specific purposes. The amount of appropriation that may be drawn from the CRF by means of a special account is limited to the balance of each special account. Special accounts are not bank accounts. However, amounts forming the balance of a special account may be held in the Official Public Account, an entity official bank account or by an outsider authorised in a manner consistent with the PGPA Act. |
| **Special appropriation** | Special appropriations are provisions within an Act, other than the annual appropriation Acts, that authorise expenditure for particular purposes. Special appropriations may state a maximum amount that is appropriated for the particular purpose or may specify the legislative criteria that will determine the amount to be paid. |
| **Strategic Direction Statement** | The Strategic Direction Statement explains the year ahead for the entity, focussing on the items of most importance, recognising the major Budget decisions affecting the entity, the major ongoing functions, new function and significant partnership arrangements, as well as upcoming challenges in the years ahead. |
| **PP&E** | Property, Plant and Equipment. |

1. Further information available at: www.tga.gov.au/half-yearly-performance-reports; www.tga.gov.au/tga-key-performance-indicators-july-2015-june-2016; www.tga.gov.au/performance-statistics-reports [↑](#footnote-ref-1)
2. The administering of the Accommodation Payment Guarantee Scheme is a demand driven process. In accordance with the *Aged Care (Accommodation Payment Security) Act 2006*, where the scheme is triggered the Department will make 100% of payments under the scheme for residents who are owed an accommodation payment. The Commonwealth has discretion to levy all approved residential aged care providers to recover the cost of each trigger of the scheme. Further information available at: www.myagedcare.gov.au/financial-and-legal/protecting-consumer-rights [↑](#footnote-ref-2)