Australian Government
Department of Health

Department of Health

Annual Report

2019-20

Welcome to the Department of Health 2019-20 Annual Report

Australia's health system is world-class, supported by universal and affordable access to high quality medical, pharmaceutical and hospital services, while helping people to stay healthy through disease prevention and health promotion activities. The health system touches every individual throughout the expanse of their lifetime, and is a complex landscape with many interdependencies and stakeholders. The Department's focus on improving health outcomes for all Australians requires us to work with all stakeholders as partners in driving health reform through evidence-based policy, well targeted programs and best practice regulation.

In 2019-20, Australia faced an unprecedented year of health challenges, including those presented by the global COVID-19 pandemic. The Government, through the work of the Department, has ensured all areas of the health sector are prepared, informed and engaged in the ongoing national response, supporting the extraordinary collaboration between governments, public and private health systems, and industry.

The Department of Health 2019-20 Annual Report provides a transparent account to the public and Parliament of the activities undertaken by the Department throughout the financial year. We report against our planned performance expectations outlined in the *2019-20 Health Portfolio Budget Statements*, providing readers with financial and performance information about the work our Department undertook to achieve our vision of better health and wellbeing for all Australians, now and for future generations.

2,455,500
COVID-19 tests
have been conducted
Australia-wide[1]

3.4 million meals
for 41,000
older Australians
in response to
COVID-19 pandemic support[6]

Almost
17.5 million telehealth services
delivered during the
COVID-19 pandemic[9]

A record
16.5 million flu vaccinations
made available for Australians in 2020[2]

Expansion
of the prostate cancer nurses program
across 24 locations
announced[3]

More than
1.6 million Australians
have access to
free or discounted PBS medicines[4]

More than
750 million masks purchased
for the National Medical Stockpile[5]

1,683 Australian lives saved
and transformed by
organ donation in 2019[7]

8 vital medical
research projects
to find new and innovative treatments
for incurable diseases[8]

1,436,291
services claimed
through the
Hearing Services Program
in 2019-20[10]

Up to 10 free counselling sessions
immediately available
for individuals affected by bushfires[11]

Department of Health
Annual Report 2019-20

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Contact Information

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

The Editor
Annual Report 2019-20
Australian Government Department of Health
MDP 51
GPO Box 9848
CANBERRA ACT 2601 AUSTRALIA

Phone: +61 2 6289 7181

Email: annrep@health.gov.au

This Annual Report is available online at: www.health.gov.au/resources/publications/department-of-health-annual-report-2019-20

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

Cover and Internal Design

Department of Health

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Letter of Transmittal

Australian Government
Department of Health

Secretary

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

Parliament House
CANBERRA ACT 2600

Dear Minister

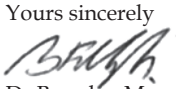
I am pleased to present the Annual Report of the Department of Health for the year ended 30 June 2020. This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013*, for presentation to Parliament.

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

- *National Health Act 1953* (Appendix 2 – Processes Leading to the Pharmaceutical Benefits Advisory Committee Consideration Annual Report for 2019-20);
- *Industrial Chemicals (Notification and Assessment) Act 1989* (Appendix 3 – Report on the operation of the *Industrial Chemicals (Notification and Assessment) Act 1989* for 2019-20);
- *Public Governance, Performance and Accountability Rule 2014* (Appendix 4 – Australian National Preventive Health Agency Financial Statements);
- *National Sports Tribunal Act 2019* (Appendix 5 – Report on the operation of the National Sports Tribunal); and
- *Human Services (Medicare) Act 1973* and *Tobacco Plain Packaging Act 2011* (Part 3.6 – External Scrutiny and Compliance).

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

Yours sincerely



Dr Brendan Murphy
16 November 2020

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

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Secretary's Review

In a year of unprecedented challenges, firstly with the devastating bushfire season, and then with the COVID-19 pandemic – the greatest test of our health system in 100 years – I am proud of how the Department has responded. The way we work changed substantially as, along with the rest of the Australian community, we adapted to COVID-19 restrictions. The flexibility, resilience and commitment of our staff is something I am both proud of and deeply grateful for. We have been at the forefront of the Government's response to ensure the immediate and longer term wellbeing and safety of the Australian community.

I was delighted to officially commence in the role of Secretary of the Department in July 2020. There is an abundance of vital work being delivered throughout the Health portfolio, particularly in relation to the Australia-wide COVID-19 pandemic response. I view culture as paramount in shaping our Department, and am proud of the strong leadership displayed at all levels across the organisation. The friendly and open culture we continue to build throughout the Department is one committed to improving our health system, and harnesses the intellectual power and diverse skills of our staff.

Budget activity in relation to the COVID-19 pandemic has been significant, and continues into the 2020-21 financial year. Working to a significantly revised budget cycle, the Government has already invested more than $16.5 billion into the COVID-19 health response to support and protect Australians through these extraordinarily difficult times. The Department has worked tirelessly during this period, collaborating with other entities and across government to achieve these outcomes, provide more funding to support health sectors and citizens, and deliver new policies to protect those most vulnerable in our society.

The landmark Medical Research Future Fund (MRFF) reached maturity at $20 billion in July 2020, backing health and medical research programs that mean new diagnoses, innovative treatments, and breakthrough cures.

Australia's Long Term National Health Plan

The Department continued working to Australia's Long Term National Health Plan, setting the agenda and direction for reforming Australia's health system to achieve our goal of building the world's best health system.

As circumstances forced our priorities to change in 2019-20, our capability proved resilient and equal to the task. Our state and territory office network also responded remarkably well, with staff redeployed to ensure personal protective equipment (PPE) was distributed to aged care and disability providers throughout the initial wave of the COVID-19 pandemic. As cases began to grow in Victoria late in the financial year, network staff subsequently pivoted on short notice to support the significant Victorian aged care response.

Mental health system – stigma-free and focused on prevention

Now, more than ever, it is crucial we prioritise improving our mental health system, particularly in response to the impacts of widespread emergencies Australia and the rest of the world suffered throughout this financial year. In 2019-20, the Department:

- Contributed to the bushfire emergency with specific grant funding of over $12 million, which was largely distributed through Primary Health Networks (PHNs) for a range of mental health programs to support those affected by the bushfires, Aboriginal and Torres Strait Islander Australians, and crisis support services.
- Delivered grant funding of over $15 million for mental health counselling, including for children and young people as part of the COVID-19 pandemic response.
- Provided $734.2 million to PHNs to commission mental health services, including measures to support the bushfire and pandemic emergency response.
- Commenced staff consultation to inform the contents of a Departmental mental health strategy, due for implementation in 2020-21.

Supporting older Australians, their families and carers

The Royal Commission into Aged Care Quality and Safety provides a once in a generation opportunity to reform our aged care system to meet the needs of older Australians, and respond to community concerns expressed about deficiencies in care. The Department is committed to working with the Royal Commission to ensure it is well placed to provide high quality advice to Government in its final report. The Department progressed a range of preparatory reform initiatives this year, including the transfer of aged care regulatory functions to the Aged Care Quality and Safety Commissioner, and the implementation of new Quality Standards. Substantial reform work also took place in developing new models of aged care assessment and financing. During the year, Departmental staff contributed to the deliberations of the Royal Commission and numerous submissions. They have shown a deep commitment to ensuring that the Royal Commission is well placed to make well-informed recommendations to Government.

The Department also supported the Government in providing reliable aged care information and services through the My Aged Care contact centre and website. In June 2019, the new My Aged Care website launched, which was a key channel for the provision of aged care service and accessibility information for Australians.

We trialled new ways to provide more targeted services to better meet the needs of consumers, which included case management approaches to support vulnerable older Australians through their aged care journey, and My Aged Care assessments to help determine eligibility for subsidised care service.

With considerable resources across the aged care sector and government required in order to prioritise the campaign to keep older Australians safe during the COVID-19 pandemic, several long term measures were temporarily put on hold.

myagedcare

National Incident Room activation

The Department's National Incident Room (NIR) works closely with state and territory health authorities to support state-led emergency responses and promote health messaging to the public.

The NIR was activated four times in 2019-20, responding to consecutive and concurrent incidents since its first activation in November 2019, including:

- responding to the measles outbreak in Samoa, 7 November 2019;
- supporting a nationally-coordinated health response during the Australian bushfires, 12 November 2019;
- medical retrieval and repatriation following the Whakaari/White Island volcano eruption, 10 December 2019; and
- responding to the COVID-19 pandemic, 22 January 2020.

Bushfires

In 2019-20, Australia's bushfires affected our community and environment in numerous ways, and many communities, families and individuals faced life-threatening challenges and significant health risks.

The Australian Government responded quickly to this crisis, creating a Bushfire Recovery Access Program to provide immediate and ongoing free counselling and support to affected individuals, families and emergency service workers.

The Department's ongoing response and recovery efforts supported communities to give people the best chance of full mental health recovery from the highly traumatic bushfire events. Emergency protocols were established to speed up the process of getting general practitioners (GPs) and allied health professionals to people and communities in need within bushfire-affected areas.

The National Medical Stockpile is a strategic reserve of supplies for national health emergencies, and includes drugs, vaccines, antidotes and PPE. In the event of large-scale emergencies or disasters, having the right medicines and medical equipment on hand means frontline health services can ensure Australians get the health and medical care they need. In response to the Australian bushfires, over 3.5 million P2 respirators were released from the Stockpile to immediately assist frontline workers and at risk individuals in affected communities.

The MRFF, under an open and competitive grant round, provided funding for two major research streams to collect information on the biological, psychological and behavioural impacts of prolonged exposure to bushfire smoke. Outcomes of this research will also support the development of individual and community resilience strategies into bushfire preparedness planning.

The COVID-19 Pandemic

The Department continues to lead Australia's response to the COVID-19 pandemic. More than ever before, we are relying on technology to stay connected and deliver our work from remote working locations. The Department has continued to work toward its objectives and service the Government in these changed circumstances.

Since March 2020, the Department has increased capacity for a number of flexible working solutions, helping our staff work remotely in virtual teams. This has included the distribution of over 1,700 additional laptops, enabling 6,000 Health portfolio staff to access our systems remotely, or in ways that are more flexible. More than 4,000 Departmental staff worked remotely on most days to ensure we maintain COVIDSafe, physically distanced workplaces. Additionally, between February and June 2020, teleconferencing and videoconferencing tools increased by more than 500 per cent.

The wellbeing of our staff has, and always will, come first, and although 2020 has been a year of change, we will continue to adapt to and embrace our new normal going forward.

In implementing the Government's COVID-19 Health Response, the Department funded 150 GP-led respiratory clinics (GPRCs) around the country. GPRCs clinically assess people with mild to moderate COVID-19 symptoms, providing a safe and specialised service for symptomatic people, while reducing pressure and preserving capacity of hospitals and other services. As at 30 June 2020, 2,455,500 COVID-19 tests have been conducted Australia-wide.

Large volumes of PPE were distributed from the National Medical Stockpile to health systems, the aged care sector and allied health providers nationwide during the COVID-19 pandemic. The Department continues to increase Australia's supply of PPE and pharmaceuticals held in the National Medical Stockpile, ensuring health professionals and patients are protected with these essential supplies.

The Australian Government responded quickly to rising cases of COVID-19 in Australia via a range of policy responses and national action to slow the outbreak. This involved implementation of a number of restrictions to help supress the spread of the virus and to date, Australia has been highly successful in 'flattening the curve'. National Cabinet's three-step plan provides a pathway for states and territories to move toward COVIDSafe communities by gradually easing restrictions, taking into account local circumstances in line with their public health situation and local conditions, while maintaining strong and prompt control of any outbreaks.

The Department is working toward a COVID-19 Vaccine and Treatment Strategy to support early access to, and delivery of, safe and effective COVID-19 vaccines and treatments as soon as they become available.

Another key component of the Government's ongoing response to the COVID-19 pandemic is the implementation of Medicare-subsidised telehealth services. The Australian Government delivered '10 years of reform in only 10 days', with the introduction of whole-of-population access to telehealth. The Department introduced a range of temporary Medicare Benefits Schedule (MBS) telehealth items, with more than 280 items implemented across a range of primary care and specialist services. More than 17 million services have been provided under these arrangements, as at June 2020. New dedicated MBS pathology services were also implemented to provide patients access to bulk-billed COVID-19 tests.

Virtual G20

An Extraordinary Virtual G20 Leaders' Summit was convened on 26 March 2020 to discuss the challenges presented as a result of the COVID-19 pandemic, and to forge a global coordinated response. G20 leaders committed to:

- take all necessary measures to contain the pandemic and protect people;
- strengthen the World Health Organization's (WHO's) mandate in the fight against pandemics, including delivery of medical supplies, diagnostic tools, treatments, medicines and vaccines;
- use all available policy tools to minimise the economic and social burden of the pandemic and restore global growth, market stability and strengthen resilience;
- inject substantial funds into the global economy to counter the social, economic and financial impacts of the pandemic; and
- contribute to the WHO-led COVID-19 Solidarity Response Fund on a voluntary basis.

Looking ahead

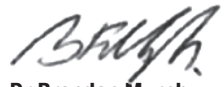
The 2020-21 year will focus on the Government's continued health response to the COVID-19 pandemic. Accounting for all measures implemented over 2019-20, and for the extension to key health initiatives for a further six months ensuring testing, tracing, hospital preparedness and other action can continue. This includes unprecedented mental health support and the implementation of our COVID-19 Vaccine and Treatment Strategy.

Importantly, the 2020-21 Budget guarantees services Australians rely on and which make ours a truly world class health system, such as Medicare, hospital funding and affordable medicines.

Support for older Australians will continue as a key focus of our work, with a range of COVID-19 pandemic measures, more home care packages and improvements to the care and quality provided through the aged care system in advance of the Royal Commission final report.

Our work to introduce broadly available telehealth will continue to be transformational, and the creation of the PBS New Medicines Guarantee means that money will always be available to list new medicines. Additionally, hospitals will see large investments over the next five years, mental health and suicide prevention will remain a critical priority, and we will continue to build on the stronger Rural Health Strategy.

We recognise the importance of people engaging in healthy, active and connected lifestyles as we continue to live with the COVID-19 pandemic. We will work to encourage more exercise and physical activity in our communities. Long-term investments in preventive health, and a further wave of reforms to improve private health insurance, continue to form an integral component of the Government's Long Term National Health Plan.

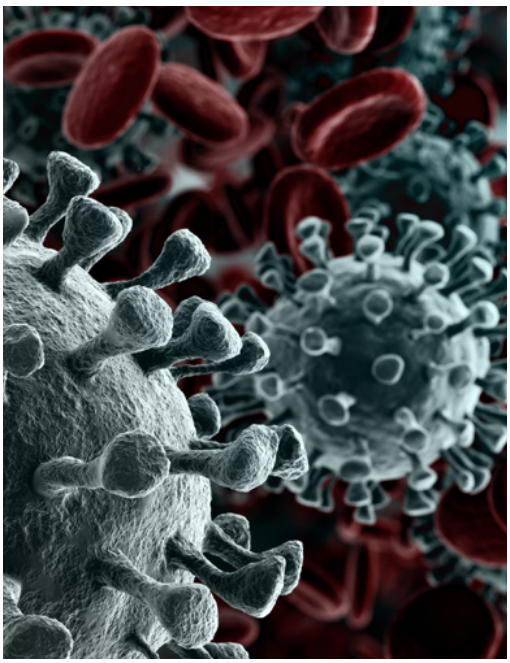


Dr Brendan Murphy

Secretary
October 2020

Chief Medical Officer's Report

During 2019-20, Australia, along with the rest of the world, faced extraordinary health emergency challenges. In particular, the COVID-19 pandemic. The Department's National Incident Room (NIR) has responded to the largest number of consecutive and concurrent incidents in a 12 month period since the Department was formed in 1921.



COVID-19 pandemic

In response to rising cases of COVID-19 in China in early January 2020, the Department activated the NIR, which coordinates the Australian Government's health response with states and territories.

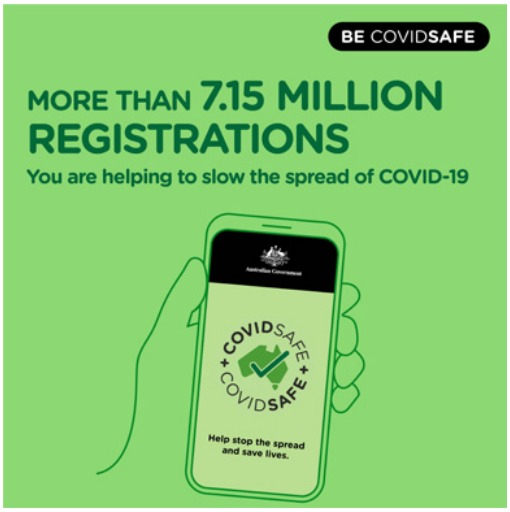
Since the NIR's activation, the Australian Health Protection Principal Committee (AHPPC) has met almost daily to provide expert medical advice to government and inform Australia's response to the pandemic. The AHPPC released its first Australian Health Sector Emergency Response Plan for Novel Coronavirus (the COVID-19 Plan) on 18 February 2020. The COVID-19 Plan remains a live document guiding the Australian health response. The Australian Government has taken a strong and decisive approach in responding to the COVID-19 pandemic, informed by the latest medical advice from the AHPPC.

The Department's health emergency response arrangements are flexible, scalable and tailored to respond to the situation as we learn more about the virus and how it spreads. Australian Government agencies are working with state and territory governments to coordinate an evidence-based response, and keep Australians fully informed.

During the outbreak, cross-sector and multi-jurisdictional cooperation has been essential in ensuring a timely response to cases in the Australian community. The National Focal Point[1] continues to remain central to the Department's communication with states and territories, government agencies, other countries, and the World Health Organization (WHO) during the ongoing response to the COVID-19 pandemic.

Overseas outbreaks of Ebola virus disease and polio have reinforced the need for ongoing vigilance and robust monitoring, communication, and collaboration channels. While Australia's first-class health system is well equipped to manage cases, early detection and preparedness efforts remain critical to minimising the risk of importation and ensuring protection of the Australian community.

[1] As per the *National Health Security Act (2007)*, the National Focal Point (NFP) is the area or areas within the Department, designated under the Act, as the *International Health Regulations (2005)* (IHR) NFP to liaise with and facilitate actions by national and international bodies to prevent, protect against, control and respond to a Public Health Event of National Significance or a Public Health Emergency of International Concern.



Bushfires

Australia suffered a devastating bushfire season in 2019-20. The Department was quick to support state and territory health emergency authorities to manage the challenges posed by the disaster. The Government increased access to mental health and wellbeing services, both during the disaster and into the recovery phase as communities rebuild. The first ever domestic deployments of the Australian Medical Assistance Team (AUSMAT) occurred in New South Wales and Victoria, alongside the Australian Defence Force and under the command of state health authorities, to support fire-affected rural and remote communities. As bushfire smoke blanketed Australia, the Department deployed more than 3.5 million masks from the National Medical Stockpile to states and territories to support high-risk people, including frontline operational personnel. Additionally, new research funding was announced to enhance our understanding of the health impacts of bushfire smoke.

Australia's response to global health emergencies

In late 2019, Australia deployed AUSMAT to support Samoa's response to a major measles outbreak. The Samoan deployment was the longest and most complex AUSMAT operation in its history, and the first in response to a communicable disease outbreak. The operation spanned six team rotations over three months, with the Government deploying more than 115 specialist staff. AUSMAT personnel are drawn from all states and territories from a wide variety of disciplines, and receive specialist training at the National Critical Care and Trauma Response Centre in Darwin, Northern Territory. AUSMAT played a leading role in supporting the Samoan Government to control the outbreak, saving lives and building enduring regional capability.

On 9 December 2019, the Whakaari/White Island volcano erupted in the Bay of Plenty, New Zealand. Tragically, 14 Australian citizens and three Australian permanent residents lost their lives. During the incident, the Department worked closely with state, territory and New Zealand authorities to coordinate the repatriation and reception of 13 victims to Australia's world-class hospital burns units. Australia also deployed 10 specialist nurses to Whakatane Hospital to relieve exhausted staff and support the care of victims in New Zealand.

Our response to these and other challenges has highlighted the critical importance of maintaining and strengthening Australia's health emergency preparedness and response capabilities. The Department continues to learn from our experiences and engage with state, territory and international partners to refine our coordination models and systems. The Department remains committed to ensuring Australia maintains its world-leading ability to prepare for, and respond to, health emergencies now and into the future.

Strengthening Global Health Security

In June 2019, then-Chief Medical Officer, Professor Brendan Murphy, attended the Global Health Security Conference with Health Minister Greg Hunt, supported by a number of staff from the Department. Hosted by the University of Sydney, with financial support from the Department of Foreign Affairs and Trade, the conference was the first of its kind. Over 800 stakeholders from 65 countries attended from academia, government, public and animal health and security sectors, and international organisations. All representatives came together with the commitment to share experiences and advance health security in a world where disease has no borders.

The conference provided wonderful opportunities for Australia to progress bilateral health security cooperation with the United States, China, Canada, Indonesia and Papua New Guinea, as well as global partners and the WHO. Speakers from the Department presented on a number of topics, including Australia's experience in 2017 of undergoing the Joint External Evaluation of International Health Regulations Implementation, which assesses a country's ability to respond to health emergencies.

The COVID-19 pandemic has demonstrated all countries are susceptible to health security threats. Australia must continue to cultivate multi-sectoral communications, as the health sector cannot tackle current or future public health threats without collaboration and learning from others.

Immunisation

The Australian Government invests over $400 million in vaccines through the National Immunisation Program (NIP). This included over $40 million for seasonal influenza vaccines in 2018 and 2019, and over $80 million for seasonal influenza vaccines in 2020.

The Australian Government, through the NIP, provides a free seasonal influenza vaccine to those most at risk of complications from influenza, including:

- pregnant women at any stage of pregnancy;
- Aboriginal and Torres Strait Islander Australians aged six months and older;
- older Australians aged 65 years and older;
- Australians aged six months and older with certain medical risk factors; and
- children aged six months to less than five years of age.

In 2019, Australia secured approximately 13.2 million doses of seasonal influenza vaccines, up from almost 11 million doses in 2018. At the start of the 2020 influenza season, Australia anticipated around 13.5 million doses would be made available. However, Australia has now made close to 18 million doses available to the market this year. The significant and concentrated demand for vaccines early in the season, and by individuals who previously have not accessed a vaccine, suggests vaccine confidence and interest is high.

From 1 March to 30 June 2020, over 8.7 million influenza vaccines were reported to the Australian Immunisation Register, compared to 6.5 million doses for the same period in 2019. The demand for the influenza vaccine also provides the opportunity for health providers to offer other vaccinations to at risk groups, such as older Australians. For example, an additional 110,000 older Australians received a pneumococcal vaccine (which prevents pneumonia, bloodstream infections and meningitis) in 2019-20, compared to 2018-19.

Improving childhood immunisation coverage has remained a priority in 2019-20. Preliminary results indicate parents continued to access routine vaccination services for their children throughout the year. This is a clear response to the strong messaging from the Australian Government throughout the COVID-19 pandemic that routine health appointments should be maintained. Immunisation coverage for all five year olds was just short of the 95 per cent aspirational target, at 94.77 per cent, in 2019-20. Coverage rates for Aboriginal and Torres Strait Islander children continue to improve, with 93.4 per cent of one year olds fully immunised, compared to 92.4 per cent in 2018-19.

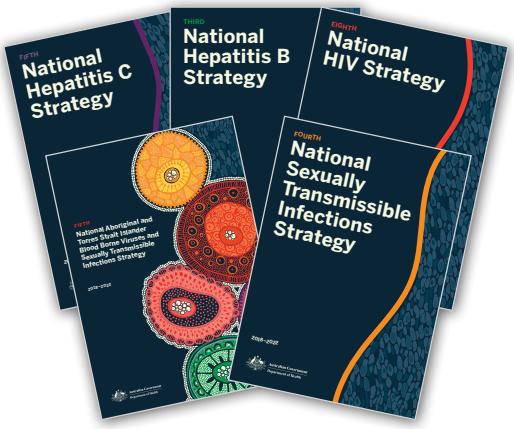
Reducing blood borne viruses and sexually transmissible infections

Australia's five National Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) Strategies 2018–22 provide a national framework for coordinated and high quality response.

These strategies build on the extensive work already undertaken, and set out ambitious goals to reduce the transmission of BBVs and STIs, increase diagnosis and treatment rates, and improve the quality of life for people living with a BBV and/or STI. The Department continues to partner with our state and territory counterparts, researchers, and community stakeholders to achieve these goals.

Australia continues to make progress toward reducing the transmission and impact of BBVs and STIs. Australia has reached the Joint United Nations Programme on HIV/AIDS (UNAIDS) 2020 target of people living with HIV who have achieved a suppressed viral load, and is on track to meet the UNAIDS 2030 targets.

However, in 2018, the BBV and STI notification rates remained higher among Aboriginal and Torres Strait Islander Australians compared to Australian born non-Indigenous people. The Department continues to work with Aboriginal and Torres Strait Islander community stakeholders, state and territory counterparts and researchers on ways to implement the Fifth National Aboriginal and Torres Strait Islander BBV and STI Strategy 2018-22 and address the gap.



Taking action on the emerging trend of new cases of accelerated silicosis

The Department is actively supporting the National Dust Disease Taskforce (the Taskforce) to develop a national approach to improve the prevention, early identification, control and management of occupational dust diseases in Australia. The Taskforce was established by the Australian Government in response to an emerging trend of new cases of accelerated silicosis, a preventable occupational lung disease occurring in workers as a result of exposure to crystalline silica dust. An initial commitment of $5 million was provided to drive development of a national registry and support research into priority areas.

In 2019-20, the Taskforce consulted with the community and a broad range of stakeholders to better understand issues that may be contributing to the re-emergence of this disease. This has included engaging with work health and safety regulators, industry, trade unions, health care professionals and medical researchers.

The Taskforce's interim advice, including five early recommendations and 17 initial findings, was provided to the Australian Government in December 2019. The recommendations were accepted and the Department is now working closely with the Taskforce on their implementation, including establishing a national registry to capture relevant data to improve health outcomes, and bringing together experts to assist with developing best practice guidelines to identify workers at risk from silica dust exposure in the workplace.

In addition to implementing the recommendations, the Department is supporting the Taskforce to further explore initial findings identified in the interim advice, with a view to present the final report to the Minister for Health in mid-2021. This will involve further consultation with key stakeholders to identify opportunities for a more coordinated approach to prevention, treatment and support.

Professor Paul Kelly

Acting Chief Medical Officer
October 2020

Chief Operating Officer's Report

The 2019-20 financial year saw the Department adapt to extraordinary circumstances.

The COVID-19 pandemic propelled us into new ways of working and connecting, as the Department worked diligently to support staff to do their best work safely, wherever their location. The Corporate Operations Group continued to prioritise our diverse customer base to enable a more effective Health portfolio.

Ensuring staff behave in a COVIDSafe manner is now part of our everyday lives, both within and outside the office. The Department developed a COVIDSafe Workplace Transition Plan, with a focus on enabling safe, flexible work arrangements which build on our capability to work in ways that are more flexible and maintain connection. This included supporting our managers through the Managing Teams in 2020 development program, and building our digital capability through a rollout of laptops and enhanced collaboration tools.

The June 2020 Pulse Survey included questions enabling us to target staff support through each stage of the COVID-19 pandemic response, and aid our understanding of how we can deliver a safe and productive experience for staff working remotely. Staff reported an increased satisfaction with their managers communicating clearly when managing change, and a culture of learning from mistakes. Satisfaction with Senior Executive Staff (SES) and Executive Level 2 leadership remain at high levels and continue to improve. While 53 per cent of staff reported their workload had increased during the COVID-19 pandemic, the vast majority reported a good or excellent experience of remote working arrangements, and managers indicated staff had maintained or increased their productivity.

Corporate Operations Group 2019-20 strategy

Corporate Operations Group continued to focus on our customers, placing them at the centre of everything we do. Our customer base is diverse, extending beyond the Department and into portfolio entities, industry and the public. The Group established a high level strategy outlining key activities and goals for the 2019-20 financial year. The strategy is aligned around six themes – understanding our customers, delivering high quality services, empowering our teams, improving our planning, enabling better policy and program work, and taking a long term view – and spans all corporate activities. It details the activities we will execute, how we will monitor and measure our performance, and the mindset required to be successful.

Chief Operating Officer (COO) Committee

In February 2020, the COO Committee was established by the Secretaries Board. The committee includes COOs of departments and major entities within the Australian Public Service (APS), aimed at ensuring an enterprise-wide approach to APS operations and management. The committee quickly prioritised management of a whole-of-APS operation responding to the COVID-19 pandemic, with the Department playing a leading role through the committee in supporting the APS workforce to deliver critical work operations safely, while planning beyond the immediate crisis. The need for the APS to connect, collaborate and communicate is more important than ever.

Governance

In early 2020, the Department reviewed its senior governance committees, introducing temporary and robust governance and assurance arrangements to support delivery of the COVID-19 pandemic health response package, as well as ensure effective delivery of Government outcomes and priorities. More information on the Department's corporate governance is available in Part 3.1, page 134.

Harnessing diversity

The Department is committed to recognising and celebrating diversity and inclusion. In 2019-20, the Department:

- introduced its first Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) Action Plan;
- supported the Australian Government's commitments to World AIDS Day; and
- funded a number of programs to support the mental health needs of the LGBTI+ community.

Key highlights from the Department's diversity networks included:

- The National Aboriginal and Torres Strait Islander Staff Network invited all employees to participate in a Virtual Reconciliation Walk (through time) video for National Reconciliation Week.
- The Culturally and Linguistically Diverse Network held three group mentoring sessions, led by invited SES from across the Department.
- The Health Pride Network celebrated Wear it Purple Day, and hosted virtual lunch time chat sessions to share stories and check in with each other.
- The Disability and Carers Network engaged with the SES through the Changing Mindsets program, designed to provide SES with experiential activities to interact with staff with disability and/or caring responsibilities.
- The Gender Equality Network organised events for International Women's Day, including a panel discussion where senior leaders reflected on personal journeys and thoughts on building a gender equal world.

New Ways of Working

The New Ways of Working (NWOW) program aims to create a modern, flexible and healthy work environment, empowering staff to deliver their best work in a more collaborative and flexible manner. It brings together improved physical workplace design and mobile technology, providing a more supportive environment for staff to work in a way that suits their needs.

Some elements of the NWOW program were piloted in the Department's Hobart, Tasmania office in February 2020. The office now features a range of collaboration spaces, the latest technology and improved workplace design to support more working styles, with positive feedback received from staff in response to these changes. Many of the Department's COVIDSafe Workplace elements were already implemented in Hobart due to the NWOW fit-out and flexible working environments. This allowed staff to quickly adapt to COVID-19 pandemic working arrangements.

Building upon lessons learned from this small-scale pilot, and incorporating our experience of implementing our COVIDSafe Workplace Transition Plan, the Department will now seek a pilot on a larger scale, beginning with a pilot floor within the Sirius building in Canberra, Australian Capital Territory. This pilot will incorporate the learnings from working flexibly under the COVID-19 pandemic and generate more staff feedback to inform the Department's future NWOW rollout.

Department of Health 2019–21 ICT Strategy

The Department continues to enable workforce transformation through the delivery of stable, fit for purpose information and communication technology (ICT) services. The Information Technology Division delivered a number of critical ICT enabled business programs, including:

- the transition of the My Aged Care system from the Department of Social Services to Health;
- improved online services for aged care recipients and their carers;
- an improved online user experience through health.gov.au;
- delivery of the Out of Pocket Expenses online portal;
- rationalisation and improvement of contact centre capabilities; and
- enabling better exchange of critical health information through the Connected Health Data program.

The Department also continued to uplift the cyber and physical security awareness of Health staff and mitigate security risks for the Department.

The way staff use digital and mobile ICT solutions has also undergone a significant transformation this year. The Digital Workspace transformation program saw the replacement of the desktop environment with laptops and underpinned the improvement to video conferencing capabilities. This was a significant factor in the success of the Department's business continuity measures undertaken in response to the COVID-19 pandemic.

The Information Technology Division played a key role in the delivery of the COVIDSafe and Coronavirus mobile apps that continue to play a significant role in Australia's public health response to the pandemic.

Responding to the public: Health Contact Centre

The Contact Centre partners with program, policy and corporate business areas to answer community, health provider and employee enquiries about the Department's policy, programs and services.

The Australian bushfires and COVID-19 pandemic resulted in a surge of activity, roughly doubling workloads. Recent business modernisation, including technology upgrades, have enabled the Contact Centre to develop systems and processes to adapt and quickly respond to increased demand.

Business Continuity Management during the COVID-19 pandemic

On 5 March 2020, the Department activated its Pandemic Incident Management Plan, activating the Continuity Management Team (CMT) and establishing the Pandemic Incident Management Team (PIMT). The CMT and PIMT met daily to coordinate and oversee implementing the Department's Pandemic Action Plan, COVIDSafe Principles and the Workforce Transition Plan. This work enabled the Department to transition quickly to remote and flexible working arrangements, ensuring a safe and productive working environment for staff facilitating delivery of the Government's COVID-19 health response package.

Grants

The Department continued to be the largest granting agency in the Commonwealth throughout 2019-20, funding approximately 12,600 grant activities. This is a significant increase on the approximately 10,000 grant activities funded in previous years, with the increase attributed to emergency support in response to the Australian bushfires and the COVID-19 pandemic, along with ongoing funding for existing and new services and capital works programs.

The Department works in partnership with the Business Grants Hub in the Department of Industry, Science, Energy and Resources, along with the National Health and Medical Research Council to deliver research grants funded through the Medical Research Future Fund, and the Community Grants Hub, managed by the Department of Social Services. These partnerships form part of the Streamlining Government Grants Administration Program, which supports the administration and management of community-based grants, administered on behalf of Australian Government client entities, to help standardise how grants are designed, selected, established and managed.

Aged Care Quality and Safety Commission

On 1 January 2020, the Department transferred its aged care compliance function and approval of providers function to the Aged Care Quality and Safety Commission (the Commission) to further strengthen regulatory controls, and provide the Commission with responsibility for end-to-end regulation of Commonwealth funded aged care services.

The Commission independently oversees the approval, accreditation, assessment, complaints handling, monitoring and compliance of aged care providers to protect and enhance the safety, health, well-being and quality of life of people receiving Government funded aged care services. The Commission is a primary point of contact for consumers and providers in relation to aged care quality and safety.

Financial Results

In 2019-20, the Department administered 27 Programs across six Outcomes. Administered expenses totalled $73.4 billion and were comprised primarily of payments for personal benefits of $48.6 billion (66.2 per cent of the total), including those for medical services, pharmaceutical services and private health insurance rebates. Subsidies, predominantly for aged care, amounted to $13.4 billion (18.2 per cent of the total). Grants expenditure was $9.2 billion (12.6 per cent of the total), the majority of which was paid to non-profit organisations.

At 30 June 2020, the Department's administered assets totalled $6.4 billion, including investments in health related agencies and inventories held under the National Medical Stockpile. Administered liabilities were $3.0 billion, which included provisions for personal benefits, grants and subsidies.

Key administered expenditure is illustrated in Figures 1 and 2.

After adjusting for unfunded depreciation and lease expenditure under relevant accounting standards, the Department recorded an operating surplus of $5.4 million. The Department is committed to delivering the program of Government within available resources and remains in a net asset position at 30 June 2020.

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

Figure 1: Breakdown of administered expenditure

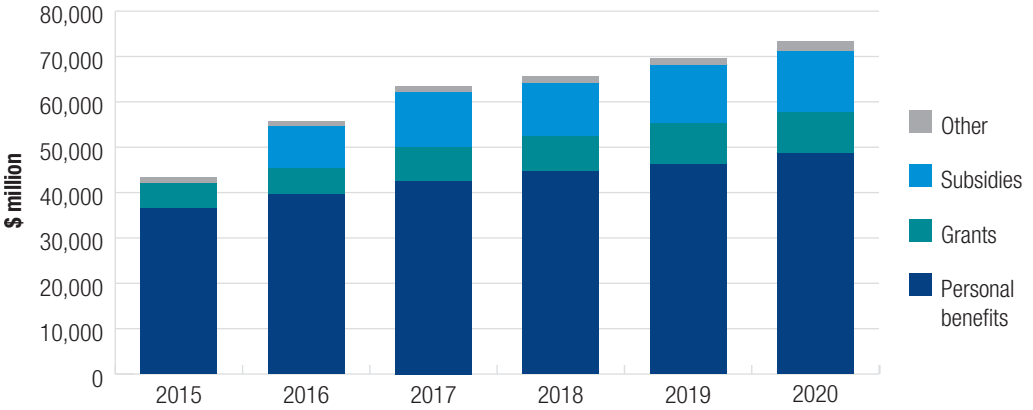
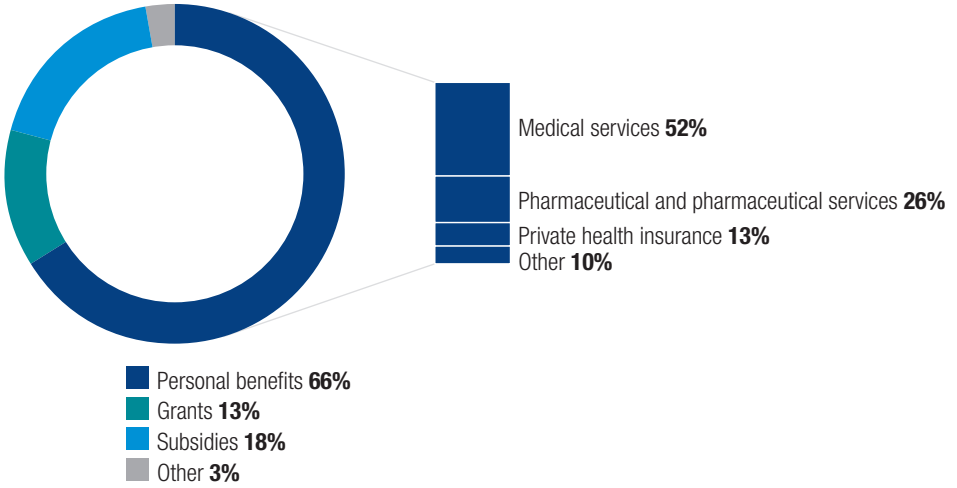


Figure 2: Administered expenditure by category



Charles Wann
Acting Chief Operating Officer
October 2020

Part 1:
About the Department

Part 1.1: The Health Portfolio

(as at 30 June 2020)

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

In 2019-20, the following Ministers were responsible for the Health Portfolio and its entities.

The Hon Greg Hunt MP

Minister for Health (From 24 January 2017)
Minister Assisting the Prime Minister for the Public Service and Cabinet (From 29 May 2019)

As Minister for Health, the Hon Greg Hunt MP holds overarching responsibility for the Health Portfolio. He is assisted by Senator the Hon Richard Colbeck on Outcomes 2, 3 and 6, and the Hon Mark Coulton MP on Outcomes 1, 2, 4 and 5.

Departmental Outcomes:

Outcome 1: Health System Policy, Design and Innovation
Outcome 2: Health Access and Support Services
Outcome 3: Sport and Recreation
Outcome 4: Individual Health Benefits
Outcome 5: Regulation, Safety and Protection
Outcome 6: Ageing and Aged Care

Portfolio Entities/Statutory Office Holders:

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

Senator the Hon Richard Colbeck

Minister for Aged Care and Senior Australians (From 29 May 2019)
Minister for Youth and Sport (From 29 May 2019)

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

Departmental Outcomes:

Outcome 2: Health Access and Support Services

Outcome 3: Sport and Recreation

Outcome 6: Ageing and Aged Care

Portfolio Entities/Statutory Office Holders:

Aged Care Quality and Safety Commission

Aged Care Pricing Commissioner

Australian Radiation Protection and Nuclear Safety Agency

Australian Sports Anti-Doping Authority

Australian Sports Commission (Sport Australia)

Australian Sports Foundation

Food Standards Australia New Zealand

Gene Technology Regulator

The Hon Mark Coulton MP

Minister for Regional Health, Regional Communications and Local Government
(From 6 February 2020)

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

Departmental Outcomes:

Outcome 1: Health System Policy, Design and Innovation

Outcome 2: Health Access and Support Services

Outcome 4: Individual Health Benefits

Outcome 5: Regulation, Safety and Protection

Portfolio Entities/Statutory Office Holders:

National Rural Health Commissioner

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

National Industrial Chemicals Notification and Assessment Scheme

Part 1.2: Portfolio Structure

(as at 30 June 2020)

As at 30 June 2020, the Health Portfolio consisted of:

Department of State

Department of Health

Secretary (acting): Caroline Edwards

Portfolio Entities

Aged Care Quality and Safety Commission
Commissioner: Janet Anderson

Australian Commission on Safety and Quality in Health Care
Adjunct Professor: Debora Picone AO

Australian Digital Health Agency
Interim Chief Executive Officer: Bettina McMahon

Australian Institute of Health and Welfare
Chief Executive Officer: Barry Sandison

Australian Radiation Protection and Nuclear Safety Agency
Chief Executive Officer: Dr Carl-Magnus Larsson

Australian Sports Anti-Doping Authority
Chief Executive Officer: David Sharpe APM OAM

Australian Sports Commission (Sport Australia)
Chief Executive Officer: Robert Dalton (acting)

Australian Sports Foundation Limited
Chief Executive Officer: Patrick Walker

Cancer Australia
Chief Executive Officer: Professor Dorothy Keefe PSM MD

Food Standards Australia New Zealand
Chief Executive Officer: Mark Booth

Independent Hospital Pricing Authority
Chief Executive Officer: James Downie

National Blood Authority
Chief Executive Officer: John Cahill

National Health Funding Body
Chief Executive Officer: Shannon White

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

National Mental Health Commission
Chief Executive Officer: Christine Morgan

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

Professional Services Review
Director: Professor Julie Quinlivan

Statutory Office Holders

Aged Care Pricing Commissioner
John Dicer

National Health Funding Pool Administrator
Michael Lambert

National Industrial Chemicals Notification Assessment Scheme
Dr Brian Richards

Gene Technology Regulator
Dr Raj Bhula

National Rural Health Commissioner
Emeritus Professor Paul Worley

Part 1.3: Departmental Overview

The Department of Health is a Department of State. In 2019-20, we operated under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Our History

The Commonwealth Department of Health was established in 1921, in part as a response to the devastating effects of the Spanish influenza pandemic of 1919, and through the vision of Dr J H L Cumpston, the first head of the Department.

The Department of Health has continued to evolve over the last 99 years, and has undergone a number of changes in name, function and structure.

Our Vision

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

Our Purpose

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

Our Commitment

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

- guaranteeing Medicare, stronger primary care and improving access to medicines through the Pharmaceutical Benefits Scheme;
- supporting our public and private hospitals, including improvements to private health insurance;
- mental health and preventive health;
- medical research to save lives and boost our economy;
- ageing well and aged care; and
- reshaping Australian sport.

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

Part 1.4: Department-Specific Outcomes

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

Listed below are the Outcomes relevant to the Department, and the Programs managed under each Outcome in 2019-20.

Outcome 1: Health System Policy, Design and Innovation

1.1: Health Policy Research and Analysis

1.2: Health Innovation and Technology

1.3: Health Infrastructure

1.4: Health Peak and Advisory Bodies

1.5: International Policy

Outcome 2: Health Access and Support Services

2.1: Mental Health

2.2: Aboriginal and Torres Strait Islander Health

2.3: Health Workforce

2.4: Preventive Health and Chronic Disease Support

2.5: Primary Health Care Quality and Coordination

2.6: Primary Care Practice Incentives

2.7: Hospital Services

Outcome 3: Sport and Recreation

3.1: Sport and Recreation

Outcome 4: Individual Health Benefits

4.1: Medical Benefits

4.2: Hearing Services

4.3: Pharmaceutical Benefits

4.4: Private Health Insurance

4.5: Medical Indemnity

4.6: Dental Services

4.7: Health Benefit Compliance

4.8: Targeted Assistance – Aids and Appliances

Outcome 5: Regulation, Safety and Protection

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

5.2: Health Protection and Emergency Response

5.3: Immunisation

Outcome 6: Ageing and Aged Care

6.1: Access and Information

6.2: Aged Care Services

6.3: Aged Care Quality

Part 2:
Annual Performance Statements

Part 2.1:
2019-20 Annual Performance Statements

As the accountable authority of the Department of Health, I present the Department of Health 2019-20 Annual Performance Statements as required under paragraphs 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and section 16F of the *Public Governance, Performance and Accountability Rule 2014*. In my opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity for the reporting period, and comply with subsection 39(2) of the PGPA Act.

Dr Brendan Murphy

Secretary
November 2020

Introduction

As required under the PGPA Act, this report contains the Department of Health's Annual Performance Statements for 2019-20. The Annual Performance Statements detail results achieved against planned performance criteria set out in the *2019-20 Health Portfolio Budget Statements*, *2019-20 Health Portfolio Additional Estimates Statements*, and the Department's *Corporate Plan 2019-20*.

Structure of the Annual Performance Statements

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

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

- an analysis of the Department's performance by program;
- activity highlights that occurred during 2019-20; and
- results and discussion against each performance criterion.

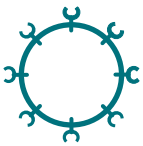
Results Key

●	**Met** 100% of the target for 2019-20 has been achieved.
◖	**Substantially met** 75–99% of the target for 2019-20 has been achieved.
○	**Not met** Less than 75% of the target for 2019-20 has been achieved.
—	**Data not available** Data is not available to report for the 2019-20 reporting year.
N/A	**N/A** The use of N/A indicates that data was not published in the relevant year for that performance criterion.

Outcome 1:
Health System Policy, Design and Innovation

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

Highlights

	**Investments into medical research**	244 health and medical research grants valued at $572.6 million were distributed, including $32 million for the Coronavirus Research Response. *Program 1.1*
	**Delivery of projects under the Community Health and Hospitals Program**	Establishment of the first Australian Centre of Excellence in Cellular Immunotherapy at the Peter MacCallum Cancer Centre is underway. *Program 1.3*
	**International engagement to strengthen the global health system**	Australia played a leading role in advocating for an evaluation of the global response, and scientific investigation into, the source of COVID-19. *Program 1.5*

54 grant opportunities opened under the **MRFF 10-Year Investment Plan**

99% of pharmacies and **93% of GPs** are registered with **My Health Record**

Australia attended the **first ever virtual World Health Assembly**

New projects commenced under the **$1.25 billion Community Health and Hospitals Program**

Programs contributing to Outcome 1	Summary of results against performance criteria		
Program	**Targets met**	**Targets substantially met**	**Targets not met**
Program 1.1: Health Policy Research and Analysis	3	–	–
Program 1.2: Health Innovation and Technology	1	–	–
Program 1.3: Health Infrastructure	1	–	–
Program 1.4: Health Peak and Advisory Bodies	1	–	–
Program 1.5: International Policy	1	–	–
Total	7	–	–

Program 1.1:
Health Policy Research and Analysis

The Department met all performance targets related to this program.

In 2019-20, 244 grants were awarded under the Medical Research Future Fund (MRFF) 10-Year Investment Plan. The MRFF is investing to supercharge the growth of Australian health and medical research, with investments focusing on the rapid and effective translation of research into health outcomes, while fuelling job creation, economic growth and export potential from globally acknowledged research excellence.

Further achievements in 2019-20 included the implementation of post-market reviews of immunoglobulin for certain conditions, the Value in Prescribing education program for immunoglobulin, and the progression of the 2020-21 National Supply Plan and Budget. These initiatives ensure patients and clinicians maintain access to a safe, high quality, secure and evidence-based supply of blood and blood products.

The Department continued to work collaboratively with state and territory health agencies, including through the Council of Australian Governments' (COAG) Health Council (CHC), supported by the Australian Health Ministers' Advisory Council (AHMAC). This cooperation was particularly critical in delivering a cohesive national health response to the COVID-19 pandemic. The CHC also progressed a number of other priority issues, including the 2020–25 National Health Reform Agreement, response to the Australian bushfires and endorsement of the National Strategic Approach to Maternity Services.

On 29 May 2020, the Prime Minister announced a new National Federation Reform Council to replace COAG. On 12 June 2020, National Cabinet announced six initial priority areas of reform, and the formation of six National Cabinet Reform Committees, including one focused on health reform. The new model will streamline processes, enabling improved collaboration, communication and effectiveness.

Australian Government Ministers and officials are effectively supported to collaborate with states and territories on health issues to achieve better health outcomes for all Australians. Source: 2019-20 Health Portfolio Budget Statements, p.49	
2019-20 Target	**2019-20 Result**
Health reform priorities and health initiatives requiring a Commonwealth/state interface will be progressed through the Council of Australian Governments' Health Council (CHC) and the Australian Health Ministers' Advisory Council (AHMAC).	Health issues were agreed and progressed by the AHMAC, and endorsed by the CHC. Strategic agreements on priority health issues were made by the CHC at its meetings on 31 October and 1 November 2019, and 28 February 2020. The Australian Government worked closely and quickly with state and territory governments, through a range of formal and informal processes, to respond to the COVID-19 pandemic.
	Result: Met

The Australian and state and territory governments work in partnership to improve health outcomes for all Australians, and ensure the sustainability of the Australian health system.

In 2019-20, the Department supported the Government in negotiations for the National Health Reform Agreement (NHRA) 2020–25, which was signed by all states and territories and commenced on 1 July 2020.

During the COVID-19 pandemic, Health Ministers and health department chief executives met frequently to enable the Australian health system to respond to the outbreak. Outcomes included all governments agreeing to the National Partnership on COVID-19 Response, agreed guidelines on the use of personal protective equipment and allocations from the National Medical Stockpile, principles developed to inform the safe level of elective surgery to ensure adequate hospital capacity for the COVID-19 response, and agreement to share critical hospital capacity information.

These agreements were critical to the success of Australia's response to COVID-19. For example, the National Partnership on COVID-19 Response, which is estimated to cost $4.8 billion over two years commencing 2019-20, has:

- supported states and territories in delivering COVID-19 related health activities, including purchasing personal protective equipment, providing surge staffing for aged care facilities, and testing and diagnostics;
- guaranteed the viability of private hospitals to retain capacity for responding to COVID-19 and enable them to resume operations at the end of the pandemic; and
- integrated private hospitals with state and territory health systems, to ensure hospital beds and the sector's skilled workforce is available alongside the public hospital sector in the fight against COVID-19.

The CHC, supported by its advisory body AHMAC, also progressed a broad range of issues in 2019-20, including:

- improving our national mental health system;
- developing a national medical workforce strategy scoping framework;
- making Quality Use of Medicines and Medicines Safety the tenth National Health Priority;
- improving the safety and security of the remote health workforce; and
- strengthening an equitably resourced, coordinated and sustainable national response to reduce the high incidence and impact of sexually transmitted infections and blood borne viruses on Aboriginal and Torres Strait Islander Australians.

A sustainable source of funding is provided for transformative health and medical research that improves lives, contributes to health system sustainability and drives innovation. Source: 2019-20 Health Portfolio Budget Statements, p.50 and Health Corporate Plan 2019-20, p.25	
2019-20 Target	**2019-20 Result**
Investments announced, grant opportunities offered and grant agreements executed under various Medical Research Future Fund (MRFF) initiatives consistent with the *Medical Research Future Fund Act 2015*.	A total of 54 grant opportunities opened under the MRFF 10-Year Investment Plan. 244 grants valued at $572.6 million have been awarded as at 30 June 2020, consistent with the *Medical Research Future Fund Act 2015*.
	Result: Met

The Department's refreshed MRFF website[2] ensures readers have access to comprehensive, easy to navigate and up-to-date information, including a full list of all MRFF grants awarded. Medical research investments distributed under each of the four MRFF streams, including $32 million for the Coronavirus Research Response, were:

- $218,950,140 for patients through 22 grant opportunities, including cancer, clinical trials, reproductive health, neurological diseases, and bushfire research.
- $131,903,452 for research through 15 grant opportunities across seven MRFF missions[3], including cardiovascular health, stem cell therapies, Indigenous health, cancer, suicide prevention, genomics, and brain injury research.
- $146,021,865 for translation through eight grant opportunities, including artificial intelligence, maternal health, primary health, health services, therapeutics and health systems research.
- $75,690,999 for researchers through nine grant opportunities, including innovative and investigator-led research.

In addition, MRFF funding has been used to leverage additional investment through partners, therefore maximising support for health and medical research in Australia. For example, there has been significant co-investment from funding partners in the Australian Brain Cancer Mission.

[2] Available at: www.health.gov.au/initiatives-and-programs/medical-research-future-fund

[3] MRFF missions are large programs of work that bring together key researchers, health professionals, stakeholders, industry partners and patients to tackle large health challenges.

Mackenzie's Mission: the Australian Reproductive Carrier Screening Project

The Australian Government is providing $20 million over three years for Mackenzie's Mission, a pilot research study of reproductive carrier screening in Australia involving 10,000 couples screening for rare genetic conditions like spinal muscular atrophy (SMA)[4] and fragile X syndrome[5].

Mackenzie's Mission, delivered by the Murdoch Children's Research Institute with support from the Australian Genomics Health Alliance, is the first project funded from the $500 million, 10-Year Medical Research Future Fund Genomics Health Futures Mission. The project will test up to 10,000 couples planning to start a family for about 750 recessive and X-linked genetic conditions; conditions which may be passed on to children from parents who usually are not affected by the condition themselves. It is designed to inform how screening can best be offered to Australians to ensure equitable availability, and inform decisions about its utilisation.

The study will give couples information about their likelihood of having a child with a severely debilitating and/or life limiting genetic condition occurring in childhood, allowing them to make informed reproductive choices according to their own personal wishes and values.

Mackenzie's Mission is named in tribute to Rachael and Jonathan Casella's campaign to raise awareness of genetic carrier screening, following the passing of their daughter Mackenzie from SMA. The Casellas were not aware they were both genetic carriers for the condition, and had no family history of genetic conditions.

Sydney couple Sabene Ramjan and Brett Stewart were tested for about 750 conditions as part of Mackenzie's Mission. They thought they would not have children because Sabene's brother has a severe intellectual disability, which they learned was an X-linked genetic condition.

"However, when we were referred to Mackenzie's Mission we discovered that not only did we not carry that mutation, but we were not carriers of any of the other 750 severe genetic conditions. This has enabled us to go ahead and plan our family with the peace of mind and confidence that we would not otherwise have had. It is hard to describe how life-changing this experience has been for us."

Quote provided by Australian Genomics Health Alliance.

MACKENZIE'S MISSION

[4] Spinal muscular atrophy (SMA) is a group of neuromuscular disorders that result in the loss of motor neurons and progressive muscle wasting.

[5] Fragile X syndrome is a genetic condition causing mild to moderate intellectual disability.

Access to a safe and secure supply of essential blood and blood products and organ, tissue and Haemopoietic Progenitor Cell (HPC) transplants is ensured through strategic policy and funding contributions.

Source: 2019-20 Health Portfolio Budget Statements, p.50

2019-20 Target	2019-20 Result
Continue working with states and territories on: • development and implementation of the objectives of the National Blood Agreement; • new national policy frameworks for the Australian eye and tissue sector and the HPC sector; and • a future national strategy for the organ donation, retrieval and transplantation sector.	The Department continued to work effectively with states and territories and the National Blood Authority to maintain sufficient, evidence-based access to blood and blood products in Australia through the annual National Supply Plan and Budget, and developed and implemented Commonwealth measures to ensure both clinical and cost-effective access and use of blood and blood-related products. The Department also worked with states and territories, the Organ and Tissue Authority and relevant sector stakeholders, to develop national frameworks and future national strategy documents for: • the eye and tissue sector; • the organ donation, retrieval and transplantation sector; and • the HPC sector.
	Result: Met ●

In 2019-20, Commonwealth measures seeking to improve use and access arrangements for blood and blood-related products were implemented. The 2020-21 National Supply Plan and Budget was also progressed, with Commonwealth Health Ministers' approval gained in June 2020.

Further achievements included:

- implementing the immunoglobulin education component of the Value in Prescribing program;
- a range of health technology assessment reviews of immunoglobulin use; and
- provision of policy advice to the Medical Services Advisory Committee for applications to fund new therapies under the national blood arrangements.

Work has progressed on the development of the organ strategy, eye and tissue framework and HPC framework, with some delays occurring due to states and territories focusing on the COVID-19 pandemic response.

Program 1.2:
Health Innovation and Technology

The Department met the performance target related to this program.

Throughout 2019-20, the Department worked in conjunction with the Australian Digital Health Agency to support growth of the My Health Record (MHR) system. The MHR system provides Australians with greater control of their health information, anywhere and at any time. It tracks medications, immunisations and allergies; and with appropriate safeguards, allows important health information to be shared with all health care providers involved in patient care. Usage of MHR for pathology and shared health summaries increased during the COVID-19 pandemic, with a:

- 24 per cent increase in shared health summary uploads;
- 19 per cent increase in shared health summary views;
- two per cent increase in pathology report uploads;
- 18 per cent increase in views on individual pathology report uploads; and
- 39 per cent increase in views of pathology report summary information.

These increases demonstrate the ongoing value provided by MHR, and digital health more broadly.

The Department commenced an independent statutory review of the MHR system, with the report due to the Minister for Health by 1 December 2020. A mid-term review of the Intergovernmental Agreement on National Digital Health 2018–22 was also undertaken, the outcomes of which are yet to be published.

The Minister and the Australian Digital Health Agency are supported to improve health outcomes for Australians through digital health systems.

Source: 2019-20 Health Portfolio Budget Statements, p.51

2019-20 Target	2019-20 Result
Provide high quality, relevant and well-informed research, policy and legal advice to support digital health systems, including the My Health Record (MHR) system.	The Department provided ongoing advice on national digital health systems, including the MHR system. These systems supported the Government's response to the COVID-19 pandemic.
	Result: Met ●

A total of 22.78 million Australians now have an MHR, and the MHR system has continued to expand throughout 2019-20. More than 85 per cent of MHRs (19.4 million) now have data stored within them.

Nearly 15 million people had their Immunisation Register uploaded to their MHR in 2019-20, and over 1.5 million people had their Organ Donor Register uploaded. A total of 81 per cent of pharmacies and 82 per cent of general practitioners (GPs) are using the MHR system, with 99 per cent of pharmacies and 93 per cent of GPs registered.

In line with legislative requirements in the *My Health Records Act 2012*, the Department initiated an independent statutory review of the MHR system. A final report will be provided to the Minister for Health by 1 December 2020.

In consultation with states and territories, the Department undertook a mid-term review of the Intergovernmental Agreement on National Digital Health 2018–22, in line with the requirements of the agreement. Amendments will be considered by Health Ministers in 2020-21.

My Health Record – Increased usage among consumers and medical practitioners

The My Health Record (MHR) system played an important role in supporting the community during several large-scale crises that occurred in 2019-20, including in response to the Australian bushfires and COVID-19 pandemic. Australian healthcare providers accelerated their use of digital technology to continue delivering safe and efficient care when traditional approaches were no longer feasible.

Current available statistics demonstrate an increased overall usage of MHR by consumers, medical practitioners and pharmacists:

- Since July 2019, an additional 260,000 MHRs have been created.
- Nearly 15 million people have had their Immunisation Register uploaded to their MHR, representing more than a 50 per cent increase since March 2020.
- Over 1.5 million people have now had their Organ Donor Register status uploaded to their MHR.
- 82 per cent of general practitioners and 91 per cent of public hospitals are actively using the MHR system.
- 81 per cent of pharmacies are now using the MHR system.
- More than 82 million prescription medicine dispense records have been uploaded in the MHR system, four million of which were uploaded in June 2020.

The surge in use of the MHR system in 2019-20 demonstrates the contribution of MHR in supporting Australians' health care, particularly those directly impacted by bushfires or the COVID-19 pandemic, and MHR's continuing value within our health care system.

A local pharmacist in Huskisson, New South Wales, Paul Smith, reflected on his experience using the MHR system and issues he faced with patients who opted out of the MHR system during the Australian bushfires, which severely impacted his local community.

"Having access to My Health Record certainly helped me a great deal during this unprecedented time, as I was able to ensure a continuity of care in a safe and legal fashion. The main hurdle I faced was assisting patients who had chosen to opt out of the My Health Record system. It is an extremely bad situation to be in when there were no local surgeries open, the roads to the closest public hospital were closed, and the person had nothing to show you that they are normally prescribed."

My Health Record

Program 1.3:
Health Infrastructure

The Department met the performance target related to this program.

The Department continued to support and monitor a range of ongoing infrastructure projects through the Rural General Practice Grants Program, the Health and Hospital Fund, and the Community Health and Hospitals Program (CHHP), finding the majority of projects on track for delivery as scheduled.

Health infrastructure projects improve access to a range of services previously unreachable in many geographical locations. Through the CHHP, the Government is improving patient care and tackling the impact of a range of health and social issues, while reducing pressure on community and hospital services. Delivery of a number of infrastructure projects continued during 2019-20.

Deliver health infrastructure projects and monitor compliance to ensure increased access to high quality health services. Source: 2019-20 Health Portfolio Budget Statements, p.52	
2019-20 Target	**2019-20 Result**
Monitor infrastructure projects for compliance to ensure that construction projects meet required standards. Deliver new projects under the Community Health and Hospitals Program (CHHP) in partnership with key stakeholders, including states and territories.	A number of new projects under the $1.25 billion CHHP commenced in partnership with key stakeholders, including states and territories, Primary Health Networks and non-government organisations. The progress of infrastructure projects was monitored, with the majority of projects compliant in providing project reports and achieving agreed milestones within required timeframes.
	Result: Met ●

In 2019-20, the Department continued to support and monitor a range of ongoing infrastructure projects, including through the CHHP, to increase access to specialist hospital services and provide critical infrastructure. Progressed projects included:

- Establishment of the first Australian Centre of Excellence in Cellular Immunotherapy at the Peter MacCallum Cancer Centre in Melbourne, Victoria. This centre will ensure patients can have early and affordable access to the latest novel cellular therapies and will increase patient access to clinical trials.
- New maternity services at Mater Hospital in Townsville, Queensland, which will provide contemporary models of care in a new environment.

Projects were monitored against performance criteria in individual grant agreements and managed in accordance with the Commonwealth Grants Rules and Guidelines 2017, and the *Public Governance, Performance and Accountability Act 2013*.

Program 1.4:
Health Peak and Advisory Bodies

The Department met the performance target related to this program.

The Department continued to support 23 national peak health organisations and advisory bodies through grant agreements in order to harness input into progress of the Australian Government's health priorities. This supports organisations to engage and present the views of their members, and health professionals, during the development of government policies and programs.

Successfully harness the health sector to share information relating to the Australian Government's health agenda. Source: 2019-20 Health Portfolio Budget Statements, p.53	
2019-20 Target	**2019-20 Result**
Maintain agreements with health-related national bodies in order to harness input into the Australian Government's health agenda, through information sharing and relevant, well-informed advice.	Agreements were maintained and engagement with funded national health peak and advisory bodies was ongoing. The progress of organisations meeting the performance conditions and milestones in their grant agreements was monitored.
	Result: Met ●

The Department continued to fund 23 health related national peak and advisory organisations to consult their members and share information, provide well-informed and impartial advice to government, and provide education and training to health and medical practitioners. The funded organisations represent health care practitioners, consumers and groups supporting areas of health such as asthma, allergies, continence, haemophilia, hepatitis, HIV/AIDS, rural health, vision impairment, palliative care and mental health.

Funded organisations provided input to government policy throughout 2019-20, including through participation on various committees and working groups, and contributions to consultation activities and parliamentary inquiries.

Program 1.5:
International Policy

The Department met the performance target related to this program.

The Australian community continues to benefit from the Department's engagement with the World Health Organization (WHO) and other multilateral and bilateral international fora, and the global efforts to respond to worldwide health emergencies, notably the COVID-19 pandemic.

The Department's international engagement guides reform to the Australian health system through access to internationally comparable data, including health care quality and health system performance. Active engagement in international health fora helps to strengthen global health systems' capacity, and fulfils Australia's responsibility to contribute toward improving global and regional public health. Our bilateral relationships with other countries supported the Department to share responses to the COVID-19 pandemic, in an effort to lessen global impact.

During 2019-20, Australia engaged with and contributed to bodies such as the WHO, the Organisation of Economic Co-operation and Development Health Committee, the G20 Health Working Group, and the Asia-Pacific Economic Cooperation Health Working Group. Australia, through the Department, also played a leading role in advocating for an evaluation of the global response, and scientific investigation into, the source of COVID-19.

Engagement in multilateral fora allows Australia to protect and influence the development of evidence-based international standards, and shape international priorities to align with our domestic policy agenda. Partnerships and technical cooperation with key countries protect the health of Australians by strengthening our health system through the adoption of international best practice and arrangements that maintain our ability to respond to health security threats.

Source: 2019-20 Health Portfolio Budget Statements, p.55

2019-20 Target	2019-20 Result
To influence the development and acceptance of international evidence and best practice, Australia will effectively engage at relevant international fora. Key areas of attention in 2019-20 include: • tuberculosis control; • approaches to antimicrobial resistance; • human papillomavirus vaccinations and cervical cancer elimination; • tobacco and drug control; • improving access to medicines; and • healthy ageing and dementia research. Australia will continue to contribute to improved governance in multilateral fora, and focus on identifying and responding to global health security threats.	Notwithstanding travel restrictions in the second half of the year due to the COVID-19 pandemic, Australia, through the Department, participated in a number of international fora, including the: • WHO; • Organisation for Economic Co-operation and Development Health Committee; • G20 Health Working Group; and • Asia-Pacific Economic Cooperation Health Working Group. The COVID-19 pandemic highlighted the importance of our engagement in terms of responding to health security threats and improving governance in multilateral fora. Pivoting from priorities identified at the start of the year to meet this need has been the most effective application of the Department's international engagement efforts.
	Result: Met

Australia's current term on the Executive Board of the WHO, as well as a two year term as one of the Western Pacific Region's representatives on the WHO Programme Budget and Administration Committee (PBAC), have given the Department the ability to steer WHO priorities and influence WHO administration and governance.

Through negotiations on a critical global COVID-19 pandemic resolution, Australia played a leading role in advocating for an evaluation of the global response and scientific investigation into the source of COVID-19. This was supported by 145 countries.

Among other initiatives in the WHO this year, Australia led a cervical cancer elimination resolution, which was supported by 50 countries and will see the adoption of a global strategy to eliminate cervical cancer. Australia also co-led with Indonesia the development of a resolution on integrated people-centred eye care, which aims to reduce rising global rates of preventable vision impairment and blindness. Australia has also supported the development of resolutions to progress the International Decade of Healthy Ageing, a resolution to end tuberculosis through a strategy for research and innovation, a global vaccine action plan, and progressed key measures on WHO reform.

The Department engaged bilaterally with international partners to share approaches to the COVID-19 pandemic response, and refined our activity to anticipate progression of the pandemic in line with experiences of other countries.

The Department, supported by the Department of Foreign Affairs and Trade (DFAT), represented Australia in the first virtual World Health Assembly (WHA) in May 2020. The Department worked closely with DFAT and key international partners to negotiate a resolution on the COVID-19 pandemic response, adopted by the WHA, successfully securing support for a comprehensive, independent and impartial evaluation of the international health response. The Department also played a critical role in shaping negotiations to secure a mandate.

International Engagement: Virtual World Health Assembly

The World Health Organization (WHO) is the directing and coordinating authority for health within the United Nations. The World Health Assembly (WHA) is the forum through which the WHO is governed by its 194 Member States, and is the world's highest health policy setting body. The WHA meets annually every May in Geneva, Switzerland.

Due to the COVID-19 pandemic and the public health restrictions put in place around the world, the 73rd session of the WHA was held on 18-19 May 2020 in a virtual format for the first time in history, with an abridged agenda dedicated to the global response to the COVID-19 pandemic.

The Minister for Health, the Hon Greg Hunt MP, led Australia's delegation to the WHA, supported by senior officers and staff from the Department and the Department of Foreign Affairs and Trade. In Australia's national statement, Minister Hunt highlighted Australia's commitment to working with the global community to end the pandemic and support strengthening of health systems, stressing the need to learn from this crisis to ensure the strongest possible global health architecture to address future challenges.

In an important demonstration of international cooperation and global solidarity, Australia, along with a record number of Member States, co-sponsored the COVID-19 Response resolution adopted by the WHA. Australia worked closely with key international partners to negotiate the resolution, successfully securing a commitment for a comprehensive, independent and impartial evaluation of the international health response to the COVID-19 pandemic, and a clear mandate to investigate the animal source of the virus and its introduction to the human population.

Preventing and responding to global health challenges requires collaboration, transparency and engagement from all countries. The COVID-19 pandemic is an unprecedented global crisis that required a coordinated global response, in which the WHO continues to play a critical role. The response has highlighted shortcomings and strengths in the current global health architecture.

In light of these global challenges, Australia, as a member of the WHO Executive Board, has taken a strong and principled position on governance and reform activities that strengthen the WHO's operation. Critically, this includes calling for and actively pursuing an impartial, independent and comprehensive review into the response to the COVID-19 pandemic, and an investigation into the source of the virus. These initiatives, endorsed through the COVID-19 Response resolution at the WHA by 145 Member States, provide a mandate for the international community to learn and improve our collective ability to prevent and respond to future health crises.

Outcome 1 - Expenses and Resources

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 1.1: Health Policy Research and Analysis[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	64,226	65,197	971
Special Accounts			
Medical Research Future Fund	392,703	375,524	(17,179)
Special appropriations			
National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority	802,171	760,881	(41,290)
Public Governance, Performance and Accountability Act 2013 s77 - repayments	2,000	1,972	(28)
Other Services (*Appropriation Act No. 2*)	83,922	4,370	(79,552)
Departmental expenses			
Departmental appropriation[2]	64,316	55,817	(8,499)
Expenses not requiring appropriation in the budget year[3]	5,163	7,450	2,287
Total for Program 1.1	**1,414,501**	**1,271,211**	**(143,290)**
Program 1.2: Health Innovation and Technology			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,746	1,488	(258)
Departmental expenses			
Departmental appropriation[2]	5,451	5,555	104
Expenses not requiring appropriation in the budget year[3]	496	695	199
Total for Program 1.2	**7,693**	**7,738**	**45**
Program 1.3: Health Infrastructure[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	13,535	11,837	(1,698)
Special appropriations			
Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund	19,742	19,052	(690)
Departmental expenses			
Departmental appropriation[2]	2,549	916	(1,633)
Expenses not requiring appropriation in the budget year[3]	248	116	(132)
Total for Program 1.3	**36,074**	**31,921**	**(4,153)**

Outcome 1 - Expenses and Resources (continued)

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 1.4: Health Peak and Advisory Bodies			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	7,312	7,306	(6)
Departmental expenses			
Departmental appropriation[2]	2,122	2,551	429
Expenses not requiring appropriation in the budget year[3]	214	350	136
Total for Program 1.4	**9,648**	**10,207**	**559**
Program 1.5: International Policy			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	18,641	17,912	(729)
Departmental expenses			
Departmental appropriation[2]	8,281	6,941	(1,340)
Expenses not requiring appropriation in the budget year[3]	757	880	123
Total for Program 1.5	**27,679**	**25,733**	**(1,946)**
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	105,460	103,740	(1,720)
Special Accounts	392,703	375,524	(17,179)
Special appropriations	823,913	781,905	(42,008)
Other Services (*Appropriation Act No. 2*)	83,922	4,370	(79,552)
Departmental expenses			
Departmental appropriation[2]	82,719	71,780	(10,939)
Expenses not requiring appropriation in the budget year[3]	6,878	9,491	2,613
Total expenses for Outcome 1	**1,495,595**	**1,346,810**	**(148,785)**
Average staffing level (number)	**352**	**362**	**10**

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

[2] Departmental appropriation combines 'Ordinary annual services (*Appropriation Act 1*)' and 'Revenue from independent sources (s74)'.

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

Outcome 2:
Health Access and Support Services

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

Highlights

 **Increased youth mental health support**	Five new headspace services commenced operation in 2019-20. *Program 2.1*
 **Refreshed National Aboriginal and Torres Strait Islander Health Plan (the Health Plan)**	The Health Plan is being developed in partnership with Aboriginal and Torres Strait Islander stakeholders, and incorporates findings from the *My Life My Lead* consultation process. The Health Plan aligns with the Closing the Gap framework, focusing on a culturally safe, responsive and accountable health system tailored to the needs of Aboriginal and Torres Strait Islander Australians. *Program 2.2*
 **Launch of health workforce tool, Health Demand and Supply Utilisation Patterns Planning (HeaDS UPP)**	The HeaDS UPP tool enables more sophisticated analyses of community health needs and associated health workforce requirements. *Program 2.3*
 **Release of the second phase of the Active Australia Innovation Challenge**	The Active Australia Innovation Challenge is conducted for schools, universities and communities. The challenge recognises ideas to promote physical activity in innovative ways, awarding eight grants of up to $10,000 each across Australia. *Program 2.4*
 **Implementation of the National Health Reform Agreement (NHRA) for 2020–25**	The NHRA supports sustainable and efficient funding for Australian public hospitals into the future, providing an estimated $131.4 billion in additional funding to public hospitals over five years from 2020-21. *Program 2.7*

150 GP-led respiratory clinics established in response to the **COVID-19 pandemic**

868,000 mental health services commissioned by PHNs in **2019-20**

Eight grants of $10,000 each awarded through the **Active Australia Innovation Challenge**

Aboriginal and Torres Strait Islander **chronic disease-related mortality down 14% between 2006–2018**

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

Program 2.1:
Mental Health

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

Primary Health Networks (PHNs) commission organisations to deliver mental health services to the community by focusing on those at risk of poor health outcomes, and improving coordination of care to ensure patients receive the right care, in the right place, at the right time. PHNs support a range of people within the Australian community, including individuals with mild to moderate mental illness and those at risk of developing mental illness, new parents, Aboriginal and Torres Strait Islander Australians, carers, residential aged care recipients, people living in rural areas, and people affected by events such as bushfires, drought, flood and the COVID-19 pandemic. In 2019-20, the Department provided $734.2 million to PHNs to commission mental health services, including measures to support the bushfire and COVID-19 pandemic emergency responses.

Youth mental health support was increased throughout the financial year, with four new headspace satellite services and one new headspace centre commencing operation. Digital mental health services were fortified through further enhancements made to the Head to Health website. Additional progress was made toward finalising negotiations with states and territories for the second tranche of sites delivering the Way Back Support Service.

The Department delivered significant mental health support to all Australians in response to the COVID-19 pandemic, including:

- establishment of a free 24/7 dedicated Coronavirus Mental Wellbeing Support Service;
- funding to boost a number of key digital support services, including targeted support for vulnerable groups and the expansion of the Government's digital mental health gateway, Head to Health;
- establishment of a dedicated program for frontline health workers;
- new temporary Medicare Benefits Schedule telehealth items;
- investing in mental health services and support for older Australians;
- continuing support for people with severe mental illness under the Continuity of Support Programme and the National Psychosocial Support Measure; and
- establishing 15 *HeadtoHelp* mental health clinics across Victoria to boost essential primary mental health services.

Mental health services are coordinated and supported. Source: 2019-20 Health Portfolio Budget Statements, p.64 and Health Corporate Plan 2019-20, p.21	
2019-20 Target	**2019-20 Result**
Support Primary Health Networks (PHNs), service providers, and mental health stakeholders to continue to deliver on mental health reforms through: • funding PHNs to commission organisations to deliver mental health services to people who most need them; • continued establishment of new headspace services, with one centre and five new satellite services to commence operating in 2019; • planning for the establishment of a further 30 services (10 centres and 20 satellites); • continued iterations and enhancements to 'Head to Health' in response to user feedback; and • implementation of the second tranche of sites delivering the Way Back Support Service under the Aftercare after a Suicide Attempt initiative.	$734.2 million to commission mental health services was provided to PHNs. Four new headspace satellite services, and one new headspace centre, commenced operation in 2019-20.[6] Planning for the establishment of further headspace services continued, with several new services scheduled to open earlier than anticipated in 2020-21. Four releases of new enhancements to Head to Health occurred in response to user feedback. Bushfire and COVID-19 pandemic support pages on the Head to Health website were launched. Implementation of the second tranche of sites delivering the Way Back Support Service was progressed with relevant states and territories. Several mental health packages to support Australians in response to the effects of the 2019-20 bushfires and the COVID-19 pandemic were implemented. **Result: Substantially met**

The Department funds PHNs to plan and commission a range of mental health and suicide prevention services. Each PHN undertakes a regional needs assessment, which supports the commissioning of services in areas of greatest need. Under the Fifth National Mental Health and Suicide Prevention Plan, governments have directed PHNs and Local Hospital Networks to develop joint regional plans for mental health and suicide prevention services. Between 1 July 2019 and 30 June 2020, PHNs reported they had commissioned over 868,000 mental health services.[7]

Services commissioned by PHNs include:

- low intensity mental health services to support people with mild mental illness or those in distress who may be at risk of developing a mental illness;
- psychological treatment services for people living in residential aged care;
- psychological treatment for people affected by bushfire and drought; and
- services delivered as part of the response to the COVID-19 pandemic.

[6] The four new headspace satellite services are located at Rosebud in Victoria, Armidale in New South Wales, and Victor Harbor and Mount Barker in South Australia. A fifth, originally scheduled to open in 2019-20, opened ahead of schedule at Lithgow, New South Wales in June 2019. The new headspace centre is located at Katherine in the Northern Territory.

[7] Data extracted 24 July 2020 from the Primary Mental Health Care Minimum Dataset only contains data where the client has given consent for their data to be provided to the Department (approximately 85 per cent of all clients). Numbers may change due to delay in data uploads.

headspace aims to improve access for young people aged 12–25 who have, or are at risk of, mental illness. The headspace model provides holistic care in four key areas: mental health, related physical health, alcohol and other drug use, and social and vocational support. There has been some variation to previous arrangements for the headspace satellite services scheduled to open in 2019-20, including:

- Lithgow, New South Wales opened earlier than scheduled in June 2019.
- Wangaratta, Victoria and Margaret River, Western Australia experienced delays due to difficulties finding appropriate sites, delayed council approvals and effects of the COVID-19 pandemic. They are expected to open in 2020-21.
- Rosebud, Victoria and Armidale, New South Wales commenced earlier than their expected 2020-21 openings.

headspace National Youth Mental Health Foundation (headspace National) and PHNs have been working closely to establish 30 new headspace services. In 2019-20, headspace National was given a broader role in the commissioning process, working with PHNs from the start of the establishment process and ensuring proposed arrangements align with the headspace Model Integrity Framework. This ensures minimal delays in new services being issued with a Trade Mark License Deed.

In 2019-20, new enhancements to Head to Health in response to user feedback included:

- significant new content areas produced in response to the mental health impacts of the Australian bushfires and the COVID-19 pandemic;
- 218 new links to digital mental health services;
- a dedicated space for health professionals seeking to use digital services to support their patients;
- improvements to the navigation of the site;
- development of a new intersex topic page;
- the addition of a consolidated feedback form;
- significant updates to the search functionality, improving the relevance of search results; and
- improvements to site speed performance, improving response times.

Head to Health enhancements have progressed based on insights into user behaviour as well as feedback from users, including an online survey conducted from August to October 2019.

In late 2019-20, the website performed well during an unprecedented surge in traffic, particularly in response to the Australian bushfires and the COVID-19 pandemic. The website recorded:

- 853,919 sessions in 2019-20 (averaging approximately 2,371 per day, compared to the previous longer term average of 1,200 per day); and
- peaks to sessions between 23 and 30 March, following the launch of a new COVID-19 pandemic support page on 20 March.

The Way Back Support Service supports individuals discharged from hospital after a suicide attempt, or those in suicide crisis. It aims to minimise individuals' disengagement with services, reduce barriers to accessing follow-up care, increase appointment attendance with health and other social support services, and reduce the risk of further suicide attempts. Full implementation of the Way Back Support Service was delayed, with state and territory negotiations taking longer than expected due to differing state government commitments and budget cycles. To date, the first tranche of sites have been agreed via bilateral agreements with the Victorian, Australian Capital Territory, Northern Territory, Queensland, New South Wales and South Australian governments. The second tranche of sites is being finalised with Queensland and New South Wales governments, and the Department is working closely with remaining jurisdictions to finalise further negotiations.

Mental health supports for Australians affected by the 2019-20 bushfires

Australia's unprecedented bushfire season in 2019-20 affected the health of Australians across the country in many ways. On 12 January 2020, the Prime Minister announced a $76.1 million package for mental health support for individuals, families and communities affected by the bushfires.

The package supported the mental health of communities, including through immediate counselling and psychological services, trauma-informed care and coordination, support for emergency service workers and their families, and support for young people through the headspace program. As part of this package, funding was provided to:

- Primary Health Networks for immediate trauma and grief counselling, extending existing services including headspace, bushfire response coordinators and community grants.
- Aboriginal Community Controlled Health Services for culturally appropriate and timely mental health support for Aboriginal and Torres Strait Islander communities.
- Training providers for trauma informed care and psychological first aid to identify people at risk.

In distributing the package, the Department focused on improving:

- Access to mental health support services by providing free immediate counselling sessions to supplement Medicare subsidised services.
- Coordination of mental health services through the introduction of bushfire trauma response coordinators.
- Connectedness through the provision of grants to fund grassroots level activities for mental health and healing activities following the bushfires. These activities promote peer support, with local residents helping each other and reaching out to others to identify those who are suffering post-traumatic stress disorder or depression, and to prevent suicide.

The package provides access to coordinated and tailored support individuals and communities, including emergency service workers, need to recover from the distress and impact the bushfires caused on their mental health, now and into the future.

Program 2.2:
Aboriginal and Torres Strait Islander Health

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

During 2019-20, the development of the next iteration of the *Implementation Plan for the Aboriginal and Torres Strait Islander Health Plan 2013–2023* was overtaken by a refresh of the overarching *National Aboriginal and Torres Strait Islander Health Plan* (Health Plan). Delays arising from the COVID-19 pandemic have resulted in reprioritisation of measures, impacting the outcome of the 2019-20 target.

The Closing the Gap target for Aboriginal and Torres Strait Islander chronic disease-related mortality was not met in 2019-20. However, the rate has shown an overall decline of 14 per cent between 2006 and 2018.

The new Closing the Gap Agreement includes a strong focus on working in partnership with Aboriginal and Torres Strait Islander Australians. The Department has strengthened efforts in this area by facilitating a collaborative approach to the refresh of the Health Plan.

Genuine partnership has driven the COVID-19 pandemic response for Aboriginal and Torres Strait Islander Australians. The Aboriginal and Torres Strait Islander Advisory Group on COVID-19 was convened in March 2020 to co-design the Management Plan for Aboriginal and Torres Strait Islander populations on COVID-19 (the Management Plan), to protect communities, save lives and inform on health issues related to the COVID-19 pandemic.

A range of measures have been delivered as a result of implementing the Management Plan. Recognising the increased risk posed to remote communities, the Australian Government provided funding of $52.8 million to minimise the likelihood of exposure to COVID-19, increase capacity to evacuate early cases, and enable an effective response if an outbreak occurs. The components of this measure include:

- support for planning and preparedness, including increased screening protocols and targeted flexible grants to 56 remote community organisations covering 121 remote communities, for activities prioritised and determined by the community; and
- early evacuation and retrieval for people with potential COVID-19, staffed mobile respiratory clinics and remote health services support, increasing the capacity of state and territory arrangements in remote communities, including the Royal Flying Doctor Service.

Further to this, $5.8 million has been provided in 2019-20 to establish a Remote and Rural Point of Care Testing Program in 86 Aboriginal and Torres Strait Islander communities.

These components of the sector-led COVID-19 pandemic response have been instrumental in reducing the impact of COVID-19 in Aboriginal and Torres Strait Islander communities and remote communities.

Health outcomes of Aboriginal and Torres Strait Islander Australians are improved through implementing actions under the *Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013–2023* (Implementation Plan).

Source: 2019-20 Health Portfolio Budget Statements, p.66 and Health Corporate Plan 2019-20, p.21

2019-20 Target	2019-20 Result
Complete and release the next iteration of the Implementation Plan, developed in consultation with Aboriginal and Torres Strait Islander Australians and organisations. The Implementation Plan to align with the Closing the Gap refresh agenda and include a focus on the social determinants and cultural determinants of health.	The development of the next iteration of the Implementation Plan has been subsumed by a refresh of the overarching National Aboriginal and Torres Strait Islander Health Plan (Health Plan). While the development of the Health Plan was delayed due to the COVID-19 pandemic, it is expected to be completed by mid-2021. **Result: Not met** ○

The refresh of the Health Plan will build upon the extensive work already undertaken to date on incorporating approaches across the social determinants and cultural determinants of health. This includes incorporating the findings of the *My Life My Lead* consultation process, which occurred through 13 face-to-face consultations across each state and territory, reaching approximately 600 participants.

The refreshed Health Plan will also incorporate the outcomes and objectives of the new Closing the Gap framework, ensuring policy alignment across governments. Stakeholders, including the National Aboriginal Community Controlled Health Organisation and the National Health Leadership Forum, are supportive of the Health Plan refresh.

In alignment with the new Closing the Gap framework, the refreshed Health Plan is being developed in full partnership with Aboriginal and Torres Strait Islander stakeholders. It will focus on approaches to ensure the whole health system is culturally safe, responsive and accountable to the needs of Aboriginal and Torres Strait Islander Australians.

Aboriginal and Torres Strait Islander Advisory Group on COVID-19

In March 2020, the Australian Government established the Aboriginal and Torres Strait Islander Advisory Group on COVID-19 (Advisory Group) to provide culturally appropriate advice on Aboriginal and Torres Strait Islander health issues.

The Advisory Group is co-chaired by the National Aboriginal Community Control Health Organisation (NACCHO) and the Department, with membership comprising public health medical officers and leaders from NACCHO and NACCHO's Sector Support Organisations, Aboriginal Community Controlled Health Services, state and territory public health representatives, the Australian Indigenous Doctors Association and the National Indigenous Australians' Agency.

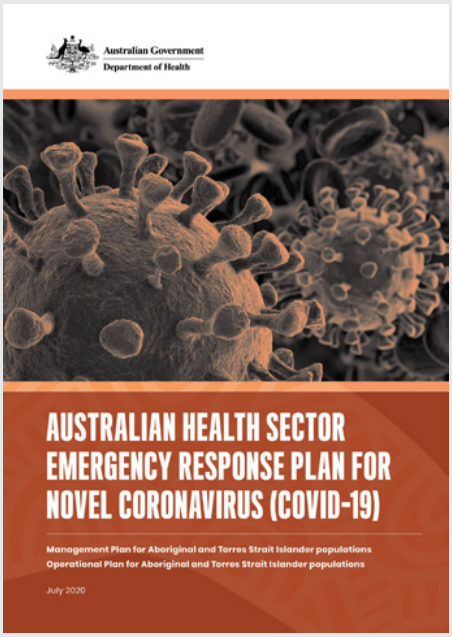
The Advisory Group co-designed the Management Plan for Aboriginal and Torres Strait Islander Populations[8] (the Management Plan), which complements the COVID-19 Emergency Response Plan. The Management Plan supports delivery of health care during the COVID-19 pandemic that is locally led, holistic, comprehensive and culturally safe, with a focus on testing and care for Aboriginal and Torres Strait Islander Australians, and for specific locations including remote communities.

The Advisory Group has been instrumental in its development of guidance and advice to the Australian Health Protection Principal Committee, including the co-design of the Remote Framework on Conditions for Easing Remote Area Travel Restrictions[9], and the National Guidance for remote Aboriginal and Torres Strait Islander communities for COVID-19[10].

The success and genuine partnership of the Advisory Group has been critical in bringing together health experts and all levels of government to identify and escalate Aboriginal and Torres Strait Islander health issues in the context of COVID-19. It informs key COVID-19 pandemic documents, guidelines and plans, including relevant sections of the Communicable Diseases Network Australia (CDNA) Series of National Guidelines for Public Health Units.

The Advisory Group provides an avenue for weekly coordination and sharing of critical insights about issues facing Indigenous Australians during the pandemic, and is a key mechanism through which Indigenous voices and advice are conveyed through the Australian Health Protection Principal Committee to the National Cabinet. Advisory Group outcomes have contributed to minimising COVID-19 transmission rates for Aboriginal and Torres Strait Islander individuals and communities in urban, regional and remote areas.

"The collective actions of this group have moved mountains that in normal times would not be even remotely imaginable nor possible." – Professor James Ward, School of Public Health at the University of Queensland, Advisory Group Member, CDNA Member and Director of the Poche Centre for Indigenous Health.



[8] Available at: www.health.gov.au/resources/publications/management-plan-for-aboriginal-and-torres-strait-islander-populations
[9] Available at: www.health.gov.au/sites/default/files/documents/2020/05/remote-framework-conditions-for-easing-remote-area-travel-restrictions_0.pdf
[10] Available at: www.health.gov.au/resources/publications/cdna-interim-national-guidance-for-remote-aboriginal-and-torres-strait-islander-communities-for-covid-19

Aboriginal and Torres Strait Islander chronic disease-related mortality rate per 100,000 is reduced. Source: 2019-20 Health Portfolio Budget Statements, p.66					
2018 Target[11]	**2018 Result**	**2017**	**2016**	**2015**	**2014**
568–603[12]	721.4[13]	688.5[14]	724.8[15]	724.5[16]	701.8[17]
	Result: Not met ○				

The Aboriginal and Torres Strait Islander chronic disease-related mortality rate is not currently on track to meet the target. However, the rate has shown a decline of 14 per cent between 2006 and 2018. This decrease is largely due to the decline in mortality from circulatory diseases. However, there has also been an increase in Aboriginal and Torres Strait Islander cancer mortality over the same period.

Later diagnoses of cancer, comorbidities and the types of cancer affecting Aboriginal and Torres Strait Islander Australians are likely to be contributing to lower cancer survival. Interventions aimed at smoking reduction have a long lead time before measurable impacts can be seen.[18]

[11] This measure is reported on a calendar-year basis.

[12] As foreshadowed in the *2019-20 Health Portfolio Budget Statements*, in late 2019 and early 2020, the approach to calculating Indigenous and non-Indigenous mortality rates and related target trajectories was adjusted. This was a result of official statistics moving from 2011 Census-based population denominators to 2016 Census-based denominators, following the publication of Indigenous population projections and backcasts. Accordingly, the results for this criterion are not comparable to those previously published, and past chronic disease mortality rate results, and forward year targets, have been revised based on the new denominators.

[13] Deaths that are referred to a coroner can take time to be fully investigated. To account for this, the Australian Bureau of Statistics has implemented a revisions process for those deaths where coronial investigations remained open at the time a preliminary cause of death was assigned. Data are deemed 'preliminary' when first published, 'revised' when published the following year and 'final' when published after a second year. For this Annual Report, 2018 data is 'preliminary', the 2017 data is 'revised', and the 2016 data is 'final'.

[14] Ibid.

[15] Ibid.

[16] Refer to footnote 12.

[17] Ibid.

[18] Closing the Gap Report 2020 available at: ctgreport.niaa.gov.au

Fairer and more transparent funding of Indigenous community controlled health care

In 2014-15, the Australian Government committed to developing a new funding model for Indigenous Primary Health Care (PHC) grant funding under the Indigenous Australians' Health Programme (IAHP). The purpose of the funding model is to ensure primary health care funding is distributed fairly and transparently to deliver improved health outcomes for Aboriginal and Torres Strait Islander Australians.

The Department worked closely with key stakeholders via the Comprehensive Primary Health Care Sustainability Advisory Committee, which includes representatives from the National Aboriginal Community Controlled Health Organisation, the Australian Medical Association and the Indigenous health sector, to develop the IAHP PHC funding model.

Key features of the model include funding being allocated on the basis of need, health service activity, cost of delivering services and the relative health needs of the local population.

On 1 July 2020, the funding model was implemented to distribute primary health care funding to eligible Aboriginal Community Controlled Health Services, delivering comprehensive primary health care.

The IAHP Primary Health Care Funding Model will deliver the following key benefits to better support and improve the delivery of health services for Aboriginal and Torres Strait Islander Australians:

- $90 million in additional investments to further support primary health care and target to need;
- three year funding agreements for greater workforce continuity and planning;
- annual indexation for all services;
- no service to lose funding – funding levels will be maintained in real terms; and
- streamlined grant application processes to reduce the administrative burden.

Strengthening community controlled health care services across Australia ensures that Aboriginal and Torres Strait Islander Australians continue to receive holistic, comprehensive and culturally safe primary health care services, particularly in rural and remote areas.

Program 2.3:
Health Workforce

The Department met the performance target related to this program.

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

The Stronger Rural Health Strategy, now in its second year of implementation, aims to continue building a sustainable, high quality health workforce distributed across the country according to community need. It includes a range of incentives, funding and special arrangements for doctors, nurses and other health practitioners to help grow the health workforce in regional and rural communities.

The Australian Government announced a $62.2 million investment over four years to support the establishment of the National Rural Generalist Pathway, funding initiatives such as coordinated training for rural generalist doctors, an expansion of the Rural Doctor Training Innovation fund, and supporting sub-speciality recognition of rural generalism. Providing more rural generalists in rural and remote areas means enhanced access to services and better health outcomes for these communities.

In 2019-20, the Department worked with key stakeholders to improve workforce distribution through enhanced incentives for doctors, nurses and allied health professionals under the Workforce Incentive Program, and better support and targeting of bonded doctors[19]. The Department also supported distribution of the workforce in regional, rural and remote areas through teaching programs, including the establishment of the Murray-Darling Medical Schools Network.

The Department developed the Health Demand and Supply Utilisation Patterns Planning (HeaDS UPP) tool, a new integrated source of health workforce and services data to inform future geographical workforce planning and analysis. HeaDS UPP brings health data together to visually highlight how the community uses and accesses health services and the health workforce.

[19] Bonded doctors work under the Bonded Medical Places Scheme. A bonded medical place is an enrolment place in an Australian medical school requiring students who graduate to work in an area of workforce shortage after completing fellowship.

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

a. The number of general practitioners[20] per 100,000 population[21] in Australia.

b. The number of non-general practice medical specialists[22] per 100,000 population[23] in Australia.

c. The number of nurses[24] per 100,000 population[25] working in general practices in Australia.

d. The number of allied health practitioners[26] per 100,000 population[27] working in general practices in Australia.

Source: 2019-20 Health Portfolio Budget Statements, p.68 and Health Corporate Plan 2019-20, p.14

2019-20 Target		2019-20 Result		2018-19		2017-18		2016-17		2015-16	
Cities	**Rural**	**Cities**	**Rural**	**Cities**	**Rural**	**Cities**	**Rural**	**Cities**	**Rural**	**Cities**	**Rural**
a. 143.4	162.9	143.5	171.4	142.6	172.7	137.7	169.8	139.7	168.1	131.9	160.4
b. 182.7	147.3	192.0	151.0	189.7	150.5	183.0	144.9	185.6	141.9	174.8	135.6
c. 173.2	209.7	181.0	215.2	173.0	206.8	166.5	201.6	174.1	203.7	167.8	200.8
d. 16.7	14.2	17.3	15.2	17.3	15.2	15.7	13.3	11.9	9.5	13.2	11.4
		Result: Met ●									

While the determinants of health outcomes are multi-faceted, access to the right health professional is a key factor in managing the health of all Australians. Statistically, individuals in rural and remote areas have poorer health outcomes, which can be attributed to reduced access to the right health professionals for their needs.

Through the implementation of the Stronger Rural Health Strategy and other health workforce programs, there has been a growth in the health workforce in regional and rural communities in the past year. In particular, the Department has focused on improving general practitioner (GP) training arrangements, incentives and targeted support for GPs to achieve specialist recognition through agreements with GP Colleges, including the development of rural generalism as a specialty.

Continued improvements to the capacity, quality, distribution and mix of the health workforce will be achieved as reforms continue to be implemented.

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

[21] The Australian Bureau of Statistics (ABS) 2017-18 Estimated Resident Population (ERP) is used to calculate headcount per 100,000 population for 2019–23.

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

[23] The ABS 2017-18 ERP is used to calculate headcount per 100,000 population for 2019–23.

[24] Nurses, as defined under the National Law.

[25] The ABS 2017-18 ERP is used to calculate headcount per 100,000 population for 2019–23.

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

[27] The ABS 2017-18 ERP is used to calculate headcount per 100,000 population for 2019–23.

Program 2.4:

Preventive Health and Chronic Disease Support

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

In 2019-20, the Department supported the Government in implementing a number of National Strategic Action Plans, Implementation Plans and Strategies to support Australians living with chronic conditions, and support Australians to make healthy lifestyle choices. This included the provision of grants distributed among a range of peak bodies, universities and non-government organisations to implement specific activities designed to support Australians living with chronic disease.

The Department continued encouraging Australians to make healthier lifestyle choices through the release of the second phase of the Active Australia Innovation Challenge and completing a five year review of the Health Star Rating System, with recommendations made on improving the system in the future. Additionally, development of a new online tool commenced to change the way general practitioners (GPs) interact with patients when working to achieve a healthy lifestyle. These programs aim to improve the health of Australians through greater physical activity and improved nutritional choices.

The National Injury Prevention Strategy takes a life-stage approach to reduce the overall burden of injury in Australia. The Strategy also seeks to address inequities contributing to the disproportionate burden of injury experienced by specific population groups. Publication of this resource was delayed due to the COVID-19 pandemic, but is scheduled to be published in late 2020.

In 2019-20, the Department worked to maintain participation rates in bowel, breast and cervical cancer screening programs. The programs aim to reduce the morbidity and mortality rate of these cancers through early detection, diagnosis and treatment.

The Government, through the Department, invested $168.5 million in alcohol and drug treatment in 2019-20, to provide a range of treatment services reflective of community needs. In November 2019, the National Alcohol Strategy 2019–28 was endorsed by the Commonwealth and all jurisdictions.

National guidance is provided to states and territories, and health professionals, on strategies to reduce the prevalence of chronic conditions and associated complications and to support people to make healthy lifestyle choices. Source: 2019-20 Health Portfolio Budget Statements, p.70	
2019-20 Target	**2019-20 Result**
Initiate or continue to implement Commonwealth responsibilities under relevant policies such as Action Plans, Implementation Plans and Strategies. Complete the five year review of the Health Star Rating System (HSR) and begin implementation of the agreed recommendations. Further develop nutrition and physical activity resources, tools and innovative technology, including through the Healthy Heart Initiative. Publish the final National Injury Prevention Strategy and develop the Monitoring and Reporting Framework. Stakeholder satisfaction with the Department's national guidance on strategies to reduce the prevalence of chronic conditions and associated complications and to support people to make healthy lifestyle choices.	Commonwealth responsibilities under Action Plans, Implementation Plans and Strategies continued to be implemented. Grants were distributed among a range of peak bodies, universities and other non-government organisations. The HSR five year review[28] concluded in August 2019. Ministers of the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) responded to review recommendations to enhance the system in December 2019. Nutrition and physical activity resources, tools and innovative technology were further developed. Publishing of the Final National Injury Prevention Strategy was delayed due to the COVID-19 pandemic, and is scheduled in late 2020. Work continued with stakeholders to progress implementation of strategies and action plans to reduce the prevalence of chronic conditions, including through the provision of grants to implement specific activities.
	Result: Substantially met ◖

With grants distributed among a range of peak bodies, universities and non-government organisations, grant recipients will develop and deliver a range of resources and services to support Australians living with chronic conditions. These activities will continue to develop over a number of years.

In December 2019, in response to the five year review of the HSR, the Forum supported the majority of review recommendations, and asked the Food Regulation Standing Committee (FRSC) and Food Standards Australia New Zealand (FSANZ) to provide further advice to enable them to finalise a response to two recommendations. On 17 July 2020, the Forum agreed on an approach for all outstanding matters and endorsed the HSR Review Implementation Plan, with implementation to commence from 15 November 2020, with a two year transition period to apply.

The GPs Healthy Heart Partnership, now known as the Shaping a Healthy Australia project, includes the development of an online tool to support a change in GP behaviour when working with patients to achieve a healthy lifestyle. The Department engaged a new IT vendor in 2019-20 to further develop this digital tool. Further refinement of resources has occurred based on earlier pilot feedback and evaluation results. A soft launch of the Shaping a Healthy Australia tool will occur later in 2020, with national rollout of the resource likely to occur in late 2020 to early 2021.

As part of the National Heart Foundation's Healthy Heart Initiative (Prime Minister's Active Australia), several app-driven step challenges took place in 2019-20, including the:

- '10 out of 10' step challenge between 22–31 July 2019. A total of 7,950 Australians took part, averaging 9,009 steps each day over the ten days.
- 'Put your Foot Down' challenge from 1 November–10 December 2019. A total of 15,869 participants walked an average of 8,626 steps a day.

Building on lessons learned from earlier step challenges, extensive planning and collaboration with the Heart Foundation's digital team took place to improve the way they acquired, engaged and retained participants.

[28] Available at: www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/formal-review-of-the-system-after-five-years

The second phase of the Active Australia Innovation Challenge was conducted for schools, universities and communities, which recognised innovative ideas to get more people active. The Department received 252 applications from states and territories, schools, universities and community groups. A total of 21 finalists from around the country were selected to pitch their idea for promoting physical activity in innovative ways to a national panel. After thorough consideration, the panel awarded eight grants of $10,000 each across Australia. Innovation Challenge grant recipients took part in a workshop in December 2019, showcasing their ideas, celebrating achievements and learning from each other. The third phase of the challenge, due to take place in early 2020, was delayed due to the COVID-19 pandemic.

The public consultation process of the Final National Injury Prevention Strategy was delayed by six months due to the COVID-19 pandemic. It is anticipated to be published in late 2020.

The development of specific chronic condition action plans and strategies have been stakeholder-led, and involved extensive consultation with stakeholders. The majority of action plans and strategies, including the National Action Plan for Endometriosis, the National Strategic Action Plan for Rare Diseases, and the National Strategic Action Plan for Childhood Heart Disease, were finalised and published in 2019-20.

Active Australia Innovation Challenge

The Active Australia Innovation Challenge (AAIC) is part of the Healthy Heart Initiative funded by the Australian Government. It is one of four key projects in the Heart Foundation's component of the initiative.

The Australian Government has funded the AAIC to run over four years between 2018–2021, with approximately eight grants to the value of $10,000 each (excluding GST) available annually to develop and implement innovative project ideas to encourage physical activity in a chosen group or community.

The Heart Foundation strongly encourages projects that specifically support people not meeting Australia's Physical Activity and Sedentary Behaviour Guidelines[29], people at risk of chronic disease, and people living in communities with high levels of physical inactivity, including rural and remote regions. This includes people identifying as Aboriginal or Torres Strait Islander and people from culturally and linguistically diverse backgrounds.

The AAIC aims to encourage schools, tertiary institutions, and other organisations, including councils and community groups, to raise awareness on the benefits of physical activity and develop innovative project ideas to encourage Australians to become more physically active.

In 2019, the winning organisations of the AAIC grants included:

- Surfing the Spectrum (New South Wales), to work with local community groups to provide free surfing lessons to children with autism.
- Gawler and District College (South Australia), to establish a boxing program and an engaging high intensity obstacle course as fun ways to encourage students with special needs to be more active.

[29] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/health-pubhlth-strateg-phys-act-guidelines

The percentage of people participating in national cancer screening programs is maintained.

a. National Bowel Cancer Screening Program[30].

b. BreastScreen Australia (women 50–74 years of age)[31].

Source: 2019-20 Health Portfolio Budget Statements, p.71 and Health Corporate Plan 2019-20, p.22

Jan 2019 – Dec 2020 Target	Jan 2019 – Dec 2020 Result[32]	Jan 2018 – Dec 2019	Jan 2017 – Dec 2018	Jan 2016 – Dec 2017	Jan 2015 – Dec 2016
a. 56.6%	Data not available[33]	Data not available[34]	42.0%	41.3%	40.9%
b. 54%	Data not available[35]	Data not available[36]	Data not available[37]	55%	54%

Although data is not available for the 2019-20 financial year, participation rates in the National Bowel Cancer Screening Program (NBCSP) and BreastScreen Australia are increasing over time.

In May 2020, the Australian Institute of Health and Welfare (AIHW) released participation data for the NBCSP.[38] The data showed, for the period January 2017 to December 2018, of the over 5 million people aged 50–74 invited to participate in the NBCSP, almost 2.1 million (or 42 per cent) participated.

Bowel cancer can be treated successfully if detected early. Research has shown screening for bowel cancer using a screening test, such as the one used by the NBCSP, can reduce deaths from the disease by 15 to 25 per cent. On 18 November 2019, after a successful transition, the National Cancer Screening Register (NCSR) commenced supporting the NBCSP, previously operated by Services Australia. The NCSR is an electronic system for the collection, storage, analysis and reporting of cancer screening program data. The NCSR supports the program by inviting, reminding and following up participants for screening.

BreastScreen Australia aims to reduce morbidity and mortality from breast cancer by actively inviting women aged 50–74 to attend free two yearly screenings. The most recent monitoring report from the AIHW on participation in the BreastScreen Australia program found in the two calendar years of 2016 and 2017, around 55 per cent of the eligible population participated in the program.

In 2020, some BreastScreen services were briefly suspended due to the COVID-19 pandemic. The Department is monitoring any impact on participation, morbidity and mortality due to this suspension as data becomes available.

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

[31] Participation in the BreastScreen Australia program has remained stable over the past five years. In 2020, BreastScreen services were briefly suspended due to the COVID-19 pandemic. The Department is monitoring any impact on participation trends.

[32] These results are reported on a rolling two calendar year basis.

[33] Due to the time between an invitation being sent, test results and collection of data from registries, participation rates for January 2019 to December 2020 are not yet available.

[34] Due to the time between an invitation being sent, test results and collection of data from BreastScreen registries, participation rates for January 2019 to December 2020 are not yet available.

[35] Due to the time between an invitation being sent, test results and collection of data from registries, participation rates for January 2018 to December 2019 are not yet available.

[36] Due to the time between an invitation being sent, test results and collection of data from BreastScreen registries, participation rates for January 2018 to December 2019 are not yet available.

[37] Due to the time between an invitation being sent, test results and collection of data from BreastScreen registries, participation rates for January 2017 to December 2018 are not yet available.

[38] Available at: www.aihw.gov.au/reports/cancer-screening/national-cancer-screening-programs-participation/contents/national-bowel-cancer-screening-program

The percentage of women in the target age group (25–74 years) participating in the National Cervical Screening Program (NCSP) is maintained.[39]

Source: 2019-20 Health Portfolio Budget Statements, p.71 and Health Corporate Plan 2019-20, p.22

Jan 2019 – Dec 2023 Target	Jan 2019 – Dec 2023 Result	Jan 2018 – Dec 2019	Jan 2017 – Dec 2018	Jan 2016 – June 2017[40]	Jan 2015 – Dec 2016
57%	Data not available[41]	Data not available[42]	53.0%[43]	56.3%	56.0%

The NCSP aims to reduce morbidity and mortality from cervical cancer. The NCSP targets people with a cervix, aged 25–74, to undertake a test to detect the presence of human papillomavirus (HPV) every five years. The program was renewed on 1 December 2017, when it changed from two yearly Pap testing to a five yearly HPV test. As the NCSP is still transitioning, participation rates for the five year period 2019–23 will not be available until 2024.

While it is too early to determine the true impact of the renewal on participation rates, in 2018, there were 1,795,395 women aged 25–74 who had a HPV test in the renewed program, which is estimated to be 53.7 per cent of the target population.

[39] From 1 December 2017, the two yearly Pap test for people with a cervix aged 18–69 years changed to a five yearly HPV test for people with a cervix aged 25–74 years. Prior to 1 December 2017, this measure was reported on a rolling two calendar year basis. However, biennial targets are no longer applicable due to the change in the screening interval from two to five years. Participation rates for the renewed NCSP will only be accurately measured after a full phase of screening (five years) has been completed and the data assessed. Prior to this, interim indicators will be used to estimate participation using available data. The aim of the renewed NCSP is to maintain participation rates.

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

[41] The five yearly participation rate will be published by Australian Institute of Health and Welfare (AIHW) within 12 months after the five year period.

[42] Data will be published by AIHW in December 2020.

[43] An estimated 53 per cent of women aged 25–69 participated in cervical screening over the two year period 2017-18, under either the previous or the renewed NCSP.

National direction supports a collaborative approach to preventing and reducing the harms from alcohol, tobacco and other drugs. Source: 2019-20 Health Portfolio Budget Statements, p.72 and Health Corporate Plan 2019-20, p.22	
2019-20 Target	**2019-20 Result**
Continue investment in quality alcohol and drug treatment services consistent with the National Quality Framework. Continue to build the evidence base in relation to alcohol and drugs through high quality research, data analysis and consultation with industry experts. Continue to work with states and territories, and other relevant agencies to support the development, implementation and monitoring of Australia's national alcohol and other drug policy frameworks, including reporting on the National Drug Strategy and associated sub-strategies.	The Australian Government invested $168.5 million in alcohol and drug treatment. Funding is provided to Primary Health Networks to commission locally based treatment services in line with community need, while also directly funding services with a national and state and territory wide intake. Funding continued for five National Research Centres[44] to undertake research to inform evidence-based policy in relation to alcohol and drugs. The Ministerial Drug and Alcohol Forum endorsed the National Quality Framework for Drug and Alcohol Treatment Services[45] and the National Framework for Alcohol, Tobacco and Other Drug Treatment 2019–29[46] on 28 November 2019. The National Alcohol Strategy 2019–28[47] was finalised and endorsed by the Commonwealth and all jurisdictions in November 2019. Significant progress has been made on the development of the next iteration of the National Tobacco Strategy 2020–30. The Government provided $6 million in 2019-20 to support drug and alcohol activities to help reduce drug and alcohol usage and harms during the COVID-19 pandemic.
	Result: Met ●

Research undertaken by the five National Research Centres contributes to establishing and maintaining the Government's policy position regarding drugs and alcohol. The Drug Trends series, published by the National Drug and Alcohol Research Centre, has provided novel insight into drug usage trends and changes as a result of policy interventions.

In addition, an ongoing research project conducted by the National Centre for Education and Training on Addiction has made considerable progress in identifying and reducing the burden of alcohol, tobacco and illicit substance use in high-risk workplaces by creating baseline data on usage to inform continuing education and treatment programs.

The National Quality Framework for Drug and Alcohol Treatment Services and the National Framework for Alcohol, Tobacco and Other Drug Treatment are complementary documents. Together, they provide important nationally agreed guidance to improve quality in drug and alcohol treatment services, and facilitate coordinated planning between all levels of government in relation to the drug and alcohol treatment sector.

The National Alcohol Strategy recognises alcohol policy responsibilities extend across all governments. The Department will work to ensure a coordinated, whole-of-government approach to monitoring the progress of the National Alcohol Strategy. Work to develop the next National Tobacco Strategy (NTS) is ongoing. A draft NTS 2020–30 has been revised based on feedback from government and non-government stakeholders.

Public consultation on a draft NTS is expected to occur in the second half of 2020, subject to agreement by all Australian governments.

[44] The five National Research Centres include: the National Drug and Alcohol Research Centre, the National Centre for Education and Training on Addiction, the National Drug Research Institute, the National Centre for Youth Substance Use Research, and the National Clinical Centre for Research of Emerging Drugs.

[45] Available at: www.health.gov.au/resources/publications/national-quality-framework-for-drug-and-alcohol-treatment-services

[46] Available at: www.health.gov.au/resources/publications/national-framework-for-alcohol-tobacco-and-other-drug-treatment-2019-29

[47] Available at: www.health.gov.au/resources/publications/national-alcohol-strategy-2019-2028

The percentage of the population 18 years of age and over who are daily smokers is reduced.[48] Source: 2019-20 Health Portfolio Budget Statements, p.72				
2019-20 Target	**2019-20 Result**	**2018-19**	**2017-18**	**2016-17**
12.5%	Data not available[49]	Data not available[50]	14.0%[51]	14.7%

Initial results of the 2017-18 National Health Survey (NHS) were released in late 2018. There has been a long term decline in the daily smoking rate of Australian adults. Since 2001, the proportion of adults who are daily smokers has decreased from 22.4 per cent (22.3 per cent age-standardised) to 13.8 per cent (14 per cent age-standardised) in 2017-18.

[48] This measure is monitored using the Australian Bureau of Statistics (ABS) National Health Survey (NHS), and refers to age-standardised rates of daily smokers. Results from the most recent NHS were released on 12 December 2018 and are available at: www.abs.gov.au/ausstats/abs@.nsf/mf/4364.0.55.001. Initial results from the 2020-21 NHS are expected to be published in late 2021.

[49] A result is unavailable as the NHS is not conducted on an annual basis. The next NHS will be conducted in 2020-21.

[50] Ibid.

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

Program 2.5:
Primary Health Care Quality and Coordination

The Department met all performance targets related to this program.

The Department continued to support coordination of care at the local level, and improvements in the efficiency and effectiveness of health services through Primary Health Networks (PHNs). The PHN program's key contribution to improving health outcomes within the Australian community is the delivery of services designed to meet the needs of their region. PHNs work closely with health care providers, stakeholders and community groups within their region to identify and prioritise health needs, and design and deliver services to address those needs. In 2019-20, this included specific support to general practitioners (GPs) during the Australian bushfires and the COVID-19 pandemic.

The Department provided ongoing support for Health Care Homes (HCH) practices and patients through the development of business and clinical models of care, and training, education and coaching services. Patients with chronic and complex conditions benefit from the HCH model by receiving improved access to flexible and coordinated care.

Efficiency and effectiveness of health services and coordination of care at the local level is improved.

Source: 2019-20 Health Portfolio Budget Statements, p.73 and Health Corporate Plan 2019-20, p.15

2019-20 Target	2019-20 Result
All PHNs will provide support to general practices and other healthcare providers to deliver quality, coordinated care to people in their PHN region. PHNs continue to commission services to meet regionally identified needs.	PHNs delivered comprehensive support programs for general practices and other health care providers. PHNs worked in collaboration with local health care providers and their communities to identify health needs, and design and deliver services to address those needs. 150 GP-led respiratory clinics were established in response to the COVID-19 pandemic as a free primary care service for assessment and treatment of people with mild to moderate respiratory symptoms. PHNs provided advice on the strategic placement of the clinics through coordination with local health districts, Local Hospital Networks and general practices.
	Result: Met

PHNs offer a broad range of support to general practices, including face-to-face practice visits, GP support phone lines, arranging and hosting education and networking events, and providing topical newsletters. Each PHN undertakes a regional needs assessment, which supports the commissioning of services in areas of greatest need for that region.

PHNs are working in collaboration with local health care providers and their communities to identify health needs, and design and deliver services to address those needs. In 2019-20, this included specific support to GPs during the Australian bushfires and the COVID-19 pandemic.

PHNs commissioned over 3,000 service providers to deliver region-specific services and health care interventions in 2019-20, with the majority of service providers in the area of mental health.

Additionally, PHNs were engaged in a coordination activity to support residential aged care facilities obtaining supply of the influenza vaccination for staff and residents during the COVID-19 pandemic. PHNs commissioned 4,975 doses of the influenza vaccine as part of this process.

Advisory Committee for the COVID-19 Response for People with Disability

More than 4.4 million people in Australia (almost one in five) have disability. On 2 April 2020, the Australian Health Protection Principal Committee (AHPPC) established the Advisory Committee on the Health Emergency Response to Coronavirus (COVID-19) for People with Disability (the Advisory Committee). This was done in recognition of the particular risks that the COVID-19 pandemic presents to people with disability.

The Advisory Committee was tasked with overseeing the rapid development and implementation of the Australian Health Sector Emergency Response Plan for Novel Coronavirus (COVID-19) - Management and Operational Plan for People with Disability (the Plan).[52]

The Advisory Committee is chaired by a senior official from the Department, and includes experts from a range of backgrounds including people with lived experience, the disability service sector, disability advocacy organisations, the healthcare sector, researchers, state and territory government agencies, the Disability Discrimination Commissioner, and other Commonwealth Agencies including the Department of Social Services, the National Disability Insurance Agency and the NDIS Quality and Safeguards Commission. Membership of the Advisory Committee has evolved as the need for particular expertise changes.

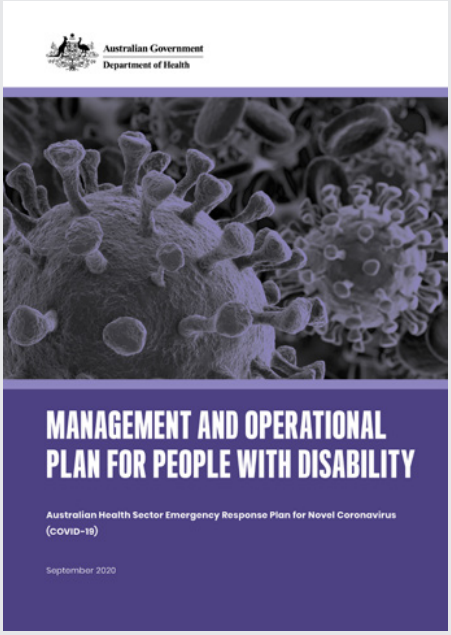
The inclusion of representatives with lived experience on the Advisory Committee is critical to ensuring responses outlined in the Plan are appropriate and informed. The Committee reports directly to the AHPPC, ensuring that responses and actions are authorised and endorsed at the highest levels. The Advisory Committee publishes a communique after each meeting on the Department's website, to keep the disability sector informed of actions to support people with disability through the pandemic.[53]

The Plan focuses on broad clinical, public health and communication actions which will benefit all Australians including people with disability, as well as targeted action specific to people with disability. The Plan itself is a living document, updated regularly to ensure it is informed by new and emerging information and evidence, and responding to new challenges as required.

The Plan is an example of a successful partnership between governments, the disability sector, health and disability professionals, and people with disability. However, as with any advisory body, ensuring all voices are heard and given an opportunity to contribute can be challenging. To overcome this, the Advisory Committee ensures stakeholders can clearly see their roles and responsibilities articulated in the Plan.

The success of the Plan can be measured in many ways. A formal evaluation plan was developed as part of the Plan, but the real success is measured in how widely the Plan has been adopted, shared and followed. The Advisory Committee continues to meet regularly and remains committed to continuing to work with government to ensure people with disability are well supported.

Further information on the Plan, and associated fact sheets and communication products, can be found on the Department's website.[54]



[52] Available at: www.health.gov.au/resources/publications/management-and-operational-plan-for-people-with-disability

[53] Available at: www.health.gov.au/resources/publications/advisory-committee-on-health-emergency-response-to-coronavirus-covid-19-for-people-with-disability-communiques

[54] Available at: www.health.gov.au/news/health-alerts/novel-coronavirus-2019-ncov-health-alert/advice-for-people-at-risk-of-coronavirus-covid-19/coronavirus-covid-19-advice-for-people-with-disability

Continuity of care and coordinated services for patients with chronic and complex illnesses is improved. Source: 2019-20 Health Portfolio Budget Statements, p.74	
2019-20 Target	**2019-20 Result**
Ongoing support mechanisms effectively supporting Health Care Homes (HCH) practices and patients. Delivery of the second interim evaluation report to Government by 30 October 2020.	Ongoing mechanisms are effectively supporting HCH practices and patients through: • Practice facilitators, employed by each PHN, participating in the HCH Program, supporting HCH practices to develop businesses and clinical models of care which underpin the HCH Program. • Training, education and coaching services being delivered to practice facilitators to support HCH practices in their region. The second interim HCH evaluation report is on track to be delivered to government by 30 October 2020.
	Result: Met

The HCH model is designed to provide continuity of care, coordinated services and a team-based approach according to the needs and goals of the patient. This approach is supported by a payment mechanism linked to risk complexity, to better target available resources and improve patient outcomes. In November 2019, all HCH practices attended a forum in Melbourne, Victoria to share challenges and achievements relating to practice transformation.

Australian General Practice Accreditation Limited has developed and is delivering training, education and coaching to practice facilitators to equip them to support HCH practices in their region. Training modules have been well received and used throughout the project by GPs, nurses, practice managers, Aboriginal health workers and PHN practice facilitators. These training resources are now available to all PHNs nationally to help improve care coordination in all practices.

Health Policy Analysis has been commissioned to undertake an extensive evaluation of the HCH program to highlight achievements and challenges, with a view to inform government consideration of the national rollout of the program. The first interim evaluation report was received in December 2019, and published in May 2020.[55]

[55] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/health-care-homes-information

Program 2.6:
Primary Care Practice Incentives

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

The Department continued to support the Government in funding the Practice Incentives Program (PIP). The PIP encourages general practices to continue providing quality care, enhancing capacity, and improving access and health outcomes for patients. Incentives improve health outcomes in a number of ways, including improving outcomes for Aboriginal and Torres Strait Islander Australians, encouraging general practices to adopt more effective and efficient technologies, and sharing data with their local Primary Health Network to improve quality of care provided to their immediate practice population.

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

Source: 2019-20 Health Portfolio Budget Statements, p.75

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
≥84.2%	Data not available[56]	85.3%	85.2%	91.0%	86.0%

The PIP continued to support general practice activities that encourage continuing improvements. There are eight incentives under the PIP, focusing on digital health, teaching, Aboriginal and Torres Strait Islander health, general practitioner aged care access, procedural services, after-hours access, rural health, and quality improvement, via the launch of the PIP Quality Improvement incentive in August 2019.

[56] A result for this criterion is not yet available as data for each financial year cannot be compiled until five months after the reference period.

Program 2.7:
Hospital Services

The Department met the performance target related to this program.

In 2019-20, the Department supported the Government in negotiations for the National Health Reform Agreement (NHRA) 2020–25, which was signed by all states and territories and commenced on 1 July 2020.

In response to the COVID-19 pandemic, the Department developed the National Partnership on COVID-19 Response (the COVID-19 National Partnership), which was agreed by states and territories in March 2020. The COVID-19 National Partnership provides financial assistance to states and territories covering additional costs incurred as a result of the pandemic, including a financial viability guarantee to the private hospital sector so it can be integrated with the public hospital system, with available capacity to support the response.

Advice is provided to the Minister and external stakeholders in relation to public hospital funding policy.

Source: 2019-20 Health Portfolio Budget Statements, p.76 and Health Corporate Plan 2019-20, p.18

2019-20 Target	2019-20 Result
Provide advice and analysis in relation to public hospital funding to the Minister and external stakeholders. Support the development and implementation of a new agreement on public hospital funding arrangements. Represent the Department and the Commonwealth at inter-jurisdictional forums on issues of public hospital funding policy.	Advice and analysis was regularly provided to the Minister for Health, other agencies and external stakeholders in relation to public hospital funding throughout the year. The 2020-21 to 2024-25 Addendum to the NHRA was signed by all states and territories and commenced on 1 July 2020. The Department is an active member of the Jurisdictional Advisory Committees of the Administrator of the National Health Funding Pool and the Independent Hospital Pricing Authority, which are inter-jurisdictional forums that address public hospital funding policy. The National Partnership on COVID-19 Response (the COVID-19 National Partnership) provides assistance to states and territories to cover the additional costs incurred as a result of the COVID-19 pandemic, including a financial viability guarantee to the private hospital sector. The COVID-19 National Partnership was signed by all states and territories and commenced on 13 March 2020.
	Result: Met

The NHRA acknowledges the Commonwealth, states and territories are jointly responsible for funding public hospitals, and sets out the funding arrangements for the Commonwealth's contribution to states and territories for the provision of public hospital services. The NHRA recognises states and territories as system managers of public hospitals, including services delivered through emergency departments, admitted and non-admitted care, and other services such as outpatient, mental health and sub-acute care. As system managers, states and territories are responsible for determining the mix of services and functions delivered within their jurisdiction, and for system-wide public hospital service planning and performance.

The Department provided advice to the Minister for Health to support decision-making during negotiations with states and territories for the NHRA and the COVID-19 National Partnership.

The 2020–25 Addendum to the NHRA provides an estimated $131.4 billion in additional funding to public hospitals over five years, from 2020-21. The Addendum assures demand driven public hospital funding to improve health outcomes for all Australians, and ensures the sustainability of our health system now and into the future.

Support for hospitals and public health activities during the COVID-19 pandemic

The National Partnership on COVID-19 Response (the COVID-19 National Partnership) provides additional Commonwealth funding to states and territories to support the capacity and capability of health services to respond to the COVID-19 pandemic. This includes funding to support diagnosis and treatment of people with COVID-19, or those suspected of having COVID-19, and other public health activities to help minimise the spread of the virus. During 2019-20, the Commonwealth provided almost $3 billion in assistance through the COVID-19 National Partnership.

Funding arrangements under this agreement include:

- Hospital Services Payment – the Commonwealth contributes 50 per cent of the costs incurred by states and territories for services delivered in public hospitals, and to public patients in private hospitals, related to the diagnosis and treatment of COVID-19.
- State Public Health Payment – the Commonwealth contributes 50 per cent of the costs incurred by states and territories for public health activities aimed at minimising the spread of COVID-19 in the community. Additionally, to retain capacity of private hospitals during the crisis and enable them to resume usual operations once the pandemic response ends, the Commonwealth agreed to contribute 100 per cent of the gap between private hospitals' revenues and fixed operating costs to ensure their minimum viability.

The COVID-19 National Partnership provides flexibility for states and territories to undertake hospital and public health activities suiting the needs of their communities in response to the pandemic.

The COVID-19 National Partnership benefits the community by ensuring:

- the capacity of our health system is lifted to effectively assess, diagnose and treat people with COVID-19, while minimising spread of the disease in the community;
- people at risk of COVID-19 can access essential health care in a way that reduces their potential exposure to infection; and
- the viability of private hospitals is guaranteed to retain capacity to respond to the COVID-19 pandemic, enabling them to resume operations once the pandemic response ends.

Funding provided to states and territories is directed towards a range of activities, including the purchase of personal protective equipment and other clinical equipment such as ventilators, minor capital expenses such as establishing respiratory and testing clinics, and support to increase workforce capacity and supply.

The ability to draw on private hospital capacity was particularly important in responding to outbreaks in aged care facilities in Victoria. More than 400 aged care residents were temporarily moved to private hospitals as part of the response.

Outcome 2 - Expenses and Resources

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 2.1: Mental Health[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	907,478	950,537	43,059
Departmental expenses			
Departmental appropriation[2]	18,037	23,699	5,662
Expenses not requiring appropriation in the budget year[3]	1,762	3,173	1,411
Total for Program 2.1	**927,277**	**977,409**	**50,132**
Program 2.2: Aboriginal and Torres Strait Islander Health[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	957,485	956,792	(693)
Departmental expenses			
Departmental appropriation[2]	26,653	24,283	(2,370)
Expenses not requiring appropriation in the budget year[3]	2,789	3,468	679
Total for Program 2.2	**986,927**	**984,543**	**(2,384)**
Program 2.3: Health Workforce			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,377,939	1,360,996	(16,943)
Departmental expenses			
Departmental appropriation[2]	37,491	36,183	(1,308)
Expenses not requiring appropriation in the budget year[3]	3,754	5,131	1,377
Total for Program 2.3	**1,419,184**	**1,402,310**	**(16,874)**
Program 2.4: Preventive Health and Chronic Disease Support[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	446,175	409,304	(36,871)
Departmental expenses			
Departmental appropriation[2]	36,774	39,025	2,251
Expenses not requiring appropriation in the budget year[3]	3,751	5,192	1,441
Total for Program 2.4	**486,700**	**453,521**	**(33,179)**
Program 2.5: Primary Health Care Quality and Coordination			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	414,780	578,114	163,334
Departmental expenses			
Departmental appropriation[2]	17,104	19,241	2,137
Expenses not requiring appropriation in the budget year[3]	1,790	2,447	657
Total for Program 2.5	**433,674**	**599,802**	**166,128**

Outcome 2 - Expenses and Resources (continued)

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 2.6: Primary Care Practice Incentives			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	407,216	467,306	60,090
Departmental expenses			
Departmental appropriation[2]	2,117	2,401	284
Expenses not requiring appropriation in the budget year[3]	177	286	109
Total for Program 2.6	**409,510**	**469,993**	**60,483**
Program 2.7: Hospital Services[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	14,940	16,364	1,424
Departmental expenses			
Departmental appropriation[2]	26,047	28,008	1,961
Expenses not requiring appropriation in the budget year[3]	10,304	1,127	(9,177)
Total for Program 2.7	**51,291**	**45,499**	**(5,792)**
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	4,526,013	4,739,413	213,400
Departmental expenses			
Departmental appropriation[2]	164,223	172,840	8,617
Expenses not requiring appropriation in the budget year[3]	24,327	20,824	(3,503)
Total expenses for Outcome 2	**4,714,563**	**4,933,077**	**218,514**
Average staffing level (number)	**702**	**797**	**95**

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

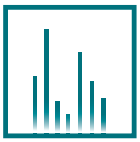
2 Departmental appropriation combines 'Ordinary annual services (*Appropriation Act 1*)' and 'Revenue from independent sources (s74)'.

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

Outcome 3:
Sport and Recreation

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

Highlights

	**Driving Social Inclusion through Sport and Physical Activity grant program**	Funding initiatives to promote diversity and build strong and inclusive communities. *Program 3.1*
	**FIFA Women's World Cup 2023**	Joint Australia and New Zealand hosting rights to the FIFA Women's World Cup 2023 awarded. *Program 3.1*
	**National Sports Tribunal**	Establishment of the National Sports Tribunal on 19 March 2020. *Program 3.1*

Teams from **10 countries** participated in the ICC **Women's T20 World Cup**

2021 World Anti-Doping Code formally **endorsed** by the World Anti-Doping Agency Foundation Board

Australia and **New Zealand** will **co-host** the **FIFA Women's World Cup 2023**

136,549 **people** attended the ICC Women's T20 World Cup event

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

Program 3.1:
Sport and Recreation

The Department met all performance targets related to this program.

Throughout 2019-20, the Department supported the Government to continue delivery of Sport 2030, which sets the vision for sport and physical activity in Australia; to drive our aspiration to be the world's most active and healthy nation, known for our integrity and sporting success. Sport and physical activity have a positive impact on all Australians by encouraging people to be more active, more often. This will create a stronger and healthier Australia, where as many people as possible see and feel the benefits of sport and physical activity throughout every stage of their lives. In the long term, barriers to accessing sport will be reduced, allowing greater access to facilities and infrastructure for all Australians, no matter where they live.

Following the highly successful International Cricket Council (ICC) Women's T20 World Cup Australia 2020, and continued coordination toward the men's tournament, FIFA[57] announced on 25 June 2020 joint Australia and New Zealand hosting rights for the FIFA Women's World Cup 2023.

Implementation of the Government's response to the Review of Australia's Sports Integrity Arrangements (Wood Review) was progressed, involving extensive stakeholder consultation and collaboration, and passage of legislation supporting Australia's sports integrity capabilities, including establishment of the National Sports Tribunal and Sport Integrity Australia.

Participation in sport is supported through the development, implementation and promotion of national policies and strategies.

Source: 2019-20 Health Portfolio Budget Statements, p.80 and Health Corporate Plan 2019-20, p.32

2019-20 Target	2019-20 Result
Support the ongoing delivery of the Australian Government's sport policies and initiatives, including implementation, monitoring and evaluation of relevant programs and initiatives. Provide strategic, high quality policy advice to Government.	The Department continued to provide strategic, high quality policy advice to support the ongoing delivery of the Australian Government's sport policies and initiatives, including implementing, monitoring and evaluating relevant programs and initiatives. These included: • the Driving Social Inclusion through Sport and Physical Activity program; • the Supporting Sport and Physical Activity initiative; • the Female Facilities and Water Safety Stream program; and • the Community Development Grants Programme.
	Result: Met ●

Sport 2030 sets the vision for sport and physical activity in Australia, to drive our aspiration to be the world's most active and healthy nation, known for our integrity and sporting success. Sport 2030 has been supported by the delivery of a number of programs and campaigns, including the commencement of the Driving Social Inclusion through Sport and Physical Activity in Australia Grants program. This program funds sport and physical activity projects aimed toward people who tend to be less likely to participate, including people with a physical or mental disability, newly arrived migrants and refugees, women, and Aboriginal and Torres Strait Islander communities. These initiatives provide funding to sporting and community organisations to help Australians become more active.

Funding arrangements have also been established to support increased participation in sport under the Supporting Sport and Physical Activity Grants election commitment. The plan encourages and promotes a healthier lifestyle and participation in sport, as well as supporting high performance pursuits.

Strategic advice was provided to the Government across a range of policy issues, including sport infrastructure, participation and physical activity, high performance sport and the sports industry.

[57] Fédération Internationale de Football Association.

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

Source: 2019-20 Health Portfolio Budget Statements, p.80 and Health Corporate Plan 2019-20, p.32

2019-20 Target	2019-20 Result
Policies and operational arrangements are implemented to meet agreed Australian Government commitments to support the: • International Cricket Council (ICC) T20 World Cup Australia 2020 men's tournament; and • submission of a potential Australian bid for the 2023 FIFA Women's World Cup.	Australian Government support for the ICC T20 World Cup Australia 2020 women's tournament in February and March 2020 was successfully coordinated. Coordination of Australian Government support for the ICC T20 World Cup Australia 2020 men's tournament continued. A successful joint bid between Football Federation Australia and New Zealand Football to host the FIFA Women's World Cup 2023 was lodged with FIFA on 13 December 2019.
	Result: Met

The Department led the strategic planning and coordination of Australian Government operational support to the highly successful ICC Women's T20 World Cup Australia 2020 in February and March 2020. Similar support arrangements are being coordinated for the men's tournament. Originally planned to take place in October and November 2020 and postponed due to the COVID-19 pandemic, the ICC Men's T20 World Cup in Australia has been rescheduled to take place from 16 October–13 November 2022.

The Department coordinated Australian Government support for the joint bid to host the FIFA Women's World Cup 2023, working in consultation with Australian jurisdictions and the New Zealand Government.

FIFA announced joint Australia and New Zealand hosting rights on 25 June 2020. The awarding and hosting rights of the FIFA Women's World Cup 2023 to Australia and New Zealand will inspire more women and girls in Australia and the Asia-Pacific region to play and participate in football and physical activity more broadly.

In response to the COVID-19 pandemic and its impact on sport and recreation, on 1 May 2020 National Cabinet endorsed the National Principles for the Resumption of Sport and Recreation Activities, the AIS Framework for Rebooting Sport in a COVID-19 Environment, and the formation of the COVID-19 Sports and Health Advisory Committee (the Health Advisory Committee), reporting to the Australian Health Protection Principal Committee. The Health Advisory Committee provides support and guidance to sport and recreation organisations in meeting challenges of the COVID-19 pandemic environment.

International Cricket Council (ICC) Women's T20 World Cup Australia 2020

The ICC Women's T20 World Cup 2020 was staged in Australia between 21 February and 8 March 2020, and comprised 23 matches played between 10 teams in six host cities and eight venues around the country. Teams from Australia, Bangladesh, England, India, New Zealand, Pakistan, South Africa, Sri Lanka, Thailand and the West Indies participated in the tournament.

The Office for Sport within the Department was responsible for leading the strategic planning and coordination of Australian Government operational support to the event, including immigration and border control, biosecurity, medical device importation, security, international engagement and event promotion.

Total crowd attendance to the event was 136,549, including 16,252 visitors from interstate and overseas. This was the highest worldwide attendance at a women's cricket event in history, and the highest total attendance ever at a women's sporting event in Australia.

Australia defended its title as T20 World Cup Champions, defeating India in the final on Sunday 8 March 2020 (International Women's Day) at the Melbourne Cricket Ground in Melbourne, Victoria, in front of a record crowd of 86,174.

The event raised the bar for cricket and women's sport in Australia and globally, while also being a focal point and enabler for a broader global celebration of women's equality and empowerment. It also inspired women and girls to follow their dreams and get involved in cricket and physical activity more broadly.

Furthermore, it promoted social cohesion and celebrated multicultural Australia by bringing generations and cultures together, while also providing tourism, trade and investment benefits to Australia.

"The Government is committed to raising the profile of women's sport and increasing participation by girls and women. This event provides an excellent opportunity to further improve community attitudes towards gender equality in sport." – Senator the Hon Marise Payne, Minister for Women

"These quite outstanding broadcast and digital numbers demonstrate the power of women's cricket to aggregate a huge global audience and engage fans. It reinforces our belief that there is a significant opportunity around the women's game and collectively we must promote it further so more fans can watch it, more kids are inspired by it and sponsors and broadcasters want to be a part of it." – ICC Chief Executive Manu Sawhney

The integrity of Australian sport is protected from threats of match-fixing, doping, criminal infiltration and other forms of corruption. Source: 2019-20 Health Portfolio Budget Statements, p.81 and Health Corporate Plan 2019-20, p.32	
2019-20 Target	**2019-20 Result**
Contribute to the review of the World Anti-Doping Code and implement required changes to Australia's anti-doping arrangements to align with the revised Code. Implement the Government response to the Wood Review working with national sporting organisations, Commonwealth partners, states and territories, and other stakeholders. Support the establishment of the National Sports Tribunal (NST) and preparations to establish Sport Integrity Australia.	The 2021 World Anti-Doping Code (the Code) was formally endorsed by the World Anti-Doping Agency Foundation Board, and will commence from 1 January 2021. Australia's legislative framework to implement the Code remains on track to reflect revised arrangements from the commencement date. Consultation and collaboration with stakeholders on the implementation of the Government's response to the Wood Review continued. The Department supported the establishment of the NST and Sport Integrity Australia.
	Result: Met

On behalf of the Australian Government, the Department coordinated and developed feedback on proposed amendments to the Code. The Department consulted with the Australian Sports Anti-Doping Authority, Sport Australia, the Australian Sport Drug Medical Advisory Committee and various Australian anti-doping experts to formulate anti-doping positions. Australia's input, along with other stakeholder submissions, influenced a number of positive amendments to the Code. The Code will seek to ensure athletes compete in fair and even competition, and impose appropriate consequences on those who commit anti-doping rule violations.

Through the Sport Integrity Taskforce and Sport Integrity Steering Committee, the Department continued to consult and collaborate with stakeholders on the implementation of the Government's response to the Wood Review. Most notably, four separate pieces of legislation were passed in Parliament:

- *National Sports Tribunal Act 2019;*
- *National Sports Tribunal (Consequential Amendments and Transitional Provisions) Act 2019;*
- *Australian Sports Anti-Doping Authority Amendment (Sport Integrity Australia) Act 2020; and*
- *Australian Sports Anti-Doping Authority Amendment (Enhancing Australia's Anti-Doping Capability) Act 2020*.

This legislation has enabled the Government to implement key recommendations related to the establishment of the NST, establishment of Sport Integrity Australia and enhancement of Australia's anti-doping capability.

The NST was established on 19 March 2020, pursuant to the *National Sports Tribunal Act 2019* and consistent with the Government's response to the Wood Review. It is managed by a statutorily appointed CEO and supported by a small Registry within the Department. A panel of independent NST members, appointed by the Minister for Sport on a part-time sessional basis, conduct arbitrations, mediations, conciliations or case appraisals. The NST commenced operation just as national COVID-19 pandemic restrictions were put in place, at which time the Department supported rapid implementation of remote working arrangements for the NST Registry, and the NST to deliver a virtual dispute resolution service delivery model.

Sport Integrity Australia commences operation on 1 July 2020, combining the existing functions of the Australian Sports Anti-Doping Authority, the National Integrity of Sport Unit from within the Department and the nationally focused integrity functions of Sport Australia into one organisation, ensuring a collaborative and coordinated approach to protecting the integrity of Australian sport.

Outcome 3 - Expenses and Resources

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 3.1: Sport and Recreation[1]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	95,969	67,397	(28,572)
Special Accounts			
Sport and Recreation	407	110	(297)
Departmental expenses			
Departmental appropriation[2]	13,687	14,812	1,125
Expenses not requiring appropriation in the budget year[3]	1,024	1,835	811
Total for Program 3.1	**111,087**	**84,154**	**(26,933)**
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	95,969	67,397	(28,572)
Special accounts	407	110	(297)
Departmental expenses			
Departmental appropriation[2]	13,687	14,812	1,125
Expenses not requiring appropriation in the budget year[3]	1,024	1,835	811
Total expenses for Outcome 3	**111,087**	**84,154**	**(26,933)**
Average staffing level (number)	**54**	**75**	**21**

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

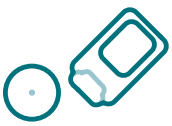
[2] Departmental appropriation combines 'Ordinary annual services (*Appropriation Act 1*)' and 'Revenue from independent sources (s74)'.

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

Outcome 4:
Individual Health Benefits

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

Highlights

	**Medicare Benefits Schedule (MBS) Review Taskforce**	The MBS Review Taskforce completed a review of more than 5,700 items on the MBS, ensuring government is delivering MBS services that are evidence-based and better aligned to contemporary clinical practice. *Program 4.1*
	**Medical Costs Finder tool**	The Medical Costs Finder tool was launched in December 2019, helping people to understand the likely out-of-pocket costs of common and high interest medical specialist treatments and procedures. *Program 4.4*
	**Private health insurance reforms**	Private health insurance reforms helped to deliver the lowest average premium change in 19 years, at 2.92 per cent. *Program 4.4*
	**Flash glucose monitoring technology**	Flash glucose monitoring devices were added to the range of available products from the National Diabetes Services Scheme for people with type 1 diabetes. *Program 4.8*

283 new MBS items
as part of the Government's
COVID-19 pandemic response

All private health insurers adopted mandatory reforms by **1 April 2020**

1,366,857
people received benefit from the **National Diabetes Services Scheme**

12,754 **eligible claims** made under the External Breast Prostheses Reimbursement Program

Programs contributing to Outcome 4	Summary of results against performance criteria		
Program	**Targets met**	**Targets substantially met**	**Targets not met**
Program 4.1: Medical Benefits	1	1	–
Program 4.2: Hearing Services	–	1	–
Program 4.3: Pharmaceutical Benefits	4	–	–
Program 4.4: Private Health Insurance	1	1	–
Program 4.5: Medical Indemnity	2	–	–
Program 4.6: Dental Services	1	–	–
Program 4.7: Health Benefit Compliance	1	–	–
Program 4.8: Targeted Assistance – Aids and Appliances	2	–	–
Total	12	3	–

Program 4.1:
Medical Benefits

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

The Department supported the Government to improve health outcomes for patients by providing continued access to a modern, high quality Medicare system based on contemporary evidence and best clinical practice.

Through the clinician-led Medicare Benefits Schedule (MBS) Review Taskforce (MBS Review), the Department completed its five year review of all existing MBS items, which commenced in 2015. The MBS Review considered how the more than 5,700 items listed on the MBS could be better aligned with contemporary clinical evidence and practice, and identified whether any services currently offered were outdated, obsolete or potentially unsafe. More than 700 clinicians, consumers and health experts provided expert advice through over 100 clinical committees and working groups to improve the MBS for all Australians.

In March 2020, in response to the COVID-19 pandemic, the Department supported the Government's response by introducing a range of temporary MBS telehealth items. There were more than 280 items introduced across a range of primary care and specialist services, including general practice, allied health, midwifery and mental health services. These have directly supported infection control and patient access to vital health services for the Australian community. As at June 2020, more than 17 million services were provided under these arrangements.

The Department also implemented dedicated MBS items to enable patients to access bulk-billed pathology tests for COVID-19.

Continued review of Medicare Benefits Schedule (MBS) items to maintain a Medicare system that provides the Australian public with high-value care based on contemporary evidence and best clinical practice as informed by leading clinical experts.

Source: 2019-20 Health Portfolio Budget Statements, p.90 and Health Corporate Plan 2019-20, p.15

2019-20 Target	2019-20 Result
Clinical Committees will have considered 100% of the MBS items. Implementation of all Government responses to the MBS Review recommendations will be either underway or complete.	The MBS Review completed its review of more than 5,700 existing MBS items and delivered over 60 reports to government for consideration. Implementation of multiple government agreed recommendations are either underway or complete. 283 new MBS items were implemented as part of the Government's response to the COVID-19 pandemic, developed in consultation with key stakeholders. New MBS telehealth services provided patients with access to general practitioner and specialist telehealth consultations, and new MBS pathology services provided patients with access to bulk-billed COVID-19 tests.
	Result: Met ●

As a result of the MBS Review, changes to over 1,300 MBS items have occurred to date, with government consideration of remaining recommendations and implementation of agreed recommendations underway. The MBS Review has ensured the Government is delivering MBS services that are evidence-based and better aligned to contemporary clinical practice.

Stakeholders have been continually engaged throughout the MBS Review, including participation in over 100 clinical committees and working groups by more than 700 clinicians, health system experts and consumer advisers. Each of the 60 reports to government have been subject to stakeholder consultation.

The MBS Review has resulted in many reforms to Medicare. For example, from 1 November 2019, 64 new MBS items were introduced, providing specialised care for patients with anorexia nervosa and other eligible patients with eating disorders.

New Medicare Benefits Schedule (MBS) items for eating disorders

On 1 November 2019, 64 new MBS items were introduced, providing enhanced, specialised care for patients with anorexia nervosa and other eligible patients with eating disorders. The new listings are the Australian Government's response to the 2018 recommendations by the independent, clinician-led MBS Review Taskforce.

Eligible patients can now receive an eating disorder treatment and management plan, which includes tailored strategies to address their specific needs, and delivers access to:

- evidence-based eating disorder psychological treatment services (up to a total of 40 psychological services in a 12 month period); and
- up to 20 dietetic services in a 12 month period, depending on treatment needs.

The new services are designed to meet the often complex and diverse needs of patients with eating disorders. Eligible patients are assessed as being at high risk of repeat hospitalisation, and experience serious medical and psychological complications.

Australians with complex eating disorders will be able to access enhanced treatment through services under Medicare, helping to save lives.

It is estimated that around 900,000 Australians have an eating disorder. These disorders affect not only the patient, but also their families and loved ones, and have one of the highest mortality rates of any psychiatric illness. The new items represent a historic advance in the quality and affordability of care provided to those facing the devastating challenge of an eating disorder, enabling those affected, their families and carers to get the support they desperately need and deserve.

"This was a critical time in the landscape of eating disorders. These new item numbers will mean many more people with these serious mental illnesses will be able to access the help they need. We know that, with the right intervention and support, full recovery is possible, and many more people will soon be able to access critical treatment." – Kevin Barrow, CEO, Butterfly Foundation

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

a. Claims processed within ten days of lodgement.

Source: 2019-20 Health Portfolio Budget Statements, p.90

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
a. ≥90%	89%	92%[58]	97%	95%	98%
	Result: Substantially met				

Of the 12,754 eligible claims made under the External Breast Prostheses Reimbursement Program, 89 per cent were processed within 10 business days of lodgement.

In 2019-20, the processing of eligible claims were impacted by both the Australian bushfires and the COVID-19 pandemic, due to Services Australia staff being redeployed to assist with a range of Centrelink and Medicare support services. As a result, the target of having processed 90 per cent or more of eligible claims within 10 business days of lodgement was not fully met.

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

Program 4.2:
Hearing Services

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

The Hearing Services Program provides essential services to eligible Australians to assist in the management of their hearing loss and improve their engagement with the community. In 2019-20, eligible Australians continued to receive access to a range of hearing services and devices through the Hearing Services Program.

The Department continued to work towards reducing the incidence and consequence of avoidable hearing loss in the Australian community by providing research on strategies to prevent hearing loss, or lessen its impact.

Support service providers to deliver hearing services to clients through the voucher and Community Service Obligations components of the Hearing Services Program to assist Australians manage their hearing loss.

Source: 2019-20 Health Portfolio Budget Statements, p.91

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
855,000 clients	821,731 clients	796,000 clients[59]	733,400 voucher clients	713,182 voucher clients	692,283 voucher clients
	Result: Substantially met				

The voucher and Community Service Obligations components of the Hearing Services Program are a demand-driven program. Impacts of the COVID-19 pandemic on the community in the last quarter of 2019-20 saw fewer people seeking hearing services due to mandated physical distancing and isolation requirements. However, all eligible clients who sought services were provided with assistance.

[59] The target was updated to include both voucher and Community Service Obligation clients in 2018-19. The target was also adjusted in the *2019-20 Health Portfolio Budget Statements* to reflect the change in definition.

Program 4.3:
Pharmaceutical Benefits

The Department met all performance targets related to this program.

The Department continued to monitor Pharmaceutical Benefits Scheme (PBS) approved supplier locations to ensure equitable access to medicines, contributing to the long term health and wellbeing of all Australians, and ensured new medicines recommended for listing on the PBS were considered within appropriate timeframes. This ensures Australians with a wide range of medical conditions are provided with affordable access to medicines recommended by the independent, expert Pharmaceutical Benefits Advisory Committee (PBAC).

The Department worked with the Government to continue providing affordable, cost-effective and timely access to medicines through the PBS, and to support post-market reviews of medicines through the PBAC. The post-market reviews ensure cost-effective pricing, improved patient access and appropriate use of medicines.

The Department continued to support the Government to provide Australians with rare and life threatening diseases access to essential medicines through the Life Saving Drugs Program (LSDP).

Percentage of submissions for new medicines that are recommended for listing by the Pharmaceutical Benefits Advisory Committee (PBAC), that are listed on the Pharmaceutical Benefits Scheme (PBS) within six months of agreement of budget impact and price.

Source: 2019-20 Health Portfolio Budget Statements, p.92 and Health Corporate Plan 2019-20, p.15

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
80%	100%	100%	88%	85%	92%
	Result: Met ●				

Negotiations with product sponsors and listing activities for new listings of medicines on the PBS continued, with 100 per cent of submissions for new medicines being listed on the PBS within six months of in-principle agreement on listing arrangements.

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

Percentage of Urban Centres[60] in Australia with a population of 1,000 persons or more with an approved supplier[61] of PBS medicines.

Source: 2019-20 Health Portfolio Budget Statements, p.93

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
>90%	92.99%	91.13%	90.56%	91.96%	91.80%
	Result: Met ●				

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

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

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

Percentage of Government-accepted recommendations, from post-market reviews into ongoing clinically appropriate use of medicines, that have been implemented within agreed timeframes.

Source: 2019-20 Health Portfolio Budget Statements, p.93

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
≥80%	98%	94%	100%	85%	80%
	Result: Met ●				

In response to the post-market review of the use of biologics in the treatment of severe chronic plaque psoriasis (CPP), PBAC recommended a full cost-effectiveness review of biologics for CPP. This cost-effectiveness review has been completed and will be considered by PBAC in July 2020.

In response to the post-market review of pulmonary arterial hypertension (PAH) medicines, PBAC recommended PBS restriction changes to better align them with clinical guideline recommendations, including earlier access to treatment. Revised PBS restrictions for monotherapy[62] were implemented on 1 May 2020.

As an outcome of a PBAC PAH stakeholder meeting held in June 2019, new PBS restrictions for PAH dual therapy were considered and recommended by the PBAC in November 2019. PBS implementation is currently subject to medicine sponsors and the Department reaching agreement on acceptable prices.

Ensure new and existing eligible patients have timely and continuing access to the Life Saving Drugs Program.

Source: 2019-20 Health Portfolio Budget Statements, p.93

2019-20 Target	2019-20 Result
New patient applications are processed within 30 calendar days of receipt.	All new patient applications were processed within 30 calendar days of receipt.
	Result: Met ●

During 2019-20, all new and existing eligible patients were provided access to treatment under the LSDP within required timeframes. This was achieved by:

- Assessing applications received against the relevant eligibility criteria for each medicine when received for both new and continuing patients. The annual patient reapplication date of 1 May 2020 was also extended to 1 November 2020 in direct response to the COVID-19 pandemic, allowing patients and specialists further time to complete this step where other factors had not changed (e.g. treating specialist).
- Including further improvements to support access for eligible patients.
- Ordering and delivering medicines from sponsors directly to the patient's nominated pharmacy, to allow treatment to be administered as authorised by the treating specialist.

[62] Monotherapy is the treatment of a disease with a single medicine.

Program 4.4:
Private Health Insurance

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

In 2019-20, the Department supported the Government to complete implementation of private health insurance reforms. The reforms provide affordable and simpler options to around 13.6 million Australians who hold private health insurance cover.

The Department launched the Medical Costs Finder online tool in December 2019. The tool provides easy to understand resources for patients and referring doctors, increasing transparency concerning the cost of specialist treatments and procedures. This enables consumers to have a greater understanding of out-of-pocket costs, allowing them to make more informed choices about their health care and gain a greater understanding of the value of private health insurance.

The Department continued to provide access to clinically and cost-effective prostheses for privately insured consumers through numerous published updates to the Prostheses List.

Support the provision of more affordable and simpler private health insurance for all Australians. Source: 2019-20 Health Portfolio Budget Statements, p.94	
2019-20 Target	**2019-20 Result**
Support private health insurers to complete implementation of the remaining private health insurance reforms. Work with private health insurers to support lower annual premium changes across the sector. Undertake regular stakeholder communications with insurers and other regulatory agencies to provide two-way dissemination of information. Implement a website for improved transparency for non-general practitioner medical specialist out-of-pocket costs, and the associated education initiative.	All private health insurers adopted the mandatory private health insurance reforms by 1 April 2020. In December 2019, private health insurance reforms helped to deliver the lowest average premium change in 19 years, at 2.92%. The Department undertook regular communication with insurers, private hospitals, consumers, clinicians and regulatory agencies in the development of further legislative changes and reforms. The Medical Costs Finder online tool[63] launched on 30 December 2019 on the Department's website. The accompanying education initiative was paused due to priorities shifting to the COVID-19 pandemic.
	Result: Substantially met

Private health insurers had until 1 April 2020 to transition all hospital products into Gold, Silver, Bronze and Basic tiers, and apply standard clinical categories. While all insurers adopted the mandatory reforms, as at 30 June 2020 there was also widespread adoption of voluntary reforms, including age-based discounts (applied by 20 insurers), increased voluntary excesses (applied by 27 insurers), and travel and accommodation benefits (applied by 12 insurers).

The Department, assisted by the Australian Prudential and Regulation Authority, supported the Minister for Health in consideration of private health insurers' 2020 premium change applications. On 19 December 2019, the Minister announced approval of an average premium change of 2.92 per cent, to take effect from 1 April 2020. Premium changes were subsequently deferred by insurers due to the financial impact on customers caused by the COVID-19 pandemic. Insurers also implemented a wide range of additional initiatives to assist their customers during the pandemic, including:

- telehealth or virtual services;
- new or expanded hospital in-home services; and
- expanding product coverage to give all policy holders access to private treatment for COVID-19 related conditions.

The Department maintained regular communication with key stakeholders, particularly to exchange information on the response to the COVID-19 pandemic and decisions by insurers to defer premium changes.

Resulting from recommendations of the Ministerial Advisory Committee on Out-of-Pocket Costs, the Medical Costs Finder online tool helps people understand likely out-of-pocket costs of common and high interest medical specialist treatments and procedures, allowing consumers to make more informed health care choices. It uses aggregated, de-identified data about the costs of private hospital treatment and provides information on the typical range of fees and patient payments for more than 1,100 in-hospital and out-of-hospital treatments and procedures. It also provides resources to support consumers and their referring doctors with out-of-pocket costing, including practical tips for exploring medical cost options, questions to ask a specialist when deciding whether higher cost offers good value, and information for referring doctors to support their patients through the referral process.

[63] Available at: www.health.gov.au/resources/apps-and-tools/medical-costs-finder

Medical Costs Finder tool – improving transparency of out-of-pocket costs

The Medical Costs Finder[64] online tool is a unique resource providing accessible, easy to understand information on the typical out-of-pocket costs for more than 1,100 common treatments and procedures in the private health system. The tool supports people to ask more informed questions and make better choices to maximise the value of their private health insurance. It helps consumers understand the support Medicare and their private health insurance contributes, and provides practical resources to minimise out-of-pocket costs. This includes information to support patients seeking specialist medical treatment when discussing the issue of cost with their referring doctors.

Cost information is based on data held by the Government regarding fees charged by doctors, the amounts patients have paid after the Medicare rebate, and any applicable health insurance payments.

The Medical Costs Finder tool targets consumers, patients and their carers or support people, and referring doctors such as general practitioners.

Increased transparency supports informed choices, helps patients avoid unexpected out-of-pocket costs, and enables a greater understanding of the value of private health insurance.

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

Source: 2019-20 Health Portfolio Budget Statements, p.95

2019-20 Target	2019-20 Result
Support the Prostheses List Advisory Committee (PLAC) to reform the Prostheses List arrangements. Publish the updated Prostheses List enabling access to new devices for privately insured patients including cardiac ablation catheters for atrial fibrillation.	Worked with the PLAC and relevant stakeholders on developing proposals for revised Prostheses List arrangements, enabling improved access to prostheses for privately insured patients. The Prostheses List was updated four times in the 2019-20 financial year: July and November 2019, and February and March 2020.
	Result: Met ●

The Minister for Health agreed to pause all Prostheses List reforms and reviews from 1 April 2020, for a period of up to 12 months, due to impacts of the COVID-19 pandemic on the medical technology industry. Prostheses List applications (except for products from the General Miscellaneous Category) continue to be assessed, consistent with existing processes. Stakeholder engagement and regular communication with the medical technology industry, private hospitals, private health insurers, consumers, and other stakeholders to enable effective implementation of Prostheses List reforms took place prior to 1 April 2020, via operation of industry working groups and PLAC meetings.

The Prostheses List reform and review work will recommence once the pause is lifted.

[64] Available at: www.health.gov.au/resources/apps-and-tools/medical-costs-finder

Program 4.5:
Medical Indemnity

The Department met all performance targets related to this program.

The Department continued to support the Government to provide affordable and stable indemnity insurance to eligible private doctors and midwives through a number of medical indemnity schemes. The Premium Support Scheme (PSS) and the Midwife Professional Indemnity Scheme (MPIS) provide a subsidy toward the cost of medical indemnity insurance, assisting in keeping medical care accessible and affordable to the community.

The Department also assisted the Government in the successful procurement for the delivery of the MPIS from 1 July 2020 until 30 June 2023, ensuring continued availability of indemnity insurance for eligible midwives.

Enable continued availability of professional indemnity insurance for eligible midwives.

Source: 2019-20 Health Portfolio Budget Statements, p.96

2019-20 Target	2019-20 Result
Maintain a contract with an indemnity provider for the provision of professional indemnity insurance to eligible midwives.	Procurement for the delivery of the MPIS was completed, with a contractual arrangement signed from 1 July 2020 until 30 June 2023.
	Result: Met ●

From 1 July 2020, eligible midwives can purchase Commonwealth-supported professional indemnity insurance from Medical Insurance Group Australia.

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

Source: 2019-20 Health Portfolio Budget Statements, p.96

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
≤1,400	1,060	1,004	985	1,268	1,237
	Result: Met ●				

The primary objective of the PSS is to assist in the provision of affordable insurance cover for medical practitioners with substantial insurance costs, and rural procedural general practitioners (GPs).

As annual payments have fallen substantially from their peak in 2006-07, fewer medical practitioners are claiming relief from high premiums through the PSS due to improved affordability.

The proportion of subsidies paid under the PSS is increasing for targeted groups, including rural procedural GPs, whose eligibility does not rely on premiums exceeding a proportion of private practice income.

Program 4.6:
Dental Services

The Department met the performance target related to this program.

The Child Dental Benefits Schedule (CDBS) provides financial support for general dental services, providing around 3 million eligible children aged 2–17 years improved access to basic dental services.

Percentage of eligible children accessing essential dental health services through the Child Dental Benefits Schedule is increased.

Source: 2019-20 Health Portfolio Budget Statements, p.97

2020 Target	2020 Result	2019	2018	2017	2016
39.5%	39.70%[65]	39.40%	38.54%	36.40%	34.60%
	Result: Met ●				

Since March 2020, the COVID-19 pandemic heavily impacted community access to the CDBS due to mandated infection control measures issued by the National Cabinet[66].

Individual states and territories are responsible for delivery of their public dental services and determining when restrictions can be lifted to allow dental practices to re-open. Private dental practices are responsible for determining whether they are able to re-open, in line with guidance from the relevant jurisdiction, and provide dental health services once restrictions are lifted.

The COVID-19 pandemic may continue to affect delivery of dental health services through the CDBS in the 2020-21 financial year.

[65] As this criterion is reported on a calendar year basis, an estimated result for 2020 has been included. Changes in income and employment associated with the COVID-19 pandemic has influenced, and will continue to influence, the eligible population. Full year results will be published in the 2020-21 Department of Health Annual Report.

[66] The National Cabinet is a special Australian intergovernmental decision-making forum composed of the Prime Minister and the Premiers and Chief Ministers of states and territories, established in March 2020 to coordinate the national response to the COVID-19 pandemic in Australia.

Program 4.7:
Health Benefit Compliance

The Department met the performance target related to this program.

The Department ensures Medicare is serving the needs of all Australian patients by protecting the integrity of Australia's health payment systems through the Health Provider Compliance Program. The program ensures health professionals comply with the requirements of Medicare programs through the prevention, identification and treatment of incorrect claiming, inappropriate practice and fraud by health care providers and suppliers.

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

Source: 2019-20 Health Portfolio Budget Statements, p.98 and Health Corporate Plan 2019-20, p.15

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
>90%	>90%	>90%	N/A	N/A	N/A
	Result: Met ●				

During 2019-20, the Department delivered a quality health provider compliance program through:

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

The Department suspended health provider compliance and debt recovery activities on 24 December 2019 in bushfire disaster declared areas, except in instances of serious non-compliance or investigations of fraudulent behaviour.

From early 2020, the Department suspended health provider compliance and debt recovery activities to reduce the impact on health providers contributing to Australia's response to the COVID-19 pandemic. Compliance activities continued where there were instances of serious non-compliance or investigations of fraudulent behaviour.

The Department will progressively recommence compliance activities throughout the second half of 2020 for all provider groups. In recommencing compliance activities, the Department will carefully monitor and respond to any changes in, or escalation of, the COVID-19 pandemic, including reassessing the potential impact on health providers and adjusting activities as required. Instances of serious non-compliance and investigations of fraudulent behaviour will continue during this time.

Program 4.8:
Targeted Assistance – Aids and Appliances

The Department met all performance targets related to this program.

The National Diabetes Services Scheme (NDSS) aims to enhance the capacity of Australians with diabetes by providing subsidised products, health information and resources, as well as support services, to help understand and self-manage their life with diabetes. Diabetes Australia is funded by the Department to assist in the administration and delivery of the NDSS.

In 2019-20, the Department continued the expansion of the Continuous Glucose Monitoring (CGM) Initiative. The Initiative assists people with diabetes by reducing the severity of their condition through improving blood glucose control and reducing the prevalence of long term complications of diabetes. In line with the CGM Initiative, at the end of 2019-20, the Department had provided subsidised CGM products to almost 24,000 eligible Australians. CGM devices assist users to independently manage their blood glucose levels and control their diabetes.

The National Diabetes Services Scheme meets the needs of registrants.[67]

Source: 2019-20 Health Portfolio Budget Statements, p.99

2019-20 Target	2019-20 Result
Annual National Diabetes Services Scheme (NDSS) registrant survey demonstrates that the needs of at least 90% of registrants surveyed are being met.	91% of surveyed registrants of the program indicated the NDSS met their needs by improving their knowledge and understanding of diabetes, and helping them manage their condition more effectively.
	Result: Met ●

The NDSS is a demand-driven program. In 2019-20, 1,366,857 people with type 1, type 2, gestational and other diabetes received benefit from the NDSS. There were also a further 206,145 people registered on the post-gestational diabetes register who were eligible to receive services (but not products) from the NDSS.

[67] Registrants are people with type 1 diabetes, type 2 diabetes, gestational diabetes or 'other' diabetes who are registered on the National Diabetes Services Scheme. 'Other' diabetes may include different types of monogenic diabetes, cystic fibrosis-related diabetes, and diabetes caused by rare syndromes. Certain medications such as steroids and antipsychotics could lead to other types of diabetes, as well as surgery or hormonal imbalances.

The expanded continuous glucose monitoring (CGM) initiative reaches out to more Australians with diabetes

CGM devices are small, wearable systems that measure and display glucose levels throughout the day and night, and assist users with type 1 diabetes to manage their blood glucose levels. The devices can sound an alarm to warn the user when their blood glucose is not controlled, which can be lifesaving if blood glucose readings reach unsafe levels, particularly during sleep.

From 1 March 2020, the FreeStyle Libre flash glucose monitoring system was added to the range of available products under the CGM initiative. The device, using flash glucose monitoring technology, measures glucose levels without the usage of lancets, test strips and blood. A sensor worn on the back of the arm provides glucose levels and trends over the previous eight hours to a reader or linked mobile phone application, helping users better manage their diabetes and avoid dangerous hypoglycaemia and hyperglycaemia.

Streamlining of eligibility criteria for the CGM initiative from 1 March 2020 has meant that almost 24,000 people across Australia now have access to these products.

Without government subsidy, these Australians would normally pay over $2,400 per year for use of the FreeStyle Libre flash glucose monitoring system.

Mother of three, Anna*, discusses the positive effects using CGM technology brings her young family.

"I am the mother of three young children, and two of my children have type 1 diabetes. Chris is now eight, but was diagnosed when he was a tiny two year old. I'll never forget the moment before we had access to CGM where he was running around the house and then suddenly dropped to the floor. He looked at me and said 'Mummy, why won't my legs work?'. I pricked his finger to discover his blood sugar was extremely low. I am so thankful to have CGM as those surprise lows don't happen anymore. We can see when blood levels are dropping and prevent a hypo before it even happens."*

*Names changed to maintain privacy.

Support Australians with type 1 diabetes, or similar conditions through the National Diabetes Services Scheme. Source: 2019-20 Health Portfolio Budget Statements, p.100	
2019-20 Target	**2019-20 Result**
Continue to provide eligible Australians with subsidised continuous glucose monitoring products through the National Diabetes Services Scheme (NDSS) to assist in the management of their conditions.	Fully subsidised CGM consumables were provided through the NDSS to almost 24,000 people, comprising: • 11,861 children and young people under 21 years of age with type 1 diabetes; • 145 children and young people with conditions very similar to type 1 diabetes, such as cystic fibrosis-related diabetes and neonatal diabetes, who require insulin; • 1,577 women with type 1 diabetes who are planning for pregnancy, pregnant, or immediately post-pregnancy; and • 10,331 people with type 1 diabetes aged 21 years or older who have concessional status. **Result: Met** ●

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

There has been a steady increase in participation in the CGM Initiative since the implementation of expanded patient cohorts in March 2019 and March 2020. Flash glucose monitoring technology[68] was also added to the range of available products from 1 March 2020.

The CGM Initiative aims to assist in:

- reducing the number of severe hypoglycaemic events;
- improving blood glucose control in people with poor glycaemic awareness or suboptimal glycaemic control, as better control of blood glucose levels is associated with a reduced prevalence of long term complications of diabetes;
- reducing visits to emergency departments, and missed work and/or school days, by helping eligible people and their families to better manage their type 1 diabetes; and
- reducing the anxiety of people with type 1 diabetes who are eligible to participate.

[68] A flash glucose monitor measures glucose levels without the use of lancets, test strips and blood, but unlike CGM, does not have any alarm functionality. After being physically scanned by the user, a sensor worn on the back of the arm provides glucose levels and trends for the previous eight hours to a reader or mobile phone application, which in turn helps people manage their diabetes.

Outcome 4 - Expenses and Resources

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 4.1: Medical Benefits			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	136,618	149,010	12,392
Special account			
Medicare Guarantee Fund - medical benefits	25,341,622	24,743,963	(597,659)
accrual adjustment	15,014	1,028	(13,986)
Departmental expenses			
Departmental appropriation[1]	29,632	29,978	346
Expenses not requiring appropriation in the budget year[2]	3,143	4,011	868
Total for Program 4.1	**25,526,029**	**24,927,990**	**(598,039)**
Program 4.2: Hearing Services			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	579,707	524,997	(54,710)
Departmental expenses			
Departmental appropriation[1]	6,333	5,846	(487)
Expenses not requiring appropriation in the budget year[2]	5,166	2,364	(2,802)
Total for Program 4.2	**591,206**	**533,207**	**(57,999)**
Program 4.3: Pharmaceutical Benefits			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	828,351	840,753	12,402
Special account			
Medicare Guarantee Fund - pharmaceutical benefits	12,222,758	12,533,629	310,871
accrual adjustment	42,589	80,076	37,487
Departmental expenses			
Departmental appropriation[1]	48,386	50,190	1,804
Expenses not requiring appropriation in the budget year[2]	3,857	5,822	1,965
Total for Program 4.3	**13,145,941**	**13,510,470**	**364,529**

Outcome 4 - Expenses and Resources (continued)

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 4.4: Private Health Insurance			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	8,316	4,966	(3,350)
Special appropriations			
Private Health Insurance Act 2007 - incentive payments and rebate	6,273,612	6,076,357	(197,255)
Departmental expenses			
Departmental appropriation[1]	14,512	12,529	(1,983)
Expenses not requiring appropriation in the budget year[2]	1,260	1,439	179
Total for Program 4.4	**6,297,700**	**6,095,242**	**(202,458)**
Program 4.5: Medical Indemnity			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	804	645	(159)
Special appropriations			
Medical Indemnity Act 2002	71,722	120,798	49,076
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	2,307	-	(2,307)
Departmental expenses			
Departmental appropriation[1]	1,628	2,261	633
Expenses not requiring appropriation in the budget year[2]	149	281	132
Total for Program 4.5	**76,610**	**123,985**	**47,375**
Program 4.6: Dental Services[3]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	-	-	-
Special appropriations			
Dental Benefits Act 2008	346,292	283,515	(62,777)
Departmental expenses			
Departmental appropriation[1]	2,285	1,255	(1,030)
Expenses not requiring appropriation in the budget year[2]	226	163	(63)
Total for Program 4.6	**348,803**	**284,933**	**(63,870)**

Outcome 4 - Expenses and Resources (continued)

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 4.7: Health Benefit Compliance			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	19,550	19,125	(425)
Departmental expenses			
Departmental appropriation[1]	84,145	83,250	(895)
Expenses not requiring appropriation in the budget year[2]	7,623	10,313	2,690
Total for Program 4.7	**111,318**	**112,688**	**1,370**
Program 4.8: Targeted Assistance – Aids and Appliances			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,592	1,560	(32)
Special appropriations			
National Health Act 1953 - aids and appliances	384,266	351,245	(33,021)
Departmental expenses			
Departmental appropriation[1]	4,268	4,980	712
Expenses not requiring appropriation in the budget year[2]	422	634	212
Total for Program 4.8	**390,548**	**358,419**	**(32,129)**
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	1,574,938	1,541,056	(33,882)
Special appropriations	7,078,199	6,831,915	(246,284)
Special account	37,564,380	37,277,592	(286,788)
accrual adjustment	57,603	81,104	23,501
Departmental expenses			
Departmental appropriation[1]	191,189	190,289	(900)
Expenses not requiring appropriation in the budget year[2]	21,846	24,978	3,132
Total expenses for Outcome 4	**46,488,155**	**45,946,934**	**(541,211)**
Average staffing level (number)	**977**	**881**	**(96)**

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

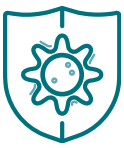
[2] Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and audit fees.

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

Outcome 5:
Regulation, Safety and Protection

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

Highlights

	**More medical devices included on the Australian Register of Therapeutic Goods**	To provide further support during the COVID-19 pandemic, more than 3,000 new medical devices were included on the Australian Register of Therapeutic Goods. *Program 5.1*
	**Australia's National Antimicrobial Resistance Strategy**	*Australia's National Antimicrobial Resistance Strategy – 2020 and beyond* was endorsed by the Council of Australian Governments in 2019-20. *Program 5.2*
	**Supporting Australians during health emergencies**	The National Focal Point of Australia continued to support national coordination for public health emergencies, responding to over 200 new public health events of national significance, including the COVID-19 pandemic. *Program 5.2*
	**Aboriginal and Torres Strait Islander children immunisation rates**	Immunisation rates for Aboriginal and Torres Strait Islander children aged 12–15 months continues to rise, increasing by 1 per cent in 2019-20. *Program 5.3*

3.5 million P2 respirators
deployed from the National Medical Stockpile **during the Australian bushfires**

4 activations of the **National Incident Room** in 2019-20, including the COVID-19 pandemic

First ever domestic AUSMAT deployment
(in response to the Australian bushfires)

136 emergency AHPPC COVID-19 teleconferences in 2019-20

Programs contributing to Outcome 5	Summary of results against performance criteria		
Program	**Targets met**	**Targets substantially met**	**Targets not met**
Program 5.1: Protect the Health and Safety of the Community Through Regulation	3	–	–
Program 5.2: Health Protection and Emergency Response	2	1	–
Program 5.3: Immunisation	2	–	–
Total	7	1	–

Program 5.1:

Protect the Health and Safety of the Community Through Regulation

The Department met all performance targets related to this program.

In 2019-20, the Therapeutic Goods Administration (TGA), Office of Chemical Safety (OCS), National Industrial Chemicals Notification and Assessment Scheme (NICNAS) and Office of the Gene Technology Regulator (OGTR), were committed to protecting the health and safety of the community.

The TGA continued to review and implement reforms arising from the Medicines and Medical Devices Regulation (MMDR), maintaining their commitment to protect the health and safety of the community through regulation. Among the implementation of reforms, the first comprehensive review of breast implants took place, informing action to reduce the incidence of breast implant associated anaplastic large-cell lymphoma. The TGA also worked to increase transparency for both consumers and industry, ensuring consumers are well informed when purchasing therapeutic goods.

The OCS continued to administer NICNAS, while preparing to implement the new Australian Industrial Chemicals Introduction Scheme from 1 July 2020. NICNAS completed a total of 197 new chemical assessments in 2019-20, exceeding targets for statutory timeframes, enabling prompt availability of industrial chemical information to the community.

The OGTR continued to ensure matters regarding genetically modified organisms (GMOs) were approached with a high level of compliance to gene technology legislation. In 2019-20, the Department, assisted by the OGTR, continued work to support implementation of recommendations arising from the Third Review of the National Gene Technology Regulatory Scheme (the Scheme). The Scheme ensures medical, agricultural and other research involving GMOs and subsequent commercial releases are conducted in accordance with best practice, and in a manner that protects human health and safety, and the environment. Regular public consultation regarding the Scheme provides transparency and allows individuals to provide information relevant to risk assessments, enabling the community to safely access GMOs and products produced from GMOs.

Project Orbis: Global collaborative review program for new oncology medicines

In mid-2019, the U.S Food and Drug Administration (FDA) Oncology Center of Excellence launched Project Orbis to facilitate faster patient access to innovative cancer therapies across multiple countries. Project Orbis aims for concurrent submission, review, and regulatory approval for high-impact, clinically significant marketing applications for cancer therapies in participating partner countries, including Australia, Brazil, Canada, Singapore, and Switzerland.

Project Orbis allows Australian patients to receive faster access to significant new oncology medicines, and further improve their cancer treatment options. The Australian Therapeutic Goods Administration (TGA) has already completed two new chemical entities (acalabrutinib and ripretinib) and five extension of indications applications (lenvatinib/pembrolizumab, acalabrutinib, and nivolumab/ipilimumab) since the program began.

Participation in Project Orbis has allowed the TGA to achieve timelines on par with those of the FDA, with 75 per cent of Australian submissions and approvals occurring within 1.5 months of the corresponding FDA timeline. All medicines approved under Project Orbis have had accelerated assessment timeframes, ensuring Australians receive access to innovative oncology medicines sooner.

Project Orbis uses existing scientific and regulatory partnerships between various regulatory health authorities under mutual confidentiality agreements. It benefits industry by ensuring sponsors are aware of and using this alternate pathway through their U.S affiliates, and the pharmaceutical industry through a reduction in application duplication and burden, and the possibility of simultaneous access of medicines to markets of multiple countries.

"Collaboration with the U.S FDA in Project Orbis is highly valued by the TGA in providing both an additional pathway for earlier access to the Australian public to new medicines for the treatment of oncology conditions, and as an opportunity to work with other international regulators to enhance regulatory evaluation and decision-making."
– Adjunct Professor John Skerritt

Improving timeliness, transparency, and compliance functions in relation to the *Therapeutic Goods Act 1989*, whilst increasing awareness and maintaining safety for consumers.

Source: 2019-20 Health Portfolio Budget Statements, p.107 and Health Corporate Plan 2019-20, p.16

2019-20 Target	2019-20 Result
Ongoing review of the Australian Government's reforms arising from the review of the Medicines and Medical Devices Regulation (MMDR). Appropriate administration and/or legal action is taken in response to non-compliance with the *Therapeutic Goods Act 1989*, and in response to post-market safety monitoring. Ongoing engagement, education and consultation with our stakeholders including consumers and industry. Continue to meet statutory timeframes for the evaluation of therapeutic goods.	Reforms arising from the Australian Government's Review of MMDR[69] continued to be embedded. Appropriate administrative and/or legal action was taken in response to non-compliance with the *Therapeutic Goods Act 1989*, and in response to post market safety monitoring. Consumer and stakeholder engagement continued through a variety of platforms, including formal consultations, working groups, webinars, website updates and social media. Statutory timeframes continued to be met, with the average processing time for evaluation of applications well below the allowable maximum. To provide further support during the COVID-19 pandemic, more than 3,000 new medical devices were included on the Australian Register of Therapeutic Goods. A flexible approach was taken to expedite approvals and exemptions to allow rapid manufacture, importation and access to these devices. The prescription medicine Remdesivir was approved for the treatment of patients with serious COVID-19 disease. Remdesivir was provisionally approved, subject to confirmatory studies, within a two week period. The TGA is the vice-chair of a coalition of the world's major regulators that meet regularly to discuss the development of new vaccines and therapies and how clinical trials are progressing, and co-chairs a group of regulators developing improved safety monitoring systems for COVID-19 vaccines. **Result: Met**

The Department reviewed and embedded changes in response to the Government's reforms arising from the review of MMDR, including:

- updating labelling requirements for excipient[70] ingredients;
- updating the Australian Regulatory Guidelines for Complementary Medicines (now the Australian Regulatory Guidelines for Listed Medicines and Registered Complementary Medicines[71]);
- implementing the Government's decision to remove advertising pre-approvals;
- continuing development of a Unique Device Identification system for medical devices in Australia;
- publically consulting on 10 medical device regulatory reforms, with new regulations approved by the Government; and
- completing the first comprehensive review of breast implants, including laboratory testing of surface texture to inform action to reduce the incidence of breast implant associated anaplastic large-cell lymphoma.

[69] More information on the review of MMDR is available at: www.tga.gov.au/hubs/mmdr
[70] An excipient ingredient is an inactive substance that serves as the vehicle or medium for a drug or other active substance.
[71] Available at: www.tga.gov.au/publication/australian-regulatory-guidelines-listed-medicines-and-registered-complementary-medicines

Additionally, the Department continued to consult and implement the Action Plan for Medical Devices. These reforms will improve how devices make it onto the market, strengthen monitoring and follow-up of devices already in use, and provide more information to patients about the devices they use.

To provide further support during the COVID-19 pandemic, more than 3,000 new medical devices were included on the Australian Register of Therapeutic Goods. A flexible approach was taken to expedite approvals and exemptions to allow rapid manufacture, importation and access to these devices.

The TGA issued fines for illegal activity totalling close to $1.8 million during 2019-20. Compliance actions included issuing 187 separate infringement notices to 27 companies and 11 individuals, executing 13 search warrants, and undertaking three civil actions in the Federal Court of Australia.

The TGA continued to provide consumer and stakeholder engagement in 2019-20, and held:

- 15 public consultations;
- weekly meetings of the Medicines Shortages Working Group, ensuring supply of essential medicines during the COVID-19 pandemic;
- specially convened working parties to manage specific issues that arose; and
- workshops and webinars, as well as informal communication with stakeholders.

Statutory timeframes continued to be met. Timeframes are dependant on the type of application, and range between 45 to 255 working days. Over the 2019-20 period, the TGA reviewed over 16,500 applications for medicines and medical devices, and overall median approval times improved compared to the previous year. For further detail, see the TGA Annual Performance Statistics Report[72].

[72] Available at: www.tga.gov.au/annual-performance-statistics-reports

Post market review of breast implants

In 2019-20, in response to an increasing number of reports of breast implant associated anaplastic large-cell lymphoma (BIA-ALCL), the Therapeutic Goods Administration (TGA) undertook a world first post-market review and laboratory assessment of all breast implants included on the Australian Register of Therapeutic Goods (ARTG). The review was conducted by the TGA in collaboration with a group of experts and researchers.

Sponsors of breast implants were required to provide documentation to support the inclusion of the implants on the ARTG, and provide samples for testing. The assessment included desktop audits on documentation to determine compliance with the essential principles for each sponsor, and undertaking over 2,000 sets of measurements on more than 150 samples in laboratory testing. In addition, statistical analysis of information regarding the supply of breast implants in Australia and known cases of BIA-ALCL occurred in parallel to better estimate the risks associated for each type of implant. This included working with the Australian Breast Device Registry to ensure awareness of as many cases of BIA-ALCL as possible.

Outcomes of the post-market review included removal from the Australian market of implants that no longer demonstrated a positive risk profile. These included the TGA-initiated cancellation or suspension from the ARTG of eight entries, sponsor-initiated cancellation of multiple entries, and additional conditions of inclusion being imposed on all entries remaining. The International Organization for Standardization has also been approached to review the relevant breast implant standard.

The review informed additional resources to support Australians having a breast implant procedure, including the requirement for patient information leaflets and patient implant cards, information on signs and symptoms of BIA-ALCL, and a range of questions that patients should ask their surgeon, which are available as part of the breast implant hub on the TGA website[73]. The TGA also established an ongoing communication strategy with the Breast Cancer Network.

The TGA continues to monitor the risk rate of BIA-ALCL in Australia, and collaborate with consumers, healthcare professionals, and international regulators.

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

Source: 2019-20 Health Portfolio Budget Statements, p.107

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
≥95%	99.5%	98.7%	99.0%	99.6%	99.0%
	Result: Met ●				

During 2019-20, the Department completed a total of 197 pre-market assessments of new chemicals (123 certificates and 74 permits), with 196 of these completed within statutory timeframes.

One secondary notification assessment of a previously assessed chemical was also published.

Assessment quality is maintained through internal peer review and stakeholder feedback prior to finalising all reports.

[73] Available at: www.tga.gov.au/hubs/breast-implants

People and the environment are protected through open, effective and transparent regulation of genetically modified organisms (GMOs). Source: 2019-20 Health Portfolio Budget Statements, p.108	
2019-20 Target	**2019-20 Result**
Risk assessments and risk management plans prepared for licence applications and all decisions are made within the statutory timeframes. Stakeholders, including the public are consulted on all assessments for proposed release of GMOs into the environment. High level of compliance with gene technology legislation and no adverse effect on human health or environment from authorised GMOs.	Risk assessments and risk management plans were prepared, and decisions made within statutory timeframes, for 100% of licenced dealings. Stakeholders, including the public, were consulted on all assessments for proposed release of GMOs into the environment. There was a high level of compliance with gene technology legislation, with no evidence of any adverse effect on human health or environment from authorised GMOs.
	Result: Met

The OGTR has skilled technical staff to conduct science-based risk assessments. There are project management structures for all licence applications, including timeframe and quality assurance reporting, with public consultation procedures built in to relevant decision-making processes. The following licences were issued during 2019-20:

- one licence for the commercial supply of a GM therapy for an inherited condition;
- five licences for trial of GM vaccines;
- five licences for trial of GM cancer treatments;
- two licences for trial of a GM therapeutic;
- six licences for pre-clinical (in vitro & in vivo) research into understanding and treating human diseases;
- one licence for research into antibiotic resistance;
- one licence allowing special access to GM therapeutics not commercially approved in Australia;
- one licence for an animal vaccine trial; and
- one licence for the increased production of fatty acids in algae.

Monitoring and compliance inspections have confirmed a high level of compliance with licence and certification requirements. Stakeholders are continuing to work with inspectors using a cooperative compliance approach. As of June 2020, there were:

- seven commercial licences for human therapeutics;
- 17 active clinical trial licences for human therapeutics;
- three active licences for animal vaccines;
- 17 commercial licences for GM plants;
- five licences for the import of GM grain for processing;
- 18 active licences for field trials of GM plants;
- 42 field trial sites for GM crops;
- 101 active licences for laboratory work; and
- over 2,000 facilities certified as appropriate for work with GMOs.

In 2019-20, work continued to implement recommendations of the 2018 Third Review of the Scheme, in collaboration with officials representing all Australian governments, and in line with the Legislative and Governance Forum on Gene Technology 2018–23 Action Plan. Public consultation to inform implementation of recommendations was undertaken in September–November 2019. This was followed by cross-government discussions in March–May 2020. Further planned engagement has been delayed due to the COVID-19 pandemic. As dates are determined, stakeholders will be advised.

Program 5.2:
Health Protection and Emergency Response

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

In 2019-20, the five implementation plans under the blood borne viruses (BBV) and sexually transmissible infections (STI) Surveillance Strategy 2018–22 were endorsed by Government. The Surveillance Strategy focuses on significantly reducing the transmission of BBV and STI, increasing diagnosis and treatment rates, facilitating a highly skilled and collaborative workforce, and improving quality of life for people living with a BBV and/or STI. The BBV and STI Surveillance and Monitoring Plan 2018–22 was endorsed by the Communicable Diseases Network Australia (CDNA).

From 2019-20, the Government is committing $45.4 million over four years to increase public health prevention and promotion activities around BBV and STI. This will include a national campaign to increase awareness of STI prevention, testing and treatment, enhanced disease surveillance, and specific activities targeting prevention, treatment and health education for all Australians.

Australia's National Antimicrobial Resistance Strategy – 2020 and beyond[74] (the 2020 AMR Strategy) was endorsed by the Council of Australian Governments (COAG) in 2019-20. The 2020 AMR Strategy guides Australia's response to AMR, ensuring continued availability of effective antimicrobials and minimised spread of resistant organisms, to safeguard the health of all Australians into the future.

Most notably, the Department continued supporting Australians during national health emergencies and emerging health protection issues through the National Focal Point of Australia (NFP)[75]. Emergencies included medical retrieval and repatriation from New Zealand following the Whakaari/White Island volcano eruption in December 2019, several Australian Medical Assistance Team (AUSMAT) deployments in relation to a major measles outbreak in Samoa, and fire and smoke-related health impacts from the Australian bushfires, and most recently the COVID-19 pandemic.

[74] Available at: www.amr.gov.au/resources/australias-national-antimicrobial-resistance-strategy-2020-and-beyond

[75] As per the *National Health Security Act (2007)*, the NFP is the area or areas within the Department, designated under the Act, as the *International Health Regulations (2005)* (IHR) NFP to liaise with and facilitate actions by national and international bodies to prevent, protect against, control and respond to a Public Health Event of National Significance or a Public Health Emergency of International Concern.

National direction supports a coordinated response to reducing the spread of blood borne viruses (BBV) and sexually transmissible infections (STI). Source: 2019-20 Health Portfolio Budget Statements, p.110	
2019-20 Target	**2019-20 Result**
All partners including states and territories, clinicians, researchers and community and professional organisations are supported to reduce the impact of BBV and STI in the community with a focus on Aboriginal and Torres Strait Islander BBV and STI through: • monitoring progress against the programs that support the new National BBV and STI Strategies 2018–2022, in accordance with respective implementation plans; and • surveillance and monitoring of progress against targets and goals including estimates of incidence and prevalence.	Implementation plans for each of the five National BBV and STI Strategies 2018–22[76] (the Strategies), along with a single Surveillance and Monitoring Plan, were endorsed by all governments. The Department continued to work with stakeholders to progress activities to implement the Strategies in accordance with respective implementation plans. The BBV and STI Surveillance and Monitoring Plan 2018–22 was endorsed by the CDNA in May 2020.[77] **Result: Met**

The response to BBV and STI in Australia is guided by the Strategies, which include the:

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

Implementing the Strategies is a shared responsibility between governments and key stakeholders, including the health professional and community sectors. An Implementation Plan for each of the Strategies was developed to guide actions against priority areas. The Implementation Plans were endorsed at the Australian Health Protection Principal Committee meeting in August 2019.

The National BBV and STI Surveillance and Monitoring Plan (the Plan) was developed through the National BBV and STI Surveillance Sub-Committee, an expert committee of the CDNA, and noted by the Australian Health Protection Principal Committee. The Plan provides the framework in which to monitor progress towards achieving each of the five National Strategies' targets.

Activities to implement the Strategies have commenced, with the implementation of the National Aboriginal and Torres Strait Islander BBV and STI Strategy a high priority.

The Department is working in partnership with the National Aboriginal Controlled Community Health Organisation (NACCHO), to ensure all activities to implement the National Aboriginal and Torres Strait Islander BBV and STI Strategy are culturally appropriate and have genuine community buy-in.

[76] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/ohp-bbvs-1
[77] Ibid.

National health emergencies and emerging health protection issues are managed and responded to through effective preparation and mitigation measures. Source: 2019-20 Health Portfolio Budget Statements, p.111	
2019-20 Target	**2019-20 Result**
The National Focal Point (NFP) will continue to support national coordination for public health emergencies, support states and territories to respond to public health events of national significance, and meet its obligations on behalf of Australia under the International Health Regulations (2005). Review the following domestic health emergency response plans and guidelines to ensure effective preparedness and response measures are in place: • Bacillus anthracis; • Radiological Emergencies; • Chemical Agents of Health Concern; and • the Emergency Response Plan for Communicable Diseases of National Significance. Undertake an exercise program to build preparedness to manage emergency responses and strengthen relationships with internal and external stakeholders.	The NFP continued to support national coordination for public health emergencies, responding to over 200 new public health events of national significance, and four activations of the National Incident Room, including the COVID-19 pandemic. Overall, COVID-19 represented approximately 74% of the NFP's notifications or requests to public health authorities during 2019-20 (representing 92% of overall notifications or requests received between 1 January and 30 June 2020). While the review of the Bacillus Anthracis (Anthrax) Plan commenced in May 2019, it has not been completed. Work is ongoing into 2020-21. Due to the prioritisation of resources on the national response to the COVID-19 pandemic, reviews of the Radiological Emergencies Guidelines and Chemical Agents of Health Concern Guidelines have not yet commenced. Review of the Emergency Response Plan for Communicable Diseases of National Significance (National CD Plan[78]) was completed. 27 exercises across a range of scenarios, including communicable disease outbreaks, bioterrorist attacks and mass casualty events were undertaken. The National Medical Stockpile received significant additional investment to support its role as a strategic reserve of medical supplies in the event of a national response to a health emergency. Significant quantities of personal protective equipment were procured and dispatched to support state and territory governments. **Result: Substantially met**

In 2019-20, the NFP responded to over 200 new public health events of national significance (incidents). Of these, 158 incidents were reportable as using protected information as specified in section 29 of the *National Health Security Act 2007*. The three most common hazards notified to the NFP were tuberculosis, measles and legionellosis.

The most significant incident the NFP responded to was the COVID-19 pandemic. Other major incidents the NFP responded to in 2019-20 included:

- The medical retrieval and repatriation of 13 Australian citizens and permanent residents from New Zealand following the Whakaari/White Island volcano eruption in December 2019.
- A major measles outbreak in Samoa and the resulting deployment of several rotations of Australian Medical Assistance Teams (AUSMAT) from November 2019 to January 2020.
- Fire and smoke-related health impacts from the 2019-20 Australian bushfires, including the first ever domestic AUSMAT deployments to bolster regional health capabilities in fire-affected areas, and the release of over 3.5 million P2 respirators from the National Medical Stockpile to assist frontline workers and at risk individuals in affected communities.

The National CD Plan replaces and broadens the scope of the National Action Plan for Human Influenza Pandemic to now cover all communicable disease incidents of national significance, thereby aligning the document with the Australian Government's 'all hazards' approach to emergency management.

The Anthrax Plan, Radiological Emergencies Guidelines, and the Chemical Agents of Health Concern Guidelines all provide specific advice for the Australian domestic health emergency response to the deliberate use of chemical, biological and radiological agents. Modelling of the deliberate release of aerosolised inhalational anthrax on an Australian population will be

[78] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/ohp-nat-CD-plan.htm

completed in December 2020. Outcomes from the modelling will inform the review of the Anthrax Plan, which commenced in May 2019 and is anticipated to be completed in 2020-21.

The regularity of reviews completed for plans is determined by the level of threat posed by the agent, and any advancements in technology and global best practice health emergency response. Due to the prioritisation of resources on the national response to the COVID-19 pandemic, review of the Radiological and Chemical guidelines were placed on hold.

An emergency preparedness exercise program is developed each year to strengthen internal capacity and preparedness to respond to a health emergency, and to build relationships with external agencies.

National Incident Room (NIR)

Australia has a world-leading health system, with measures in place to provide a comprehensive and effective health response in the event of a disaster or mass casualty event, including a bioterrorist act, natural disaster, bombing or communicable disease outbreak.

The NIR is the Department's emergency response centre, activated by the Chief Medical Officer when a significant event or emerging threat is identified. It is responsible for ensuring Australia's health system has integrated and coordinated arrangements to respond to both national and international health emergencies.

The NIR coordinates national responses to health emergencies by organising response and recovery operations between:

- Australian Government and state and territory government health authorities;
- other Commonwealth operations centres; and
- the international health community.

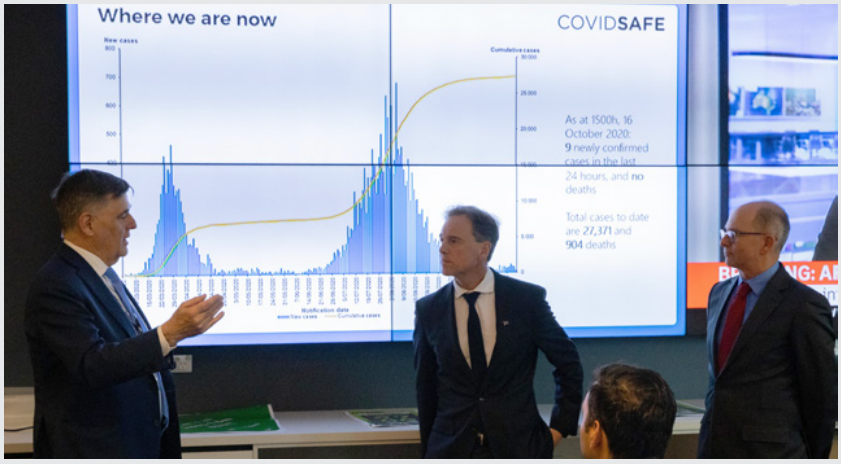
The World Health Organization's 2017 Joint External Evaluation Report of International Health Regulations identified that Australia had developed a comprehensive system of capabilities and functions to prepare, detect and respond to health security threats, and has fully implemented the necessary legislation to implement the International Health Regulations (2005)[79] (IHR 2005).

The NIR is responsible for undertaking the duties and responsibilities of Australia's International Health Regulations Focal Point, as designated by the IHR 2005.

In 2019-20, Australia and the world faced extraordinary health emergencies, and the NIR responded to the largest number of consecutive and concurrent incidents ever recorded in a 12 month period. The NIR was activated in November 2019 in response to the measles outbreak in Samoa, and continued activation following the Australian bushfires, the Whakaari/White Island volcano eruption, and most recently, the COVID-19 pandemic.

Response to these emergencies included medical retrieval and repatriation, several deployments of specialists and the first ever domestic deployments of the Australian Medical Assistance Teams, and regular emergency meetings of the Australian Health Protection Principal Committee and other expert committees.

The NIR response to these and other challenges has highlighted the critical importance of maintaining and strengthening Australia's health emergency preparedness and response capabilities. The Department continues to learn from these experiences and engage with state, territory, and international partners to refine our coordination models and systems, continuing to ensure Australia maintains its world-leading ability to prepare for, and respond to, health emergencies now and into the future.



[79] Available at: www.who.int/ihr/publications/9789241580496/en/

National direction to minimise the spread of antimicrobial resistance (AMR) is provided. Source: 2019-20 Health Portfolio Budget Statements, p.112	
2019-20 Target	**2019-20 Result**
Develop the next National AMR Strategy 2019–2023 in partnership with the Department of Agriculture and Water Resources and other key stakeholders.	*Australia's National Antimicrobial Resistance Strategy – 2020 and beyond* (the 2020 AMR Strategy) was endorsed on 13 March 2020 by the Council of Australian Governments (COAG).
	Result: Met

The 2020 AMR Strategy presents a 20 year vision to combat the threat of AMR. It provides guidance for all levels of government, industry and society to minimise the development and spread of AMR, and maintains a 'One Health' approach. It is aligned with the World Health Organization's Global Action Plan on AMR.

The 2020 AMR Strategy was developed in collaboration with the Department of Agriculture, Water and the Environment. It was informed by advice received from the Australian Strategic and Technical Advisory Group on AMR and a public consultation process, which received 55 submissions from a variety of government and industry stakeholders across the human health, agriculture and environment sectors.

The 2020 AMR Strategy will be supported by a One Health Master Action Plan, which will describe requirements across the human health, animal health, environment, agriculture and food sectors to deliver the 2020 AMR Strategy's objectives.

COAG's endorsement of the 2020 AMR Strategy signifies a commitment to collectively address Australia's response to this cross-sector, global crisis.

Program 5.3:
Immunisation

The Department met all performance targets related to this program.

The Department supported the Government in developing the National Immunisation Strategy 2019–2024, which builds upon the success of the first National Immunisation Strategy 2013–2018. The 2019–24 Strategy comprises eight strategic priority areas to complement and strengthen the National Immunisation Program. The strategy outlines the framework for prevention of disease by maximising immunisation coverage in people of all ages. It is consistent with Australian and state and territory government collective efforts, outlining Australia's key role in the Asia-Pacific region.

In 2019-20, immunisation rates among Aboriginal and Torres Strait Islander children continued to rise, with results exceeding the target and bringing Australia closer to closing the gap.

Immunisation coverage rates in children at 5 years of age are increased and maintained at the protective rate of 95%.[80]

Source: 2019-20 Health Portfolio Budget Statements, p.114 and Health Corporate Plan 2019-20, p.23

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
≥94.50%	94.77%	94.90%	94.40%	93.60%	92.90%
	Result: Met ●				

Immunisation coverage rates have continued to increase in 2019-20. This trend is expected to continue toward the World Health Organization Western Pacific Region, Chief Medical Officer's and Chief Health Officers' aspirational target coverage rate of 95 per cent. The Department will continue to work with states and territories to achieve this target.

Immunisation coverage rates among 12–15 months of age Aboriginal and Torres Strait Islander children are increased to close the gap.[81]

Source: 2019-20 Health Portfolio Budget Statements, p.114 and Health Corporate Plan 2019-20, p.23

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
≥93.00%	93.40%	92.40%	92.50%	92.20%	89.80%
	Result: Met ●				

Immunisation coverage rates among Aboriginal and Torres Strait Islander children aged 12–15 months continues to improve, increasing by 1 percentage point in 2019-20.

The gap between non-Indigenous children in the same cohort decreased from 1.93 per cent in 2018-19 to 1.3 per cent in 2019-20.

The Department continues to promote vaccination for Aboriginal and Torres Strait Islander children through the development and dissemination of engaging, targeted information addressing the gap in immunisation coverage rates between Indigenous and non-Indigenous children in the younger age groups.

This is further supported by performance benchmarks in the National Partnership Agreement on Essential Vaccines, including improving coverage rates among Aboriginal and Torres Strait Islander children.

[80] Further information available at: www.health.gov.au/health-topics/immunisation/childhood-immunisation-coverage

[81] Further information available at: www.health.gov.au/health-topics/immunisation/childhood-immunisation-coverage/immunisation-coverage-rates-for-aboriginal-and-torres-strait-islander-children

Outcome 5 - Expenses and Resources

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 5.1: Protect the Health and Safety of the Community through Regulation			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	-	-	-
Departmental expenses			
Departmental appropriation[1]	24,640	24,019	(621)
to Special Accounts	(16,930)	(16,930)	-
Expenses not requiring appropriation in the budget year[2]	707	673	(34)
Special Accounts			
OGTR[3]	8,191	8,059	(132)
Industrial Chemicals Account[4]	19,575	16,982	(2,593)
TGA[5]	168,083	150,444	(17,639)
Expense adjustment[6]	(1,645)	20,628	22,273
Expenses not requiring appropriation in the budget year[2]	-	-	-
Total for Program 5.1	**202,621**	**203,875**	**1,254**
Program 5.2: Health Protection and Emergency Response[7]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	103,940	151,537	47,597
Non cash expenses[8]	15,733	144,715	128,982
Special Accounts			
Human Pituitary Hormones Special Account (s78 PGPA Act)	170	2,010	1,840
Expense adjustment[6]	-	(1,895)	(1,895)
Departmental expenses			
Departmental appropriation[1]	25,314	42,772	17,458
Expenses not requiring appropriation in the budget year[2]	2,709	5,383	2,674
Total for Program 5.2	**147,866**	**344,522**	**196,656**

Outcome 5 - Expenses and Resources (continued)

	Budget Estimate 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 5.3: Immunisation[7]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	35,264	39,609	4,345
to Australian Immunisation Special Account	(7,133)	(7,146)	(13)
Special Accounts			
Australian Immunisation Register Special Account (s78 PGPA Act)	9,820	10,561	741
Expense adjustment[6]	-	(224)	(224)
Special appropriations			
National Health Act 1953 - essential vaccines	397,539	397,280	(259)
Departmental expenses			
Departmental appropriation[1]	8,432	7,911	(521)
Expenses not requiring appropriation in the budget year[2]	838	1,023	185
Total for Program 5.3	**444,760**	**449,014**	**4,254**
Outcome 5 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	139,204	191,146	51,942
to Special Accounts	(7,133)	(7,146)	(13)
Non cash expenses[8]	15,733	144,715	128,982
Special Accounts	9,990	10,452	462
Special appropriations	397,539	397,280	(259)
Departmental expenses			
Departmental appropriation[1]	58,386	74,702	16,316
to Special Accounts	(16,930)	(16,930)	-
Expenses not requiring appropriation in the budget year[2]	4,254	7,079	2,825
Special Accounts	194,204	196,113	1,909
Total expenses for Outcome 5	**795,247**	**997,411**	**202,164**
Average staffing level (number)	**1,078**	**1,043**	**(35)**

1 Departmental appropriation combines 'Ordinary annual services (*Appropriation Act 1*)' and 'Revenue from independent sources (s74)'.

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

3 Office of the Gene Technology Regulator Special Account.

4 Establishing Instrument: *Industrial Chemicals (Notification and Assessment) Act 1989.*

5 Therapeutic Goods Administration Special Account.

6 Special accounts are reported on a cash basis. The adjustment reflects the difference between expense and cash, and eliminates any inter-entity transactions.

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

8 Non cash expenses relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.

Outcome 6:
Ageing and Aged Care

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

Highlights

	**Continued support services for older Australians**	The Department continued to complete high priority comprehensive assessments, with clinical intervention completed within two calendar days of referral acceptance. *Program 6.1*
	**My Aged Care assessments**	186,891 older Australians were provided with comprehensive assessments and 242,969 provided with home support assessments for aged care services in 2019-20. *Program 6.1*
	**Additional Home Care Packages**	An additional 10,000 Home Care Packages were announced, with 5,500 released in 2019-20. *Program 6.2*
	**Dementia Behaviour Management Advisory Service (DBMAS)**	Through additional support and capacity building with DBMAS, care givers feel more confident about supporting a person with Behavioural and Psychological Symptoms of Dementia. *Program 6.3*

155,625
home care packages were allocated as at 30 June 2020

Around **840,000 older Australians** received entry-level support services to continue living at home

96.8% of **My Aged Care** priority assessments took place **within 2 calendar days** of referral acceptance

217,145 residential aged care places available as at 30 June 2020

Programs contributing to Outcome 6

Program	Summary of results against performance criteria		
	Targets met	Targets substantially met	Targets not met
Program 6.1: Access and Information	1	1	–
Program 6.2: Aged Care Services	2	1	–
Program 6.3: Aged Care Quality	2	–	–
Total	5	2	–

Program 6.1:
Access and Information

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

The Department continued to support older Australians through My Aged Care assessments, helping to determine their eligibility for Commonwealth subsidised aged care services. My Aged Care assessments are designed to provide a clear pathway and choice of aged care services to older Australians who wish to continue living at home with support.

In 2019-20, the Department trialled new ways to provide more targeted services to better meet the needs of consumers. This included a case management approach to support vulnerable older Australians through their aged care journey, which was trialled as part of the COVID-19 pandemic response.

The Department continued to support the Government in providing older Australians, their families and carers access to reliable aged care information and services through the My Aged Care contact centre and website. In June 2019, the new My Aged Care website launched, which was a key channel for the provision of aged care service and accessibility information for Australians in 2019-20. The new website formed part of the Government's $61.7 million investment in aged care system improvements.

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

a. High priority comprehensive assessments with clinical intervention completed within two calendar days of referral acceptance.

b. High priority home support assessments completed within ten calendar days of referral acceptance.

Source: 2019-20 Health Portfolio Budget Statements, p.119 and Health Corporate Plan 2019-20, p.28

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
a. >90.0%	96.8%[82]	89.6%	88.0%	71.0%	96.9%
b. >90.0%	96.5%[83]	94.7%	93.0%	N/A	N/A
	Result: Met ●				

In 2019-20, a total of 186,891 older Australians were provided with comprehensive assessments for aged care services, and 242,969 older Australians were provided with home support assessments for aged care services.

The Department has worked cooperatively with state and territory governments who operate the Aged Care Assessment Teams, with a focus on improving performance. This has improved the 2019-20 target result for completion of comprehensive assessments.

The majority of jurisdictions and/or assessment organisations reported COVID-19 pandemic related disruption to assessments, with some reporting a reduction in assessment volumes as a result of self-isolation, social distancing requirements and state and territory restrictions. Flexible approaches, including telephone and teleheath assessments during the COVID-19 pandemic (reducing travel time per assessment), has contributed to improved performance against required timeframes. This enabled more clients to access appropriate support.

[82] The percentage reflects the overall national result. Information was extracted on 9 July 2020 for data as at 3 July 2020 from the Ageing and Aged Care Data Warehouse. Future extracts of the same information may differ due to the dynamic nature of the dataset.
[83] Ibid.

Percentage of surveyed users[84] who are satisfied[85] with the service provided by the:

a. My Aged Care Contact Centre.

b. My Aged Care website.[86]

Source: 2019-20 Health Portfolio Budget Statements, p.119

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
a. ≥90.0% b. ≥65.0%	93.0%[87] 47.3%	89.0% 55.0%	92.0% 56.0%	95.0% 54.0%	97.0% 59.0%
	Result: Substantially met				

Overall, satisfaction with the My Aged Care Contact Centre has increased from 2018-19.

The Department is trialling ways to provide more targeted services to better meet the needs of consumers. For example, a case coordination/linking approach to support vulnerable older Australians through their aged care journey is being trialled by the My Aged Care Contact Centre as part of the COVID-19 pandemic response. To date, satisfaction rates are higher for consumers who have been included in the trial. The drivers for these results include a greater understanding of the support available, and increased consumer confidence to manage their aged care services.

The new My Aged Care website was launched in June 2019 as part of the $61.7 million Government investment in aged care system improvements, and is a key channel for providing information about aged care services and how to access them. While consumer unfamiliarity with the new website drove reduced satisfaction ratings initially, monthly feedback indicates consumer satisfaction with the information and services provided is steadily increasing, and is continuing to trend upwards. If this upward trend is maintained, the target is expected to be met by 2020-21.

The Department is committed to continuous improvement of the website. Feedback from consumers and the sector continues to be closely monitored, informing ongoing enhancements to its information and overall functionality.

[84] 'Users' refers broadly to different types of callers to the My Aged Care Contact Centre and visitors to the My Aged Care website, including people seeking information and/or services for themselves, or others, as well as aged care service providers seeking information or system help.

[85] 'Satisfied' callers to the My Aged Care Contact Centre and visitors to the My Aged Care website are those who respond 'satisfied' or 'very satisfied' to the My Aged Care Customer Satisfaction Survey question: 'How satisfied were you overall with your experience?'.

[86] Available at: www.myagedcare.gov.au

[87] In December 2019, changes were made to the survey and methodology to better capture user satisfaction specific to My Aged Care Contact Centre services. Due to these changes, the 2019-20 results are not comparable with those of previous years.

Program 6.2:
Aged Care Services

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

In 2019-20, the Department continued to provide older Australians with support through the Commonwealth Home Support Programme (CHSP) to stay independent and live in their homes and communities for longer. The CHSP benefited clients receiving home support, and their carers, by providing services such as transport, meals, domestic assistance, personal care, nursing, allied health and respite services.

The Department concluded a two year trial of reablement[88] approaches to the assessment of clients for CHSP services in 19 selected regions across Australia, which resulted in older Australians regaining skills, confidence and independence.

In November 2019, the Prime Minister announced an additional 10,000 home care packages through the Home Care Packages Program, with 5,500 of those packages released during 2019-20. Home care packages support older Australians with complex care needs to live independently in their own homes.

The Government recognises older Australians want to live in their own home as they age. When this is no longer possible, it is important they have options to receive the care they need. As such, the Residential Aged Care Program continues to provide subsidised affordable and accessible accommodation in approved Australian Government-subsidised aged care homes.

Commonwealth Home Support Programme (CHSP) provides older people with entry-level support to stay independent and live in their homes and communities for longer.[89]

Source: 2019-20 Health Portfolio Budget Statements, p.121 and Health Corporate Plan 2019-20, p.28

2019-20 Target	2019-20 Result
Support the CHSP to deliver activities that support independence and wellness.	Home support services were provided through the CHSP across all states and territories, with a focus on wellness and reablement.
	Result: Met ●

The CHSP has a greater focus on activities supporting independence and wellness, and provides services nationally to clients with an assessed level of need. In 2019-20, over 1,400 CHSP providers delivered a range of entry-level support services to around 840,000 older Australians to continue living in their own homes and communities for longer.

As part of the CHSP funding agreement, service providers must report on their own wellness and reablement capabilities and their approach to reablement-focused service delivery. The collated results of the provider reports will be published in September 2020 in the 2019 CHSP Wellness and Reablement Report.

Preliminary outcomes from the provider reports show that 77 per cent of service providers reported their wellness and reablement approaches resulted in clients developing new skills or capabilities, a broadened outlook and/or participation in society, or increased social connections. Additionally, 72 per cent of providers reported their wellness and reablement approaches had resulted in clients regaining, or seeing an improvement in, physical or cognitive abilities.

The Department conducted an audit of 107 CHSP providers. While the preliminary 2019 CHSP Wellness and Reablement Report indicated beneficial outcomes for clients, the audit conducted by the Department identified inconsistencies in how reablement approaches are being implemented by providers. This suggests providers require further support to embed reablement-focused practices into service delivery.

[88] Reablement-based assessment involves observing the client in their home and providing advice and short term support, with follow-up after 6–12 weeks, to assist clients to be active and independent where possible.

[89] This is measured through the program evaluation and by accessing data from My Aged Care.

Support is provided to older people with complex care needs to keep them living independently in their own homes through the Home Care Packages program.

a. Number of allocated Home Care Packages.

Source: 2019-20 Health Portfolio Budget Statements, p.121 and Health Corporate Plan 2019-20, p.29

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
a. 144,900[90]	155,625[91]	125,119	99,932	91,980	N/A
	Result: Met ●				

On 25 November 2019, the Prime Minister announced the release of an additional 10,000 home care packages, 5,500 of which were released in 2019-20. These additional packages increased the target, which was set prior to the commencement of 2019-20.

In addition, unspent funds returned to the Government by Home Care Package service providers were reinvested back into providing additional packages.

The combination of the above two factors contributed to the 2019-20 result being 10,725 packages higher than the anticipated target. The increase in packages means more support was provided for older Australians to access a range of services assisting them with clinical care, visiting the doctor, social activities and personal care.

Residential care options and accommodation for older people who are unable to continue living independently in their own homes is increased.

a. Residential aged care places available as at 30 June.

Source: 2019-20 Health Portfolio Budget Statements, p.121

2019-20 Target	2019-20 Result	2018-19	2017-18	2016-17	2015-16
a. 219,000	217,145[92]	213,397	210,815	204,335	199,449
	Result: Substantially met ◖				

The result for 2019-20 is below target, which is not unexpected given occupancy rates in residential care have been declining. Due to the target being an estimate based on the previous year, and the program being demand driven, the lower than anticipated result has not had an adverse community impact and has not resulted in those requiring residential aged care being unable to access care.

[90] This figure was an estimate made prior to 2019-20 and comprises the estimated sum of people in a committed home care and an assigned home care package as at 30 June 2020.

[91] This figure comprises the sum of people in a committed home care and an assigned home care package as at 30 June 2020.

[92] The result for 2019-20 is below target. The target is an estimate based on the previous year and the result reflects that the program is demand driven. This has not had an adverse community impact and has not prevented access to care.

Program 6.3:
Aged Care Quality

The Department met all performance targets related to this program.

From 1 January 2020, the Department's approved provider and compliance regulatory functions transferred to the Aged Care Quality and Safety Commission. Prior to 1 January 2020, the Department continued to take appropriate action to receive and make decisions on applications to become approved providers, and address instances of provider non-compliance, to ensure the safety, health and wellbeing of older Australians in aged care.

The Department continued to provide support to improve the quality of life for people living with dementia, and their carers, through the Dementia Behavior Management Advisory Service (DBMAS). DBMAS helps caregivers through assessment, clinical support, care planning and mentoring, with the aim to improve quality of life for people living with dementia and their carers. Through additional support and capacity building with DBMAS, caregivers feel more confident about supporting a person with Behavioral and Psychological Symptoms of Dementia (BPSD) in line with best practice guidelines.

The safety, wellbeing, and interests of Commonwealth-subsidised care recipients is protected through regulatory activities.

Source: 2019-20 Health Portfolio Budget Statements, p.123

2019-20 Target	2019-20 Result
Identify, respond to, and take appropriate action to address approved provider non-compliance under the *Aged Care Act 1997*.	From 1 January 2020, aged care compliance functions of the Department transferred to the Aged Care Quality and Safety Commission (the Commission). Prior to 1 January 2020, the Department undertook appropriate action to address instances of non-compliance identified by the Commission and the Department. For each incidence of potential non-compliance received by the Department prior to 31 December 2019, a risk assessment was undertaken to determine the appropriate action to address non-compliance.
	Result: Met ●

In return for Government subsidy, providers of aged care are expected to meet certain responsibilities relating to the provision of care and services. These responsibilities are set out in the *Aged Care Act 1997* and the *Aged Care Quality and Safety Commission Act 2018*.

Identified non-compliance has been addressed, or actions have been undertaken, to monitor the return to compliance of the approved provider.

Prior to 1 January 2020, the Department's response to identified non-compliance was proportionate to the assessed risk to the care and safety of older Australians, and included administrative resolution by engaging with the provider to encourage voluntary compliance. Where this was not appropriate, the Department was able to take formal regulatory resolutions, such as issuing a Notice of Non-Compliance or Notice of Decision to Issue Sanctions.

Business Improvement Fund for residential aged care providers

The Business Improvement Fund (the Fund) launched on 31 January 2020, with around $50 million available in funding. This initiative provides grant funding to assist residential aged care providers in financial difficulty to undertake business improvement activities contributing to the longer-term sustainability of their operations. The Fund supports small to medium sized residential aged care providers with operational places of generally less than seven facilities, who are located in regional, rural and remote areas.

Where appropriate, the Fund will also help maintain services while a facility is transferred or sold to another provider with more capacity and capability to deliver high quality aged care services to their residents. If this is not possible, it will support the safe closure of a facility and movement of residents to alternative facilities.

Residential aged care providers deliver a valuable service in local communities, particularly in regional, rural and remote areas where they not only care for community members as they age, but can often be the largest employer in the local area. By supporting providers to undertake business improvements, the Fund is helping to ensure older Australians continue to have access to quality care, as well as supporting local communities, keeping jobs, and allowing residents to remain close to their family and friends.

Key improvements supported through the Fund include:

- professional assistance for governance and management education and training;
- updating IT, finance and payroll systems;
- supporting staff training, recruitment and workforce reviews;
- minor capital works, such as upgrading kitchens; and
- installation of efficient solar panels.

Over 80 applications for funding have been received since the program opened. The Fund will remain open until 30 April 2021, or until funds have been exhausted.

The confidence of aged care providers in managing behavioural and psychological symptoms of dementia is increased. Source: 2019-20 Health Portfolio Budget Statements, p.123	
2019-20 Target	**2019-20 Result**
At least 75% of sampled care givers[93] report an improvement in confidence when managing Behavioural and Psychological Symptoms of Dementia (BPSD), following an intervention from the Dementia Behaviour Management Advisory Services (DBMAS).	92% of care givers surveyed reported an improvement in confidence when managing BPSD following an intervention from the DBMAS. **Result: Met**

DBMAS provides nationally coordinated, locally based support and advice to aged, primary and acute care providers, and individuals caring for people living with dementia where BPSD are impacting on their care and quality of life. Providers and carers across Australia, including rural and remote areas, are provided flexibility to choose whether services are delivered face to face or via video conference.

As well as improving confidence and skills for care providers where BPSD are affecting a person's care, the service provider, Dementia Support Australia, has developed a national database to inform research on the triggers of BPSD and the effectiveness of psychosocial interventions. This data informs knowledge gaps in the aged, acute and primary care sectors. It is also showing that a small percentage of people with BPSD require a more secure and intensive form of care.

The success of the program is measured through key performance indicator data collected as part of regular reporting. The results show care providers who use this service become more skilled and confident in caring for people living with dementia.

[93] Sampled caregivers include family carers, acute care staff and aged care staff/providers.

Outcome 6 - Expenses and Resources

	Budget Estimate[1] 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Program 6.1: Access and Information			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	238,057	235,264	(2,793)
Departmental expenses			
Departmental appropriation[2]	93,485	71,632	(21,853)
Expenses not requiring appropriation in the budget year[3]	5,755	12,082	6,327
Total for Program 6.1	**337,297**	**318,978**	**(18,319)**
Program 6.2: Aged Care Services[4]			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)[5]	3,264,714	3,170,273	(94,441)
Zero Real Interest Loans			
- appropriation	22,586	7,401	(15,185)
- expense adjustment[6]	(15,128)	498	15,626
Special appropriations			
Aged Care Act 1997 - flexible care	538,769	515,744	(23,025)
Aged Care Act 1997 - residential and home care	15,919,283	16,007,428	88,145
National Health Act 1953 - continence aids payments	79,912	88,038	8,126
Aged Care Act 2006 - Accomodation Payment Security	55,100	57,228	2,128
Departmental expenses			
Departmental appropriation[2]	37,391	52,041	14,650
Expenses not requiring appropriation in the budget year[3]	5,492	9,079	3,587
Total for Program 6.2	**19,908,119**	**19,907,730**	**(389)**
Program 6.3: Aged Care Quality			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	190,982	146,715	(44,267)
Departmental expenses			
Departmental appropriation[2]	53,322	48,574	(4,748)
Expenses not requiring appropriation in the budget year[3]	3,794	5,789	1,995
Total for Program 6.3	**248,098**	**201,078**	**(47,020)**

Outcome 6 - Expenses and Resources (continued)

	Budget Estimate[1] 2019-20 $'000 (A)	Actual 2019-20 $'000 (B)	Variation $'000 (B) - (A)
Outcome 6 totals by appropriation type			
Administered expenses			
Ordinary annual services (*Appropriation Act No. 1*)	3,716,339	3,559,653	(156,686)
- expense adjustment[6]	(15,128)	498	15,626
Special appropriations	16,593,064	16,668,438	75,374
Departmental expenses			
Departmental appropriation[2]	184,198	172,247	(11,951)
Expenses not requiring appropriation in the budget year[3]	15,041	26,950	11,909
Total expenses for Outcome 6	**20,493,514**	**20,427,786**	**(65,728)**
Average staffing level (number)	**682**	**670**	**(12)**

1 Budget re-stated to reflect changes in the Departmental structure due to Machinery of Government arrangements and transfer of systems from the Department of Social Services.

2 Departmental appropriation combines 'Ordinary annual services (Appropriation Act 1)' and 'Revenue from independent sources (s74)'.

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

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

5 'Ordinary annual services (Appropriation Act No. 1)' against program 6.2 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

6 Payments under the Zero Real Interest Loans program are a loan to aged care providers and not accounted for as an expense. The concessional loan discount is the expense and represents the difference between an estimate of the market rate of interest, and that recovered under the loan agreement, over the life of the loan. This adjustment recognises the difference between the appropriation and the concessional loan discount expense.

Part 2.2:
Entity Resource Statement 2019-20

		Actual available appropriation for 2019-20 $'000 (A)	Payments made 2019-20 $'000 (B)	Balance remaining 2019-20 $'000 (A) - (B)
Ordinary Annual Services[1]				
Departmental appropriation				
Prior year Departmental appropriation		48,223	48,223	-
Departmental appropriation		702,846	657,563	45,283
Departmental capital budget[2]		15,377	12,552	2,825
Receipts retained under PGPA Act – section 74		129,092	129,092	-
Total		**895,538**	**847,430**	**48,108**
Administered expenses				
Outcome 1		105,460	100,011	
Outcome 2		4,694,863	4,546,284	
Outcome 3		96,969	65,728	
Outcome 4		1,597,514	1,506,351	
Outcome 5		207,070	172,567	
Outcome 6		4,062,477	3,440,074	
Receipts retained under PGPA Act – section 74		113		
Payments to Corporate Commonwealth Entities		619,257	619,043	
Total		**11,383,723**	**10,450,058**	
Total ordinary annual services	**A**	**12,279,261**	**11,297,488**	
Other services[3]				
Departmental non-operating				
Prior year Departmental appropriation		14,719	9,346	5,373
Equity injections		53,741	29,242	24,499
Total		**68,460**	**38,588**	**29,872**
Administered non-operating				
Prior year administered appropriation		183,473	27,914	
Administered Assets and Liabilities		2,728,892	2,105,085	
Payments to Corporate Commonwealth Entities		22,275	22,275	
Total		**2,934,640**	**2,155,274**	
Total other services	**B**	**3,003,100**	**2,193,862**	
Total available annual appropriations and payments		**15,282,361**	**13,491,350**	

		Actual available appropriation for 2019-20 $'000 (A)	Payments made 2019-20 $'000 (B)	Balance remaining 2019-20 $'000 (A) - (B)
Special appropriations				
Special appropriations limited by criteria/entitlement				
Aged Care (Accommodation Payment Security) Act 2006			57,228	
Aged Care Act 1997			16,579,782	
Health Insurance Act 1973			18,937	
National Health Act 1953			1,596,311	
Medical Indemnity Act 2002			94,443	
Private Health Insurance Act 2007			6,053,667	
Dental Benefits Act 2008			282,934	
Public Governance, Performance and Accountability Act 2013 – section 77			1,972	
Total special appropriations	**C**		**24,685,274**	
Special Accounts[4]				
Opening balance		858,902		
Appropriation receipts[5]		24,076		
Appropriation receipts – other entities[6]		38,353,758		
Non-appropriation receipts to Special Accounts		177,941		
Payments made			37,786,641	
Total Special Account	**D**	**39,414,677**	**37,786,641**	**1,628,036**
Total resourcing and payments[7]	**A+B+C+D**	**54,697,038**	**75,963,265**	
Less appropriations drawn from annual or special appropriations above and credit to special accounts		24,076		
and Corporate Entities		641,532	641,318	
Total net resourcing and payments for the Department of Health		**54,031,430**	**75,321,947**	

Budget refers to estimated actual expenses for 2019-20 as disclosed in the *2020-21 Health Portfolio Budget Statements*.

1 *Supply Act (No.1) 2019-20, Appropriation Act (No.1) 2019-20, Appropriation Act (No.3) 2019-20* and *Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020*. This also includes prior year Departmental appropriation and section 74 retained revenue receipts.

2 For accounting purposes this amount has been designated as 'contributions by owners'.

3 *Supply Act (No.2) 2019-20, Appropriation Act (No.2) 2019-20, Appropriation Act (No.4) 2019-20,* Appropriation (Coronavirus Economic Response Package) Act (No. 2) 2019-2020 and *Advance to the Finance Minister*.

4 Does not include 'Relevant Money' held in Services for Other Entities and Trust Moneys special account (SOETM).

5 Appropriation receipts from the Department of Health's annual appropriations 2019-20 included above.

6 Appropriation receipts from other entities credited to the Department of Health's special accounts.

7 Total resourcing excludes the actual available appropriation for all Special Appropriations.

Part 3:
Management & Accountability

Part 3.1: Corporate Governance

The Department's senior governance committees are integral to ensuring the Government's priorities and intended outcomes are delivered in an efficient and effective way. In early 2019, the Department reviewed its governance arrangements. The Investment and Implementation Board was established and the Program Assurance Committee was reset to ensure both were fit for purpose and structured appropriately to achieve their mandate. The Audit and Risk Committee, supported by the Policy and Evidence Committee and the Security and Workforce Integrity Assurance Committee, worked collaboratively to provide advice and assurance to the Secretary and Executive Board on organisational performance, delivery of administered programs and strategic portfolio issues.

In response to the COVID-19 pandemic, the Department introduced temporary and robust governance and assurance arrangements, adapting to the significant change of pace and the shift to remote working. The Department's existing senior governance committees reduced meeting frequency, addressing business through submission and review of papers. The Department established an interim COVID-19 Working Group, co-chaired by two Deputy Secretaries, to ensure that efforts were directed to areas of highest priority. The COVID-19 Working Group oversaw formation and delivery of COVID-19 pandemic measures, including implementation and support across the Department, governance arrangements, key risks and issues, reporting and financials. The Department also introduced live assurance activities, assessing areas of risk based on the Australian National Audit Office's best practice guidance on supporting rapid implementation of measures.

These time-limited initiatives were integral to the Department's successful delivery of the COVID-19 pandemic health response package. They provided agile arrangements, responsive to the rapidly changing environment, which ensured risks were managed and the Department was focused on delivering priorities efficiently and effectively. The Department has leveraged the experience to make further improvements to business as usual governance arrangements, which recommenced in June 2020 following formal cessation of the COVID-19 Working Group.

In May 2020, the Chief Operating Officer's Assurance Working Group presented the Department's COVID-19 governance and assurance approach to the Chief Operating Officers Committee, and was subsequently presented to the Australian Taxation Office by its Executive as an example of best practice.

Senior governance committees

The senior governance committees provide advice and make recommendations to the Executive on:

- organisational performance;
- delivery of Administered Programs;
- implementation of the Department's highest risk change projects; and
- strategic portfolio policy issues to improve performance of the health and aged care systems.

Figure 3.1.1: Senior governance committee structure

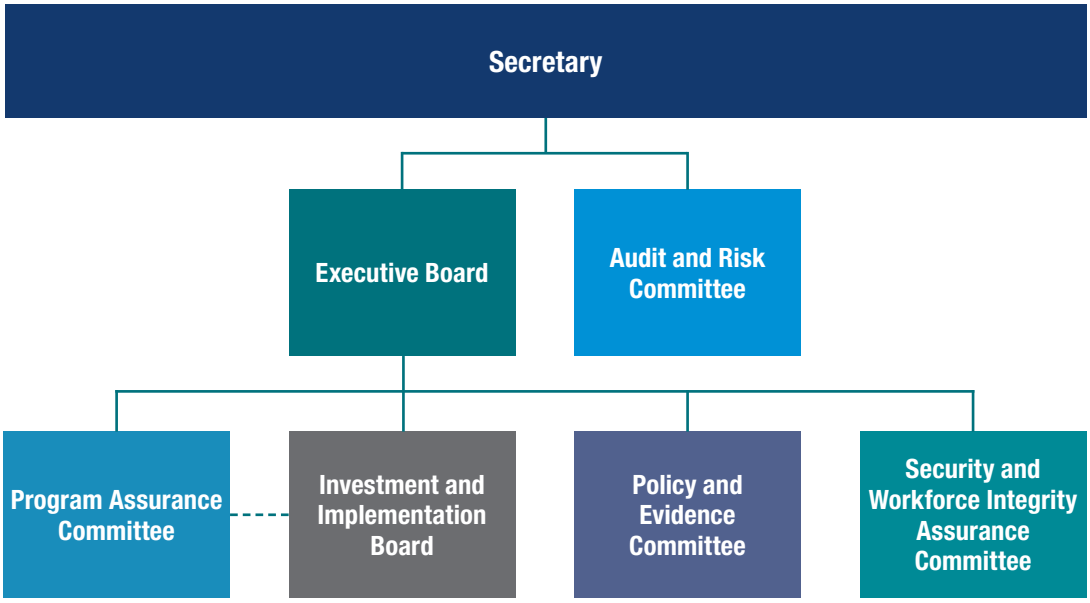


Table 3.1.1: Senior governance committees

Committee	Role
Executive Board	The Executive Board drives the leadership, culture and performance of the Department, and provides stewardship through: • effective decision-making and governance; • setting the strategic direction and ensuring achievement of high quality outcomes; • shaping organisational culture and developing capability; and • monitoring and addressing Departmental performance and risks. Membership comprises the Secretary and all Deputy Secretaries.
Audit and Risk Committee	The Audit and Risk Committee provides independent advice and assurance to the Secretary on the appropriateness of the Department's: • financial reporting; • performance reporting; • system of risk oversight and management; and • system of internal control. The composition of the Committee changed over the 2019-20 financial year. At 30 June 2020, the Committee comprised an independent chair, an independent member, and a senior executive member chosen from within the Department.
Program Assurance Committee (PAC)	The PAC drives excellence in program delivery across all Departmental programs, which are mapped in the approved Outcome and Program structure reflected in the Portfolio Budget Statements. It considers both the ongoing delivery of programs and the implementation of new programs and measures. PAC is an advisory body reporting to the Executive Board, and provides: • **A strategic view** – looking across the whole department, the portfolio and beyond – of the management arrangements, accountability measures and performance results for all programs, including the alignment of resources, capabilities and senior focus relative to risk, Government priorities and achievement of intended outcomes. • **Guidance to assist business areas** to continuously improve program design and delivery, without disturbing responsibilities and accountabilities, which rest with relevant senior responsible officers. • **Assurance to the Secretary** and Executive Board on the effectiveness of program management. This is undertaken through a risk-based approach to ensure the sub-programs with the highest risks considered by assessment provide an update to PAC. Membership comprises senior executives selected for their expertise and/or current role in the Department. The Committee moved to an interim governance model during March–May 2020 to account for impacts on the Department's operations of responding to the COVID-19 pandemic.

Committee	Role
Investment and Implementation Board	The Investment and Implementation Board provides oversight, advice and assurance to the Executive Board on: • effective management and ongoing viability of the Department's high-risk change projects; • assessment of performance impacts and delivery related to the Department's COVID-19 pandemic response; • strengthening and maturing project capability and independent project assurance; and • investments relating to the use of Departmental capital and non-capital budgets. Membership comprises senior executives selected for their expertise and/or current role in the Department. This committee moved to an interim governance model during March–May 2020 to account for impacts on the Department's operations of responding to the COVID-19 pandemic.
Policy and Evidence Committee	The Policy and Evidence Committee provides advice to the Department's Executive Board on strategic portfolio policy issues, including consideration of policy issues contributing to improved performance of the health and aged care systems, and emerging priorities. Areas discussed include care models to meet the needs of the elderly and frail, and the impact of population changes on the health system. This Committee also champions the Department's data, evidence and evaluation functions to contribute to evidence-based policy development and implementation. Membership comprises senior executives selected for their expertise and/or current role in the Department.
Security and Workforce Integrity Assurance Committee	The Security and Workforce Integrity Assurance Committee supports the Secretary and Executive in the provision of a cohesive and coordinated approach to security and workforce integrity risk. The Committee supports the Executive to: • set priorities to deliver the Government's Protective Security and Policy Framework Reforms; • monitor the effectiveness of controls (policy and process) associated with the Department's Professional Integrity and Security Framework; and • provide assurance against security and integrity initiatives for the Department's corporate operating environment. Membership comprises Senior Executives and Executive Level officers managing key functions relevant to security and workforce integrity.

Audit and Risk Committee Membership

The composition of the Audit and Risk Committee changed in 2019-20. At 30 June 2020, the Committee comprised an independent chair, an independent member, and a senior executive member chosen from within the Department. The Committee met five times in 2019-20.

The Audit and Risk Committee Charter is available at: www.health.gov.au/audit-risk-committee-charter

The Financial Statements Sub-Committee is chaired by the independent member, Nick Baker.

During 2019-20, the Audit and Risk Committee comprised the following membership:

Jenny Morison – Independent External Chair

Jenny Morison is a Fellow of the Chartered Accountants of Australia and New Zealand, with over 37 years of broad experience in accounting and commerce, including audit, taxation, management consulting, corporate advisory and consulting to government. Jenny has held numerous board positions, and has extensive experience as an independent member and chair of audit committees in the Australian Government. Her experience encompasses both large departments and smaller entities.

Since 1996, Jenny has run her own business, providing strategic financial management, governance and risk advice within the government sector. Jenny has a Bachelor of Economics and is a Fellow of the Institute of Managers and Leaders.

Jenny attended all Committee meetings during 2019-20.

Remuneration: $70,000 (ex GST) per annum.

Dr Lisa Studdert – Deputy Chair

During 2019-20, Dr Lisa Studdert was the Deputy Secretary for the Population Health, Sport, Cancer and Health Workforce Group.

Lisa joined the Department in June 2013 as a First Assistant Secretary in the Therapeutic Goods Administration, and went on to lead the Population Health and Sport Division. Lisa worked in the office of Minister Greg Hunt, and before that, as Chief of Staff to former Health Minister, Sussan Ley.

In 2011, Lisa was a member of the senior leadership team at the Australian National Preventive Health Agency, and has a background working in population and preventive health policy and programs in Australia and internationally.

Lisa is a PhD graduate of Cornell University.

Lisa attended all Committee meetings during 2019-20.

Remuneration: Nil. Lisa was a member of the Department's Senior Executive Service (SES) during 2019-20.

Steve Peddle – Independent Committee Member (August 2015 – August 2019)

Steve Peddle commenced as an independent Committee member in August 2015. Steve has more than 20 years of senior management experience as a Chief Information Officer, Chief Technology Officer and General Manager, covering information and communication technology service delivery and senior general management.

Steve has experience in private, government and defence industries in the areas of computer design and engineering, applications development, strategic planning, outsourcing contract management, housing management services, digital broadcast video services, network security, and operations service delivery. Steve is the Chief Information Officer for the Australian Maritime Safety Authority.

Steve attended the August 2019 Committee meeting.

Remuneration: Nil. Steve is employed by a Commonwealth Statutory Authority.

Nick Baker – Independent Committee Member

Nick Baker is a Fellow of Certified Practicing Accountant Australia, a member of the Australian Computer Society, and was a senior Partner at KPMG Australia (1995–2015) prior to his retirement.

Nick's career has spanned 40 years and encompassed a broad range of areas, including public sector accounting, financial management, information technology and general management consulting. Nick has particular expertise in public sector financial management reform, policy/program design, information technology, security and control.

Nick has held a number of Board Chair positions in not-for-profit organisations and has audit committee experience in the public sector with entities such as the Australian Competition and Consumer Commission, Department of Human Services (now Services Australia), Department of Social Services (Chair) and the National Disability Insurance Scheme Quality and Safeguards Commission (Chair).

Nick holds dual tertiary level qualifications in Professional Accounting and Computing, and a Certificate IV in Commonwealth Fraud Control (Investigations).

Nick attended all committee meetings during 2019-20.

Remuneration: $34,500 (ex GST) per annum.

David Hallinan – Committee Member (January 2018 – March 2020)

David worked in the Department for over 10 years in Primary Care, Medicare Benefits, Population Health, and Portfolio Review functions. In 2011, David moved to the Department of Finance, working in policy advisory roles across a wide range of portfolios before returning to the Department in 2016 to take on the role of First Assistant Secretary, Health Workforce Division. In 2019, he commenced as acting Deputy Secretary, Ageing and Aged Care Group.

David attended the August 2019 and December 2019 committee meetings.

Remuneration: Nil. David was a member of the Department's SES during 2019-20.

Organisational planning

The Department's corporate governance agenda is guided by the Corporate Plan. In 2019-20, the Department continued to strengthen oversight of program performance through implementing changes to align with the enhanced Commonwealth Performance Framework. Planning and risk processes are undertaken on an annual basis and are closely aligned to ensure each area's priorities are delivered consistently with our vision and objectives.

Our purpose

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

Corporate Plan[94]

The Corporate Plan is the primary strategic planning document for the Department and is a core element of the Department's performance and accountability framework.

It sets out the Department's priorities and key activities for the next four years, including examples of how our performance will be measured in delivering a modern, sustainable health system for all Australians. The Corporate Plan also includes discussion on the Department's operating environment, capability improvement agenda, approach to managing risk, and information on our partners and their cooperation in helping us achieve our purpose and Outcomes.

The Corporate Plan has been prepared to meet requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

Risk management

The Department's Risk Management Framework supports the Secretary to meet the duties under section 16 of the PGPA Act, and complies with the Commonwealth Risk Management Policy. The Department continued to strengthen and encourage a positive risk culture during 2019-20.

The Risk Management Framework includes an assessment methodology, assessment criteria, grading scheme and a matrix to report risk maturity at the Divisional level. This assessment is conducted annually as part of the Department's business planning processes.

In 2019, the Department maintained its 'Integrated' level of maturity against the annual Comcover Risk Management Benchmarking Survey. The survey is undertaken biannually, and is next due in 2021.

Fraud minimisation and control

The Department has zero tolerance for fraud and is committed to preventing fraud against the Department, its programs and operations.

The Department's Fraud Control Framework (the Framework) aligns with the Commonwealth Fraud Control Framework. It includes a fraud control plan informed by assessments of fraud risk, and complies with section 10 of the PGPA Rule (fraud systems).

The Framework meets business needs and establishes mechanisms for the prevention, detection, monitoring, evaluation and reporting of fraud matters for the Department.

Criminal investigations were conducted in accordance with the Australian Government Investigation Standards.

[94] Available at: www.health.gov.au/corporateplan

In 2019-20, all matters from Provider Benefits Integrity heard in the courts for finalisation were successful prosecutions. In total, five Provider Benefits Integrity matters were finalised before the courts, where serious non-compliance by health professionals was found against Commonwealth health programs. These matters were all in relation to the Medicare Benefits Scheme. Sentences ranged from good behaviour bonds through to terms of imprisonment of up to four years. Three cases involved practice managers, one case a psychologist, and one case a medical practitioner.

One further matter of dishonestly causing a loss, involving a Departmental contractor, was finalised during the period. This also resulted in a conviction.

Assurance and audit activities

The Department undertook audit and assurance activities to promote and support effective corporate governance.

Internal audits completed during 2019-20 supported compliance, and provided assurance in relation to the Department's key delivery objectives and the effectiveness of its control frameworks.

During 2019-20, the Department completed four audits from the 2018-19 Internal Audit Work Program, and 12 audits from the 2019-20 Internal Audit Work Program. One audit from the 2019-20 program was nearing completion as at 30 June 2020 and will be finalised in 2020-21. In response to the COVID-19 pandemic, a comprehensive program of real time assurance advice and guidance was provided across the Department. While still maintaining business as usual audit activity, significant additional efforts were directed toward a series of risk snapshots and deep dives covering key streams of the Department's COVID-19 pandemic response. This live assurance program assessed risks based on Australian National Audit Office (ANAO) best practice guidance to support rapidly implemented measures. Checklists and self-assessments were applied to identify control gaps and mitigate potential risks. This work was supported through further analysis by the Department's internal audit providers to ensure corrective actions were applied during implementation, in line with effective and efficient delivery.

Compliance reporting

The Department recorded no significant breaches of finance law during 2019-20.

The Department maintains a risk-based approach to compliance, with a combination of self-reporting and focused review. The Audit and Risk Committee review and endorse application of, and adjustments to, this methodology, with instances of non-compliance reported to the Committee. The Department minimises non-compliance through training and publication of legislation and rules, delegation schedules and Accountable Authority Instructions, which are available to staff to inform decision-making.

Certification of departmental fraud control arrangements

I, Dr Brendan Murphy, certify that the Department has:

- prepared fraud risk assessments and fraud control plans;
- in place appropriate fraud prevention, detection, investigation, and reporting mechanisms that meet the specific needs of the Department; and
- taken all reasonable measures to appropriately deal with fraud relating to the Department.

Dr Brendan Murphy
November 2020

Part 3.2: Executive

(as at 30 June 2020[95])

Caroline Edwards

Acting Secretary

Caroline Edwards was recalled from the Department of the Prime Minister and Cabinet, where she was Deputy Secretary for Social Policy, in response to the COVID-19 pandemic. She has acted as Secretary, Department of Health, from 24 February 2020. As announced on 28 May 2020, Caroline commences as the Associate Secretary, Department of Health, on 10 August 2020.

Caroline was previously Deputy Secretary of Health Systems Policy and Primary Care Group from 2017 to 2019. In this role, she was responsible for primary care and mental health, health economics and research, Aboriginal and Torres Strait Islander health, whole of portfolio strategic policy and long term health reform.

Before joining the Department in 2017, Caroline held a range of senior Australian Public Service strategic social policy roles, including Deputy Secretary at the then Department of Human Services, and Chief Advisor in the International Tax Division at the Treasury. She also spent 10 years in the Northern Territory, where she worked for Aboriginal Legal Aid, as a Judicial Registrar in the Northern Territory Magistrates Court and in the Federal Court, where she mediated and case-managed Native Title and other cases as judge's delegate.

Caroline holds a Bachelor of Laws with first class Honours from Monash University.

Professor Brendan Murphy

Chief Medical Officer

As the Australian Government Chief Medical Officer (CMO), Professor Brendan Murphy is the senior adviser to the Minister and the Department of Health on medical issues. He is also directly responsible for the Department's Office of Health Protection. In addition to the many committees he chairs, co-chairs and participates in, he represents Australia at the World Health Assembly.

Prior to his appointment as CMO in October 2016, Brendan was the Chief Executive Officer of Austin Health in Victoria.

A nephrologist (kidney specialist) by profession, Brendan is a former president of the Australian and New Zealand Society of Nephrology. He was CMO and director of nephrology at St Vincent's Health, and was a board member of Health Workforce Australia, the Florey Institute of Neuroscience and Mental Health, the Olivia Newton-John Cancer Research Institute, and the Victorian Comprehensive Cancer Centre.

He is a Professorial Associate with the title of Professor at the University of Melbourne, and Adjunct Professor at Monash University. He is a member of the Australian Institute of Company Directors and a Fellow of both the Australian Academy of Health and Medical Sciences and the Royal Australian College of Physicians.

Brendan was appointed Secretary of Health, with effect from 29 February 2020. However, in response to the COVID-19 pandemic, he remained in his role as CMO, to commence his Secretary appointment on 13 July 2020.

[95] To view the most up to date Executive biographies, visit: www.health.gov.au/about-us/who-we-are/leadership

Dr Margot McCarthy

Special Adviser

Margot McCarthy joined the Department of Health in November 2015 as Deputy Secretary of the Ageing and Aged Care Group (responsibility for the Ageing and Aged Care portfolio transferred to the Department of Health from the Department of Social Services following a Machinery of Government decision in September 2015).

Margot has previously held senior positions in the Departments of the Prime Minister and Cabinet (PM&C) and Defence. In particular, she spent 18 years working in national security, including anti-terrorism and disaster relief.

Margot is a graduate of Oxford University (D.Phil. in English Literature) and the London School of Economics and Political Science (MSc in Management). She completed her undergraduate studies at the University of New England in Armidale, Australia.

Charles Wann

Acting Chief Operating Officer

Charles Wann was appointed as Acting Chief Operating Officer in February 2020.

Charles joined the Department of Health in 2016, initially as Chief Budget Officer. In July 2017, he became First Assistant Secretary of the Financial Management Division. In April 2019, he moved to the Aged Care Reform and Compliance Division, where he and his team implemented reforms to aged care quality and safety, workforce and the transition of compliance functions to the Aged Care Quality and Safety Commission.

Before joining the Department, Charles worked as Chief of Staff to the Minister for Social Services, and Senior Budget Advisor to the Treasurer.

Previously, he worked in diverse roles for the Department of Immigration and Border Protection and the Department of Home Affairs in policy, program management and client and corporate services in Australia and overseas.

He led teams responsible for introducing risk-based approaches to visa compliance and status resolution, and providing health, income and employment support to asylum seekers living in the community.

Charles holds a Bachelor of Arts (Hons) from the Australian National University, specialising in Classics.

Adjunct Professor John Skerritt

Deputy Secretary, Health Products Regulation

Adjunct Professor John Skerritt joined the Department in 2012.

He was formerly a Deputy Secretary in the Victorian Government, Deputy CEO of a statutory authority in the Foreign Affairs portfolio, and has extensive experience in medical, agricultural and environmental policy, regulation, research management, technology application and commercialisation.

He also held senior management positions in the Commonwealth Scientific and Industrial Research Organisation and Cooperative Research Centres.

He has served on the boards of many national and international organisations, and has more than 25 years' experience in negotiating and leading international technical and commercial collaborations. He is currently Vice-Chair of the International Coalition of Medicines Regulatory Authorities, and Chair of the Scientific Advisory Council of the independent, London-based Centre for Innovation in Regulatory Science.

John is an Adjunct Full Professor of the Universities of Sydney, Queensland and Canberra, and a Fellow of the Academy of Technological Sciences and Engineering and the Institute of Public Administration of Australia.

He is a graduate of the Senior Executive Programs of London Business School and of IMD Business School, Switzerland. He holds a first class honors degree in Science and a University Medal and PhD from the University of Sydney.

Penny Shakespeare

Deputy Secretary, Health Financing

Penny Shakespeare joined the Department in 2006.

Before being appointed as Deputy Secretary in September 2018, she held a number of senior roles, including First Assistant Secretary of the Technology Assessment and Access Division, Pharmaceutical Benefits Division and Health Workforce Division. Prior to this, Penny worked in senior executive roles responsible for private health insurance and Medicare policy.

Earlier in her career, Penny was an industrial relations lawyer. She worked in the Department of Employment and Workplace Relations as a lawyer and in regulatory policy roles, including as head of the Australian Capital Territory's Office of Industrial Relations. She was a member of the Workplace Relations Ministers Advisory Council and the National Occupational Health and Safety Commission.

Penny has a Bachelor of Laws, a Masters degree in International Law and is admitted as a Barrister and Solicitor. She currently represents the Commonwealth on the board of the National Blood Authority.

Tania Rishniw

Deputy Secretary, Health Systems Policy and Primary Care

Tania Rishniw was acting Deputy Secretary until May 2020, when she was appointed to the position. Previously, she was First Assistant Secretary of the Portfolio Strategies Division.

Tania joined the Department of Health in 2015 after more than 15 years as a leader in the Australian Public Service, working in social, environmental and economic policy. She has held senior positions in the Department of Prime Minister and Cabinet, Department of Finance, Department of Education and Employment, and Department of Environment.

She has led policy reform in environmental and financial regulation, long term health strategy, Indigenous employment and education, primary care, and service delivery. Tania led the response to the Montara oil spill, has represented the Australian Government at the United Nations, and led the negotiation of the National Health Reform Agreement.

She has a Bachelor of Laws (honours) and a Bachelor of Arts in Psychology, as well as holding an Executive Master's Degree in Public Administration.

Michael Lye

Deputy Secretary, Ageing and Aged Care

Michael Lye jointed the Department of Health in December 2019 as Deputy Secretary responsible for Ageing and Aged Care.

Prior to joining the Department, Michael was a Deputy Secretary at the Department of Social Services, where his responsibilities included disability and carers policy and programs, the National Disability Strategy, the National Disability Insurance Scheme and Disability Employment Services. Prior to this, Michael held the position of Chief Operating Officer at the Department of Social Services.

Michael has a Bachelor of Arts, double majoring in psychology and law and industrial relations, and a Masters of Social Welfare Administration and Planning, both of which are from the University of Queensland.

Sharon Appleyard

Acting Deputy Secretary, Population Health, Sport, Cancer and Health Worforce

Before being appointed as acting Deputy Secretary, Sharon was First Assistant Secretary of the Population Health and Sport Division from November 2019. From January 2016 to May 2019, Sharon was First Assistant Secretary of the Office of Health Protection.

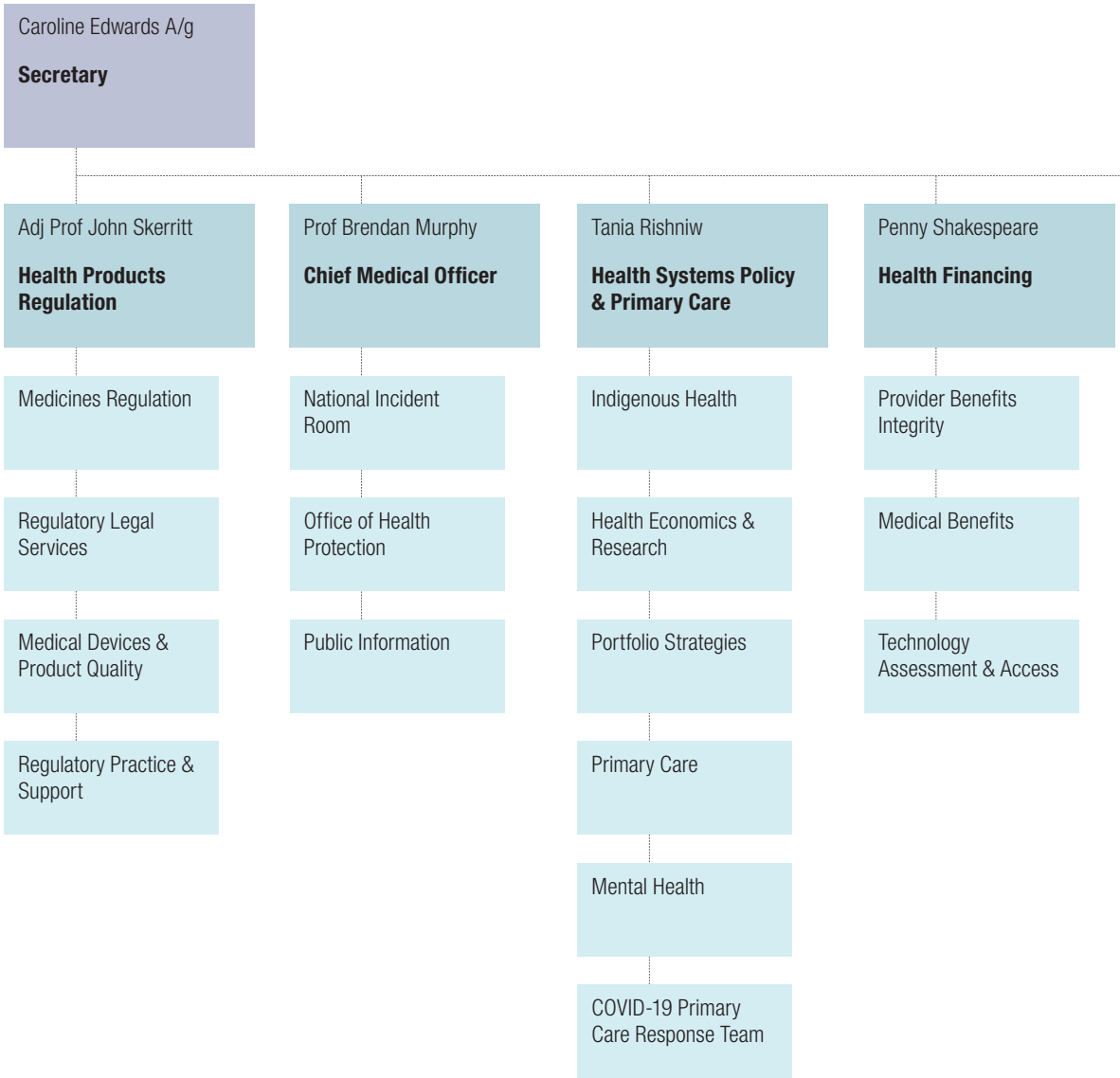
Sharon joined the Department of Health in 2001 and was promoted to the Senior Executive Service in 2005. She has led outcomes across a range of policy areas, including national health reform, health protection and public health, primary health care, rural health service delivery and workforce, cancer control and palliative care, and tobacco control, where she led the implementation of Australia's world first tobacco plain packaging legislation.

Prior to joining the Australian Public Service, Sharon was an officer in the Royal Australian Navy, retiring in 1998 after nearly 19 years of service.

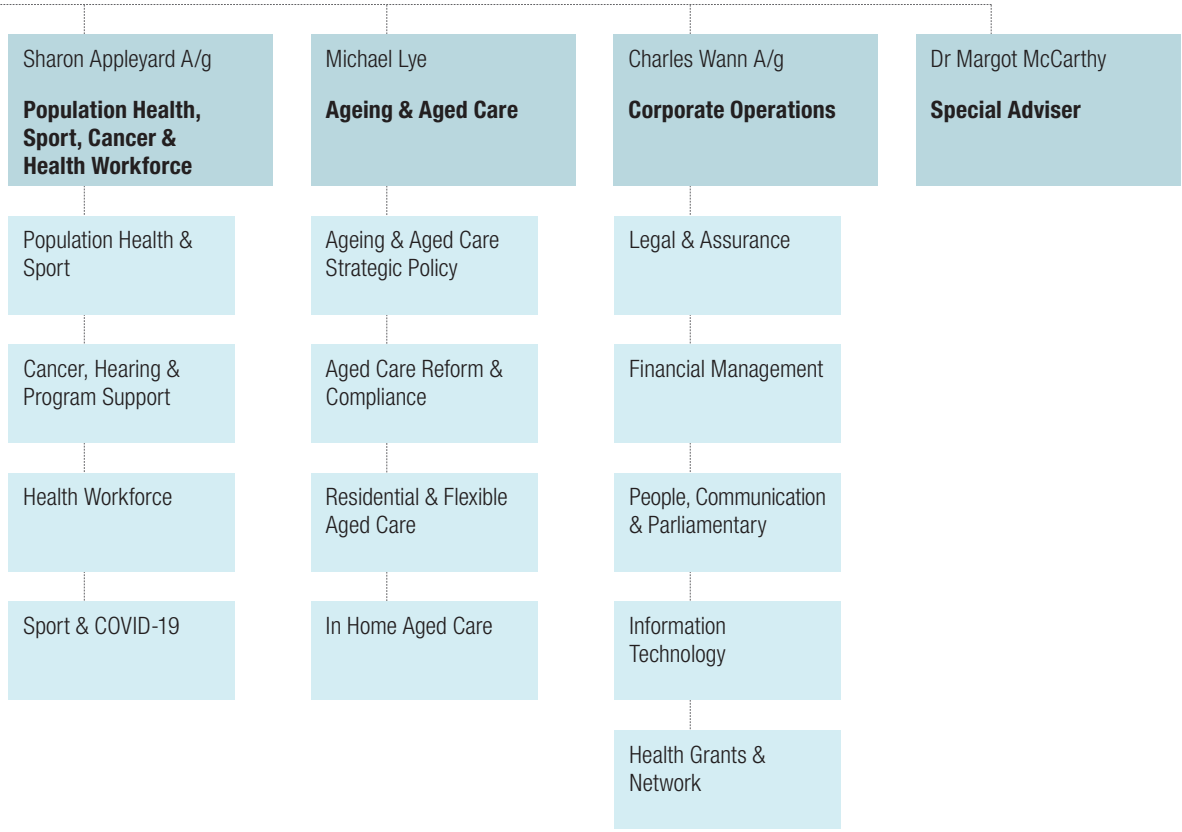
Sharon has a Bachelor of Arts (majoring in Social Anthropology and International Relations), a Graduate Certificate in Business Administration and an Executive Masters in Public Administration. She is a graduate of the Australian Institute of Company Directors and an external member of the Australian Radiation Protection and Nuclear Safety Authority's Strategic Management Committee.

Part 3.3: Structure Chart

(as at 30 June 2020[96])



[96] To view the most recent Departmental Structure Chart, visit: www.health.gov.au/about-us/who-we-are/organisational-chart



Statutory Office Holders

Aged Care Quality & Safety Commissioner	Aged Care Pricing Commissioner	National Rural Health Commissioner
Office of the Gene Technology Regulator	Office of Chemical Safety	National Sports Tribunal

Part 3.4: People

During 2019-20, the Department and our people have faced a challenging year and continue working as a high performing organisation, with a positive culture based on collaboration, innovation, respect and staff engagement. Our performance and culture has been measured through our internal Pulse Surveys, key human resource measures and diversity benchmarks. This year, our survey included questions to help us understand how we can deliver a safe and productive experience for staff during the COVID-19 pandemic, and enable them to do their best work safely through each stage of the COVID-19 pandemic response.

Organisational performance

Measures of leadership and culture

In light of the COVID-19 pandemic and its impact on the Australian Public Service (APS), the Australian Public Service Commission (APSC) delayed the APS Staff Survey from its normal May/June delivery timeframe until October 2020. In its place, the Department conducted a Pulse Survey, which included questions about engagement, leadership and culture, and a new component to measure how staff are handling remote working arrangements.

The survey was conducted from 3–17 June 2020, with 87 per cent of the Department's staff participating (an increase from 80 per cent in the November 2019 survey).

Overall, the results for engagement, leadership and culture remained positive, with improvements across the majority of questions. Staff reported an increased satisfaction with their managers communicating clearly when managing change, and a culture of learning from mistakes.

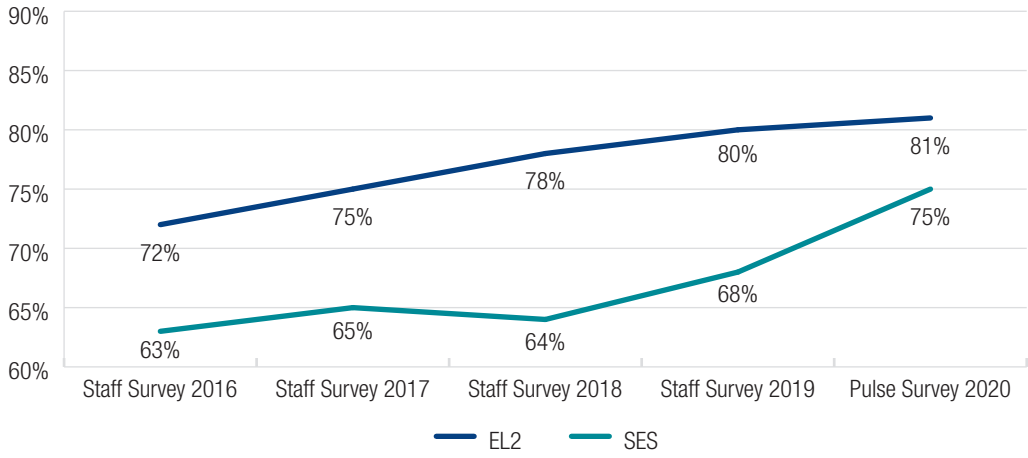
The perception of Senior Executive Service (SES) and Executive Level 2 (EL2) leadership continues to improve. The EL2 cohort maintains the highest leadership satisfaction scores (refer Figure 3.4.1).

The Department's experience of working from home has been positive, with 90 per cent of staff reporting a good or excellent experience of remote working arrangements. The vast majority of managers reported their staff were just as productive, or more productive, working remotely compared to in the office. At the same time, 53 per cent of staff reported their workload had increased or significantly increased during the COVID-19 pandemic.

Over the coming year, the Department will focus on continuing to invest in IT collaboration tools, further improving the ability of staff to work together regardless of location.

The collection of employee data is critical to support the Department in continuing to drive improvements in performance and culture.

Figure 3.4.1: SES and EL2 leadership perception over time



Workforce composition

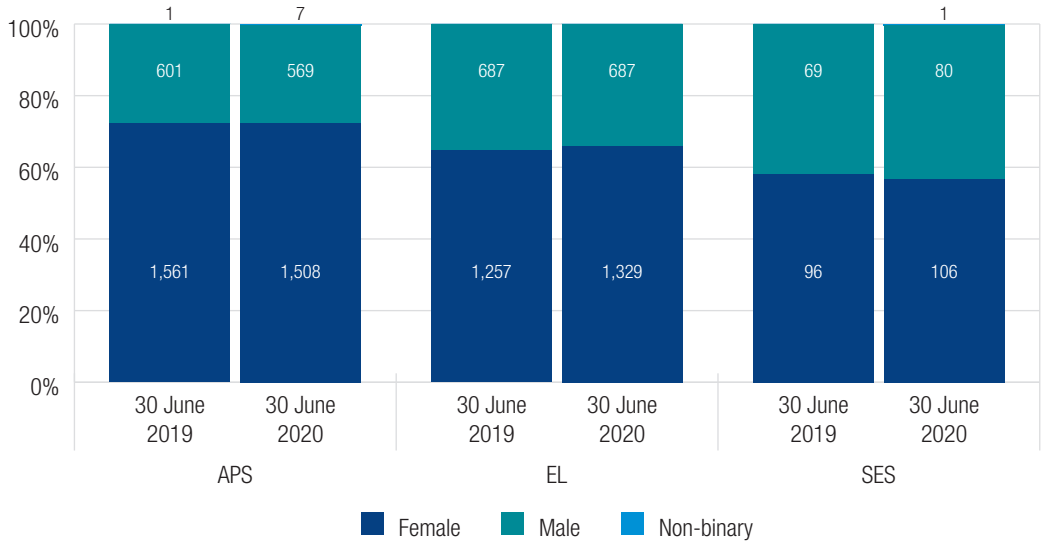
At 30 June 2020, the Department had a workforce of 4,296 ongoing and non-ongoing APS staff (including staff on leave and secondment). This is a slight increase from 4,280 at 30 June 2019, which is largely due to a surge in workforce numbers assisting with the Government's response to the COVID-19 pandemic.

At 30 June 2020:

- 95.5 per cent of staff were ongoing and 4.5 per cent non-ongoing;
- 19.6 per cent of staff were employed on a part-time basis;
- 68.6 per cent of staff were female;
- 2.4 per cent of staff identified as Aboriginal and/or Torres Strait Islander; and
- 4.1 per cent of staff identified as having disability.

The ongoing staff turnover rate in 2019-20, excluding voluntary redundancies and machinery of government moves, was 8.2 per cent, a minor decrease from 8.5 per cent in 2018-19. Including voluntary redundancies, the ongoing staff turnover rate was 9.3 per cent.

Figure 3.4.2: Comparison of gender profile at 30 June 2019 and 30 June 2020[97] [98]



Employment arrangements

The Department's practices for making employment arrangements with its staff are consistent with the *Workplace Bargaining Policy 2018* and the *Fair Work Act 2009*. Information on employment arrangements are outlined below.

Enterprise Agreement

The Department of Health's Enterprise Agreement 2019–2022 (EA)[99] commenced operation on 26 March 2019 and will nominally expire on 25 March 2022. It provides the terms and conditions of employment for non-SES staff. Salary increases under Health's EA are due on 26 March 2019, 2020 and 2021.

The EA contains a flexibility term, which enables the Department to make an Individual Flexibility Arrangement (IFA) with a non-SES staff member. An IFA varies specified terms and conditions provided under the EA for that individual where necessary and appropriate.

On 9 April 2020, the Government announced that due to the COVID-19 pandemic, APS wage increases due between 14 April 2020 and 13 April 2021 will be delayed for six months. As a result, the 26 March 2021 Health EA wage increase will be delayed until 26 September 2021. Increases due under IFAs are also subject to this Government wage increase delay.

Based on APSC guidance, which accompanied the Government wage delay announcement, the Department also commenced a review of all IFAs under its EA in 2019-20. The aim of the review is to determine whether these arrangements remain appropriate during the COVID-19 pandemic. This review will be completed in the first quarter of 2020-21.

[97] Excluding the Secretary, Holders of Public Office and the Chief Medical Officer. SES staff and equivalent comprise SES Band 1-3 and Medical Officers 5-6. EL staff and equivalents comprise EL 1-2, Medical Officers 2-4, Legal 1-2, Public Affairs 3, Senior Principal Research Scientist and Principal Research Scientist.

[98] The Department has implemented the Australian Government Guidelines on the Recognition of Sex and Gender, and made changes to human resource management systems to enable collection of non-binary gender data. At 30 June 2020, eight staff members identified as non-binary.

[99] Available at: www.health.gov.au/resources/publications/enterprise-agreement

Executive remuneration and performance pay

During 2019-20, the Department's remuneration for SES officers was consistent with equivalent public sector entities. Base salaries and inclusions complied with Government policy and guidelines.

Remuneration for SES takes into account the parameters set out in the APS Bargaining Framework, the APS Remuneration Management Policy and any data provided by the APSC. Individual SES salaries are negotiated on commencement and the Department's Secretary and Deputy Secretaries review all SES salaries regularly. The Secretary determines SES remuneration after considering a variety of factors, including the employee's performance, contribution to the organisation's culture and capability, and salary comparisons across the APS.

Comprehensive terms and conditions of employment for new Departmental SES staff are set out in individual determinations made under section 24(1) of the *Public Service Act 1999*.

No Departmental staff received performance pay in 2019-20. Following a request by the Government on 26 March 2020, SES pay increases were deferred until the challenges of the COVID-19 pandemic are resolved.

Refer to Appendix 1: Workforce Statistics for more information on the Department's staffing numbers, workplace arrangements, remuneration and salary structures.

Workforce Capability

Building the right capability

In early 2019, the Department undertook a review to identify opportunities to improve capability through its approach to learning and development (L&D).

Three areas of the Department's learning continuum were identified for reform and improvement. These were:

- learning governance;
- learning policies and procedures; and
- learning pathways simplifying offerings for users and linking more closely with business priorities.

In August 2019, following the review, the L&D Reform Project was established. The core focus of the project was to:

- build L&D maturity by connecting all areas responsible for L&D activity;
- establish L&D governance and align L&D practitioners;
- use strategies and data to drive L&D investment;
- improve the analysis, design and development of learning solutions;
- build a proactive learning culture through new ways of learning; and
- develop and deliver emerging critical priorities.

The key deliverables from Phase 1 of the project focused on how L&D works, roles and responsibilities of practitioners, and defining a model to prioritise L&D investment. During this phase, the L&D Operating Model, L&D Funding Model and Demand Planning process, and a draft L&D Framework providing an overview of capabilities and solutions were developed.

In response to the COVID-19 pandemic and changing priorities for staff, Phase 2 of the L&D reform project shifted focus to the delivery of training online and self-paced learning solutions, including:

- Access from any device to the Department's Learning Management System (LMS), including SuccessFactors, APS Learn and LinkedIn Learning. Together, they provide staff with access to over 5,000 online courses and video tutorials, curated virtual classroom content (including specialist and technical programs), and the Department's essential eLearning courses, including Fraud and Corruption Awareness, Security, and Work Health and Safety.
- Piloting a new program to support supervisors to effectively manage a multi-locational team. An evaluation of the first 58 participants in the course showed 97 per cent agreed or strongly agreed they will be able to apply their learnings.

The Department also supports the continued professional development of our Medical Officers, assisting them in attaining and maintaining work relevant skills and knowledge. Medical Officers have access to an annual professional development allowance to assist them in maintaining their professional qualifications.

Leadership capability

Leadership expectations required at each APS classification are outlined in the Department's Leadership and Management Framework, which provides an overview of core leadership and management expectations for all staff. Leadership and management capability building at all levels is supported through structured programs, practical workshops and social learning.

These opportunities include:

- the IGNITE Program for Individual Leaders, aimed at technical and specialist leaders;
- the Ready to Supervise program, aimed at those who are new to supervision or soon to be first time managers;
- the Foundational Leaders program, for those who manage a small team;
- the Expansion Leaders program, for more experienced managers; and
- the Section Leaders program, for EL2 Directors.

The Unlocking Best Work coaching program aims to embed Our Behaviours in Action and support our focus on building a coaching culture in the Department. A range of management programs and tools, such as 360-degree feedback, the Upwards Feedback Survey and on the job learning are also available to support building leadership and management capability in the workplace.

Additionally, the Department's Management Snapshot sessions, delivered to EL2 and SES staff, focus on leadership or management topics of interest.

Culture

The Department invests in its people, values, processes and systems to build the capability necessary to achieve and foster a high performance culture.

The Department's leaders model the APS Code of Conduct and Values, and communicate priorities and expectations to ensure workplace behaviours align with the Department's strategic vision. This includes:

- encouraging and rewarding high performance;
- investing in the ongoing development and capability of staff;
- clearly articulating and setting expectations through the Department's Performance Development Scheme; and
- encouraging flexibility, innovation and collaboration.

Staff at all classifications are expected to adhere to the APS Code of Conduct and Values. Staff are encouraged to lead by example, support others to do the same, and report behaviours that do not support a high performance culture.

Staff are required to participate in the Department's Performance Development Scheme. The scheme requires formal performance discussions and assessments between managers and staff, encouraging regular, in-time feedback to support ongoing development and authentic working relationships.

COVID-19 pandemic and flexible working arrangements

The Department recognises flexible working arrangements improve culture in many ways, including increased engagement and a reduction in unplanned absences. The Department has a long history of supporting flexible working arrangements, with all staff able to request flexible working arrangements to assist in balancing work and personal commitments.

Prior to the COVID-19 pandemic, the Department had begun testing new approaches to the physical and digital workplace to support greater flexibility in working arrangements. This was supported by activities to help individuals and teams work in new ways.

To manage risks to business continuity during the early stages of the COVID-19 pandemic, the Department quickly adapted to the majority of staff working remotely. As a result, most staff and managers now have experience working and managing the performance of staff in dispersed teams, collaborating via digital tools and using a variety of methods to communicate with colleagues. Early feedback indicates staff and managers are more comfortable with flexible working arrangements than ever before. The Department will realise the full benefits of these changes to the Department's culture over the coming years.

Workforce inclusivity and diversity

The Department acknowledges and respects the importance of workplace diversity and inclusion. It enriches our workplace and helps us to deliver better health outcomes for all Australians.

In 2019, the Department concluded implementation of the Accessibility Action Plan (AAP) 2016–19[100] and the Innovate Reconciliation Action Plan (RAP) 2017–19[101]. In 2020, the Department launched the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) Action Plan 2020–22[102] and continued the process of updating the RAP 2020–22, to be finalised in late 2020.

The Gender Equality and Flexibility Blueprint 2017–20[103] and the Aboriginal and Torres Strait Islander Employment and Retention Strategy 2019–21 continue to be implemented. These plans collectively outline clear pathways for the Department to achieve a more inclusive workplace.

After a selection process of eligible Executive Level (EL) staff, one employee commenced participation in the Jawun Program from February 2020. Jawun is a not-for-profit organisation managing secondments for government and corporate sector staff to work temporarily in Aboriginal and Torres Strait Islander organisations. The Departmental staff member participated in a secondment in Cape York, Queensland. Throughout the secondment, Jawun supported the staff member to use their own strengths and strategies to contribute to the capability development of Aboriginal and Torres Strait Islander organisations and communities.

To demonstrate to Executives the stretch and growth opportunities a secondment creates for their employees, two Senior Executive Service (SES) officers visited the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Lands in August 2019. They were immersed in local culture, including a smoking ceremony to welcome them to Arrernte Country, visiting the remote dialysis centre, enjoying a bush picnic lunch and meeting the NPY Regional Emerging Leaders program attendees.

The Department's diversity networks continued to thrive during 2019-20. They include the:

- Culturally and Linguistically Diverse Network;
- Disability and Carers Network;
- Gender Equality Network;
- Health Pride (LGBTIQ+) Network;
- National Aboriginal and Torres Strait Islander Network; and
- Friends of the National Aboriginal and Torres Strait Islander Network.

These networks provide representation, networking opportunities, information and valuable workplace and peer support. Due to social distancing requirements in response to the COVID-19 pandemic, networks were unable to host and participate in their usual face-to-face events and meetings from March 2020. They adapted their activities to include virtual options, and have discussed how they can collaborate on further initiatives focusing on intersectionality and inclusion.

Each network continues to receive support from SES Champions. At 30 June 2020, 11 SES Champions supported our networks.

The Department continues to participate in the annual Australian Workplace Equality Index (AWEI), which is the national benchmark for Lesbian, Gay, Bisexual, Transgender and Queer/Questioning (LGBTQ) workplace inclusion in Australia. In June 2020, the Department retained Bronze Employer tier status, with a total score of 122 out of 200. The Department missed achieving Silver Employer tier status by only a few points, and will further align with the AWEI as we continue to mature through implementation of our LGBTI+ Action Plan 2020–22. This continuous improvement demonstrates a sustained commitment to workplace inclusion for people of diverse sexual orientations and genders.

[100] Available at: www.health.gov.au/resources/publications/accessibility-action-plan
[101] Available at: www.health.gov.au/resources/publications/reconciliation-action-plan
[102] Available at: www.health.gov.au/resources/publications/lesbian-gay-bisexual-transgender-and-intersex-action-plan-2020-22
[103] Available at: www.health.gov.au/resources/publications/healths-gender-equality-and-flexibility-blueprint

Disability confidence and recognition of carers

Supporting staff

The Department strives to be an inclusive organisation that supports its staff with disability and those with caring responsibilities. Activities are aligned with *As One: Making it Happen, APS Disability Employment Strategy 2016–19*[104].

Highlights from the Accessibility Action Plan 2016–19 included:

- Participation in the APSC GradAccess program and affirmative measure recruitment program for people with disability.
- Implementation of the Lunch and Learn and Cuppa with Carers sessions, offering opportunities to connect with people with disability and/or their carers. Topics at these sessions included assistive technology, RU OK? Day, mindfulness and invisible disability, and a visit from the Carers ACT CEO.
- Development and implementation of our workplace adjustment passport. This valuable tool was designed to support manager/staff conversations regarding what staff need to perform to their best ability. This may include changes to working arrangements, work methods, access to specialised equipment, and/or changes to the work environment to reduce or eliminate barriers to full participation in all aspects of employment.
- The SES Changing Mindsets Program, designed to provide SES opportunities to interact with staff with disability and/or caring responsibilities. It included several '5+5' sessions, with five SES and five employees with disability and/or caring responsibilities meeting to discuss challenges and successes working in the Department, and how SES could effect change. It also included a reverse mentoring pilot, which involved discussions between staff who have disability and/or carer responsibilities and matched volunteers from within our SES. The program encouraged learning, knowledge sharing and professional growth by enhancing leadership skills in both groups.
- The celebration of Carers Week and International Day of People with Disability.
- Our continued gold membership with the Australian Network on Disability.

Working with carer organisations

The Department consults with carer organisations to develop support mechanisms and implement reforms. Consultation ensures programs and services continue to meet the requirements of the *Carer Recognition Act 2010* and considers the needs of carers, people with disability and vulnerable populations.

Disability Reporting

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's (APSC) State of the Service reports and the APS Statistical Bulletin. These reports are available at: www.apsc.gov.au. From 2010-11, entities have no longer been required to report on these functions.

The National Disability Strategy 2010–2020[105] (the Strategy) has overtaken the Commonwealth Disability Strategy. The Strategy sets out a 10 year national policy framework for improving the lives of people with disability, promoting participation and creating a more inclusive society. A biannual report tracks progress against the six outcome areas of the Strategy. Further information is available at: www.dss.gov.au

[104] Available at: www.apsc.gov.au/aps-disability-employment-strategy-2016-19

[105] Available at: www.dss.gov.au/our-responsibilities/disability-and-carers/publications-articles/policy-research/national-disability-strategy-2010-2020

Our values and behaviours

The Department of Health adheres to the APS ICARE principles. They are embedded in each staff member's performance requirements and are regularly revisited during the year to ensure staff are familiar with the requirements of these principles and values.

Career and succession

Performance management and development

The Department continues to focus on high performance by developing staff knowledge, confidence and capability.

All staff participate in the Department's Performance Development Scheme. Through the Scheme, each staff member works with their manager to develop goals for the year, including how these will be measured for effective performance. Formal performance discussions and assessments between managers and staff occur at least twice a year, with regular informal discussions strongly encouraged to provide genuine feedback, direction and supported development. Staff and their managers discuss individual development objectives to ensure staff have the right capability to meet their agreed goals.

The Department offers training and development opportunities to build managers' capability in setting clear goals, providing constructive feedback, and coaching their staff. In 2019-20, the Department also provided training to SES and EL2 staff to improve their understanding of the employment framework in the APS. The topics covered were broad and included leadership, security, performance conversations, managing teams in 2020, work health and safety due diligence, bullying, harassment, discrimination, and how to address and improve performance gaps.

The Department also recognises the need to manage underperformance relating to an employee's skills and capabilities, and/or their behaviour and conduct. Where performance concerns are identified, managers and staff are supported to ensure expectations are clearly articulated, capability gaps are addressed and regular actionable feedback is provided, with the goal of closing identified performance gaps. Where this is not successful, the Department may initiate its formal underperformance process.

In 2019-20, the Department implemented strategies to foster an environment of high performance and focus on managing for outcomes. These included:

- A new human resources (HR) service offering performance coaching for SES and EL cohorts, in groups and/or one-on-one, to foster high performance.
- Toolkits for HR practitioners and line-area managers, which include reference material, guidelines and practical tips to manage and lead effectively.
- A model to support a diagnostic approach to preparing and conducting meaningful conversations, aimed at building a high performance environment where teams are able to deliver quality work, and individuals are supported to reach their full potential.

All alleged breaches of the APS Code of Conduct are treated seriously and managed in accordance with best practice. The majority of complaints received were handled through local management action or preliminary assessments. The Department finalised five APS Code of Conduct investigations during 2019-20, resulting in four breaches of the APS Code of Conduct being determined.

Entry-level programs

During 2019-20, the Department participated in a number of recruitment programs and activities to engage a diverse range of participants. These included the:

- Department of Health's Graduate Program, including an Affirmative Measures process for Aboriginal and Torres Strait Islander Australians;
- Digital Transformation Agency's Australian Government ICT Graduate Program;
- Office of the Chief Scientist's Australian Science Policy Fellowships Program;
- Department of Finance's Career Starter Program; and
- Services Australia's Indigenous Apprenticeship Program.

In 2020-21, there will be a continued focus on enhancements to entry-level programs, including:

- program attraction and retention strategies;
- reviewing the learning and development offering; and
- post-program pathways.

Career development and mobility

The Department maintains an internal mobility register, allowing ongoing staff to be considered for temporary and permanent placements. The use of this register continues to be promoted as a source for mobile internal staff with an interest in career development and diversification. The register is frequently accessed to fill both temporary and permanent roles across a range of jobs.

Mobility is supported through a focus on tailored and targeted internal expressions of interest, highlighting the skills and experience required from applicants and focusing on the key deliverables of advertised roles.

The Department supports broader APS mobility by promoting available APS merit pools to hiring managers seeking to fill a vacancy. The use of secondments into and out of the Department has increased in 2019-20, particularly in relation to the Department's COVID-19 pandemic response.

During the Department's response to the COVID-19 pandemic, mobility became a key method of filling critical roles within very short timeframes. The Department implemented the following:

- An internal COVID-19 mobility register was established for Health staff willing to contribute directly to the pandemic response. A large number of placements were made from this register, particularly to fill vacancies in the National Incident Room (NIR). In addition to this register, staff from the Department and across the APS provided assistance across short and long term arrangements, many of which uniquely saw business areas 'loan out' staff with no financial impact on the NIR. There was flexibility in both tenure and release timeframes, encouraging a mobile and responsive workforce during this period.
- The Department worked with the APS Workforce Management Taskforce to redeploy resources from other APS agencies. This enhanced the capacity of teams in the Department to ensure priorities were met.

The Department remains committed to career development and supports secondment and mobility opportunities, both within the APS and beyond, maintaining strong connections with the private sector, professional bodies and academia to promote collaboration and sharing of professional expertise.

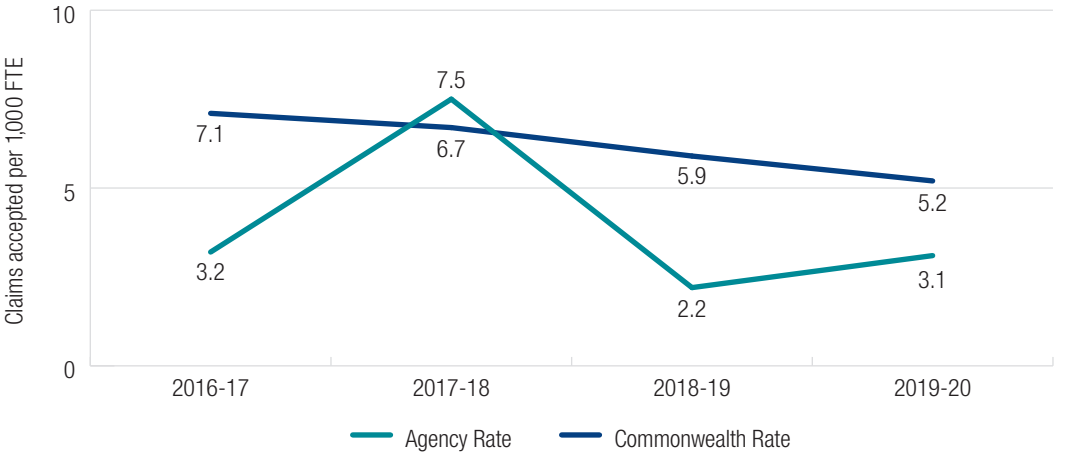
Work Health and Safety (WHS)

The Department continued to improve its injury and illness management in 2019-20. The Department's revised premium rate for the 2018-19 financial year was 1.05 per cent, which was reduced to 0.96 per cent in 2019-20. The rate is above the Commonwealth scheme average rate of 0.85 per cent due to a poor claims year in 2017-18.

The Department has a diverse workplace environment, with our most common risks being ergonomic issues stemming from the office environment. These risks are managed through the provision of well designed workspaces and WHS programs. Some parts of the Health Products Regulation Group (HPRG) have a unique risk profile including laboratory environments where, while controlled, workers could be exposed to hazardous substances. HPRG is also situated in a location requiring additional controls for encountering wildlife. The Department has policies, procedures and practices in place to appropriately protect workers from, and respond to, potential hazards.

Since 2013-14, the number of compensation claims accepted for the Department has been declining. There was a significant spike in accepted claims in the 2017-18 financial year and an increase in the number of accepted claims for the 2019-20 financial year, with initial end of year data identifying an increase from the previous year in accepted claims. A total of six psychological injury/illness related claims were accepted.

Figure 3.4.3: Number of accepted compensation claims from 2016-17 to 2019-20



Evaluation of the Department's WHS performance

The Department provides support to ill or injured employees and their managers, assisting both workers' compensation claims and non-work related injury and illness. The Department aims to return employees to the workplace as quickly as possible and provide a positive influence on our productivity through low rates of unscheduled absence.

The Department has addressed the majority of recommendations and findings from the Comcare WHS Management System audit conducted in 2016, and addressed all non-conformance findings from the Comcare Rehabilitation Management System audit in 2018. The Department is to undergo a further WHS related audit in the latter part of 2020.

Like many employers, the Department has faced some unusual WHS challenges in 2019-20. During the Australian bushfires, the Department's premises in Canberra, Sydney and Melbourne were affected by the unprecedented levels of smoke. The Department worked closely with its landlords to monitor and respond to local conditions, with the health and safety of staff central to all decisions made.

The COVID-19 pandemic brought new challenges. The Department implemented a COVIDSafe workplace plan, supporting employees to work remotely throughout the pandemic. Tools to assist in ensuring the safety of our employees included:

- virtual workstation assessments;
- a dedicated COVID-19 hotline to assist with queries;
- COVIDSafe inspections of workplaces;
- increased access to flu vaccination;
- tailored support for employees with unique requirements;
- risk assessments tailored to individual needs for working safely in the office or remotely; and
- a staged approach to transitioning employees to a combination of remote and in-office working arrangements.

Comcare completed an inspection of the Department's Canberra offices to assess the response to the COVID-19 pandemic. The inspection found the Department to be responsive and practical in the management of a COVIDSafe environment for employees.

Improving WHS in the workplace

In response to the higher than usual number of compensation claims in 2017-18, in early 2018-19 the Department developed a WHS Strategy to improve injury prevention and return to work outcomes. This strategy has been extended to include a proactive early intervention program and triaging intervention, resulting in fewer matters becoming compensation claims during 2019-20.

To increase employees' awareness and knowledge of WHS, a Department-specific and mandatory WHS eLearning training module was launched in 2019. The module continues to be essential learning for all workers.

The Department provided early support to prevent and reduce the impact of both work-related and non-work related injuries and illness, maturing its approach to early intervention. This was achieved through initiatives including virtual workstation assessments, the Employee Assistance Program (EAP), flexible working arrangements, prompt case management and, where appropriate, reimbursement for medical treatments.

The Department also participated in Comcare's six-month Early Intervention Pilot Program. The Pilot Program uses an external service to provide 24/7 nurse triage support and advice via telephone to clinically assess injury or illness and make recommendations about appropriate interventions. Nurse triage outcomes may include self-management advice, referral to a medical practitioner or allied health professional (either a physiotherapist or psychologist) or emergency care, and will help keep employees at work or return them to work sooner. A total of 92 employees participated in the pilot program, with 49 per cent accessing physiotherapy services, 22 per cent consulting with a psychologist, 24 per cent consulting with a nominated general practitioner and five percent self managing. This is a projected saving of $300 to $4,270 in potential claims costs per case.

With an increase in psychological claims made to Comcare in 2017-18, a key prevention initiative to mitigate the risk of mental ill-health was to develop a Departmental mental health strategy. The Department engaged CommuniCorp Pty Ltd to assist with this important task. All Departmental staff had the opportunity to participate in the initial consultation phase in 2019, informing the content of the mental health strategy. Consultation will continue to feature in the next development stages of the strategy and related action plan, for implementation in 2020-21.

As part of the COVID-19 pandemic response, the Department extended access to the EAP by providing employees unlimited access to the service for themselves and their direct family members. The Department recorded a usage increase in 2019-20, however this increase was not directly attributed to the pandemic.

The Health and Wellbeing Program

During 2019-20, the Department continued to provide access to the EAP. The EAP is available to staff and their immediate families from both the Department and portfolio entities. The EAP provides personal coaching and counselling to support staff and their families with issues at work or home. The EAP also provides services tailored to specific groups or needs, such as coaching and advice to managers, vocational counselling and career planning, financial counselling, and specialist help lines for Aboriginal and Torres Strait Islander employees, support for LGBTIQ+ issues and domestic violence. The annual utilisation rate for the EAP in 2019-20 was 14.9 per cent, meaning the EAP was accessed 730 times throughout the year. This is higher than the Public Administration/Government benchmark of 7.7 per cent, and consistent with previous years where the Department's use is higher than other departments across the APS.

The utilisation rate increased by 0.3 per cent on the previous year, due to employees accessing assistance for personal issues, rather than work-related issues. Personal issues relate to health, wellbeing, caring responsibilities and personal relationships. When reporting on work-related issues, the highest category was work conflict or a workplace relationship.

An annual influenza vaccination program was delivered across the country in 2019-20 through onsite clinics and a voucher system accessed through nominated pharmacies. A total of 2,214 employees received an influenza vaccination onsite, while 1,252 employees and contractors downloaded a voucher to obtain a free vaccination at a pharmacy. The vaccination program was implemented early in response to the COVID-19 pandemic, with additional vouchers released for the increased uptake by employees and contractors.

A corporate gym membership scheme, under which staff can access discounted membership or attendance rates at nominated gyms in major cities, continued to be available for staff.

Notifiable incidents

The Department received 151 incident and hazard reports in 2019-20. This is a decrease from the 2018-19 financial year, where 456 incident and hazard reports were received. In previous years, the same form was used to request workstation assessments and commence the compensation claim process, however this is no longer the case. The Department is working to improve WHS related reporting culture, with a focus on increasing the reporting of near misses and hazards, and the identification of early intervention opportunities.

Of the 151 incident and hazard reports, Comcare was notified of nine incidents. These related to hazards such as falling ceiling tiles and medical episodes unrelated to work.

Part 3.5: Financial and Property Management

Financial accountability responsibilities

The Department's financial accountability responsibilities are set out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subordinate legislation, collectively known as finance law.

In support of the finance law, the Department's Accountable Authority Instructions are issued in accordance with section 20A of the PGPA Act. The Department also issued Finance Business Rules that clearly set out the rules and processes required for the financial administration of the Department.

Finance law and the supporting instructions and rules provide a framework to ensure the efficient, effective, economical and ethical use of public resources. The Executive Committee is responsible for monitoring and addressing Departmental performance and risks. Advice on financial matters including administered, Departmental and capital expenditure is provided through monthly reports from the Chief Financial Officer, and supported by the Administered Program Board and Investment and Implementation Board. Further, the Department's Audit and Risk Committee provides independent advice and assurance to the Accountable Authority (the Secretary).

Finance law also mandates the production of audited financial statements prepared in accordance with the Australian Accounting Standards. The complete set of financial statements for the Department is provided in Part 4: Financial Statements.

Managing our assets

The Department holds financial and non-financial assets. Financial assets include cash and receivables, which are subject to internal controls and reconciliations.

Non-financial assets are held for operational purposes and include computing software and hardware, building fit-out, right-of-use assets, furniture and fittings. Decisions about whole-of-life asset management are undertaken in the context of the Department's broader strategic planning to ensure investment in assets supports cost-effective achievement of the Department's objectives. Effective management of the Department's capital budgets is achieved by:

- including whole-of-life consideration in proposals for capital expenditures;
- whole of Department prioritisation of capital projects and major purchases by the Department's Investment and Implementation Board;
- undertaking regular stocktakes of physical assets; and
- annually reviewing assets for indications of impairment and changes in expected useful lives.

Procurement

Purchasing

The Department's approach to procurement activity is driven by the core principles of the Commonwealth's financial management framework. The framework encourages competition, value for money, transparency and accountability, as well as the efficient, effective, ethical and economical use of Commonwealth resources.

During 2019-20, the Department continued its focus on improving the practices and knowledge of officers and delegates undertaking procurement activities. Internal procurement tools and resources were updated, and a new support model launched, to target expertise to business areas undertaking large or complex procurements.

The second half of 2019-20 involved an increase in purchasing activity to support the Department's COVID-19 pandemic response across a wide range of areas including the National Medical Stockpile, general practitioner-led respiratory clinics and public health communications.

Initiatives to support small business

Small and Medium Enterprises (SMEs) make up the majority of all Australian businesses, contribute billions of dollars to the economy and provide employment for millions of Australians. In addition to the use of mandatory whole of Australian Government panels, the Department supports small business participation in the Commonwealth Government procurement market. SME and Small Enterprise participation statistics are available on the Department of Finance's website at: www.finance.gov.au/government/procurement/statistics-australian-government-procurement-contracts

The Department's measures to support SME include:

- ongoing promotion and application of the Indigenous Procurement Policy, on which detailed information is included on page 163;
- ensuring Small Business Engagement Principles are clearly communicated in simple language and in an accessible format, as outlined in the Government's Industry Innovation and Competitiveness Agenda[106];
- incorporating the supplier pay on-time policy, mandating 20 day payment terms for contracts under $1 million;
- using the Commonwealth Contracting Suite (CCS) to minimise burden on businesses contracting with the Government; and
- providing internal guidance and advice to support the Indigenous Procurement Policy, Small Business Engagement Principles and the CCS.

The Department recognises the importance of ensuring small businesses are paid on time. The result of the most recent Survey of Australian Government Payments to Small Business are available on the Treasury's website at: www.treasury.gov.au

Over the 2019-20 financial year, the Department continued to enhance and mature its Vendor Invoice Management System to ensure timely payments to small businesses.

[106] Available at: www.pmc.gov.au/sites/default/files/publications/industry_innovation_competitiveness_agenda.pdf

Indigenous Procurement Policy

Indigenous businesses are vital to creating jobs for, and employing more, Aboriginal and Torres Strait Islander Australians. The Indigenous Procurement Policy aims to support these businesses to grow and create opportunities for Indigenous Australians.

On 1 July 2019, the Department introduced the new value based target to help Indigenous businesses win higher value contracts at a level closer to those of non-Indigenous businesses. The target was set at one per cent of the Department's average relevant procurement spend over the preceding three years. The existing targets and policy objectives remain in place.

In 2019-20, the Department entered into 191 new contracts with Indigenous businesses, worth a combined $67.6 million. This exceeded the target of 78 new contracts and represents an increase of 8.2 per cent of contract volume from 2018-19. In addition, the Department's value based target of $8.5 million was exceeded by $59.1 million. This is primarily due to entering into a $40 million contract with Cole Workwear for personal protective equipment during the COVID-19 pandemic.

The Department continued to promote awareness of opportunities to procure goods and services from Indigenous businesses. Together with the implementation of the Department's Innovate Reconciliation Action Plan 2017–19, which incorporates Indigenous business development targets, these initiatives provided greater awareness and recognition of Indigenous suppliers and the benefits of their involvement in the Department's procurements.

The Department is a member of Supply Nation, which supports and empowers Indigenous enterprises to achieve success and build business.

Consultants

The Department engages consultants to provide specialist expertise, independent research, reviews or assessments in relation to:

- investigating or diagnosing a defined issue or problem;
- carrying out defined reviews or evaluations; and/or
- providing independent advice, information or creative solutions to assist the Department in decision-making.

The Department takes into account the skills and resources required for the task, the skills available internally and the cost-effectiveness of engaging external expertise. Decisions to engage consultants are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and other internal policies, which include restricting the delegation to engage a consultant to the Senior Executive.

During 2019-20, 525 new consultancy contracts were entered into involving total actual expenditure of $28.6 million. In addition, 313 ongoing consultancy contracts were active during the period, involving total actual expenditure of $37.5 million. The total actual expenditure on both new and ongoing contracts for 2019-20 was $66.1 million. This Annual Report contains information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at: www.tenders.gov.au. In line with the Commonwealth Procurement Rules, Austender contains information on contract and consultancies valued at or above $10,000.

Exempt contracts and Australian National Audit Office (ANAO) access

Exempt contracts

In 2019-20, 95 contracts were exempt from reporting on AusTender on the basis that publishing contract details would disclose exempt matters under the *Freedom of Information Act 1982*. This represents a decrease from 2018-19, where 111 contracts were exempt from reporting.

ANAO access clauses

The Department's standard contract and Standing Offer templates include provisions to allow ANAO access to a contractor's premises.

Grants

The Department gives effect to Government policy decisions through the provision of grant funding, and is the single largest granting agency in the Commonwealth. In 2019-20, grant activity spanned across six Outcomes and 18 Programs, and included not only ongoing funding for existing and new services and capital works programs, but also emergency support in response to the Australian bushfires and COVID-19 pandemic. In recent years, the Department has funded over 10,000 grant activities for services and capital works each year, but in 2019-20 the number of grant activities grew to approximately 12,600. Key grants delivered as part of the COVID-19 pandemic response included:

- over $15 million for health workforce provider sustainability;
- over $87 million for emergency aged care support, including for the Commonwealth Home Support Program's Meals on Wheels and industry support;
- over $15 million for mental health counselling funding, including for children and young people; and
- $30 million for the Medical Research Future Fund (MRFF) to fund a total of 26 COVID-19 research grants.

In addition to normal Departmental operations in support of the Australian bushfire response, the Department also contributed to the bushfire emergency with specific grant funding of over $12 million, which was distributed largely through Primary Health Networks. These were for a range of mental health programs to support:

- individuals affected by the bushfires;
- Aboriginal and Torres Strait Islander Australians; and
- crisis support services, such as Lifeline ($1.5 million).

Grant funding was also provided to the MRFF to fund a total of nine bushfire research grants to a combined value of $5 million.

The Department's grants administration practices are based on the mandatory requirements and principles of grants administration in the Commonwealth Grant Rules and Guidelines (CGRGs). The CGRGs establish the policy framework and articulate the expectations of non-corporate Commonwealth entities in relation to grants administration. The grant lifecycle involves five distinct but interrelated stages: design, select, establish, manage, and evaluate. While the Department is responsible for the administration and management of grants, the activity is undertaken in partnership with the Community Grants Hub within the Department of Social Services, the Business Grants Hub within the Department of Industry, Science, Energy and Resources, and the National Health and Medical Research Council.

The Department has adopted a risk-based approach to grants administration. Key to the Department's risk-based approach is risk assessment and management at the design and select stages of the grants administration lifecycle. This approach helps the Department achieve value for money, deliver outcomes, reduce the administrative burden for funded organisations and apply the principle of proportionality. The Department is developing additional internal processes and systems, which will further reduce the impost on the resources of funding recipients to report on expenditure of funds.

Information on grants awarded by the Department during the period 1 July 2019 to 30 June 2020 is available on the Australian Government's grant information system, GrantConnect, at: www.grants.gov.au. For grants awarded up to 31 December 2017, information is available on the Department's website at: www.health.gov.au

Advertising and market research

The Department is required to report on payments over $14,000 made to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

This section details these payments, along with the names of advertising campaigns conducted by the Department in 2019-20.

Advertising campaigns

During 2019-20, the Department conducted the following advertising campaigns, which were certified by the Secretary in line with the Guidelines on Information and Advertising Campaigns (March 2010)[107]:

- Childhood Immunisation Education;
- Maternal Vaccination;
- Meningococcal ACWY Vaccine for Adolescents; and
- Human Papillomavirus (HPV) Vaccine for Adolescents.

In response to the COVID-19 pandemic, the Department also delivered a comprehensive communications campaign, including advertising, to provide information to the Australian public on issues relating to the pandemic. This campaign was exempt from the Guidelines on Information and Advertising Campaigns by non-corporate Commonwealth entities.

Further information on those advertising campaigns is available at: www.health.gov.au, and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website at: www.finance.gov.au/advertising

[107] Available at: www.finance.gov.au/government/advertising/guidelines-information-advertising-campaigns-non-corporate-commonwealth-entities

Table 3.5.1: Advertising, market research, direct mail and media advertising payments for 2019-20

Organisation	Service provided	Paid (including GST)
Advertising agencies (creative advertising agencies which have developed advertising campaigns)		
Carbon Media Pty Ltd	Childhood Immunisation Education campaign creative services	$75,900
Carbon Media Pty Ltd	Meningococcal ACWY vaccine for adolescents campaign creative services	$17,424
Carbon Media Pty Ltd	COVID-19 campaign creative services	$1,298,366
33 Creative Pty Ltd	COVID-19 Indigenous creative services	$424,698
McCann Australia	COVID-19 campaign creative services	$1,175,290
Market research		
Bastion Insights Pty Ltd	Developmental focus groups for the Youth Taskforce	$109,989
Bastion Insights Pty Ltd	Qualitative research for the Voluntary Patient Enrolment Program	$245,685
Bastion Insights Pty Ltd	Exploratory research for the Out of Pockets Transparency Project	$174,900
Hall and Partners Pty Ltd	Evaluation research for the COVID-19 communications campaign	$974,051
Hall and Partners Pty Ltd	Evaluation research for the Childhood Immunisation 'Get the Facts' campaign	$93,194
Orima Research Pty Ltd	Opioid regulatory reforms - consumer and health professionals segmentation research	$299,941
Snapcracker Research and Strategy Pty Ltd	National Sports Tribunal concept testing	$143,000
Snapcracker Research and Strategy Pty Ltd	Evaluation of the Australian Immunisation Handbook	$249,975
Snapcracker Research and Strategy Pty Ltd	Concept testing research for the COVID-19 communications campaign	$166,375
Snapcracker Research and Strategy Pty Ltd	Concept testing research for influenza communications	$44,000
Snapcracker Research and Strategy Pty Ltd	Concept testing research for the Childhood Immunisation campaign - Phase 4	$60,830
Snapcracker Research and Strategy Pty Ltd	Concept testing research for meningococcal communications	$43,945
Snapcracker Research and Strategy Pty Ltd	General practitioner (GP) letter evaluation research	$66,000
Stancombe Research & Planning Pty Ltd	Segmentation research to support the National Sexually Transmissible Infections Strategy	$329,835
Tobias and Tobias Pty Ltd	User research with general practitioners and patients	$208,730
Whereto Research Based Consulting	Exploratory research for the My Aged Care program	$276,611

Organisation	Service provided	Paid (including GST)
Direct mail organisations (includes organisations which handle the sorting and mailing out of information material to the public)		
National Mail and Marketing Pty Ltd	Bowel cancer screening forms	$20,943.34
National Mail and Marketing Pty Ltd	Safe prescribing fact sheets and letters	$53,907.27
National Mail and Marketing Pty Ltd	Changes to continuous glucose monitoring initiative letter	$58,453.73
National Mail and Marketing Pty Ltd	2020 influenza resources	$183,073.64
National Mail and Marketing Pty Ltd	Bowel cancer screening letter to GPs and specialists	$22,276.03
National Mail and Marketing Pty Ltd	National Immunisation Program July schedule changes	$103,757.27
National Mail and Marketing Pty Ltd	My Aged Care resources	$110,539.60
Media advertising organisations (the master advertising agencies which place Government advertising in the media – this covers both campaign and non-campaign advertising)		
Mediabrands Australia Pty Ltd	Media buy for the Childhood Immunisation Education campaign	$4,827,127
Mediabrands Australia Pty Ltd	Media buy for the Head to Health COVID-19 campaign	$245,784
Mediabrands Australia Pty Ltd	Media buy for the Maternal Vaccination campaign	$395,989
Mediabrands Australia Pty Ltd	Media buy for the COVID-19 campaign	$54,520,238
Mediabrands Australia Pty Ltd	Media buy for the HPV campaign	$390,792
Mediabrands Australia Pty Ltd	Media buy for the 2020 seasonal influenza campaign	$49,392
Mediabrands Australia Pty Ltd	Media buy for the Meningococcal ACWY adolescents campaign	$196,952
Mediabrands Australia Pty Ltd	Media buy for the Australian General Practice Training	$19,802
Mediabrands Australia Pty Ltd	Media buy for per-and poly-fluoroalkyl substances	$97,466

Property management and environmental impact

During 2019-20, the Australian bushfires and COVID-19 pandemic saw implementation of various strategies in the Department's tenancies directed at staff welfare, and supporting the continued operation of the National Incident Room.

This included installation of real-time air quality monitoring and filter upgrades in Departmental tenancies as part of the response to bushfire smoke. The Department has also undertaken a range of activities to ensure a COVIDSafe work environment in its tenancies. This has included support for remote working, increased hygiene support and improved guidance and signage on physical distancing. It has also included an enhanced general cleaning regime, as well as ad hoc cleaning of workspaces and surrounding areas under the Department's internal procedures for responding to suspected cases of COVID-19 among our staff.

Ecologically sustainable development principles

The principles of ecologically sustainable development (ESD) outlined in section 3A of the *Environment Protection and Biodiversity Conservation Act 1999* are that:

- decision-making processes should effectively integrate both long term and short term economic, environmental, social and equity considerations;
- if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;
- the present generation should ensure the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations;
- the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making; and
- improved valuation, pricing and incentive mechanisms should be promoted.

Our contribution

In 2019-20, the Department continued its commitment to ESD through a methodical approach to planning, implementing and monitoring the Department's environmental performance through programs and policies in accordance with current legislation, whole-of-government requirements and environmental best practice. The Department also administers legislation as outlined below that is relevant to, and meets the principles of, ESD.

Gene Technology Act 2000

Through the Gene Technology Regulator (the Regulator), the Department protects the health and safety of people and the environment by identifying risks posed by gene technology and manages those risks through regulating activities with genetically modified organisms (GMOs). These activities range from contained work in certified laboratories to release of GMOs into the environment. The Regulator imposes licence conditions to protect the environment, and uses extensive powers to monitor and enforce those conditions.

Industrial Chemicals (Notification and Assessment) Act 1989

The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) aids in the protection of the Australian people and the environment by assessing the risks from the introduction and use of industrial chemicals and promoting their safe use. From 1 July 2020, NICNAS is replaced by a new regulatory scheme, the Australian Industrial Chemicals Introduction Scheme (AICIS), established under the *Industrial Chemicals Act 2019*. AICIS will continue to operate within an agreed framework for chemical management consistent with the National Strategy for ESD, and is aligned with the United Nations Conference on Environment and Development Agenda 21 (Rio Declaration) chapter on the environmentally sound management of toxic chemicals.

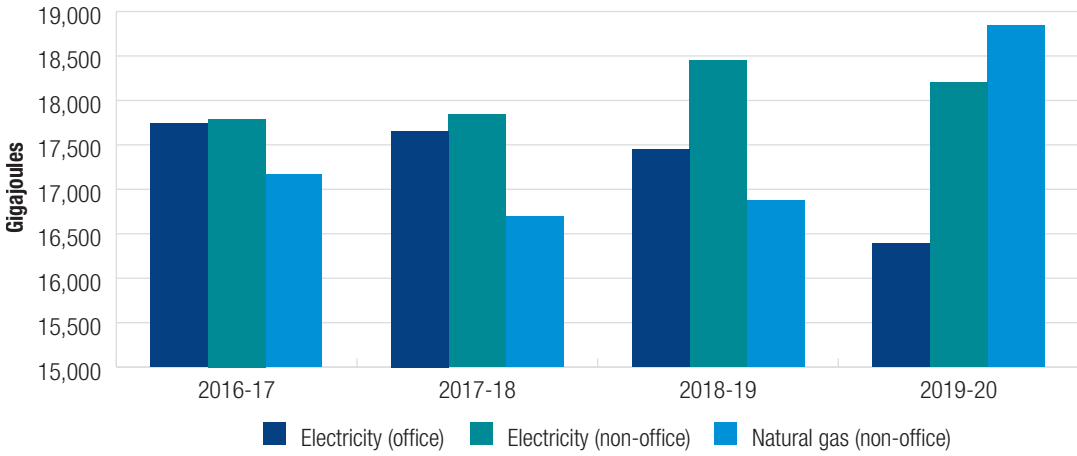
Environmental impact of our operations

The Energy Efficient in Government Operations (EEGO) Policy contains minimum energy performance standards for Australian Government office buildings as a strategy for achieving energy targets. This ensures entities progressively improve their performance through the procurement and ongoing management of energy efficient office buildings, and environmentally sound equipment and appliances.

The Department, as part of its strategic accommodation planning, undertakes to meet the requirements of the Green Lease Schedule. That is, for tenancies of greater than 2,000m^2 with a lease term greater than two years, accommodation will meet the 'A' grade standard of the Building Owners and Managers Association International guidelines, and meet a minimum National Australian Built Environment Rating System rating of 4.5 stars.

Energy consumption

Figure 3.5.1: The Department's electricity and natural gas consumption



The Department is required to meet the target of no more than 7,500 megajoules (MJ) per person, per annum, for office tenant light and power under the EEGO Policy. In 2019-20 the Department met this target, using 4,428 MJ per person, per annum. This represents an increase of 47 MJ per person from the previous reporting period. This is attributed to the increase in non-office natural gas consumption.

The graph shows a decrease in office electricity consumption. This is in part attributable to the various unforeseen environmental impacts, including the Australian bushfires and COVID-19 pandemic that occurred during the 2019-20 financial year. These impacts saw the Department implement various initiatives, including remote working arrangements for staff. The Department continues its efforts in its leased property portfolio to reduce energy consumption through technology such as:

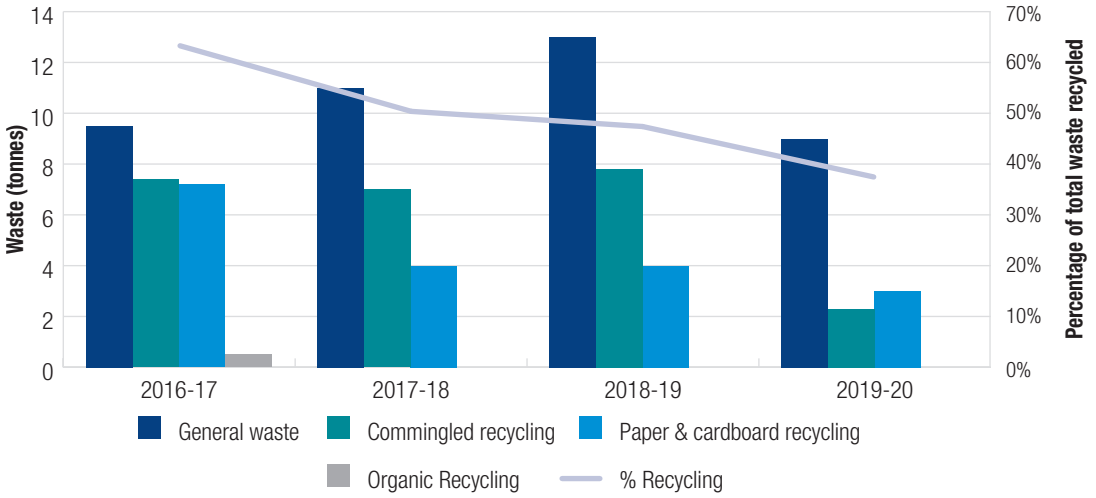
- new functionally designed fit-outs;
- T5 fluorescent and movement activated sensor lighting;
- double glazed windows;
- energy efficient heating;
- ventilation; and
- air-conditioning systems.

The Department also encouraged staff participation in Earth Hour on 28 March 2020 by switching off all non-essential building lights, terminals, monitors and office equipment at all of its properties around Australia.

While there is no target for energy consumption in non-office space, the Department monitors the energy consumption in these facilities as part of its commitment to reducing impact on the environment from its activities. The Department's non-office space includes sites used for laboratories, workshops and storage facilities, predominately the Symonston, Australian Capital Territory facility, which houses the Therapeutic Goods Administration (TGA) in the Health Products Regulation Group. This facility accounts for all the Department's use of natural gas. During 2019-20, major repairs were undertaken at this facility on equipment that had experienced diminished output over a number of years. This plant being restored to more normal operating modes has increased the consumption rate. From mid-2022, the TGA will be accommodated in a new purpose-built laboratory facility with a modern, energy efficient plant.

Waste management

Figure 3.5.2: Average monthly waste produced by the Department[108]



The Department is committed to protecting the environment through the implementation of efficient and effective waste management programs.

In the majority of the Department's offices, waste management initiatives include segregated waste streams to improve management of general waste, commingled recycling, organic recycling, and paper and cardboard recycling. The Department aims to increase the amount of waste recycled as a proportion of total waste.

The decrease in the volume of waste in 2019-20 across all streams reflects the Department's shift to remote working due to the COVID-19 pandemic.

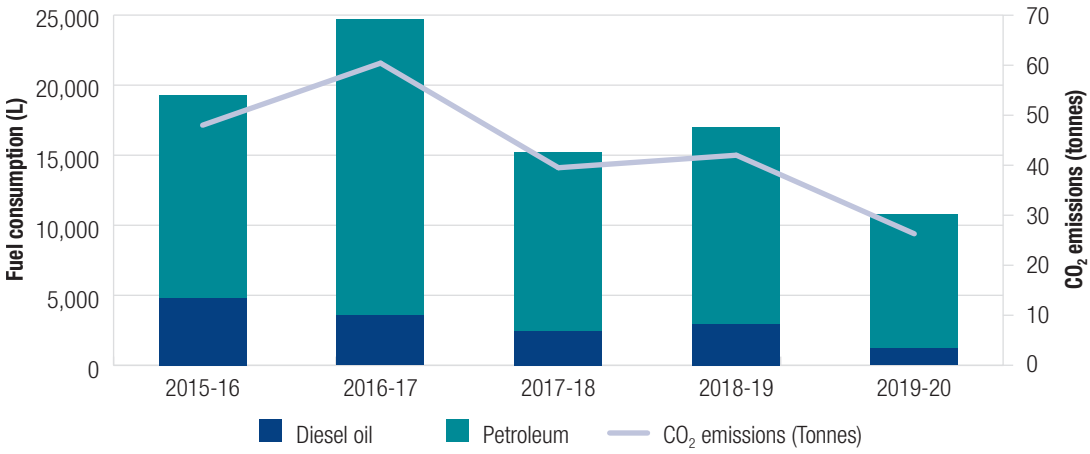
Additional recycling efforts include the recycling of printer and toner cartridges, batteries and mobile phones to ensure these items are diverted from landfill and used in sustainable programs.

The Department's largest office building, the Sirius Building in Woden, Australian Capital Territory, also uses recycled grey water for flushing toilet cisterns. Along with the use of waterless urinals in the building, this significantly reduces reliance on mains water in the operation of the building.

[108] 2019-20 organic recycling data is not available.

Vehicle fleet management

Figure 3.5.3: Fleet fuel consumption and CO_2 emissions



In 2019-20, the Department operated 40 vehicles, which travelled a total of 199,724 kilometres and expended 374,801 MJ. This resulted in an energy consumption of approximately 1.88 MJ/km.

The Department saw a reduction in usage of its fleet vehicles during 2019-20, with a large volume of staff working from home due to the COVID-19 pandemic, and the ongoing review of fleet vehicle usage nationally. This review saw the Department not replace several vehicles when the vehicle leases expired, leaving the Department with an operating fleet of 30 vehicles.

The Department will continue to review its vehicle fleet to ensure that it is being used effectively and operating efficiently.

Part 3.6: External Scrutiny and Compliance

External Scrutiny

Parliamentary scrutiny

The Department appears before parliamentary committees to answer questions about our administration of health, aged care and sport programs.

During 2019-20, the Department received 122 parliamentary Questions on Notice from the House of Representatives and the Senate, and 689 Senate Estimates Questions on Notice.

The Health Portfolio appeared before the Senate Select Committee on COVID-19's inquiry into the Australian Government's response to the COVID-19 pandemic six times, and received 359 Questions on Notice.

Joint Committee of Public Accounts and Audit reviews

During 2019-20, the Joint Committee of Public Accounts and Audit (JCPAA) tabled one review involving the Department:

- JCPAA Report No. 481 – Efficiency and Effectiveness: Inquiry into Auditor-General's Reports 25, 29, 38, 42, 44, 45 and 51 was tabled on 15 June 2020.

Senate Estimates hearings

During 2019-20, the Department appeared before the Community Affairs Legislation Committee:

- Supplementary Budget Estimates – 24 October 2019; and
- Additional Estimates – 4 March 2020.

The Department also appeared before the Finance and Public Administration Legislation Committee for the Cross Portfolio Indigenous hearings:

- Supplementary Budget Estimates – 25 October 2019; and
- Additional Estimates – 6 March 2020.

Parliamentary committee inquiries

The Department provided evidence and/or submissions to the following parliamentary committee inquiries.

Committee	Evidence/submission provided
Senate Standing Committee on Community Affairs Legislation Committee	• Inquiry into the Australian Institute of Health and Welfare Amendment (Assisted Reproductive Treatment Statistics) Bill 2019. • Inquiry into the Australian Sports Anti-Doping Authority Amendment (Sport Integrity Australia) Bill 2019. • Inquiry into the Australian Sports Anti-Doping Authority Amendment (Enhancing Australia's Anti-Doping Capability) Bill 2019. • Inquiry into the Human Services Amendment (Photographic Identification and Fraud Prevention) Bill 2019.
Senate Standing Committee on Community Affairs References Committee	• Effective approaches to prevention, diagnosis and support for fetal alcohol spectrum disorder. • Inquiry into investigations into a possible cancer cluster on the Bellarine Peninsula, Victoria. • Inquiry into the current barriers to patient access to medicinal cannabis in Australia.
Senate Standing Committee for the Scrutiny of Delegated Legislation	• Inquiry into the exemption of delegated legislation from parliamentary oversight.
Senate Select Committee on Administration of Sports Grants	• Administration and award of funding under the Community Sport Infrastructure grant program.
Joint Committee on Human Rights	• Inquiry into the Quality of Care Amendment (Minimising the Use of Restraints) Principles 2019.
Finance and Public Administration References Committee	• Lessons to be learned in relation to the preparation and planning for, response to and recovery efforts following the 2019-20 Australian bushfire season.
House of Representatives Select Committee on Regional Australia	• Inquiry into regional Australia.
Joint Committee on Law Enforcement	• Illicit tobacco. • Inquiry into public communication campaigns targeting drug and substance abuse.
Senate Select Committee on Autism	• Inquiry into and report on the services, support and life outcomes for people with autism in Australia and the associated need for a National Autism Strategy.
Senate Select Committee on COVID-19	• Select Committee on COVID-19.
Joint Standing Committee on Foreign Affairs, Defence and Trade	• Inquiry into the remediation of per- and poly-fluoroalkyl substances (PFAS) related impacts in and around defence bases. • Inquiry into the implications of the COVID-19 pandemic.
Joint Standing Committee on the National Disability Insurance Scheme	• Inquiry into the National Disability Insurance Scheme Quality and Safeguards Commission.
House of Representatives Standing Committee on Health, Aged Care and Sport	• Allergies and anaphylaxis in Australia. • Private briefing – Departmental overview. • Walking the allergy tightrope.

Freedom of Information

In 2019-20, the Department received 558 Freedom of Information requests.

Entities subject to the *Freedom of Information Act 1982* are required, under Part II of the Act, to publish information as part of the Information Publication Scheme. Information, including the Department's Agency Plan, which shows what information is published and available on the Department's website, is available at: www.health.gov.au/resources/foi-disclosure-log

Australian National Audit Office (ANAO) audits

The Department works closely with the ANAO to provide responses to proposed audit findings and recommendations prior to the Auditor-General presenting his reports to Parliament.

During 2019-20, the ANAO tabled five audits involving the Department. Four of the five tabled audits involved recommendations directed to the Department. The Department agreed to all audit recommendations made, with related implementation activities either underway or complete.

Audits specific to the Department

Audit	**Government Advertising: June 2015 to April 2019** Published – 26 August 2019 Cross entity performance audit (Auditor-General Report No. 7 of 2019-20)
Objective	To assess the effectiveness of the Department of Finance's, and selected entities', implementation of the Australian Government's campaign advertising framework.
Recommendations (Directed to the Department)	**Recommendation 3.** The Department of Health set clear and measurable performance targets for short and long term advertising campaigns and report against the targets.
Audit	**National Ice Action Strategy Rollout** Published – 23 September 2019 Performance audit (Auditor-General Report No. 9 of 2019-20)
Objective	To assess the effectiveness of the Department of Health's implementation of the National Ice Action Strategy.
Recommendations (Directed to the Department)	**Recommendation 1.** The Department of Health ensures performance, risk and accountability measures are in place to support implementation of the National Ice Action Strategy. **Recommendation 2.** The Department of Health finalise the Primary Health Network (PHN) Quality and Assurance Framework, with appropriate actions to assess whether PHNs are operating appropriately across the commissioning cycle. **Recommendation 3.** The Department of Health develop an evaluation framework for the National Ice Action Strategy, including the identification of suitable baseline performance information from which progress can be measured. **Recommendation 4.** The Department of Health monitor progress towards the goal and objective of the National Ice Action Strategy and provide this information to government. **Recommendation 5.** The Department of Health improve public reporting on how the implementation of the National Ice Action Strategy is progressing and what is being achieved.

Audit	**Implementation of the My Health Record System** Published – 25 November 2019 Cross entity performance audit (Auditor-General Report No. 13 of 2019-20)
Objective	To assess the effectiveness of the implementation of the My Health Record system under the opt-out model. The audit adopted the following criteria: • implementation of the My Health Record system promotes achievement of its purposes; • My Health Record system risks are appropriately assessed, managed and monitored; and • monitoring and evaluation arrangements for the My Health Record system are effective.
Recommendations (Directed to the Department)	**Recommendation 2.** The Australian Digital Health Agency, with the Department of Health and in consultation with the Information Commissioner, review the adequacy of its approach and procedures for monitoring use of the emergency access function, and notify the Information Commissioner of potential and actual contraventions.
Audit	**Award of Funding Under the Community Sport Infrastructure Program** Published – 15 January 2020 Cross entity performance audit (Auditor-General Report No. 23 of 2019-20)
Objective	To assess whether the award of funding under the Community Sport Infrastructure Program was informed by an appropriate assessment process and sound advice.
Recommendations (Directed to the Department)	Nil.
Audit	**Implementation of ANAO and Parliamentary Committee Recommendations — Education and Health Portfolios** Published – 25 June 2020 Cross entity performance audit (Auditor-General Report No. 46 of 2019-20)
Objective	To examine whether selected entities in the Health and Education portfolios implemented Joint Committee of Public Accounts and Audit (JCPAA) and other parliamentary inquiry report recommendations and agreed ANAO performance audit recommendations.
Recommendations (Directed to the Department)	**Recommendation 2.** The Department of Education, Department of Health, Australian Sports Commission and National Health and Medical Research Council strengthen formalised governance arrangements to implement parliamentary committee inquiry recommendations in order to provide executive oversight of implementation, performance and accountability. Arrangements should include development of implementation plans, assignment of responsibility for progressing recommendations, and appropriate tracking and reporting of implementation status and closure.

Judicial decisions, or decisions of administrative tribunals or the Australian Information Commissioner, made during the period that have had, or may have, a significant effect on the operations of the entity

In 2019-20, there were no judicial decisions, or decisions of administrative tribunals or the Australian Information Commissioner, that have had, or may have, a significant effect on the operations of the entity.

During 2019-20, the Department was involved in:

- two matters in the Full Federal Court;
- 22 matters in the Federal Court;
- two matters in the Supreme Court of New South Wales;
- one matter in the Magistrates Court of the Australian Capital Territory;
- 28 matters in the Administrative Appeals Tribunal; and
- 29 Freedom of Information review requests with the Information Commissioner.

The Department was not involved in any matters in the High Court in 2019-20.

In addition to the above, the Department was also involved in six criminal prosecutions finalised in 2019-20, all of which resulted in convictions. Further details about these convictions can be found in the fraud minimisation and control section of this Annual Report, pg 140.

Reports by the Commonwealth Ombudsman

The Department continues to liaise with the Office of the Commonwealth Ombudsman (the Office) on complaints relating to aspects of the Department's administrative activities.

During 2019-20, the Department received eight preliminary inquiries (section 7A of the *Ombudsman Act 1976*) and four investigations (section 8 of the *Ombudsman Act 1976*) from the Office. Nine of these were finalised under section 12 of the *Ombudsman Act 1976*[109], none of which resulted in a finding of administrative deficiency. Two preliminary inquiries and one investigation were carried over to 2020-21.

Anyone with concerns about the Department's actions or decision-making is encouraged to make a complaint with the Office to determine whether the Department was wrong, unjust, discriminatory or unfair. Further information on the role of the Office is available at: www.ombudsman.gov.au

Tobacco Plain Packaging

The Department has responsibility to investigate and enforce the legislation on behalf of the Commonwealth, which requires that all tobacco products sold in Australia must be in plain packaging and labelled with health warnings.

The Department, pursuant to section 108 of the *Tobacco Plain Packaging Act 2011* (the Act), reports that 80 potential contraventions of the Act were investigated in 2019-20. A total of 16 warning letters and two infringement notices were issued.

A copy of this report has been provided to the Minister for Health.

[109] Section 12 of the *Ombudsman Act 1976* refers to the complainant and the relevant department or agency being informed of outcomes of any investigations and/or actions taken by the Ombudsman regarding a complaint.

The *Human Services (Medicare) Act 1973*

The *Human Services (Medicare) Act 1973* provides for the Chief Executive Medicare to authorise the exercise of powers requiring a person to give information or to produce a document that is in the person's custody, or under the person's control, and the power to obtain a statutory report under Section 42 of the *Human Services (Medicare) Act 1973*. The table below outlines the number of times powers were exercised in 2019-20.

	Section 42(1) paragraphs (a) to (h)	
(a)	the number of signed instruments made under section 8M;	9
(b)	the number of notices in writing given under section 8P;	126
(c)	the number of notices in writing given to individual patients under section 8P;	1
(d)	the number of premises entered under section 8U;	-
(e)	the number of occasions when powers were used under section 8V;	-
(f)	the number of search warrants issued under section 8Y;	2
(g)	the number of search warrants issued by telephone or other electronic means under section 8Z; and	-
(h)	the number of patients advised in writing under section 8ZN.	-

Legal services expenditure

The table below outlines the Department's legal services expenditure for 2019-20, in compliance with paragraph 11.1(ba) of the *Legal Services Directions 2017*.

Description	2019-20 cost $'000 (excluding GST)
Total external legal services expenditure	$16,360
Total internal legal services expenditure	$16,526

Part 4: Financial Statements

Part 4.1
Financial Statements Process

The Department is required to prepare annual financial statements to comply with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The statements must comply with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 and Australian Accounting Standards. Additional guidance is provided by the Department of Finance through Resource Management Guide No. 125.

In preparing the 2019-20 financial statements, the Department applied professional judgement to ensure that the financial statements fairly present the financial position, financial performance and cash flows.

This year's financial statements incorporate extensive disclosures of the implementation of new accounting standards AASB 16 – *Leases* and AASB 15 *Revenue from Contracts with Customers* / AASB *1058 Income of Not-for-Profit Entities*. The Department has also continued its practice of additional disclosures where, in the opinion of the Chief Financial Officer, these disclosures add value for the reader. In 2019-20, this includes retention of the cash flow reconciliation notes.

The Department's quality assurance framework applied to the financial statements includes independent advice from the Audit and Risk Committee to the Secretary on the preparation and review of the financial statements. This advice is underpinned by a comprehensive program of work coordinated by an experienced project manager and overseen by the Financial Statements Sub-Committee.

The financial statements are audited by the Australian National Audit Office.

Readers of the financial statements will be assisted by the colour coding incorporated in the statements, notes and narrative. Grey shaded items are items that the Department administers on behalf of the Government, unshaded items are Departmental in nature and accounting policy has a blue background.

Part 4.2:
2019-20 Financial Statements

Table of contents

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

Opinion

In my opinion, the financial statements of the Department of Health (the Entity) for the year ended 30 June 2020:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2020 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Overview;
- Departmental Statement of Comprehensive Income;
- Departmental Statement of Financial Position;
- Departmental Statement of Changes in Equity;
- Departmental Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Key audit matter	How the audit addressed the matter
Accuracy of personal benefits and subsidies *Refer to Note 20B 'Personal benefits' and Note 20C 'Subsidies – aged care''* I focused on personal benefits and subsidies expenses related to health and aged care programs including Medicare, Pharmaceutical Benefits Scheme and Private Health Insurance Rebate because these payments are: • calculated by multiple, complex information technology systems; • based on the information provided by the payment recipients and may be significantly impacted by delays in recipients providing correct or updated information and/or provision of misleading information in order to obtain financial gain; and • significant to the financial statements. During 2019–20 financial year, the Entity recognised personal benefits expenses of $48,554,852,000 and $13,357,030,000 of aged care subsidies expenses.	I applied the following audit procedures to address this key audit matter: • tested the operating effectiveness of key business processes, controls and information technology (IT) systems related to the accurate calculation and processing of payments; • assessed the design and operating effectiveness of internal controls related to the accreditation and registration of medical providers, pharmacies and aged care providers; and • for a sample of payments, assessed the eligibility of the payment recipients and checked the accuracy of calculations in accordance with the requirements in relevant legislation.

Key audit matter	How the audit addressed the matter
Valuation of personal benefits provisions and subsidies provisions *Refer to Note 20B 'Personal benefits provisions' and Note 20C 'Subsidies provisions* I considered this area a key audit matter due to the significant actuarial based assumptions and judgements involved in estimating the personal benefits and subsidies provisions. The complicated judgements relate to the amount and timing of future cash flows, estimating the period over which these provisions are expected to be settled by the Entity and use of an appropriate discount rate. These judgements rely on the completeness and accuracy of the underlying historical data used in the estimation process. As at 30 June 2020, the personal benefits provisions were $972,351,000 and subsidies provisions were $458,000,000.	I applied the following audit procedures to address this key audit matter: • tested the Entity's review and approval process of actuarial assumptions used in the estimation of provisions; • assessed the appropriateness of significant assumptions and judgements made during the estimation process including the timing and amount of future cash flows and appropriateness of the discount rate used; and • assessed the data used in the estimation process for accuracy and completeness.

Key audit matter	How the audit addressed the matter
Existence and completeness of inventories Refer to Note 25A *Inventories Held for Distribution* The Entity had a balance of $907,259,000 in inventories as at 30 June 2020 which reflects the National Medical Stockpile. I consider the existence and completeness of inventories to be a key audit matter due to the significance of the balance to the financial statements, the significant increase in purchases of personal protective equipment, and the high turnover of this inventory during the year to support the response to the COVID-19 pandemic.	To address the key audit matter, I: • assessed the design and operational effectiveness of key controls related to the recording of purchase and deployment transactions for inventory items; and • observed and re-performed the Entity's stocktaking activities at a selection of locations, including attendance at virtual stocktaking activities in response to the impact of the COVID-19 pandemic on planned activities.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirement and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office

Rahul Tejani

Executive Director

Delegate of the Auditor-General

Canberra

9 September 2020

Department of Health

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Health will be able to pay its debts as and when they fall due.

Signed.....

Dr Brendan Murphy
Secretary
Department of Health

7th September 2020

Signed.....

David Hicks CPA
Chief Financial Officer
Department of Health

7 September 2020

Department of Health

Overview

1. Objectives of the Department of Health

The Department of Health (the Department) is a not-for-profit Australian Government controlled entity. The objective of the Department is to lead and shape Australia's health system and sporting outcomes through evidence based policy, well targeted programs and best practice regulation. In 2020 the Department was structured to meet the following six outcomes:

Outcome 1:	Health System Policy, Design and Innovation
Outcome 2:	Health Access and Support Services
Outcome 3:	Sport and Recreation
Outcome 4:	Individual Health Benefits
Outcome 5:	Regulation, Safety and Protection
Outcome 6:	Ageing and Aged Care

The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continued funding by Parliament for the Department's administration and programs.

The Department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government.

The Department is responsible for the following administered activities on behalf of the Government:

- payment of subsidies for residential, aged care and community programs;
- payment of personal benefits for Medicare and pharmaceutical services as well as for affordability and choice of health care initiatives; and
- payment of grants, with the majority of these made to non-profit organisations.

2. Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements and notes have been prepared in accordance with:

- the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements and notes have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets held at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Administered revenues, expenses, assets, liabilities and cash flows reported in the administered schedules and related notes are accounted for on the same basis and using the same policies as for Departmental items, except as otherwise stated.

Items of a similar nature together with disclosure of the relevant accounting policy are grouped together in the notes to the financial statements. The accounting policy disclosures have been shaded blue to distinguish them from other commentary.

The Department's financial statements include the financial records of the departmental special accounts, the Therapeutic Goods Administration (TGA), the Office of the Gene Technology Regulator (OGTR) and the Australian Industrial Chemicals Introduction Scheme (AICIS) (formerly known as the National Industrial Chemicals Notification and Assessment Scheme).

All transactions between the departmental ledgers have been eliminated from the departmental financial statements.

Comparative figures

Comparative figures have been adjusted, where required, to conform to changes in presentation of the financial statements.

3. New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

The Department adopted all new, revised and amending standards and interpretations that were issued by the AASB prior to the sign-off date and are applicable to the current reporting period.

Application of AASB 15 Revenue from Contracts with Customers / AASB 1058 Income of Not-for-Profit Entities

AASB 15 and AASB 1058 became effective 1 July 2019.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the not-for-profit (NFP) provisions of AASB 1004 *Contributions* and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.

The Department adopted AASB 15 and AASB 1058 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under the various applicable AASBs and related interpretations.

Under the new income recognition model the Department shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are ‘sufficiently specific’. If an enforceable agreement exists and the promises are ‘sufficiently specific’ (to a transaction or part of a transaction), the Department applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Department shall consider whether AASB 1058 applies.

In relation to AASB 15, the Department elected to apply the new standard to all new and uncompleted contracts from the date of initial application. The Department is required to aggregate the effect of all of the contract modifications that occur before the date of initial application.

In terms of AASB 1058, the Department is required to recognise volunteer services at fair value if those services would have been purchased if not provided voluntarily, and the fair value of those services can be measured reliably.

Impact on transition
The impact on transition is summarised below:

	1 July 2019
Departmental	**$'000**
Liabilities	
Other payables	9,452
Total liabilities	**9,452**
Total adjustment recognised in retained earnings	**(9,452)**

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted.

Transitional Disclosure	**AASB 15 / AASB 1058 $'000**	**Previous AAS $'000**	Increase / (decrease) $'000
Revenue			
Revenue from contracts with customers	191,087	190,951	136
Total revenue	**191,087**	**190,951**	**136**
Net (cost of)/contribution by services	**191,087**	**190,951**	**136**
Liabilities			
Other payables	32,907	23,591	9,316
Total liabilities	**32,907**	**23,591**	**9,316**
Retained earnings	**136**	**9,316**	**9,452**

Administered	1 July 2019 **$'000**
Liabilities	
Supplier payables	1,498
Total liabilities	**1,498**
Total adjustment recognised in retained earnings	**(1,498)**

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted.

Transitional Disclosure	**AASB 15 / AASB 1058 $'000**	**Previous AAS $'000**	Increase / (decrease) $'000
Revenue			
Revenue from contracts with customers	22,428	25,365	(2,937)
Total revenue	**22,428**	**25,365**	**(2,937)**
Net (cost of)/contribution by services	**22,428**	**25,365**	**(2,937)**
Liabilities			
Supplier payables	4,435	-	4,435
Total liabilities	**4,435**	**-**	**4,435**
Retained earnings	**(2,937)**	**4,435**	**1,498**

Application of AASB 16 Leases

AASB 16 became effective on 1 July 2019.

This new standard replaced AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. AASB 16 substantially carries forward the lessor accounting in AASB 117, with the distinction between operating and finance leases retained.

The Department adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The Department elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Department applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date:
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 *Impairment of Assets* as at the date of initial application; and
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as at the date of initial application.

As a lessee, the Department previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Department recognises right-of-use assets and lease liabilities for most leases. However, the Department has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the Department recognised right-of-use assets and lease liabilities in relation to office space and motor vehicles, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Department's incremental borrowing rate as at 1 July 2019. The Department's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.29%.

The right-of-use assets were measured as follows:

a. Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
b. All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

Impact on transition
On transition to AASB 16, the Department recognised additional right-of-use assets and additional lease liabilities, with no impact on retained earnings. The impact on transition is summarised below:

	1 July 2019 $'000
Departmental	
Right-of-Use assets – land and buildings (adjusted for prepayment and accrual)	564,724
Less: lease prepaid	(1,574)
Add: lease accrued	275
Right-of-Use assets – land and buildings	563,425
Right-of-Use assets – Motor Vehicle	77
Total Right-of-Use assets	**563,502**
Lease liabilities	563,502
Retained earnings	-

The following table reconciles the Departmental minimum lease commitments disclosed in the Department's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

	1 July 2019 $'000
Minimum operating lease commitment at 30 June 2019	618,195
Less: Short-term leases not recognised under AASB 16	(351)
Less: Low value leases not recognised under AASB 16	(145)
Undiscounted lease payments	**617,699**
Less: Effect of discounting using the incremental borrowing rate as at the date of initial application	(54,197)
Lease liabilities recognised at 1 July 2019	**563,502**

The adoption of these standards and interpretations has had the following impact:

New standard	Impact
AASB 15 *Revenue from Contracts with Customers*	Recognition of revenue in line with AASB 15 has seen a reduction in revenue recognised during the reporting period as outlined above in the transitional table. This has been offset by the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings on 1 July 2019.
AASB 1058 *Income of Not-for-Profit Entities*	No material impact.
AASB 16 *Leases*	Implementation of AASB 16 has seen the recognition of Right-of-Use (ROU) assets and corresponding lease liabilities on the balance sheet for most leasing arrangements. The cumulative effect of initially applying AASB 16 was recognised as an adjustment to the opening balance of retained earnings on 1 July 2019.

Department of Health

4. Significant Accounting Judgements and Estimates

Except where specifically identified and disclosed, the Department has determined that no accounting assumptions and estimates have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

5. Transactions with the Australian Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

During the reporting period responsibility for the Aged Care Gateway IT system application platform was transferred to the Department from the Department of Social Services (DSS).

The Government established the independent Aged Care Quality and Safety Commission, effective 1 January 2019. The Commission incorporated the functions of the Aged Care Complaints Commissioner, formerly part of the Department. The initial phase of the restructure occurred during 2018-19, with the subsequent and final phase occurring during 2019-20.

The financial impact of the restructuring arrangements is reported in detail at Note 17: Restructuring.

No administered functions were transferred to or from the Department under restructuring arrangements during the financial year.

6. Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

7. Events after the reporting period

TGA special account annual charges 2019-20

Sponsors of certain products on the Australian Register of Therapeutic Goods during the 2019-20 year have until 15 September 2020 to apply for exemption from the annual charges for the year. An estimate of the value of the exemptions has been incorporated in 2019-20 revenues.

Administered Inventory

$2.0m of administered inventory held in the National Medical Stockpile will pass its expiry date during the period July to October 2020 (2019: $11.1m).

Department of Health

Departmental Statement of Comprehensive Income
for the period ended 30 June 2020

	Notes	ACTUAL 2020 $'000	ACTUAL 2019 $'000	ORIGINAL BUDGET 2020 $'000
NET COST OF SERVICES				
EXPENSES				
Employee benefits	4A	**509,937**	533,383	489,554
Suppliers	7A	**305,164**	334,256	329,966
Depreciation and amortisation	11	**99,352**	34,240	33,133
Finance costs	7C	**7,094**	-	-
Grants		-	24,931	-
Other expenses	7B	**1,940**	2,253	2,500
Total expenses		**923,487**	929,063	855,153
OWN-SOURCE INCOME				
Revenue from contracts with customers	8A	**191,087**	185,917	199,431
Other revenue	8B	**11,591**	8,861	4,354
Rental income	8C	**5,916**	-	-
Gains	8D	-	412	870
Total own-source income		**208,594**	195,190	204,655
Net cost of services		**714,893**	733,874	650,498
Revenue from Government	9A	**673,963**	705,401	627,720
Surplus/(deficit) attributable to the Australian Government		**(40,930)**	(28,472)	(22,778)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		(396)	-	-
Total other comprehensive income		(396)	-	-
Total comprehensive income/(loss) attributable to the Australian Government	1	**(41,326)**	(28,472)	(22,778)

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Departmental Statement of Financial Position
as at 30 June 2020

	Notes	$'000	$'000	$'000
ASSETS				
Financial assets				
Cash and cash equivalents	10A	**122,124**	104,373	103,149
Appropriations receivable	9B	**73,771**	65,850	-
Trade and other receivables	8E	**24,198**	16,258	38,106
Receivable from Government		-	24,931	-
Accrued revenue		**10,382**	9,851	5,431
Total financial assets		**230,475**	221,262	146,686
Non-financial assets[1]				
Land and buildings	11	**617,404**	49,597	46,207
Plant and equipment	11	**6,289**	6,096	6,221
Intangibles	11	**179,069**	120,160	169,934
Prepayments		**15,237**	13,305	26,775
Lease incentives		-	8,530	-
Investment in sublease		**3,163**	-	-
Total non-financial assets		**821,162**	197,689	249,137
Total assets		**1,051,637**	418,951	395,823
LIABILITIES				
Payables				
Supplier payables	10B	**70,099**	90,788	77,545
Employee payables	4B	**9,536**	10,560	-
Other payables	7D	**32,918**	41,384	41,417
Total payables		**112,553**	142,732	118,962
Interest bearing liabilities				
Lease liabilities [1]	10C	**579,421**	-	-
Total interest bearing liabilities		**579,421**	-	-
Provisions				
Employee provisions	4C	**170,976**	160,344	132,982
Other provisions	7E	**7,980**	32,310	29,697
Total provisions		**178,956**	192,654	162,679
Total liabilities		**870,930**	335,387	281,641
Net assets		**180,707**	83,565	114,182
EQUITY				
Contributed equity		**409,356**	302,795	350,615
Asset revaluation reserve		**37,350**	37,746	37,746
Retained surplus/(Accumulated deficit)		**(265,999)**	(256,976)	(274,179)
Total equity		**180,707**	83,565	114,182

[1] Right-of-use assets are included in the following line items: Land and buildings and plant and equipment.

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Departmental Statement of Changes in Equity
for the period ended 30 June 2020

	ACTUAL	ACTUAL	ORIGINAL BUDGET
	2020	2019	2020
	$'000	$'000	$'000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	**(256,976)**	(228,506)	(251,401)
Adjustment on initial application of accounting standards	**31,907**	-	-
(Deficit)/surplus attributable to the Australian Government	**(40,930)**	(28,471)	(22,778)
Closing balance as at 30 June	**(265,999)**	(256,978)	(274,179)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	**37,746**	37,748	37,746
Other comprehensive income	**(396)**	-	-
Closing balance as at 30 June	**37,350**	37,748	37,746
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	**302,795**	271,086	303,040
Contributions by owners			
Equity injection - appropriations	**53,741**	19,246	32,120
Departmental Capital Budget	**15,377**	12,708	15,455
Restructuring[1]	**37,443**	(245)	-
Total transactions with owners	**106,561**	31,709	47,575
Closing balance as at 30 June	**409,356**	302,795	350,615
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	**83,565**	80,328	89,385
Adjustment on initial application of accounting standards	**31,907**	-	-
Comprehensive (loss)/gain for the period	**(41,326)**	(28,472)	(22,778)
Transactions with owners	**106,561**	31,709	47,575
Closing balance as at 30 June	**180,707**	83,565	114,182

[1] Refer to Note 17 – Restructuring for details

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Department of Health

Departmental Cash Flow Statement
for the period ended 30 June 2020

	Notes	ACTUAL 2020 $'000	ACTUAL 2019 $'000	ORIGINAL BUDGET 2020 $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**836,202**	804,138	695,911
Sale of goods and rendering of services		**199,578**	192,396	199,144
GST received		**37,161**	30,920	20,000
Sublease rental income		**6,663**	3,392	-
Other		-	-	4,354
Total cash received		**1,079,604**	1,030,845	919,409
Cash used				
Employees		**(499,242)**	(517,472)	(485,080)
Suppliers		**(329,926)**	(316,639)	(327,043)
GST paid		**(38,473)**	(32,024)	(20,000)
Section 74 receipts transferred to the OPA		**(129,092)**	(125,387)	(62,000)
Interest payments on lease liabilities		**(7,094)**	-	-
Grants		-	(24,931)	-
Other		**(47)**	(595)	(9,965)
Total cash used		**(1,003,874)**	(1,017,048)	(904,088)
Net cash from operating activities	3	**75,730**	13,797	15,321
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant, equipment and intangibles		**(62,797)**	(32,463)	(61,941)
Total cash used		**(62,797)**	(32,463)	(61,941)
Net cash used by investing activities		**(62,797)**	(32,463)	(61,941)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Equity injection		**38,587**	11,479	32,120
Appropriations - Departmental capital budget		**14,394**	10,969	15,455
Total cash received		**52,981**	22,448	47,575
Cash used				
Principal payments of lease liabilities		**(48,163)**	-	-
Total cash used		**(48,163)**	-	-
Net cash from financing activities		**4,818**	22,448	47,575
Net increase in cash held		**17,751**	3,782	955
Cash and cash equivalents at the				
- beginning of the reporting period		**104,373**	100,591	102,194
- end of the reporting period	10A	**122,124**	104,373	103,149

The above statement should be read in conjunction with the accompanying notes.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 1: Departmental operating result reconciliation

The Government funds the Department on a net cash appropriation basis, where appropriation revenue is not provided for depreciation and amortisation expenses. Depreciation and amortisation is included in the Department's cost recovered operations to the extent that it relates to those activities.

The Department's accountability for its operating result is at its result net of unfunded depreciation and amortisation.

	2020	2019
	$'000	$'000
Total comprehensive income/(loss) attributable to the Australian Government	**(41,326)**	(28,472)
Plus non-appropriated depreciation and amortisation expenses		
Total depreciation and amortisation for regular assets	**42,638**	34,240
Less cost recovered depreciation		
NICNAS (renamed as AICIS from 1 July 2020)	**(1,079)**	(645)
TGA	**(7,995)**	(7,518)
Plus depreciation and amortisation expenses for ROU assets	**56,714**	-
Net non-appropriated depreciation and amortisation expenses	**90,278**	26,077
Less lease expenditure	**43,522**	-
Total comprehensive income/(loss)	**5,430**	(2,396)

Total depreciation includes the impact of adopting the new Accounting Standard AASB 16 *Leases,* which increased 2019-20 depreciation by $56.7m.

Note 2: Departmental explanation of budget variances

General Commentary

AASB 1055 *Budgetary Reporting* requires explanations of major variances between the original budget as presented in the *2019-20 Portfolio Budget Statements* (PBS) and the final 2020 outcome. The information presented below should be read in the context of the following:

- the original budget was prepared before the 2019 final outcome could be known. As a consequence, the opening balance of the statement of financial position was estimated and in some cases variances between the 2020 final outcome and budget estimates can in part be attributed to unanticipated movement in the prior year period balances.
- the Department's executive maintained its long term financial management plan to increase cash reserves and improve financial sustainability. A key element of the plan is to target a modest operating surplus net of end of year accounting adjustments and unfunded depreciation and amortisation.
- variances attributable to factors which would not reasonably have been identifiable at the time of the budget preparation, such as revaluation or impairment of assets or reclassifications of asset reporting categories have not been included as part of this analysis.
- the Department considers that major variances are those greater than 10% of the estimate. Variances below this threshold are not included unless considered significant by their nature.
- variances relating to cash flows are a result of the factors detailed under expenses, own source income, assets or liabilities. Unless otherwise individually significant or unusual, no additional commentary has been included.
- the departmental budget was prepared under the Commonwealth budgeting framework where revenue is not appropriated for depreciation and amortisation expenses, except as funded through cost recovered activity.
- the Budget is not audited.

Net cost of services

The Department's total expenses for 2019-20 were higher than budgeted. The Department incurred non-budgeted depreciation recognised under AASB 16 for Right-Of-Use (ROU) assets and the amortisation of the My Aged Care system that was transferred to the Department from the Department of Social Services (DSS) in November 2019.

These increases were in part offset by a reduction to supplier expenses, achieved mainly through the de-recognition of operating lease expenses under AASB 16.

Own source income was marginally higher than budget.

The Government provided additional revenue through the Budget and Additional Estimates process largely for the Department to:

- improve aged care quality and safety;
- improve access to medicines through the Pharmaceutical Benefits Scheme;
- prioritise mental health; and
- focus on targeted support for individuals and communities affected by the recent bushfires.

The other significant variation to the Department's appropriation revenue in 2019-20 was the receipt of additional funding ($9.1m) as part of the Coronavirus Health Response Package.

Financial assets
The Department's year-end financial asset position was higher than originally budgeted and reflects the impact of the positive operating result for the year on appropriations receivable along with the higher than anticipated balance of cash accounts, including the Therapeutic Goods Administration special account.

Non-financial assets
Total non-financial assets was higher than the budgeted amount primarily due to the recognition of Right-Of-Use assets under AASB 16.

Liabilities
Total liabilities were higher than budgeted primarily as a result of the recognition of lease liabilities under AASB 16.

In addition, the Department experienced an increase in employee provisions in 2019-20 largely caused by the impact of the bond rate and actuarial revaluation applied at 30 June 2019, which is carried into 2019-20. This increase was offset in part by lower than expected amounts for other provisions, largely due to the de-recognition of straight line provisioning of property leases under AASB 16.

Departmental cash flows

The Department makes payments when due and obtains funds from the Official Public Account in a just-in-time manner to make these payments as they fall due. The timing of payments, particularly for suppliers, will be dependent on the receipt of the goods and services and their related invoices and so can vary between reporting periods.

The cash flows from investing activities essentially relate to outflows associated with the purchase of non-financial assets, being property, plant and equipment and intangibles. These outflows are funded through capital appropriation and equity injections from Government and through funds received through the sale of regulatory services. Investment in capital projects may extend across multiple reporting periods.

Note 3: Departmental cash flow reconciliation

	2020 $'000	2019 $'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per		
Cash Flow Statement	**122,124**	104,373
Statement of Financial Position	**122,124**	104,373
Discrepancy	**-**	-
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	**(714,893)**	(733,874)
Add revenue from Government	**673,963**	705,401
Adjustment for non-cash items		
Depreciation/amortisation	**42,638**	34,240
Depreciation/amortisation - ROU assets	**56,714**	-
Net write-down of non-financial assets	**1,082**	1,547
Net write-down of financial instruments	**811**	-
Movements in assets and liabilities		
Assets		
Decrease/(increase) in net receivables	**25,046**	(25,768)
Decrease/(increase) in other financial assets	**(531)**	(4,419)
Decrease/(increase) in other non-financial assets	**(3,506)**	2,977
Liabilities		
Increase/(decrease) in employee provisions/payables	**11,774**	17,146
Increase/(decrease) in supplier payables	**(17,368)**	18,114
Increase/(decrease) in other payables	-	(3,531)
Increase/(decrease) in other provisions	-	1,963
Net cash from operating activities	**75,730**	13,796

Note 4: Employees

	2020 $'000	2019 $'000
Note 4A: Employee benefits		
Wages and salaries	**359,009**	356,060
Superannuation:		
Defined contribution plans	**35,979**	39,634
Defined benefit plans	**36,240**	38,276
Leave and other entitlements	**75,487**	91,812
Separation and redundancies	**3,222**	7,601
Total employee benefits	**509,937**	533,383
Note 4B: Employee payables		
Wages and salaries	**7,782**	3,915
Superannuation	**754**	4,932
Separations and redundancies	**1,000**	1,713
Total employee payables	**9,536**	10,560
Note 4C: Employee provisions		
Leave	**170,885**	159,802
Separations and redundancies	**91**	542
Total employee provisions	**170,976**	160,344

All employee payables are expected to be settled within 12 months of the balance date.

Accounting policy
Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within 12 months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave
The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination. The liability for long service leave and annual leave expected to be settled outside of 12 months of the balance date has been determined by reference to the work of an actuary as at May 2018. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy
The Department recognises a payable for separation and redundancy where an employee has accepted an offer of a redundancy benefit and agreed a termination date. A provision for separation and redundancy is recorded when the Department has a detailed formal plan for the payment of redundancy benefits. The provision is based on the discounted anticipated costs for identified employees engaged in the redundancy program.

Superannuation
Under the *Superannuation Legislation Amendment (Choice of Funds) Act 2004*, employees of the Department are able to become a member of any complying superannuation fund. A complying superannuation fund is one that meets the requirements under the *Income Tax Assessment Act (1997)* and the *Superannuation Industry (Supervision) Act 1993*.

The Department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other compliant superannuation funds with the rates of contribution being set by the Department of Finance on an annual basis.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other compliant superannuation funds are defined contribution schemes. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Department makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the number of days between the last pay period in the financial year and 30 June.

Note 5: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Department, directly or indirectly. The Department has determined the key management personnel to be the Secretary, the Chief Medical Officer (CMO) and all Deputy Secretaries. Key management personnel also include officers who have acted as the Secretary, CMO or a Deputy Secretary and have exercised significant authority in planning, directing and controlling the activities of the Department.

Key management personnel remuneration is reported in the table below:

	2020	2019
	$'000	$'000
Key management personnel remuneration		
Short-term employee benefits	**3,677**	3,649
Post-employment benefits	**519**	555
Other long term employee benefits	**117**	96
Total key management personnel remuneration expenses [1]	**4,313**	4,300

The total number of key management personnel that are included in the above table is 12 (2019: 12).

Remuneration information for executives and other highly paid officials is included in the Annual Report in Part 3.4: People and Appendix 1: Workforce Statistics.

1 The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

2 Comparative figures have been updated to reflect annual leave as a 'short-term employee benefit'.

Note 6: Related party transactions

Related party relationships
The Department is an Australian Government controlled entity. Related parties to the Department are key management personnel including the Portfolio Minister and Executive Government and other Australian Government entities.

Transactions with related parties
Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include receipt of a Medicare rebate, Medicare bulk billing provider payments, pharmaceutical benefits or a zero real interest loan for aged care providers. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities and transactions entered into during the reporting period by the Department, it has been determined that there are no related party transactions to be separately disclosed.

Note 7: Departmental suppliers, other expenses and payables

	2020 $'000	2019 $'000
Note 7A: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**101,632**	80,140
Information technology costs	**96,862**	106,208
Services delivered under contract or others	**37,818**	32,231
Property	**15,617**	16,132
Travel	**7,905**	11,107
Training and other staff related expenses	**3,767**	6,072
Legal	**8,318**	8,264
Committees	**3,957**	3,581
Other	**23,355**	15,061
Loss on finance sublease	**71**	-
Total goods and services supplied or rendered	**299,302**	278,797
Other suppliers		
Operating lease rentals[1]	**-**	51,580
Short-term leases	**544**	-
Variable lease payments	**199**	-
Low value leases	**835**	-
Workers compensation premiums	**4,284**	3,879
Total other suppliers	**5,862**	55,459
Total suppliers	**305,164**	334,256

[1] The Department has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

The Department has short-term lease commitments of $186k as at 30 June 2020.

Accounting policy
As a lessee, the Department previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Department recognises right-of-use assets and lease liabilities for most leases. However, the Department has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the underlying value of the asset when new (less than $10,000) or short-term leases with a lease term of 12 months or less. The Department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2020 $'000	2019 $'000
Note 7B: Other expenses		
Write-down and impairment of assets		
Impairment of financial instruments	**811**	111
Impairment of plant and equipment	**138**	211
Impairment on intangibles	**944**	1,335
Payments made on behalf of Portfolio entities	**47**	595
Total other expenses	**1,940**	2,253

	2020	2019
	$'000	$'000
Note 7C: Finance costs		
Interest on lease liabilities	**7,094**	-
Total finance costs	**7,094**	-
Note 7D: Other payables		
Lease incentive[1]	-	19,825
Unearned income	**32,907**	20,732
Other	**11**	827
Total other payables	**32,918**	41,384
Note 7E: Other provisions		
Provision for restoration	**7,980**	1,683
Provision for lease straightlining[1]	**-**	30,627
Total other provisions	**7,980**	32,310

1 The Department has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117. Lease incentive assets, lease incentive payables and provisions for lease straight lining were reversed against the opening balance of retained earnings on 1 July 2019.

Accounting policy

Provision for Restoration Obligation

Where the Department has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

Note 7F: Reconciliation of movement in other provisions

	Provision for restoration[1]	Provision for lease straightlining[2]	Total
	$'000	$'000	$'000
As at 1 July 2019	**1,683**	**30,627**	**32,310**
Additional provisions made	**6,377**	**-**	**6,377**
Amounts used	**(80)**	**-**	**(80)**
Amounts reversed	**-**	**(30,627)**	**(30,627)**
Total as at 30 June 2020	**7,980**	**-**	**7,980**

1 The Department currently has eight (2019: four) agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

2 Due to the application of AASB 16, the provision for lease straight lining was de-recognised.

Note 8: Departmental income and receivables

	2020	2019
	$'000	$'000
Note 8A: Revenue from contracts with customers		
Sale of goods	**2,504**	1,283
Rendering of services	**188,583**	184,634
Total revenue from contracts with customers	**191,087**	185,917
Disaggregation of revenue from contracts with customers		
Activity / service line:		
Annual charges / licence fees	**90,955**	90,083
Application fees	**28,595**	22,582
Evaluation / assessment fees	**47,981**	45,213
Service delivery	**23,556**	28,038
	191,087	185,917
Timing of transfer of goods and services:		
Over time	**156,777**	147,386
Point in time	**34,310**	38,531
	191,087	185,917
Note 8B: Other revenue		
Resources received free of charge[1]	**1,699**	880
Listing fee	**4,286**	4,722
Recovery of costs	**3,413**	595
Other revenue	**2,193**	2,664
Total other revenue	**11,591**	8,861

[1] Resources received free of charge represent the financial statement audit services provided to the Department by the Australian National Audit Office and the provision of additional employee resources to support the Government's response to the COVID-19 pandemic.

	2020	2019
	$'000	$'000
Note 8C: Rental income		
Subleasing right-of-use assets	**5,916**	-
Total rental income	**5,916**	-
Note 8D: Gains		
Other gains	**-**	412
Total gains	**-**	412

Accounting policy

Revenue

Revenue from the sale of goods and rendering of services is recognised when control has transferred to the buyer.

In relation to AASB 15 the Department has considered each revenue stream to identify the existence of an enforceable contract that requires the completion of sufficiently specific performance obligations in exchange for relevant consideration. If so, revenue is recognised either over time or at a point in time as performance obligations are completed and the Department has an enforceable right to payment for the performance completed to date.

Revenue items that are akin to a Non-IP licence in that they provide the customer with the right to perform an activity that they otherwise not be entitled to perform are accounted for in accordance with AASB 15. For those activities where the charge relates to a period of 12 months or less, the expedients as they apply to short-term licences have been applied.

Revenue items not meeting the requirements of AASB 15 have been considered under AASB 1058. These transactions include those where the Department acquires or receives an asset (including cash) in exchange for consideration that is significantly less than fair value. Examples include cash grants and levies and fees received by the Department to further their objectives. Recognition occurs when the Department becomes entitled to the asset.

The principal activities from which the Department generates its revenue relate to:

- The cost recovery activities of the Therapeutic Goods Administration (TGA). These cover the registration and listing of medicines and inclusion of medical devices, including in vitro diagnostic (IVD) devices, and biologicals onto the Australian Register of Therapeutic Goods (ARTG) and the ongoing maintenance and surveillance of them;
- Regulatory activities associated with the scientific assessment of new and existing industrial chemicals, monitoring and enforcement of statutory obligations under the *Industrial Chemicals (Notification and Assessment) Act*, maintenance of the Australian Inventory of Chemical Substances, and implementing Australia's obligations under international arrangements relevant to industrial chemicals;
- The recovery of costs associated with the administration of the Prostheses List (the List). The List is a list of surgically implanted prostheses, human tissue items, and other medical devices that helps ensure privately insured patients have access to safe and clinically effective medical devices; and
- The recovery of costs by the Department for the provision of corporate services to portfolio agencies.

The transaction price is the total amount of consideration to which the Department expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms (TGA: 28 days), are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

On 1 July 2015 the TGA introduced the annual charges exemption scheme to provide relief from annual charges until a product on the Australian Register of Therapeutic Goods commences generating turnover. Under this scheme, which is detailed in the regulations covering therapeutic goods, some of the charges in respect of 2019-20 may not be known until the end of the declaration period on 15 September 2020. While there is some uncertainty in the revenue calculation for the financial year, the uncertainty is reducing as the scheme progresses and annual data is accumulated.

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Gains

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

	2020	2019
	$'000	$'000
Note 8E: Trade and other receivables		
Goods and services receivable	**19,642**	13,267
GST receivable from the Australian Taxation Office	**5,163**	3,850
Other	**628**	-
Total trade and other receivables (gross)	**25,433**	17,117
Less impairment allowance [1]	**(1,235)**	(859)
Total trade and other receivables (net)	**24,198**	16,258

Reconciliation of the impairment allowance

	2020	2019
	$'000	$'000
Opening balance	**(859)**	(1,000)
Amounts written off	**22**	436
Amounts recovered and reversed	**29**	303
Increase recognised in net (loss)/surplus	**(427)**	(598)
Closing balance	**(1,235)**	(859)

[1] The impairment allowance relates to receivables for goods and services.

Credit terms for goods and services were: the Department 30 days (2019: 30 days), TGA 28 days (2019: 28 days).

Accounting policy

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Note 9: Departmental appropriation income and receivable

	2020 $'000	2019 $'000
Note 9A: Revenue from Government		
Appropriations		
Departmental appropriations	**673,963**	705,401
Total revenue from Government	**673,963**	705,401
Note 9B: Appropriations receivable		
Existing programs	**41,074**	49,289
Undrawn equity injection	**29,872**	14,719
Departmental Capital Budget	**2,825**	1,842
Total appropriations receivable	**73,771**	65,850

Appropriations receivable undrawn are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangement.

Accounting policy

Revenue from Government

Amounts appropriated for Departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Note 10: Departmental cash and financial instruments

	2020 $'000	2019 $'000
Note 10A: Cash and cash equivalents		
Cash and cash equivalents		
Cash in special accounts	**117,915**	103,329
Cash on hand or on deposit	**4,209**	1,044
Total cash and cash equivalents	**122,124**	104,373
Note 10B: Financial Instruments		
Financial assets at amortised cost		
Receivables	**19,642**	13,267
Less: Impairment allowance	**(1,235)**	(859)
Total assets at amortised cost	**18,407**	12,408
Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment	**(811)**	(111)
Net gains or (losses) on financial assets at amortised cost	**(811)**	(111)
Financial liabilities measured at amortised cost		
Trade creditors	**70,099**	90,788
Total financial liabilities measured at amortised cost	**70,099**	90,788

The payment terms for goods and services were 30 days from the receipt of a correctly rendered invoice (2019: 30 days)

Note 10C: Interest bearing liabilities		
Financial liabilities measured at amortised cost		
Lease liabilities[1]	**579,421**	-
Total financial liabilities measured at amortised cost	**579,421**	-

[1] The Department has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Accounting policy

Cash and equivalents

Cash and cash equivalents are:

- cash in special accounts, which includes amounts that are banked in the Australian Government's Official Public Account or held in a bank account; and
- cash on hand or on deposit, which is the amounts held in the departmental bank accounts.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest rate method.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for items held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial liabilities

Supplier and other payables are recognised at amortised cost and are recognised to the extent that the goods or services have been received and irrespective of having been invoiced.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Department's incremental borrowing rate as at 1 July 2019. The Department's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.29%.

The balances and movements detailed are rounded which may result in discrepancies between totals and the sum of components.

Note 11: Departmental property, plant and equipment and intangibles

Reconciliation of the opening and closing balances for 2020

	Land and buildings	Plant and equipment	Computer software - internally developed	Computer software - purchased	Total intangibles	Total Non-financial assets
	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2019						
Gross book value	**60,931**	**7,647**	270,247	4,496	**274,743**	**343,321**
Accumulated depreciation/amortisation and impairment	**(11,333)**	**(1,551)**	(150,717)	(3,867)	**(154,584)**	**(167,468)**
Total as at 1 July 2019	**49,598**	**6,096**	119,530	629	**120,159**	**175,853**
Recognition of right of use asset on initial application of AASB 16	**564,724**	**77**	-	-	**-**	**564,801**
Adjusted total as at 1 July 2019	**614,322**	**6,173**	119,530	629	**120,159**	**740,654**
Additions						
Purchase or internally developed	**10,653**	**1,273**	55,062	115	**55,177**	**67,103**
Acquisitions of entities or operations (including restructuring)	**-**	**-**	33,843	1,435	**35,278**	**35,278**
Right-of-use assets	**63,928**	**193**	-	-	**-**	**64,121**
Depreciation and amortisation	**(10,899)**	**(1,170)**	(29,916)	(653)	**(30,569)**	**(42,638)**
Depreciation on right-of-use assets	**(56,637)**	**(77)**	-	-	**-**	**(56,714)**
Reclassification	**(3)**	**35**	(32)	-	**(32)**	**-**
Right-of-use assets - Transfer to investment in sublease	**(3,889)**	-	-	-	**-**	**(3,889)**
Impairments recognised in net cost of services	**-**	**(138)**	(944)	-	**(944)**	**(1,082)**
Other movements of right-of-use assets	**(71)**	**-**	-	-	**-**	**(71)**
Total as at 30 June 2020	**617,404**	**6,289**	177,543	1,526	**179,069**	**802,762**
Total as at 30 June 2020 represented by						
Work in progress	**104**	**-**	53,956	-	**53,956**	**54,060**
Gross book value	**696,169**	**8,952**	304,220	6,046	**310,266**	**1,015,387**
Accumulated depreciation/amortisation and impairment	**(78,869)**	**(2,663)**	(180,633)	(4,520)	**(185,153)**	**(266,686)**
Total as at 30 June 2020	**617,404**	**6,289**	177,543	1,526	**179,069**	**802,762**
Carrying amount of right-of-use assets	**568,055**	**193**				**568,248**

Accounting policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for information technology equipment purchases costing less than $500 (TGA $2,000), leasehold improvements costing less than $50,000 (TGA $10,000), and all other purchases costing less than $2,000, which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to prescribed conditions. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for restoration recognised.

Leased Right-of-Use (ROU) assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by the Department as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial application of AASB 16 the Department has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in the Department's financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

An independent valuation of all property, plant and equipment was carried out by Jones Lang LaSalle (JLL) as at 31 May 2018 and a desktop review to assess fair value was conducted as at 30 June 2020. This review included qualitative, quantitative and uncertainty analysis, including any potential impacts on the fair value of the Department's assets as a result of COVID-19. JLL noted that the impact of COVID-19 has introduced "significant valuation uncertainty" due to the rapidly changing local and global economic situation but have assessed that there has been no material movement in the value of assets held by the Department.

When required, revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of Asset Revaluation Reserve except to the extent that it reversed a previous revaluation decrement of the same class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation
Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease, including any applicable lease options available.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are made in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:
- buildings on freehold land: 20 to 25 years (2019: 20 to 25 years);
- leasehold improvements*:* The lower of the lease term or the estimated useful life;
- plant and equipment: 3 to 20 years (2019: 3 to 20 years); and
- right of use assets: 2 to 15 years (2019: N/A).

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Impairment
All assets were assessed for impairment as at 30 June 2020. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

De-recognition
An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles
The Department's intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The Department recognises internally developed software costing more than $100,000 and purchased software costing more than $500 (TGA $100,000).

Software is amortised on a straight-line basis over its anticipated useful life.

The useful lives of the Department's software are:
- internally developed software two to ten years (2019: 2 to 10 years); and
- purchased software two to seven years (2019: 2 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2020.

Note 12: Fair value measurement

Accounting policy
The Department's assets are held for operational purposes, not for the purposes of deriving a profit. As allowed for by AASB 13 *Fair Value Measurement*, quantitative information on significant unobservable inputs used in determining fair value is not disclosed.

Assets held at fair value include leasehold improvements and property, plant and equipment but exclude assets under construction. Assets not held at fair value include intangibles, assets under construction and ROU assets.

The Department reviews its valuation model each year via a desktop exercise with a formal revaluation undertaken every three years: the last comprehensive revaluation was undertaken in 2018. If during the conduct of the desktop valuation, indicators of a particular asset class change materially, that class is subject to specific valuation in the reporting period. Both the comprehensive revaluation and the desktop review were undertaken by Jones Lang LaSalle (JLL).

The categories of fair value measurement are:
Level 1: quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement date.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
Level 3: unobservable inputs.

Departmental assets are held at fair value and are measured at category levels 2 or 3 with no fair values measured at category level 1.

Leasehold improvements are predominately measured at category level 3 and the valuation methodology used is Depreciated Replacement Cost (DRC). Under DRC the estimated cost to replace the asset is calculated, with reference to new replacement price per square metre, and then adjusted to take into account its consumed economic benefit (accumulated depreciation). The consumed economic benefit has been determined based on the professional judgement of JLL with regard to physical, economic and external obsolescence factors. For all leasehold improvement assets, the consumed economic benefit is determined based on the term of the associated lease.

Property, plant and equipment is measured at either category level 2 or 3. The valuation methodology is either market approach or DRC, based on replacement cost for a new equivalent asset. The significant unobservable inputs used in the fair value measurement of PPE assets are the market demand and JLL's professional judgement.

Note 13: Departmental aggregate assets and liabilities

	2020 $'000	2019 $'000
Assets expected to be recovered in		
No more than 12 months	**246,630**	234,567
More than 12 months	**805,007**	184,384
Total assets	**1,051,637**	418,951
Liabilities expected to be settled in		
No more than 12 months	**181,958**	185,815
More than 12 months	**688,972**	149,571
Total liabilities	**870,930**	335,386

Note 14: Departmental contingent assets and liabilities

	Guarantees		Total	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Contingent liabilities				
Balance from previous period	**-**	5,000	**-**	5,000
Obligations expired	**-**	(5,000)	**-**	(5,000)
Total contingent liabilities	**-**	**-**	**-**	**-**
Net contingent (liabilities)	**-**	**-**	**-**	**-**

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not certain, and contingent liabilities are disclosed when settlement is greater than remote.

The Department applies Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* in determining disclosure of contingent assets and liabilities.

Quantifiable contingencies

Quantifiable contingent assets

The Department had no quantifiable contingent assets as at 30 June 2020 (2019: $Nil).

Quantifiable contingent liabilities

Claims for damages and costs
The schedule of contingencies reports no contingent liabilities in respect of claims for damages/costs as at 30 June 2020 (2019: $Nil).

Guarantees
The schedule of contingencies reports no contingent liabilities in respect of claims for payments as at 30 June 2020 (2019: $Nil).

Unquantifiable contingencies

Unquantifiable contingent assets and liabilities

At 30 June 2020 the Department was involved in a number of litigation cases before the courts. The Department has been advised by its solicitors that it is not possible to quantify amounts relating to these cases and the information is not disclosed on the grounds that it might seriously prejudice the outcomes of these cases.

The Department has provided indemnities to its transactional bankers in relation to any claims made against the bank resulting from errors in the Department's payment files. There were no claims made during the year.

Significant remote contingencies

The Department did not have any significant remote contingencies in either reporting year.

Note 15: Departmental appropriations

Table A: Annual and Unspent Appropriation ("Recoverable GST exclusive")

	2020 $'000	2019 $'000
DEPARTMENTAL		
Ordinary Annual Services		
Annual appropriation[1,2]	**695,907**	726,804
Coronavirus economic response appropriation[3]	**9,115**	-
Capital budget[4]	**15,377**	13,376
Receipts retained under PGPA Act - Section 74	**129,092**	125,388
Transfers of appropriations under PGPA Act - Section 75 - annual appropriation[5]	**(2,176)**	(50,286)
Transfers of appropriations under PGPA Act - Section 75 - capital budget	**-**	(668)
Total appropriation	**847,315**	814,614
Appropriation applied (current and prior years)	**(847,430)**	(803,340)
Variance[6]	**(115)**	11,274
Unspent appropriations		
Own unspent appropriation balance	**48,108**	48,223
Closing unspent appropriation balance	**48,108**	48,223
Balance comprises appropriations as follows:		
Appropriation Act (No. 1) 2018-2019	**-**	42,030
Appropriation Act (No. 1) 2018-2019 - Cash at bank[7]	**-**	1,044
Appropriation Act (No. 3) 2018-2019	**-**	3,307
Appropriation Act (No. 3) 2018-2019 - Departmental Capital Budget (DCB)	**-**	1,842
Supply Act (No. 1) 2019-2020	**46**	-
Supply Act (No. 1) 2019-2020 - Departmental Capital Budget (DCB)	**2,825**	-
Appropriation Act (No. 1) 2019-2020	**41,028**	-
Appropriation Act (No. 1) 2019-2020 - Cash at bank[7]	**4,209**	-
Total unspent appropriation - ordinary annual services	**48,108**	48,223

1 There were no amounts temporarily quarantined from 2020 or 2019 departmental ordinary annual services appropriations.
2 There were no amounts withheld under section 51 of the PGPA Act from 2020 or 2019 departmental ordinary annual services appropriations.
3 The appropriation relates to additional funding for the Department as part of the Coronavirus Health Response Package.
4 Departmental Capital Budgets are appropriated through Appropriation Acts (No. 1, 3) and Supply Acts (No. 1, 3). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
5 $2,176,000 relating to 2020 departmental ordinary annual services appropriations was transferred to the Aged Care Quality and Safety Commission under Section 75 of the PGPA Act.
6 The variance of $115,000 for departmental ordinary annual services primarily represents the timing difference of payments to suppliers and employees.
7 Cash at bank mainly relates to deposits made on 30 June, subject to Section 74 of the PGPA Act (annotated Appropriation Act No. 1).

	2020	2019
	$'000	$'000
Other Services - Equity		
Annual appropriation[1,2]	**53,661**	19,246
Coronavirus economic response appropriation[3]	**80**	-
Total appropriation	**53,741**	19,246
Appropriation applied (current and prior years)	**(38,587)**	(11,479)
Variance[4]	**15,154**	7,767
Unspent appropriations		
Own unspent appropriation balance	**29,872**	14,719
Closing unspent appropriation balance	**29,872**	14,719
Balance comprises appropriations as follows:		
Appropriation Act (No. 4) 2017-2018	**-**	2,447
Appropriation Act (No. 2) 2018-2019	**5,373**	12,043
Appropriation Act (No. 4) 2018-2019	**-**	229
Appropriation Act (No. 2) 2019-2020	**2,958**	-
Appropriation Act (No. 4) 2019-2020	**21,541**	-
Total unspent appropriation - other services - equity	**29,872**	14,719

1 There were no amounts temporarily quarantined from 2020 or 2019 departmental other services - equity appropriations.
2 There were no amounts withheld under section 51 of the PGPA Act from 2020 or 2019 departmental other services – equity appropriations.
3 The appropriation relates to additional funding for the Department as part of the Coronavirus Health Response Package.
4 The variance of $15,154,000 for departmental equity primarily relates to delayed commencement of projects funded by the 2019-20 appropriations.

Note 16: Therapeutic Goods Administration

Note 16A: Therapeutic Goods Administration overview

The Therapeutic Goods Administration (TGA) contributes to Outcome 5: Regulation, Safety and Protection. The TGA recovers the cost of all activities undertaken within the scope of the *Therapeutic Goods Act 1989* from industry through fees and charges.

Included below is financial information for the TGA special account. The balance of the special account represents a standing appropriation from which payments are made for the purposes of the special account. The TGA special account is reported in Note 30: Special accounts.

Therapeutic goods are regulated to ensure that medicinal products and medical devices in Australia meet standards of safety, quality and efficacy at least equal to that of comparable countries. These products and devices should be made available in a timely manner and the regulatory impact on business kept to a minimum. This is achieved through a risk management approach to pre-market evaluation and approval of therapeutic products intended for supply in Australia, licensing of manufacturers and post market surveillance.

TGA receives payment for evaluation services in advance of service delivery, which can extend across financial years. TGA estimates the stage of service completion and recognises the matching revenue. Revenue reported for 2019-20 includes an estimate for annual charges.

	2020	2019
	$'000	$'000
Note 16B: TGA Comprehensive income		
Expenses		
Employee benefits	**86,728**	93,618
Consultants and contractors	**25,772**	13,108
Corporate Services	**41,660**	36,044
Other	**7,406**	8,405
Depreciation and amortisation	**7,995**	7,518
Write-down and impairment of assets	**1,599**	1,448
Total expenses	**171,160**	160,141
Revenues		
Sale of goods and rendering of services	**168,044**	159,000
Other revenue and gains	**-**	48
Total own-source revenue	**168,044**	159,048
Revenue from Government	**8,534**	2,257
Surplus on continuing operations	**5,418**	1,164

	2020 $'000	2019 $'000
Note 16C: TGA Financial Position		
Assets		
Financial assets[1]	**103,152**	86,616
Non-financial assets	**30,319**	30,021
Total assets	**133,471**	116,637
Liabilities		
Payables	**42,764**	28,433
Provisions	**31,487**	25,320
Total liabilities	**74,251**	53,753
Net assets	**59,220**	62,884
Equity		
Contributed equity	**2,029**	2,029
Asset revaluation reserve	**9,508**	9,138
Retained surplus	**47,683**	51,717
Total Equity	**59,220**	62,884

[1] Includes cash balance of $89.7m which is disclosed in Note 30: Special accounts.

Note 17: Restructuring

	2020 $'000	2020 $'000
Functions in relation to:	Aged Care function, Department of Social Services[1]	Aged Care Complaints Commissioner, Aged Care Quality and Safety Commission[2]
Assets recognised		
Intangibles	**35,278**	
Total assets recognised	**35,278**	**-**
Net assets recognised	**35,278**	**-**
Liabilities relinquished		
Employee provisions	**-**	**2,166**
Total liabilities relinquished	**-**	**2,166**
Net liabilities relinquished	**-**	**2,166**

1 During the reporting period, responsibility for the Aged Care Gateway IT system application platform was transferred to the Department from the Department of Social Services (DSS).

2 During the reporting period, the agreed liability and funding for the employee entitlement for the Health Compliance and Reporting staff who transferred on 1 January 2020, was transferred from the Department to the Aged Care Quality and Safety Commission (ACQSC).

Department of Health

Administered Schedule of Comprehensive Income
for the period ended 30 June 2020

	Notes	ACTUAL 2020 $'000	ACTUAL 2019 $'000	ORIGINAL BUDGET 2020 $'000
NET COST OF SERVICES				
Expenses				
Grants	20A	**9,248,696**	9,181,314	9,511,150
Personal benefits	20B	**48,554,852**	46,174,150	48,364,218
Subsidies	20C	**13,357,030**	12,659,007	13,399,621
Suppliers	21A	**1,391,205**	1,020,337	735,156
Payments to corporate Commonwealth entities	22A	**619,043**	644,096	578,013
Other expenses	21B	**216,286**	31,669	19,545
Total expenses		**73,387,112**	69,710,573	72,607,703
Income				
Revenue from contracts with customers	23A	**22,428**	16,737	-
Special accounts revenue	23B	**38,358,511**	36,442,177	36,953,727
Recoveries	23C	**3,118,808**	2,640,141	2,061,977
Other revenue	23D	**303,387**	402,099	136,334
Total income		**41,803,134**	39,501,154	39,152,038
Net cost of services		**31,583,978**	30,209,419	33,455,665
Deficit		**(31,583,978)**	(30,209,419)	(33,455,665)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in administered investment reserves		**33,225**	(61,239)	-
Total other comprehensive income/(loss)		**33,225**	(61,239)	-
Total comprehensive loss		**(31,550,753)**	(30,270,658)	(33,455,665)

The above schedule should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 18. The original budget is the budget published in the *2019-20 Portfolio Budget Statements*. The budget statement information has been reclassified and presented on a consistent basis with the corresponding financial statement.

Department of Health

Administered Schedule of Assets and Liabilities
as at 30 June 2020

	Notes	ACTUAL 2020 $'000	ACTUAL 2019 $'000	ORIGINAL BUDGET 2020 $'000
ASSETS				
Financial assets				
Cash and cash equivalents	24A	**1,519,725**	794,505	14,727
Accrued recoveries revenue	23C	**1,439,475**	1,080,356	565,166
Loans and other receivables	23D	**839,185**	983,193	619,013
Investments	22B	**570,851**	496,222	636,573
Total financial assets		**4,369,236**	3,354,276	1,835,479
Non-financial assets				
Inventories held for distribution	25A	**907,259**	117,139	129,845
Other non-financial assets	25B	**1,150,641**	-	-
Total non-financial assets		**2,057,900**	117,139	129,845
Total assets administered on behalf of Government		**6,427,136**	3,471,415	1,965,324
LIABILITIES				
Payables				
Suppliers	21A	**(50,675)**	(27,976)	(35,635)
Subsidies	20C	**(71,832)**	(111,919)	(99,722)
Personal benefits	20B	**(1,140,186)**	(1,082,711)	(1,329,936)
Grants	20A	**(346,058)**	(423,909)	(306,841)
Total payables		**(1,608,751)**	(1,646,515)	(1,772,134)
Provisions				
Subsidies	20C	**(458,000)**	(430,000)	(415,722)
Personal benefits	20B	**(972,351)**	(898,879)	(1,075,367)
Total provisions		**(1,430,351)**	(1,328,879)	(1,491,089)
Total liabilities administered on behalf of Government		**(3,039,102)**	(2,975,394)	(3,263,223)
Net assets/(liabilities)		**3,388,034**	496,021	(1,297,899)

The above schedule should be read in conjunction with the accompanying notes.

For budgetary reporting information refer to Note 18. The original budget is the budget published in the *2019-20 Portfolio Budget Statements*. The budget statement information has been reclassified and presented on a consistent basis with the corresponding financial statement.

Department of Health

Administered Reconciliation Schedule
for the period ended 30 June 2020

	2020 $'000	2019 $'000
Opening assets less liabilities as at 1 July	**496,021**	285,344
Adjustment on initial application of accounting standards	**(1,499)**	-
Adjusted opening assets less liabilities	**494,522**	285,344
Net cost of services		
Income	**41,803,134**	39,501,154
Expenses		
Payments to entities other than corporate Commonwealth entities	**(72,768,069)**	(69,066,477)
Payments to corporate Commonwealth entities	**(619,043)**	(644,096)
Other comprehensive income		
Revaluations transferred to/(from) reserves	**33,225**	(61,239)
Transfers (to)/from Australian Government		
Appropriation transfers from the Official Public Account (OPA)		
Administered assets and liabilities appropriations		
Payments to entities other than corporate Commonwealth entities	**2,133,000**	63,948
Payments to corporate Commonwealth entities	**23,845**	37,453
Appropriations for ordinary annual services		
Payments to entities other than corporate Commonwealth entities	**10,309,828**	9,757,198
Payments to corporate Commonwealth entities	**619,302**	643,837
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	**24,662,023**	23,100,753
Special appropriations (limited)		
Refund of receipts (section 77 of the PGPA Act)	**1,972**	18,105
Net GST appropriations	**3,005**	26,114
Appropriation transfers to OPA		
Transfers to OPA	**(3,308,710)**	(3,166,073)
Closing assets less liabilities as at 30 June	**3,388,034**	496,021

Department of Health

Administered Cash Flow Statement
for the period ended 30 June 2020

	Notes	2020 $'000	2019 $'000
OPERATING ACTIVITIES			
Cash received			
Recoveries		**2,868,303**	2,741,568
GST received		**764,883**	609,189
Special accounts receipts		**38,358,511**	36,442,177
Other		**421,676**	402,947
Total cash received		**42,413,373**	40,195,881
Cash used			
Grants		**(10,126,590)**	(9,712,541)
Subsidies		**(13,369,986)**	(12,660,510)
Personal benefits		**(48,526,312)**	(46,321,044)
Suppliers		**(3,469,216)**	(1,054,915)
Payments to corporate Commonwealth entities		**(619,302)**	(643,837)
Total cash used		**(76,111,406)**	(70,392,847)
Net cash used by operating activities	19	**(33,698,033)**	(30,196,966)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		**29,362**	30,924
Total cash received		**29,362**	30,924
Cash used			
Advances and loans made		**(7,401)**	(6,638)
Equity injections to corporate Commonwealth entities		**(23,845)**	(37,453)
Purchase of investments		**(19,128)**	(35,798)
Total cash used		**(50,374)**	(79,889)
Net cash used by investing activities		**(21,012)**	(48,965)
Net decrease in cash held		**(33,719,045)**	(30,245,931)
Cash and cash equivalents at the beginning of the reporting period		**794,505**	559,100
Cash from Official Public Account			
Appropriations		**35,593,125**	33,519,893
Special Accounts		**9,108**	5,607
Capital appropriations		**2,156,845**	101,402
Administered GST appropriations		**794,066**	626,462
Total cash from Official Public Account		**38,553,144**	34,253,364
Cash to Official Public Account			
Special Accounts		**(9,108)**	(5,607)
Return of GST appropriations to the Official Public Account		**(791,061)**	(600,348)
Other		**(3,308,710)**	(3,166,073)
Total cash to Official Public Account		**(4,108,879)**	(3,772,028)
Cash and cash equivalents at the end of the reporting period	24A	**1,519,725**	794,505

This statement should be read in conjunction with the accompanying notes.

Accounting policy
Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the OPA maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and are reported as such in the Administered Cash Flow Statement and in the Administered Reconciliation Schedule.

Note 18: Administered explanation of budget variances

Administered expenses

Overall administered expenses for 2019-20 were 1.1% higher than the original budget. The largest increases were in suppliers, personal benefits and other expenses, offset by lower than budgeted expenditure in grants and subsidies. Increased personal benefits expenses relate to a range of program groups, most of which are funded through appropriations which provide funds in response to demand.

Significant unanticipated higher supplier expenses against the original budget were recorded, largely for two reasons. The first is the expenditure required as part of the Government's response to the COVID-19 pandemic. The second reason for the higher than budgeted expense relates to aged care programs. The original estimates were set based on expected grant requirements in the aged care sector. These payments were made against supplier expenses, rather than grant payments, impacting the financial results in both expenditure categories. This issue was corrected in the revised budget included in the 2019-20 Portfolio Additional Estimates.

Growth in personal benefits expenditure is consistent with the revised budget included in the Portfolio Additional Estimates, and is attributable to the ongoing Government commitment to guaranteeing Medicare and improving access to medicines, illustrated by the addition of new MBS items such as those required for the Government's response to the COVID-19 pandemic; new or amended PBS listings; and the delay in the implementation of the PBS improved administration arrangements. These factors also had a significant impact on administered revenue.

Increases in other expenses relate to deployments from the National Medical Stockpile which were of a significantly higher level than budgeted as a result of the COVID-19 pandemic.

Administered revenues

Administered recoveries revenue was higher than the original budget predominantly due to the delay in the implementation of the PBS improved administration arrangements. This 2018-19 Budget measure will reduce the PBS revenue received by the Government, with a corresponding reduction in PBS expense. This measure was initially scheduled to begin in 2019-20 and its impact was reflected in the original budget. The delay in implementation has resulted in sustained high levels of PBS recoveries revenue for 2019-20, reflected in the 2019-20 Portfolio Additional Estimates.

Other revenue was also higher than the original budget. Other revenue represents revenue transactions that are not standard or predictable in nature, such as acquittals of prior year grants and returns of overpaid benefits, and are difficult to budget for effectively, as past performance is not indicative of future patterns.

Administered assets

The total value of assets administered on behalf of the Commonwealth at 30 June 2020 was significantly higher than the original budget. The key driver of this variance was an exceptionally high increase in inventory holding and inventory prepayments due to the strategic purchase of eligible items required for the Government's response to the COVID-19 pandemic.

Accrued PBS drug recoveries and other receivables have also contributed to the increase. Due to the nature of these items, the value of accruals and debtors at the end of the year fluctuates with no predictable pattern based on the timing of invoicing and billing cycles or past performance. The delay in implementation of the PBS improved administration arrangements has also meant a higher than expected level of PBS recoveries and higher accrued revenue.

Administered liabilities

The total value of liabilities administered on behalf of the Commonwealth at 30 June 2020 was broadly consistent with the original budget.

Note 19: Administered cash flow reconciliation

	2020 $'000	2019 $'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Administered Cash Flow Statement	**1,519,725**	794,505
Administered Schedule of Assets and Liabilities	**1,519,725**	794,505
Discrepancy	**-**	-
Reconciliation of net cost of services to net cash used by operating activities		
Net cost of services	**(31,583,978)**	(30,209,419)
Adjustment for non-cash items		
Net write-down of assets	**54,151**	25,850
Inventory adjustments	**130,349**	35
Concessional loans discount and unwinding	**(5,524)**	(4,831)
Movements in assets and liabilities		
Assets		
Decrease/(increase) in net receivables	**(269,880)**	60,430
Decrease/(increase) in inventories	**(2,086,404)**	(24,917)
Liabilities		
Increase/(decrease) in suppliers payable	**24,268**	(9,228)
Increase/(decrease) in subsidies payable	**(40,087)**	6,179
Increase/(decrease) in personal benefits payable	**57,475**	54,818
Increase/(decrease) in grants payable	**(79,876)**	90,498
Increase/(decrease) in subsidies provision	**28,000**	(11,000)
Increase/(decrease) in personal benefits provision	**73,472**	(175,381)
Net cash used by operating activities	**(33,698,033)**	(30,196,966)

Note 20: Administered transfer payments

	2020 $'000	2019 $'000
Note 20A: Grants		
Grants paid		
Public sector		
Australian Government entities (related entities)	**797,623**	787,639
Private sector		
Profit and non-profit organisations	**8,450,275**	8,377,839
Overseas	**798**	15,836
Total grants paid	**9,248,696**	9,181,314
Grants payable		
Public sector		
Australian Government entities (related entities)	**5,235**	15,183
Private sector		
Profit and non-profit organisations	**340,823**	408,726
Total grants payable	**346,058**	423,909

Accounting policy

The Department administers a number of grant schemes on behalf of the Government. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. Settlement is made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility. All grants liabilities are expected to be settled within 12 months of the balance date.

	2020 $'000	2019 $'000
Note 20B: Personal Benefits		
Personal benefits paid		
Direct personal benefits paid		
Private health insurance	**6,076,357**	6,061,728
Total direct personal benefits paid	**6,076,357**	6,061,728
Indirect personal benefits paid		
Medical services	**25,118,230**	24,512,427
Pharmaceuticals and pharmaceutical services	**12,706,695**	11,942,377
Primary care practice incentives	**454,086**	339,931
Hearing services	**522,751**	538,443
Targeted assistance	**158,093**	149,760
Aged care	**3,438,085**	2,559,322
Other	**80,555**	70,162
Total indirect personal benefits paid	**42,478,495**	40,112,422
Total personal benefits paid	**48,554,852**	46,174,150
Personal benefits payable		
Direct personal benefits payable		
Private health insurance	**489,519**	466,829
Total direct personal benefits payable	**489,519**	466,829
Indirect personal benefits payable		
Medical services	**470,930**	472,014
Pharmaceuticals and pharmaceutical services	**14,331**	13,654
Aged care	**72,853**	65,275
Other	**92,553**	64,939
Total indirect personal benefits payable	**650,667**	615,882
Total personal benefits payable	**1,140,186**	1,082,711
Personal benefits provisions		
Outstanding claims		
Medical services	**741,896**	753,316
Pharmaceuticals and pharmaceutical services	**230,455**	145,563
Total personal benefits provisions	**972,351**	898,879

Accounting policy

Personal benefits are the current transfers for the benefit of individuals or households, directly or indirectly, that do not require any economic benefit to flow back to Government. The Department administers a number of personal benefits programs on behalf of the Government that provide a range of health care entitlements to individuals. These include, but are not limited to:

- pharmaceutical benefits (the primary means through which the Australian Government ensures Australians have timely access to pharmaceuticals);
- medical benefits (provide high quality and clinically relevant medical and associated services through Medicare);
- private health insurance rebate (helps make private health insurance more affordable, provides greater choice and accessibility to private health care options, and reduces pressure on the public hospital system);
- primary care practice incentives (support activities that encourage continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients);
- targeted assistance (support the provision of relevant pharmaceuticals, aids and appliances);
- hearing services (reduce the incidence and consequences of avoidable hearing loss in the community by providing access to high quality hearing services and devices); and
- home support and care (providing coordinated home support and care packages tailored to meet individuals' specific care needs).

Personal benefits are assessed, determined and paid by Services Australia in accordance with provisions of the relevant legislation under delegation from the Department. All personal benefits liabilities are expected to be settled within 12 months of the balance date. In the majority of cases the above payments are initially based on the information provided by customers and providers. Both the Department and Services Australia have established review mechanisms to identify overpayments made under various schemes. The recognition of receivables and recovery actions take place once the overpayments are identified.

Significant accounting judgements and estimates

Medicare payments processed by Services Australia on behalf of the Department are either reimbursements to patients, made after medical services have been received from a doctor, or payments made directly to doctors through the bulk billing system. At any point in time, there are thousands of cases where a medical service has been rendered, but the Medicare payment has not yet been made. Services Australia has been using the 'Winters' methodology to estimate the value of these outstanding claims.

Under the Winters methodology, a number of models are used to estimate the outstanding Medicare claims liabilities. The model preferred by the industry, and consistently applied in past financial statements of the Department, is Model 5. Model 5 comprises two major components: chain ladder modelling and time series modelling.

Under Model 5, user defined parameters are applied to smooth the time series observations and make predictions about future payment values. As the parameters are user defined it is reasonable to assume that different users of the model may make different choices, and therefore arrive at different estimates of the outstanding liability. In order to validate the parameters used, actual payment data has been compared to previous estimates using various parameters to predict the liability. The model weights recent payment experience more heavily and is therefore self-adjusting for emerging trends.

	2020 $'000	2019 $'000
Note 20C: Subsidies		
Subsidies paid		
Subsidies in connection with		
Aged care	**13,226,862**	12,566,487
Medical indemnity	**120,904**	83,021
Other	**9,264**	9,499
Total subsidies paid	**13,357,030**	12,659,007
Subsidies payable		
Subsidies in connection with		
Aged care	**66,570**	105,373
Medical indemnity	**5,005**	6,543
Other	**257**	3
Total subsidies payable	**71,832**	111,919

Accounting policy
The Department administers a number of subsidy schemes on behalf of the Government. Subsidies liabilities are recognised to the extent that (i) the services required to be performed by the recipient have been performed or (ii) the eligibility criteria have been satisfied, but payments due have not been made. All subsidies liabilities are expected to be settled within 12 months of the balance date.

Subsidies provisions

	Balance as at 30 June 2019 $'000	Claims paid $'000	Administered Schedule of Comprehensive Income Impact $'000	Balance as at 30 June 2020 $'000
Medical Indemnity Liabilities				
Incurred But Not Reported Scheme	**12,000**	**(770)**	**770**	**12,000**
High Cost Claims Scheme	**315,000**	**(68,133)**	**80,133**	**327,000**
Run-Off Cover Scheme	**103,000**	**(14,371)**	**30,371**	**119,000**
Total	**430,000**	**(83,274)**	**111,274**	**458,000**

Accounting policy
Medical Indemnity schemes are administered by the Department under the *Medical Indemnity Act 2002* and the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*. The Department administers the following medical indemnity schemes:

- Incurred But Not Reported Scheme (IBNRS);
- High Cost Claims Scheme (HCCS);
- Exceptional Claims Scheme (ECS);
- Run-Off Cover Scheme (ROCS);
- Premium Support Scheme (PSS);
- Midwife Professional Indemnity (Commonwealth Contribution) Scheme (MPIS); and
- Midwife Professional Indemnity Run-off Cover Scheme (MPIRCS).

The payments for medical indemnity are managed by Services Australia, the service delivery entity, on behalf of the Department through its Medicare program.

The Australian Government Actuary (AGA) estimated the provision for future payments for the medical indemnity schemes administered by the Department. At the reporting date, provision for future payment was recognised for IBNRS, HCCS, and ROCS. No provision was recognised for ECS, MPIS or MPIRCS as, to date, no payment has been made against these schemes. They could not be reliably measured and are reported as a contingent liability in Note 27. No provision was recognised for the PSS as the nature and timing of payments associated with this scheme are based on a relatively predictable pattern of annual payments that must be settled within 12 months of the end of a premium period.

The methods used by the AGA to estimate the liability under the different schemes are as follows:

General
The AGA has relied on projections that have been prepared by the appointed actuaries to the five medical indemnity insurers (MIIs) and provided to the Commonwealth under the relevant provisions of the *Medical Indemnity Act 2002* and the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*. Payment information from the Medicare program complemented the projection. Where appropriate, adjustments have been made to those projections as described below.

IBNRS
The IBNRS provides for payments to Avant Mutual Group for claims made in relation to its IBNR liability at 30 June 2002. Some claims that will be payable under the IBNRS may also be eligible for payment under the HCCS.

The AGA has carried out chain ladder modelling using the payments data. The results of this analysis have been compared to the projections prepared by the industry actuaries. The results closely match and, as a result, the AGA has largely relied on industry projections to estimate the liability.

ROCS
ROCS provides free run-off cover for specific groups of medical practitioners including those retired and over 65, on maternity leave, retired for more than three years, retired due to permanent disability or the estates of those that have died. This scheme is funded through the collection of support payments imposed as a tax on MIIs.

The AGA has developed an independent ROCS actuarial model which estimates the total annual accruing ROCS cost to the Australian Government. The model output is used to check against industry actuaries' projections. For the estimate of the outstanding ROCS liability as at 30 June 2020, the AGA has relied on the projections from the actuary of each of the MIIs, but has adjusted the IBNRS component on comparison with the projections from its own ROCS internal model. Given that the majority of the claims anticipated under this scheme have not yet been made, the AGA noted a relatively high level of uncertainty in the estimate.

HCCS

Under HCCS, the Government pays 50% of the cost of claims made to all MIIs that exceed a specified threshold, up to the limit of the practitioner's insurance. The threshold to be applied depends on the date of notification of the claim, as follows:

- from 1 January 2003 to 21 October 2003 - $2m;
- from 22 October 2003 to 31 December 2003 - $0.500m; and
- on or after 1 January 2004 - $0.300m.

The AGA has relied on the projections of the industry actuaries but has made adjustments in respect of claims which are also eligible for the IBNRS and/or ROCS to ensure overall consistency of the estimates.

Significant accounting judgements and estimates

The nature of the medical indemnity liability estimates is inherently, and unavoidably, uncertain. The uncertainty arises for the following reasons:

- it is not possible to precisely model the claim process, and random variation both in past and future claims have or will have adverse consequences on the model;
- there can be a long delay between incident occurrences, to notification and to settlement, making the projection of timing very uncertain;
- the nature and cause of injury is difficult to determine and prove;
- the claims experience can be very sensitive to the surrounding factors such as technology, legislation, attitudes and the economy; and
- in general, these schemes have a small number of large claims which account for a substantial part of the overall cost. This is associated with large expected random variation. It follows that a wide range of results can be obtained with equal statistical significance which differs materially in the context of a schedule of assets and liabilities. This is a common situation with liabilities of this nature.

The experience of the medical indemnity claims cycle indicates that claims and subsequent payments can take a number of years to mature and settle. The Department has used a 0.4% per annum discount rate in the calculation of the estimate for the current year. This discount rate was derived from the Commonwealth bonds yield curve based on the revised average observed liability duration of five years for the medical indemnity payments. This discount rate is deemed to be more appropriate than the ten year bond yield at 30 June 2020, which was 1.3%. A discount rate of 1% was used last year, which was derived using the same method.

A sensitivity analysis was undertaken by moving the discount rate either up or down to the nearest full percentage point. Increasing the discount rate to 1% would result in a discounted liability estimate which is about 3.1% ($14m) less than the base estimate. On the other hand, decreasing the discount rate to 0% would result in a liability estimate which is about 2.4% ($11m) higher than the base estimate.

	2019-20			2018-19
	discounted	discounted	discounted	discounted
	0%	0.4%[1]	1%	1.0%
	$m	$m	$m	$m
Incurred But Not Reported	12	12	11	12
High Cost Claims Scheme	334	327	319	315
Run-Off Cover Scheme	123	119	114	103
Total	**469**	**458**	**444**	**430**

[1] 0.4% was used as the basis of estimation in 2019-20.

Note 21: Administered suppliers and other expenses and payables

	2020 $'000	2019 $'000
Note 21A: Suppliers		
Services rendered		
Consultants	**46,234**	27,207
Contract for services	**1,245,647**	935,663
Travel	**1,789**	1,146
Communications and publications	**67,462**	15,763
Committee related expenses	**3,109**	3,661
Other	**26,964**	36,897
Total services rendered	**1,391,205**	1,020,337
Suppliers payable		
Trade creditors and accruals	**46,240**	27,976
Contract liabilities	**4,435**	-
Total suppliers payable	**50,675**	27,976

The payment terms for goods and services were 30 days from the receipt of a correctly rendered invoice (2019: 30 days).

Note 21B: Other Expenses		
Other expenses		
Write-down and impairment of assets		
Impairment loss on financial instruments	**38,858**	2,342
Write-down and impairment of other assets	**15,293**	23,508
Payments to Special Accounts	**9,108**	5,607
Cost of goods distributed (National Medical Stockpile deployments)	**130,349**	-
Other	**22,678**	212
Total other expenses	**216,286**	31,669

Note 22: Administered Corporate Commonwealth Entities

		2020 $'000	2019 $'000
Note 22A: Appropriations			
Appropriations transferred to corporate entities			
Australian Institute of Health and Welfare		**35,037**	33,322
Food Standards Australia New Zealand		**16,890**	17,158
Australian Sports Commission		**388,503**	374,346
Australian Digital Health Agency		**178,613**	219,270
Total appropriations transferred to corporate entities		**619,043**	644,096
Note 22B: Investments			
Investments in portfolio entities			
Equity interest - Australian Institute of Health and Welfare	(i)	**33,536**	31,208
Equity interest - Food Standards Australia New Zealand	(ii)	**7,683**	7,683
Equity interest - Australian Commission on Safety and Quality in Health Care	(iii)	**4,155**	3,719
Equity interest - Australian Sports Commission	(iv)	**302,721**	265,475
Equity interest - Australian Sports Foundation Ltd	(v)	**4,467**	6,335
Equity interest - Independent Hospital Pricing Authority	(vi)	**13,542**	12,768
Equity interest - Australian Digital Health Agency	(vii)	**128,494**	110,033
Total investments in portfolio entities		**494,598**	437,221
Other investments			
Biomedical Translation Fund - Brandon Capital Partners		**26,057**	18,946
Biomedical Translation Fund - OneVentures Management		**25,623**	21,669
Biomedical Translation Fund - BioScience Managers		**24,573**	18,386
Total other investments		**76,253**	59,001
Total investments		**570,851**	496,222

Accounting policy

Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans to the relevant portfolio entity. The appropriation to the Department is disclosed in Table A of Note 28.

(i) The Australian Institute of Health and Welfare informs community discussion and decision-making through national leadership and collaboration in developing and providing health and welfare statistics and information.

(ii) Food Standards Australia New Zealand protects and informs consumers through the development of effective food standards, in a way that helps stimulate and support growth and innovation in the food industry.

(iii) The Australian Commission on Safety and Quality in Health Care works to lead and coordinate national improvements in safety and quality in health care across Australia.

(iv) The Australian Sports Commission manages, develops and invests in sport at all levels. It works closely with a range of national sporting organisations, state and local governments, schools and community organisations to ensure sport is well run and accessible.

(v) The Australian Sports Foundation Ltd assists sporting, community, educational and other government organisations to raise funds for the development of sports infrastructure.

(vi) The Independent Hospital Pricing Authority determines a national efficient price for public hospital services where the services are funded on an activity basis. It also determines the efficient cost for health care services provided by public hospitals where the services are block funded.

(vii) The Australian Digital Health Agency has responsibility for the strategic management and governance for the national digital health strategy and the design, delivery and operations of the national digital healthcare system.

Other investments

The Biomedical Translation Fund (BTF) is an equity co-investment venture capital program announced in the National Innovation and Science Agenda to support the development of biomedical ventures in Australia. The BTF Program will help translate biomedical discoveries into high growth potential companies that are improving long term health benefits and national economic outcomes. It is delivered by the Department of Industry, Science, Energy and Resources (AusIndustry) on behalf of the Department through licensed private sector venture capital fund managers.

Accounting policy

Administered investments represent corporate Commonwealth entities within the Health portfolio. Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is only relevant at the whole-of-Government level.

Administered investments other than those held for trading are classified as fair value – other comprehensive income equity instruments and are measured at their fair value as at 30 June 2020. Fair value has been taken to be the Australian Government's proportional interest in the value of net assets of each licensed investment fund, based on the latest available audited trust accounts and increased by the value of new investments acquired during the reporting period.

None of the investments are expected to be recovered within 12 months.

Note 23: Administered income, debtors and loans

	2020 $'000	2019 $'000
Note 23A: Revenue from contracts with customers		
Rendering of services	**22,428**	16,737
Total revenue from contracts with customers	**22,428**	16,737
Disaggregation of revenue from contracts with customers		
Activity / Service line		
Evaluation / assessment fees	**15,590**	14,628
Application fees	**5,031**	1,780
Listing fee / annual charge	**1,807**	329
	22,428	16,737
Timing of transfer of goods and services:		
Over time	**19,075**	14,628
Point in time	**3,353**	2,109
	22,428	16,737
Note 23B: Special Accounts		
Special accounts revenue		
Medicare Guarantee Fund (Health) special account	**37,961,055**	36,233,451
Medical Research Future Fund special account	**392,703**	204,863
Other special accounts	**4,753**	3,863
Total special accounts revenue	**38,358,511**	36,442,177
Note 23C: Recoveries		
Recoveries received		
Medical and pharmaceutical benefits and health rebate schemes	**39,635**	4,670
PBS drug recoveries	**2,785,025**	2,241,955
Aged care recoveries, cross-billings and budget neutrality adjustments	**293,031**	393,018
Other recoveries	**1,117**	498
Total recoveries received	**3,118,808**	2,640,141
Accrued recoveries revenue		
Personal benefits		
Pharmaceutical benefits	**1,386,349**	1,031,543
Aged care	**15,064**	12,595
Medicare benefits	**9,375**	8,444
Other personal benefits	**573**	529
Subsidies		
Medical indemnity	**2,351**	2,352
Aged care	**25,714**	24,844
Other	**49**	49
Total accrued recoveries revenue	**1,439,475**	1,080,356

Accounting policy

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed. Special accounts revenue is recognised when the Department gains control of the relevant amounts. Recoveries are recognised on an accrual basis and relate to:

- recoveries under the Medical Benefits, Pharmaceutical Benefits and health rebate schemes after settlement of personal injury claims;
- recoveries for services provided under the National Disability Insurance Scheme and for young people in residential care; and
- rebates associated with PBS drug recoveries.

All accrued recoveries revenue is expected to be recovered within 12 months.

	2020	2019
	$'000	$'000
Note 23D: Other Revenue, Receivables and Loans		
Other revenue		
Levies and taxes	**25,700**	21,285
Interest from loans	**11,960**	13,662
Other	**265,727**	367,152
Total other revenue	**303,387**	402,099
Other receivables		
Trade and other miscellaneous receivables	**537,328**	674,756
GST receivable from the Australian Taxation Office	**79,925**	50,742
Total other receivables	**617,253**	725,498
Advances and loans		
Aged care facilities		
Nominal value	**291,679**	311,615
Less: Unexpired discount	**(34,161)**	(39,685)
Total advances and loans	**257,518**	271,930
Total loans and other receivables (gross)	**874,771**	997,428

Accounting policy

Loans were made to approved providers under the *Aged Care Act 1997* for an estimated period of 12 years. No security is generally required. Interest rates are linked to the Consumer Price Index. Interest payments are due on the 21st day of each calendar month.

	2020 $'000	2019 $'000
Aged as follows		
Not overdue	**665,005**	822,863
Overdue by:		
0 to 30 days	**77,804**	28,943
31 to 60 days	**1,194**	4,769
61 to 90 days	**5,242**	2,681
More than 90 days	**125,526**	138,172
Total overdue	**209,766**	174,565
Total loans and other receivables (gross)	**874,771**	997,428
Less impairment allowance	**(35,586)**	(14,235)
Total loans and other receivables (net)	**839,185**	983,193
Loans and other receivables - past due but not impaired	**174,180**	160,330

Accounting Policy
Credit terms for goods and services were 30 days (2019: 30 days).

Reconciliation of the Impairment Allowance		
Opening balance	**(14,235)**	(13,323)
Amounts written off	**16,874**	71
Amounts recovered and reversed	**249**	1,853
Increase recognised in net cost of services	**(38,474)**	(2,836)
Closing balance	**(35,586)**	(14,235)

Accounting Policy
The entire impairment allowance relates to debts aged more than 90 days.

Note 24: Administered cash and financial instruments

	2020 $'000	2019 $'000
Note 24A: Financial Assets		
Cash and cash equivalents		
Cash on hand or on deposit	**9,427**	38,931
Cash in special accounts	**1,510,298**	755,574
Total cash and cash equivalents	**1,519,725**	794,505
Financial assets at amortised cost		
Accrued recoveries revenue	**1,354,842**	1,029,687
Other receivables	**501,742**	660,521
Advances and loans	**257,518**	271,930
Total financial assets at amortised cost	**2,114,102**	1,962,138
Financial assets at fair value through other comprehensive income		
Investments in portfolio agencies	**494,598**	437,221
Other investments	**76,253**	59,001
Total financial assets at fair value through other comprehensive income	**570,851**	496,222
Total financial assets	**4,204,678**	3,252,865
Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**11,960**	13,662
Impairment	**(38,858)**	(2,342)
Net gains or losses on financial assets at amortised cost	**(26,898)**	11,320
Note 24B: Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers payable	**50,675**	27,976
Grants payable	**346,058**	423,909
Total financial liabilities measured at amortised cost	**396,733**	451,885
Total financial liabilities	**396,733**	451,885

The Department's administered accounts incurred no gains or losses on the exchange of financial liabilities.

Note 25: Administered non-financial assets

	2020 $'000	2019 $'000
Note 25A: Inventory		
National Medical Stockpile		
Opening balance	**117,139**	115,765
Add purchases	**930,515**	24,944
Add donations	**5,214**	-
Less deployments	**(130,349)**	(35)
Less impairment	**(15,293)**	(23,508)
Add stocktake adjustments and other movements	**33**	(27)
Closing balance	**907,259**	117,139
Note 25B: Other non-financial assets		
Prepayments		
Prepaid inventory - National Medical Stockpile	**1,150,641**	-
Total prepayments	**1,150,641**	-

Accounting policy

The Department's administered inventories relate to the National Medical Stockpile (the Stockpile). The Stockpile is a strategic reserve of medicines, vaccines, antidotes and protective equipment available for use as part of the national response to a public health emergency. It is intended to augment state and territory government reserves of key medical items in a health emergency, which could arise from terrorist activities or natural causes. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Not all inventories are expected to be distributed in the next 12 months.

Costs incurred in bringing each item of the Stockpile to its present location and condition include purchase cost plus other reasonably attributable costs, such as overseas shipping and handling and import duties, less any bulk order discounts and rebates received from suppliers.

Inventory is held at cost and adjusted where applicable for loss of service potential. Health considers the current replacement cost is the most appropriate basis for loss of service potential for inventories.

Inventories damaged or past used-by date are written-off on the basis that the service potential is nil.

Inventories acquired at no or nominal cost are measured at current replacement cost at the date of acquisition. Any difference between acquisition costs and the value of these inventories is recognised as revenue.

Inventories are measured at weighted average cost, adjusted for obsolescence, other than vaccine stock which is measured using costs specific for those items.

Inventory prepayments represent the value of Stockpile inventory paid for but not yet delivered by the supplier or accepted into the Stockpile by the Department.

Note 26: Administered aggregate assets and liabilities

	2020 $'000	2019 $'000
AGGREGATE ASSETS AND LIABILITIES		
Assets expected to be recovered in		
No more than 12 months	**5,516,907**	2,626,864
More than 12 months	**910,229**	844,551
Total assets	**6,427,136**	3,471,415
Liabilities expected to be settled in		
No more than 12 months	**(2,669,501)**	(2,618,389)
More than 12 months	**(369,601)**	(357,005)
Total liabilities	**(3,039,102)**	(2,975,394)

Department of Health

Notes to and forming part of the financial statements

Note 27: Administered contingent assets and liabilities

	Indemnities		Claims for costs		Aged Care Accommodation Bond Guarantee Scheme		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Contingent assets								
Balance from previous period	**-**	-	**10,600**	16,200	**-**	-	**10,600**	16,200
New contingent assets recognised	**-**	-	**1,200**	200	**-**	-	**1,200**	200
Remeasurement	**-**	-	**6,500**	-	**-**	-	**6,500**	-
Assets recognised	**-**	-	**-**	(5,800)	**-**	-	**-**	(5,800)
Contingent assets expired	**-**	-	**(400)**	-	**-**	-	**(400)**	-
Total contingent assets	**-**	-	**17,900**	10,600	**-**	-	**17,900**	10,600
Contingent liabilities								
Balance from previous period	**67,300**	45,000	**10,644**	16,444	**-**	-	**77,944**	61,444
New contingent liabilities recognised	**-**	16,300	**1,222**	200	**3,250**	-	**4,472**	16,500
Remeasurement	**9,000**	6,000	**6,500**	-	**-**	-	**15,500**	6,000
Liabilities recognised	**-**	-	**-**	(35)	**-**	-	**-**	(35)
Obligations expired	**-**	-	**(445)**	(5,965)	**-**	-	**(445)**	(5,965)
Total contingent liabilities	**76,300**	67,300	**17,921**	10,644	**3,250**	-	**97,471**	77,944
Net contingent liabilities	**(76,300)**	(67,300)	**(21)**	(44)	**(3,250)**	-	**(79,571)**	(67,344)

Quantifiable Contingent Assets

Claims for costs

The Schedule of contingencies reports contingent assets in respect of claims for costs of $17.9m (2019: $10.6m).

Quantifiable Contingent Liabilities

Indemnities

The table on the previous page reports contingent liabilities in respect of medical indemnity payments under the High Cost Claims Scheme of up to $60m (2019: $51m) and $16.3m (2019: $16.3m) relating to indemnities granted to a service provider in respect of early termination of subcontracting arrangements.

Claims for costs

The table also reports a contingent liability in respect of claims for costs of up to $17.9m (2019: $10.6m).

Aged Care Accommodation Bond Guarantee Scheme

The Department is currently aware of the potential for the Guarantee Scheme to be activated. If this occurs, the maximum payments required to be made by the Commonwealth under the scheme are estimated at $3.3m.

Unquantifiable Contingent Assets

Legal action seeking compensation

The Department is engaged in legal action against certain pharmaceutical companies seeking compensation for savings it claims were denied to the Commonwealth because interim injunctions granted to these companies in unsuccessful patent litigation delayed generic versions of drugs being listed on the Pharmaceutical Benefits Scheme, and thereby delayed statutory and price disclosure related price reductions for these drugs.

Public Hospital Funding

The Auditor-General Report No. 26 2018-19 (ANAO audit report) Australian Government Funding of Public Hospital Services — Risk Management, Data Monitoring and Reporting Arrangements identified the potential for duplicate payments for the same public hospital service through funding under the Medicare Benefits Schedule and through public hospital funding under the National Health Reform Agreement. The Department of Health has agreed to identify and prevent potential duplicate payments, including Medicare Benefits Schedule payments, by the Australian Government for public hospital services, and identify and recover past duplicate payments to the maximum extent permitted by law. At this stage any potential recoveries are unquantifiable.

Unquantifiable Contingent Liabilities

Aged Care Accommodation Bond Guarantee Scheme

A Guarantee Scheme has been established through the Aged Care (Accommodation Payment Security) Act 2006 and Aged Care (Accommodation Payment Security) Levy Act 2006. Under the Guarantee Scheme, if a provider becomes insolvent or bankrupt and is unable to repay outstanding accommodation payment balances to aged care residents, the Australian Government will repay the balances owing to each resident. In return, the residents' rights to pursue the defaulting provider for recovery of the accommodation payment funds transfer to the Government. In the event the Government cannot recover the full amount from the defaulting provider, it may levy all providers holding accommodation payment balances to recoup the shortfall. It is not possible to quantify the Australian Government's contingent liability in the event that the Guarantee Scheme is activated. The Department has implemented risk mitigation strategies which should reduce the risk of default and thereby activation of the Guarantee Scheme.

From the latest available information, the maximum contingent liability, in the unlikely event that all providers defaulted, is $30.2 billion. Since the Guarantee Scheme was introduced, it has been activated 13 times requiring payment of $100.8m. The Guarantee Scheme was activated during the 2019-20 financial year requiring payment of $57.2m. It is difficult to predict if the past patterns of payments are indicative of future payments.

Diagnostic Products Agreement

The Australian Government has provided an indemnity to a review of certain matters in relation to the Diagnostics Products Agreement. The indemnity provides certain specified members of the review the same level of indemnity as Australian Government officers for the purpose of the review. For the period ended 30 June 2020 no claims have been made (2019: $NIL).

Medical Indemnity

Services Australia delivers the Exceptional Claims Scheme (ECS) on behalf of the Australian Government. Under this scheme, the Australian Government reimburses medical indemnity insurers for 100% of the cost of private practice claims that are above the limit of their medical indemnity insurance contract limit, which is typically $20m. To be covered by the ECS, practitioners must have medical indemnity insurance cover to at least a threshold of $15m for claims arising from incidents notified between 1 January and 30 June 2003 and $20m for claims notified from 1 July 2003.

At 30 June 2020, the Department had received no notification of any incidents that would give rise to claims under the ECS scheme. However, the nature of these claims is such that there is usually an extended period between the date of the medical incident and notification to the insurer. For the period ended 30 June 2020 no claims have been made or notified (2019: $NIL).

CSL Ltd

Under existing agreements, the Australian Government has indemnified CSL Ltd for certain existing and potential claims made for personal injury, loss or damage suffered through therapeutic and diagnostic use of certain products manufactured by CSL Ltd. For the period ended 30 June 2020 no claims have been made (2019: $NIL).

The Australian Government has indemnified CSL Ltd for a specific range of events that occurred during the Plasma Fractionation Agreement from 1 January 1994 to 31 December 2004, where alternative cover was not arranged by CSL Ltd. For the period ended 30 June 2020 no claims have been made (2019: $NIL).

Lifeblood (formerly Australian Red Cross Blood Service)

Under certain conditions the Australian Government, States and Territories jointly provide indemnity to Lifeblood (formerly the Australian Red Cross Blood Service) through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of life.

Deeds of Agreement between the Australian Red Cross Society and the National Blood Authority in relation to the operation of Lifeblood and the development of principal manufacturing sites in Sydney and Melbourne include certain indemnities and a limitation of liability in favour of Lifeblood. These indemnities cover defined sets of potential business, product and employee risks and liabilities. Certain indemnities for specific risk events that operate within the term of the Deed of Agreement are capped and must meet specified pre-conditions.

Indemnities and limitation of liability only operate in the event of the expiry and non-renewal, or the early termination of the Deed, and only within a certain scope. They are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

For the period ended 30 June 2020 no claims have been made (2019: $NIL).

Vaccines

Under certain conditions the Australian Government has provided an indemnity for the supply of certain vaccines to the suppliers of the vaccines. The contracts under which contingent liability is recognised will expire in October 2020 and June 2025 respectively. However, until replacement stock is sourced the contingent liability for use of the vaccine currently held remains with the Commonwealth. For the period ended 30 June 2020 no claims have been made (2019: $NIL).

Significant Remote Contingencies

The Department did not have any significant remote contingencies this year or the prior year.

Note 28: Administered appropriations

Table A: Annual and Unspent Appropriations ('Recoverable GST exclusive')

	2020 $'000	2019 $'000
ADMINISTERED		
Ordinary Annual Services - Administered items		
Annual appropriation[1,2]	**10,162,927**	10,320,073
Coronavirus economic response appropriation[3]	**562,469**	-
Receipts retained under PGPA Act - Section 74	**113**	5,679
Transfers of appropriations under PGPA Act - Section 75[4]	**38,957**	-
Total appropriation	**10,764,466**	10,325,752
Appropriation applied (current and prior years)[5]	**(10,309,941)**	(9,762,877)
Variance[6]	**454,525**	562,875
Unspent appropriations		
Own unspent appropriation balance	**1,693,801**	1,321,789
Closing unspent appropriation balance[7]	**1,693,801**	1,321,789
Balance comprises appropriations as follows:		
Appropriation Act (No. 1) 2016-2017[8]	**-**	74,236
Appropriation Act (No. 3) 2016-2017[8]	**-**	8,276
Appropriation Act (No. 1) 2017-2018[9]	**288,628**	329,053
Appropriation Act (No. 3) 2017-2018[9]	**66,094**	66,094
Appropriation Act (No. 5) 2017-2018[9]	**14,060**	14,060
Appropriation Act (No. 1) 2018-2019	**134,335**	364,880
Appropriation Act (No. 3) 2018-2019	**257,346**	465,190
Supply Act (No. 1) 2019-2020	**1,967**	-
Appropriation Act (No. 1) 2019-2020	**630,231**	-
Appropriation Act (No. 3) 2019-2020	**-**	-
Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020	**301,140**	-
Total unspent appropriation - ordinary annual services - administered items	**1,693,801**	1,321,789

1 In 2020 administered ordinary annual services appropriations $58,112,000 of the *Appropriation Act (No. 1) 2019-2020* and $235,146,000 of the *Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020* have been temporarily quarantined. This does not represent a loss of control over the relevant appropriations and these amounts have been included as available in the balances above.

2 There were no amounts withheld under section 51 of the PGPA Act from 2020 or 2019 administered ordinary annual services appropriations.

3 The 'Ad-hoc' appropriation relates to additional funding for the Department as part of the Coronavirus Health Response Package.

4 Transfers of administered ordinary annual services appropriations under Section 75 of the PGPA Act related to $53,108,000 transferred from the Department of Infrastructure, Transport, Cities and Regional Development and $14,150,768 transferred to the Department of the Treasury.

5 Services Australia spent money from the CRF on behalf of the Department under a payment authority. The money spent has been included in the table above.

6 The administered ordinary annual services items variance of $454,525,000 relates to the utilisation of retained funding from 2019 during 2020 (the former section 11 of the Appropriation Acts).

7 This balance is net of $21,617,000 relating to 2018 appropriations withheld under section 51 of the PGPA Act. The total unspent appropriations gross of quarantined amounts under section 51 of the PGPA Act is $1,715,418,000.

8 These balances lapsed on 1 July 2019 in accordance with the repeal date of the underlying Appropriation Acts.

9 These balances will lapse on 1 July 2020 when the underlying Appropriation Acts are repealed.

	2020 $'000	2019 $'000
Ordinary Annual Services - Payments to corporate Commonwealth entities		
Annual appropriation	**619,257**	644,096
Total appropriation	**619,257**	644,096
Appropriation applied (current and prior years)	**(619,302)**	(643,837)
Variance[1]	**(45)**	259
Other services - Administered assets and liabilities		
Annual appropriation	**108,922**	120,133
Coronavirus economic response appropriation[2]	**739,970**	-
Advance to the Finance Minister	**1,880,000**	-
Total appropriation	**2,728,892**	120,133
Appropriation applied (current and prior years)	**(2,133,000)**	(63,949)
Variance[3]	**595,892**	56,184
Unspent appropriations		
Own unspent appropriation balance	**695,443**	183,473
Closing unspent appropriation balance	**695,443**	183,473
Balance comprises appropriations as follows:		
Supply Act (No. 2) 2016-2017[4]	**-**	52,083
Appropriation Act (No. 2) 2016-2017[4]	**-**	31,839
Appropriation Act (No. 2) 2017-2018	**-**	2,097
Appropriation Act (No. 2) 2018-2019	**-**	2,321
Appropriation Act (No. 4) 2018-2019	**71,636**	95,133
Appropriation Act (No. 2) 2019-2020	**2,420**	-
Appropriation Act (No. 4) 2019-2020	**83,922**	-
Appropriation (Coronavirus Economic Response Package) Act (No. 2) 2019-2020	**537,465**	-
Total unspent appropriation - other services - administered assets and liabilities	**695,443**	183,473
Other Services - Payments to corporate Commonwealth entities		
Annual appropriation	**22,275**	39,023
Total appropriation	**22,275**	39,023
Appropriation applied (current and prior years)	**(23,845)**	(37,453)
Variance[1]	**(1,570)**	1,570

[1] These variances represent the value of 2019 appropriations transferred to the relevant Corporate Commonwealth entities (CCE's) during 2020, less an amount of $214,000 temporarily quarantined against the 2020 ordinary annual services funding for payments to CCE's.

[2] This appropriation relates to additional funding for the Department as part of the Coronavirus Health Response Package.

[3] The administered other services assets and liabilities variance of $595,892,000 relates to the unspent National Medical Stockpile

[4] These balances lapsed on 1 July 2019 in accordance with the repeal date of the underlying Appropriation Acts.

Table B: Special Appropriations Applied ('Recoverable GST exclusive')

	Appropriation applied	
	2020	2019
Authority	**$'000**	$'000
Aged Care (Accommodation Payment Security) Act 2006	**57,228**	-
Aged Care Act 1997	**16,579,782**	15,043,797
Health Insurance Act 1973	**18,937**	14,326
National Health Act 1953	**1,596,311**	1,524,249
Medical Indemnity Act 2002	**94,443**	93,495
Private Health Insurance Act 2007	**6,053,667**	6,065,591
Dental Benefits Act 2008	**282,934**	322,446
Medicare Guarantee Act 2017	**-**	-
Health and Other Services (Compensation) Act 1995	**-**	**-**
Medical Indemnity Agreement (Financial Assistance - Binding Commonwealth Obligations) Act 2002	**-**	**-**
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act	**-**	**-**
Public Governance, Performance and Accountability Act 2013 s.77	**1,972**	18,105
Total special appropriations applied	**24,685,274**	23,082,009

Services Australia drew money from the CRF on behalf of the Department against the following special appropriations:
Aged Care Act 1997;
Health Insurance Act 1973;
National Health Act 1953;
Medical Indemnity Act 2002;
Dental Benefits Act 2008; and
Private Health Insurance Act 2007.

Table C: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	2020	2019
	$'000	$'000
Department of Social Services		
Total receipts	**60,927**	39,885
Total payments	**(60,927)**	(39,885)

The Department made wage supplementation payments from the Social and Community Services Pay Equity Special Account administered by the Department of Social Services to eligible social and community services workers during 2020 and 2019.

Note 29: Compliance with statutory requirement for payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law.

The Department has primary responsibility for administering legislation related to health care. Payments totalling about $62 billion in 2019-20 were authorised against Special Appropriations, including special accounts, by the Department in accordance with a range of complex legislation. Most of the payments are administered by Services Australia under the Medicare program on behalf of the Department. In the vast majority of cases Services Australia relies on information or estimates provided by customers and medical providers to calculate and pay entitlements. If an overpayment occurs a breach of section 83 could result despite future payments being adjusted to recover the overpayment. In addition, simple administrative errors can lead to breaches of section 83.

Due to the number of payments made, the reliance that must be placed on external control frameworks and the complexities of the legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated. However, the reported section 83 breaches represent only a very small portion of payments, both in number and in value, and the Department is committed to implementing measures to ensure that the risk of unintentional breaches of section 83 is as low as possible.

The Department has developed an approach for assessing the alignment of payment processes with legislation. During 2020, the Department:

- included consideration of processes to minimise the risk of section 83 breaches as part of any review of legislation or administrative processes;
- received assurance from Services Australia that action has been undertaken to detect and prevent any potential breaches of section 83;
- continued its ongoing reviews of special accounts by internal audit as part of its rolling compliance program;
- obtained legal advice, as appropriate, to resolve questions of potential non-compliance; and
- identified legislative/procedural changes to reduce the risk of non-compliance in the future.

Special Appropriations
The Department administers 12 pieces of legislation, as disclosed in Note 28 Table B, with Special Appropriations involving statutory requirements for payments. Of this legislation, some payments have been identified as having either actual or potential breaches of section 83 of the Constitution and the Department will continue to review these.

The legislation where actual breaches occurred in the 2019-20 year was:

Health Insurance Act 1973
Services Australia have advised that during 2019-20, 282 instances have been identified with a total value of $300,758.65 where the payment made was not authorised by section 125(1) of the *Health Insurance Act 1973* for the Medicare Easyclaim Programme.

Special Accounts
As at 30 June 2020, the Department has eight Special Accounts, as disclosed in Note 30 with one of the disclosed special accounts now being identified as lapsed (Human Pituitary Hormones Account). Six are assessed as low risk for actual or potential non-compliance with section 83, one is assessed as medium risk and one is assessed as medium to high risk.

No breaches have been identified in relation to Special Accounts.

Continued Focus
The Department will continue to review legislation and New Policy Proposals that create or modify payment eligibility to determine whether business rules and process are in place to minimise the risk of breaches of section 83. In addition, the Department will continue ongoing reviews of special accounts by internal audit as part of its rolling compliance program paying particular attention to emerging issues being identified within the Commonwealth.

Department of Health

Notes to and forming part of the financial statements

Note 30: Special accounts

	Services for Other Entities and Trust Moneys Account[1]		Australian Immunisation Register Account[2]		Human Pituitary Hormones Account[3]	
	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**22,040**	17,376	**3,363**	1,957	**2,010**	2,256
Timing adjustments related to prior years	**-**	29	**-**	-	**-**	-
Increases						
Appropriation credited to special account	**10,577**	8,564	**7,146**	7,161	**-**	-
Other increases	**11,724**	15,279	**4,440**	3,744	**-**	-
Total increases	**22,301**	23,842	**11,586**	10,905	**-**	-
Available for payments	**44,341**	41,247	**14,949**	12,862	**2,010**	2,256
Decreases						
Administered	**-**	-	**10,561**	9,499	**2,010**	246
Total administered decreases	**-**	-	**10,561**	9,499	**2,010**	246
Relevant Money	**15,460**	19,207	**-**	-	**-**	-
Total relevant money decreases	**15,460**	19,207	**-**	-	**-**	-
Total decreases	**15,460**	19,207	**10,561**	9,499	**2,010**	246
Total balance carried to the next period	**28,881**	22,040	**4,388**	3,363	**-**	2,010

1 Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth; disburse amounts in connection with services performed on behalf of other government bodies that are not non-corporate Commonwealth entities; to repay amounts where an Act or other law requires or permits the repayment of an amount received; to reduce the balance of the special account (and, therefore the available appropriation for the special account) without making a real or notional payment.

2 Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: to make incentive payments to recognised vaccination providers who notify the Australian Immunisation Register that they have completed immunisations through the National Immunisation Program.

[3] Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: for expenditure through grants and other payments for:

- counselling and support services to recipients of pituitary-derived hormones and their families;
- medical and other care to people treated with pituitary-derived hormones should they contract Creutzfeldt-Jakob disease as a result of the treatment;
- one-off payments for recipients of pituitary-serviced hormones who can demonstrate that they have suffered a psychiatric illness prior to 1 January 1998 due to their having been informed that they are at a greater risk of contracting Creutzfeldt-Jakob disease; and
- one-off payments for the children of recipients of pituitary-derived hormones who can demonstrate that they have suffered a psychiatric illness as a consequence of the death of their parent from Creutzfeldt-Jakob disease.

Abolition: this special account was abolished effective 30 June 2020, with the remaining funds returned to the OPA.

Department of Health

Notes to and forming part of the financial statements

	Sport and Recreation Account[4]		Therapeutic Goods Administration Account[5]		Gene Technology Account[6]	
	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**284**	517	**76,501**	73,326	**8,759**	8,412
Increases						
Appropriation credited to special account	**-**	-	**8,534**	2,257	**8,057**	7,506
Other increases	**359**	119	**155,101**	159,480	**150**	218
Total increases	**359**	119	**163,635**	161,737	**8,207**	7,724
Available for payments	**643**	636	**240,136**	235,063	**16,966**	16,136
Decreases						
Departmental	**-**	-	**150,444**	158,562	**8,059**	7,377
Total departmental decreases	**-**	-	**150,444**	158,562	**8,059**	7,377
Administered	**110**	352	**-**	-	**-**	-
Total administered decreases	**110**	352	**-**	-	**-**	-
Total decreases	**110**	352	**150,444**	158,562	**8,059**	7,377
Total balance carried to the next period	**533**	284	**89,692**	76,501	**8,907**	8,759

4 Establishing Instrument: *Public Governance, Performance and Accountability Act 2013*; section 78
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 78
Purpose: to undertake sport and recreation related projects of common interest to the Sport and Recreation Ministers' Council, its successor or subordinate bodies, and that benefit all or a majority of members.

5 Establishing Instrument: *Therapeutic Goods Act 1989*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: The purpose has been set out in section 45 of the *Therapeutic Goods Act 1989* and are:
- to make payments to further the objects of the Act; and
- to enable the Commonwealth to participate in the international harmonisation of regulatory controls on therapeutic goods and other related activities.

6 Establishing Instrument: *Gene Technology Act 2000*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the Gene Technology Regulator.

	Industrial Chemicals Account[7]		Medical Research Future Fund Account[8]		Medicare Guarantee Fund[9]	
	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Balance brought forward from previous period	**18,068**	17,398	**13,759**	16,594	**736,158**	532,564
Increases						
Appropriation credited to special account	**339**	331	**392,703**	204,863	**37,961,055**	36,233,451
Other increases	**17,891**	17,388	**-**	-	**-**	-
Total increases	**18,230**	17,719	**392,703**	204,863	**37,961,055**	36,233,451
Available for payments	**36,298**	35,117	**406,462**	221,457	**38,697,213**	36,766,015
Decreases						
Departmental	**16,982**	17,049	**-**	-	**-**	-
Total departmental decreases	**16,982**	17,049	**-**	-	**-**	-
Administered	**-**	-	**320,883**	207,698	**37,277,592**	36,029,857
Total administered decreases	**-**	-	**320,883**	207,698	**37,277,592**	36,029,857
Total decreases	**16,982**	17,049	**320,883**	207,698	**37,277,592**	36,029,857
Total balance carried to the next period	**19,316**	18,068	**85,579**	13,759	**1,419,621**	736,158

7 Establishing Instrument: *Industrial Chemicals (Notification and Assessment) Act 1989*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the National Industrial Chemicals Notification and Assessment Scheme.

8 Establishing Instrument: *Medical Research and Future Fund Act 2015*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: to provide grants of financial assistance to support medical research and medical innovation.
The Medical Research Future Fund Health Special Account was established on 26 August 2015.

9 Establishing Instrument: *Medicare Guarantee Act 2017*
Appropriation: *Public Governance, Performance and Accountability Act 2013*; section 80
Purpose: to secure the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme.
The Medicare Guarantee Fund (Health) Special Account was established on 26 June 2017.

Note 31: Regulatory charging summary

	2020 $'000	2019 $'000
Amounts applied		
Payments from portfolio bodies		
Departmental		
Annual appropriations	**27,219**	20,229
Special appropriations (including special accounts)	**184,559**	175,089
Own source revenue	**4,791**	4,722
Administered		
Annual appropriations	**6,043**	7,445
Total amounts applied	**222,612**	207,485
Expenses		
Departmental	**214,349**	195,919
Administered	**10,097**	7,556
Total expenses	**224,446**	203,475
External Revenue		
Departmental	**189,350**	179,811
Administered	**27,148**	21,984
Total external revenue	**216,498**	201,795
Amounts written off		
Departmental	**4**	49
Administered	**-**	-
Total amounts written off	**4**	49

Regulatory charging activities:

The **Therapeutic Goods Administration** funds are used to undertake activities to evaluate the safety, quality and efficacy of medicines, medical devices and biologicals available for supply in, or export from Australia.

Australian Industrial Chemicals Introduction Scheme charges are levied for registration or assessment of chemicals across Australia.

The **Prostheses Listing** arrangements refer to the activities involved in listing prostheses and their benefits for the purposes of private health insurance reimbursement.

The **National Joint Replacement Registry** facilitates the collection of data that provides a prospective case series on all joint replacement surgery undertaken in Australia.

Administered revenue only is recorded for the **Private Health Insurance Ombudsman Levy.**

Listing of medicines on the **Pharmaceutical Benefits Scheme** and designated vaccines on the **National Immunisation Program** are subject to regulatory charges.

Medicinal cannabis: Licence and permit applications for the cultivation and manufacture of Australian produced medicinal cannabis products.

Assessment and certification for **Private Health Insurance 2nd Tier Private Hospital Default Benefits**.

Documentation for the above activities is available at:

www.tga.gov.au/cost-recovery-implementation-statement

www.industrialchemicals.gov.au/about-us/how-we-are-funded#cost-recovery-implementation-statement

www1.health.gov.au/internet/main/publishing.nsf/Content/EE9D7DA6EA42BDE0CA257BF00020623C/

www1.health.gov.au/internet/main/publishing.nsf/Content/phib-njrr

www.pbs.gov.au/info/industry/listing/elements/fees-and-charges

www.odc.gov.au/publications/cost-recovery-implementation-statement-regulation-medicinal-cannabis

www1.health.gov.au/internet/main/publishing.nsf/Content/5854E2DDCCA1D2F8CA2583400018B8D9

Appendices

Appendix 1: Workforce Statistics

The following tables show workforce statistics for the Department of Health for 2019-20. This included Indigenous staff numbers, staff numbers by classification, distribution of staff by state and territory, as well as a range of other information relating to workplace arrangements, remuneration and salary structures.

For information on the Department's workforce composition and human resource policies, refer Part 3.4: People.

Contents

Table 1: Ongoing employees at 30 June 2020

State	Male			Female			Non-binary			30 June 2020 total	30 June 2019 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Australian Capital Territory	985	61	1,046	1,806	592	2,398	3	-	3	3,447	3,424
New South Wales	86	2	88	123	42	165	-	-	-	253	266
Northern Territory	1	1	2	5	1	6	-	-	-	8	9
Queensland	31	-	31	60	25	85	-	-	-	116	116
South Australia	13	1	14	31	6	37	-	-	-	51	56
Tasmania	18	5	23	14	6	20	-	-	-	43	43
Victoria	53	8	61	59	24	83	-	-	-	144	142
Western Australia	8	2	10	15	14	29	-	-	-	39	48
Total	**1,195**	**80**	**1,275**	**2,113**	**710**	**2,823**	**3**	**-**	**3**	**4,101**	**4,104**

Table 2: Non-ongoing employees at 30 June 2020

State	Male			Female			Non-binary			30 June 2020 total	30 June 2019 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Australian Capital Territory	43	13	56	75	28	103	3	-	3	162	152
New South Wales	3	-	3	8	1	9	-	-	-	12	12
Northern Territory	-	-	-	-	-	-	-	-	-	-	-
Queensland	1	-	1	4	1	5	-	1	1	7	4
South Australia	-	1	1	-	1	1	-	-	-	2	-
Tasmania	-	-	-	1	1	2	-	-	-	2	3
Victoria	1	2	3	2	1	3	1	-	1	7	2
Western Australia	3	-	3	-	-	-	-	-	-	3	3
Total	**51**	**16**	**67**	**90**	**33**	**123**	**4**	**1**	**5**	**195**	**176**

Table 3: Ongoing staff numbers by classification at 30 June 2020

	Male			Female			Non-binary			30 June 2020 total	30 June 2019 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
SES 3	3	-	3	5	-	5	-	-	-	8	7
SES 2	16	-	16	18	-	18	-	-	-	34	32
SES 1	46	-	46	70	3	73	-	-	-	119	106
Holder of Public Office	2	-	2	1	-	1	-	-	-	3	3
EL2	196	1	197	306	54	360	-	-	-	557	497
EL1	399	30	429	602	247	849	-	-	-	1,278	1,296
APS 6	272	22	294	560	221	781	2	-	2	1,077	1,106
APS 5	124	8	132	258	87	345	-	-	-	477	514
APS 4	57	6	63	153	48	201	-	-	-	264	279
APS 3	8	2	10	25	11	36	-	-	-	46	52
APS 2	4	3	7	5	2	7	-	-	-	14	10
APS 1	6	3	9	-	2	2	-	-	-	11	9
Health Entry-Level Broadband	12	-	12	33	-	33	1	-	1	46	40
Legal 2	7	-	7	16	7	23	-	-	-	30	27
Legal 1	7	1	8	30	4	34	-	-	-	42	34

Table 3: Ongoing staff numbers by classification at 30 June 2020 (continued)

	Male			Female			Non-binary			30 June 2020 total	30 June 2019 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Chief Medical Officer	1	-	1	-	-	-	-	-	-	1	-
Medical Officer 6	2	-	2	-	-	-	-	-	-	2	3
Medical Officer 5	9	-	9	5	3	8	-	-	-	17	14
Medical Officer 4	15	-	15	5	4	9	-	-	-	24	28
Medical Officer 3	6	4	10	14	15	29	-	-	-	39	35
Medical Officer 2	-	-	-	1	2	3	-	-	-	3	4
Public Affairs 3	2	-	2	4	-	4	-	-	-	6	5
Public Affairs 2	-	-	-	1	-	1	-	-	-	1	-
Senior Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	1
Principal Research Scientist	1	-	1	-	-	-	-	-	-	1	1
Other*	-	-	-	1	-	1	-	-	-	1	1
Total	**1,195**	**80**	**1,275**	**2,005**	**710**	**2,823**	**3**	**-**	**3**	**4,101**	**4,104**

* 'Other' includes Secretary

Table 4: Non-ongoing staff numbers by classification at 30 June 2020

	Male			Female			Non-binary			30 June 2020 total	30 June 2019 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
SES 3	-	-	-	-	-	-	-	-	-	-	-
SES 2	1	-	1	1	-	1	-	-	-	2	-
SES 1	-	-	-	-	-	-	-	-	-	-	-
Holder of Public Office	3	-	3	1	-	1	-	-	-	4	3
EL2	3	1	4	2	2	4	-	-	-	8	7
EL1	3	7	10	15	6	21	-	-	-	31	15
APS 6	13	2	15	23	9	32	1	-	1	48	38
APS 5	11	1	12	17	5	22	2	-	2	36	24
APS 4	5	-	5	21	2	23	-	-	-	28	46
APS 3	-	-	-	-	1	1	1	-	1	2	7
APS 2	4	-	4	4	2	6	-	-	-	10	23
APS 1	-	-	-	-	2	2	-	-	-	2	-
Health Entry-Level Broadband	-	-	-	-	-	-	-	-	-	-	-
Legal 2	-	-	-	-	-	-	-	-	-	-	-
Legal 1	4	-	4	3	2	5	-	-	-	9	3

Table 4: Non-ongoing staff number by classification at 30 June 2020 (continued)

	Male			Female			Non-binary			30 June 2020 total	30 June 2019 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Chief Medical Officer	-	-	-	-	-	-	-	-	-	-	1
Medical Officer 6	-	-	-	-	1	1	-	-	-	1	-
Medical Officer 5	2	1	3	-	-	-	-	1	1	4	3
Medical Officer 4	1	1	2	2	1	3	-	-	-	5	2
Medical Officer 3	-	3	3	-	-	-	-	-	-	3	3
Medical Officer 2	1	-	1	-	-	-	-	-	-	1	1
Public Affairs 3	-	-	-	1	-	1	-	-	-	1	-
Public Affairs 2	-	-	-	-	-	-	-	-	-	-	-
Senior Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	**51**	**16**	**67**	**90**	**33**	**123**	**4**	**1**	**5**	**195**	**176**

Table 5: Distribution of all staff by state and territory at 30 June 2020

State	Ongoing	Non-ongoing	Total
Australian Capital Territory	3,447	162	3,609
New South Wales	253	12	265
Northern Territory	8	-	8
Queensland	116	7	123
South Australia	51	2	53
Tasmania	43	2	45
Victoria	144	7	151
Western Australia	39	3	42
Department Total	**4,101**	**195**	**4,296**

Table 6: Comparison of Indigenous staff by employment status between 30 June 2019 and 30 June 2020

Employment status	Indigenous staff	
	30 June 2020	30 June 2019
Ongoing	101	99
Non-ongoing	3	3
Total	104	102
Percentage of Indigenous staff in the Department	**2.4%**	**2.4%**

Table 7: Number of SES staff covered by Individual Agreements

Nominal Classification	Number of staff with individual agreements		Total
	Female	Male	
Senior Executive Band 3	5	2	7
Senior Executive Band 2	14	15	29
Senior Executive Band 1	58	38	96
Medical Officer 6	1	2	3
Medical Officer 5	7	12	19
Total	**85**	**69**	**154**

Table 8: Key Management Personnel length of term at 30 June 2020

During the 2019-20 financial year, the Department had 12 executives who met the definition of key management personnel (KMP).

Name	Position Title	Term as KMP
Glenys Beauchamp	Secretary (outgoing)	Part year (1 July 2019 to 28 February 2020)
Caroline Edwards	Secretary (interim acting)	Part year (22 February to 30 June 2020)
Caroline Edwards	Deputy Secretary	Part year (1 July to 22 November 2019)
Brendan Murphy[1]	Chief Medical Officer	Full year
John Skerritt	Deputy Secretary	Full year
Penny Shakespeare	Deputy Secretary	Full year
Lisa Studdert	Deputy Secretary	Full year
Michael Lye	Deputy Secretary	Part year (2 December 2019 to 30 June 2020)
Tania Rishniw	Deputy Secretary	Part year (25 November 2019 to 30 June 2020)
Matt Yannopoulos	Chief Operating Officer (outgoing)	Part year (1 July 2019 to 2 February 2020)
Charles Wann	Chief Operating Officer (interim acting)	Part year (3 February to 30 June 2020)
Rachel Balmanno	Chief Operating Officer (acting)	Part year (6 December 2019 to 15 January 2020)
David Hallinan	Deputy Secretary (acting)	Part year (1 July to 29 November 2019)

Notes:
[1] Brendan Murphy was appointed Secretary on 29 February 2020. However, in response to the evolving COVID-19 pandemic, he continued as Chief Medical Officer for the remainder of 2019-20.

Table 9: Information about remuneration for key management personnel (KMP)[1]

In the notes to the financial statements (Note 5), the Department disclosed $4.31 million in KMP expenses during 2019-20.
In accordance with the Public Governance, *Performance and Accountability Rule 2014* (PGPA Rule), this information needs to be disaggregated as follows:

		Short term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
Name	**Position title**	**Base salary**	**Bonuses**	**Other benefits and allowances**	**Superannuation contributions**	**Long service leave**	**Other long term benefits**		
Glenys Beauchamp	Secretary (outgoing)	510,436	-	1,810	66,198	18,314	-	-	596,758
Caroline Edwards	Secretary (acting) (interim)	446,183	-	14,686	51,228	16,234	-	-	528,331
Brendan Murphy[2]	Chief Medical Officer	555,679	-	48,995	70,144	10,242	-	-	685,060
John Skerritt	Deputy Secretary	395,160	-	30,973	68,556	12,163	-	-	506,852
Penny Shakespeare	Deputy Secretary	325,786	-	33,611	58,476	12,449	-	-	430,322
Lisa Studdert	Deputy Secretary	315,688	-	33,611	58,118	14,235	-	-	421,652
Michael Lye	Deputy Secretary	239,315	-	1,572	41,616	7,329	-	-	289,832
Tania Rishniw	Deputy Secretary	180,211	-	19,150	25,922	6,042	-	-	231,325
Matt Yannopoulos	Chief Operating Officer (outgoing)	183,225	-	20,364	35,315	11,197	-	-	250,101
Charles Wann	Chief Operating Officer (acting) (interim)	132,002	-	12,738	18,562	4,420	-	-	167,722
Rachel Balmanno	Chief Operating Officer (acting)	35,350	-	3,279	5,118	869	-	-	44,616
David Hallinan	Deputy Secretary (acting)	122,996	-	13,685	20,163	3,708	-	-	160,552

Notes:
[1] Includes four employees who acted in a KMP position in excess of four weeks, and who exercised significant authority in planning, directing and controlling the activities of the Department.
[2] Brendan Murphy was appointed Secretary on 29 February 2020. However, in response to the evolving COVID-19 pandemic, he continued as Chief Medical Officer for the remainder of 2019-20.

Table 10: Information about remuneration for senior executives

		Short term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of senior executives[1]	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[2]	Average other long term benefits	Average termination benefits[3]	Average total remuneration[4]
0 - 225,000	37	67,844	-	8,999	14,477	1,978	-	2,974	96,272
225,001 - 250,000	25	178,020	-	25,343	32,657	4,581	-	-	240,601
250,001 - 275,000	35	194,907	-	26,752	35,811	5,310	-	-	262,780
275,001 - 300,000	30	210,047	-	25,754	38,333	5,654	-	6,861	286,649
300,001 - 325,000	17	237,950	-	23,269	44,025	7,298	-	-	312,542
325,001 - 350,000	11	267,112	-	21,088	40,323	7,315	-	-	335,838
350,001 - 375,000	4	245,266	-	26,256	40,141	8,450	-	44,716	364,829
375,001 - 400,000	2	310,135	-	31,034	50,028	7,400	-	-	398,597
425,001 - 450,000	1	392,713	-	2,731	21,097	9,292	-	-	425,833
475,001 - 500,000	2	373,550	-	31,139	69,958	8,953	-	-	483,600

Notes:

[1] Any employee who held a substantive senior executive or equivalent position during 2019-20 is represented as one. This excludes those executives who have been disclosed in Table 9.

[2] Excludes bond rate impact on long service leave.

[3] Termination payments (excluding employee leave entitlement payments) were made to three senior executives or equivalent employees during 2019-20.

[4] The table includes the part year impact of senior executives who either commenced or separated during the year, including three senior executives who were partially reported in Table 9.

Table 11: Information about remuneration for other highly paid staff

		Short term benefits			Post-employment benefits	Other long term benefits		Termination benefits	Total remuneration
Total remuneration bands	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[1]	Average other long term benefits	Average termination benefits[2]	Average total remuneration[3]
225,001 - 250,000	16	175,432	-	18,197	31,632	4,428	-	7,473	237,162
250,001 - 275,000	1	200,214	-	17,655	33,570	4,933	-	-	256,371
350,001 - 375,000	1	312,003	-	-	48,049	-	-	-	360,052

Notes:
[1] Excludes bond rate impact on long service leave.
[2] Termination payments (excluding employee leave entitlement payments) relate to one employee who terminated during 2019-20.
[3] The table includes the part year impact of some employees who have temporarily filled a senior executive position during 2019-20.

Table 12: Salary ranges by classification level

Classification	Minimum salary	Maximum salary
Senior Executive Band 3	317,750	398,030
Senior Executive Band 2	227,311	281,432
Senior Executive Band 1	175,354	216,487
Executive Level 2	124,752	147,700
Executive Level 1	104,562	119,255
APS 6	85,088	95,993
APS 5	76,009	82,200
APS 4	70,914	74,929
APS 3	62,592	69,377
APS 2	54,162	59,105
APS 1	46,343	52,046
Other*	27,807	42,173

* 'Other' Includes staff ranging from under 18 years of age to 20 years of age.

Table 13: Non-senior executive staff covered by Individual Flexibility Arrangements and the Enterprise Agreement at 30 June 2020

Number of staff covered by the:		Total
EA	EA and an approved Individual Flexibility Arrangement	
4,046	87	4,133

Table 14: Non-salary benefits

Non-SES staff
Access to engage in private medical practice for Medical Officers
Access to negotiated discount registration/membership fees to join a fitness or health club
Access to paid leave at half pay
Access to remote locality conditions
Access to the Employee Assistance Program
Additional cultural and ceremonial Aboriginal and Torres Strait Islander employees leave
Australian Defence Force Reserve, full-time service or cadet leave
Annual close down and early stand down at Easter and Christmas Eve, and annual leave
Annual free onsite influenza vaccinations for staff
Bereavement and compassionate leave
Breastfeeding facilities and family care rooms
Cash-out of annual leave
Community service leave
Financial assistance to access financial advice for staff 54 years and older
Flexible working locations and home-based work including, where appropriate, access to laptop computers, dial-in facilities, and mobile phones
Flextime (not all non-SES employees) and time in lieu
Hepatitis B vaccinations for staff who are required to come into regular contact with members of the community classified as at increased risk with regard to hepatitis B
Miscellaneous leave with or without pay
Parental leave – includes maternity, adoption and partner leave
Personal/carers leave
Provision of eyesight testing and reimbursement of prescribed eyewear costs specifically for use with screen-based equipment
Public Transport Loan Scheme
Purchased and extended purchased leave
Recognition of travel time
Study assistance and support for professional and personal development
SES staff
All the above benefits except flextime and access to Individual Flexibility Arrangements
Airport lounge membership
Car parking
Individual determinations made under section 24(1) of the *Public Service Act 1999*
IT Reimbursement Scheme
Learning and Development Allowance

Table 15: Health Entry-Level Broadband

Local title	APS classification	Salary ranges at 30 June 2020 $
Health Entry-Level (T, I, A, or G)[1]	APS 4	74,929
		72,864
		70,914
	APS 3	69,377
		66,231
		64,363
		62,592
	APS 2	59,105
		57,462
		55,787
		54,162
	APS 1	52,046
		49,625
		47,981
		46,343
	Staff at 20 years of age	42,173
	Staff at 19 years of age	37,539
	Staff at 18 years of age	32,440
	Staff under 18 years of age	27,807

Notes:
[1] (T) = Trainees
(I) = Indigenous Australian Government Development Program participants
(A) = Indigenous Apprenticeship Program
(G) = Graduates

Table 16: Professional 1 salary structure

Local title	APS classification	Salary ranges at 30 June 2020 $
Professional 1	APS 5	82,200
	APS 5	78,076
	APS 4	72,865
	APS 4[1]	70,915
	APS 3[2]	66,231
	APS 3	64,363

Notes:
[1] Salary on commencement for a professional with a four year degree (or higher).
[2] Salary on commencement for a professional with a three year degree.

Table 17: Medical Officer salary structure

Local title	Salary ranges at 30 June 2020 $
Medical Officer Class 6	281,432
	270,608
	254,372
	238,135
Medical Officer Class 5	238,135
	227,311
	216,487
	207,827
Medical Officer Class 4	177,416
	167,463
	161,184
Medical Officer Class 3	154,753
	147,804
Medical Officer Class 2	139,279
	132,188
Medical Officer Class 1	120,798
	109,430
	101,678
	93,860

Table 18: Legal salary structure

Local title	APS classification	Salary ranges at 30 June 2020 $
Legal 2	Executive Level 2	152,871
		146,236
		141,509
Legal 1	Executive Level 1	129,392
		119,117
		109,113
	APS 6	93,890
		89,215
		85,088
	APS 5	78,755
	APS 4	73,832

Table 19: Public Affairs salary structure

Local title	APS classification	Salary ranges at 30 June 2020 $
Senior Public Affairs 2	Executive Level 2	153,610
		147,639
Senior Public Affairs 1	Executive Level 2	140,610
Public Affairs 3	Executive Level 1	128,199
		121,981
		114,567
Public Affairs 2	APS 6	96,091
		89,215
		85,088
	APS 5	82,200
		78,076
	APS 4	74,929
	APS 4[1]	70,915

Note:
[1] This level is generally reserved for staff with less than two years' experience.

Table 20: Research Scientist salary structure

Local title	APS classification	Salary ranges at 30 June 2020 $
Senior Principal Research Scientist	Executive Level 2	187,580
		168,735
Principal Research Scientist	Executive Level 2	165,425
		160,298
		153,756
		149,701
		144,150
Senior Research Scientist	Executive Level 2	150,212
		140,610
		136,067
		124,752
Research Scientist	Executive Level 1	112,360
		104,562
	APS 6	89,380
		84,712
		82,409

Appendix 2: Processes Leading to PBAC Consideration – Annual Report for 2019-20

Introduction

This is the eleventh Annual Report to the Parliament on the processes leading to the consideration by the Pharmaceutical Benefits Advisory Committee (PBAC) of applications for recommendation for listing of items on the Pharmaceutical Benefits Scheme (PBS).

This Annual Report has been prepared pursuant to subsection 99YBC(5) of the *National Health Act 1953* (the Act), under which it is required that:

> *The Secretary must, as soon as practicable after June 30 in each year, prepare and give to the Minister a report on processes leading up to the Pharmaceutical Benefits Advisory Committee consideration, including:*
>
> *a) the extent and timeliness with which responsible persons are provided copies of documents relevant to their submission to the Pharmaceutical Benefits Advisory Committee;*
>
> *b) the extent to which responsible persons exercise their right to comment on these documents, including appearing at hearings before the Pharmaceutical Benefits Advisory Committee; and*
>
> *c) the number of responsible persons seeking a review of the Pharmaceutical Benefits Advisory Committee recommendation.*

PBAC

The PBAC is established under section 100A of the Act and is an independent expert body appointed by the Australian Government. Members include doctors, health professionals and health economists, as well as industry and consumer nominees. Its primary role is to consider medicines for listing on the PBS and vaccines for inclusion on the National Immunisation Program (NIP). No new medicine can be listed unless the PBAC makes a positive recommendation to the Minister for Health (the Minister). The PBAC holds three scheduled meetings each year, usually in March, July and November.

When considering a medicine for listing, the PBAC takes into account the medical condition(s) for which the medicine was registered for use in Australia and its clinical effectiveness, safety and cost-effectiveness compared with other treatments, including non-medical treatments.

The PBAC has three sub-committees to assist with analysis and advice in these areas. They are the:

- **Economics Sub-Committee (ESC)**, which assesses clinical and economic evaluations of medicines submitted to the PBAC for listing, and advises the PBAC on the technical aspects of these evaluations;
- **Drug Utilisation Sub-Committee (DUSC)**, which assesses estimates on projected usage and the financial cost of medicines. It also collects and analyses data on actual use (including in comparison with different countries), and provides advice to the PBAC; and
- **Nutritional Products Working Party (NPWP)**, which advises the PBAC on matters relating to the effectiveness and use of therapeutic foods and nutritional products.

Roles of the PBAC

- Recommends medicines and medicinal preparations to the Minister for funding under the PBS.
- Recommends vaccines to the Minister for funding under the NIP (since 2006).
- Advises the Minister and Department about cost-effectiveness.
- Recommends maximum quantities and repeats based on community use, and any restrictions on the indications where PBS subsidy is available.
- Regularly reviews the list of PBS items.
- Advises the Minister about any other matters relating to the PBS, including on any matter referred to it by the Minister.

Requirements of Section 99YBC of the Act

a) Extent and timeliness of the provision of relevant documents to responsible persons[110]

The PBAC provides applicants with documents relevant to their submissions in an orderly, timely and transparent fashion. This is achieved through the well-established practice of providing applicants with documents relevant to their submissions six weeks before the applicable PBAC meeting. These documents are referred to as commentaries.

The PBAC Secretariat receives applicants' pre-subcommittee response(s) five weeks before the relevant PBAC meeting. Following the meeting of PBAC subcommittees, the PBAC Secretariat provides relevant subcommittee papers to applicants two weeks before the relevant PBAC meeting. Sponsors then provide their responses to the PBAC Secretariat one week before the PBAC meeting.

Following the PBAC meeting, the PBAC Secretariat provides summary advice on the outcomes of PBAC consideration to the relevant sponsor half a week after the meeting, with detailed advice provided three weeks (positive recommendations) and five weeks (all other outcomes) after the relevant PBAC meeting.

Where requested, the PBAC Secretariat, the PBAC and its subcommittees provide informal access to Departmental officers and formal access to the PBAC for applicants or their representative, including the option for the sponsor to appear before the PBAC in person.

b) Extent to which responsible persons comment on their commentaries

During 2019-20, the PBAC held three ordinary meetings (as is usual practice) and considered 75 major submissions. For the:

- **July 2019 PBAC meeting**, 30 applicants lodged major submissions. A total of 30 sponsors responded to their commentaries.
- **November 2019 PBAC meeting**, 28 applicants lodged major submissions. A total of 27 sponsors responded to their commentaries and one sponsor withdrew its submission before responding to its commentary.
- **March 2020 PBAC meeting**, 18 applicants lodged major submissions. A total of 18 sponsors responded to their commentaries.

Consequently, of the 75 major submissions considered by PBAC in 2019-20, 75 applicants exercised their right to respond to their commentaries.

c) Number of responsible persons seeking a review of PBAC recommendations

During the 2019-20 financial year, there were no requests to the PBAC for an Independent Review.

[110] Responsible person for a brand of a pharmaceutical item is defined by the *National Health Act 1953* to be a person determined by the Minister under section 84AF to be the responsible person for the brand of the pharmaceutical item.

Number and category of applications for each PBAC meeting in 2019-20[111]

July 2019 PBAC Meeting

Category	Number
Major	30
Minor	28
Other	3

November 2019 PBAC Meeting

Category	Number
Major	27
Minor	33
Other	0

March 2020 PBAC Meeting

Category	Number
Major	18
Minor	28
Other	0

Number and category of withdrawn applications for each PBAC meeting in 2019-20

July 2019 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	0	N/A
Minor	0	N/A

November 2019 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	1	Determined by applicant, reason not available
Minor	2	Determined by applicant, reason not available

March 2020 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	0	N/A
Minor	1	Determined by applicant, reason not available

[111] The categories for applications are prescribed by the *National Health (Pharmaceuticals and Vaccines—Cost Recovery) Regulations 2009*. Further information on the categories of submissions available at: www.legislation.gov.au/Details/F2009L04013

Number of responsible persons that responded to their commentaries, including appearing before PBAC meetings

All of the responsible persons who submitted a major submission to the PBAC during 2019-20 responded to their commentary.

July 2019 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
30	30	8

November 2019 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
27	27	8

March 2020 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
18	18	2

Number of pre-submission meetings held in 2019-20[112]

Pre-submission meetings per month	Meetings held
2019	
July	0
August	2
September	3
October	2
November	2
December	6
2020	
January	1
February	3
March	1
April	0
May	2
June	3
Total	25

[112] Figures do not take into account extended meetings where two or more drugs are discussed within one meeting date.

Appendix 3: Report on the operation of the *Industrial Chemicals (Notification and Assessment) Act 1989* for 2019-20

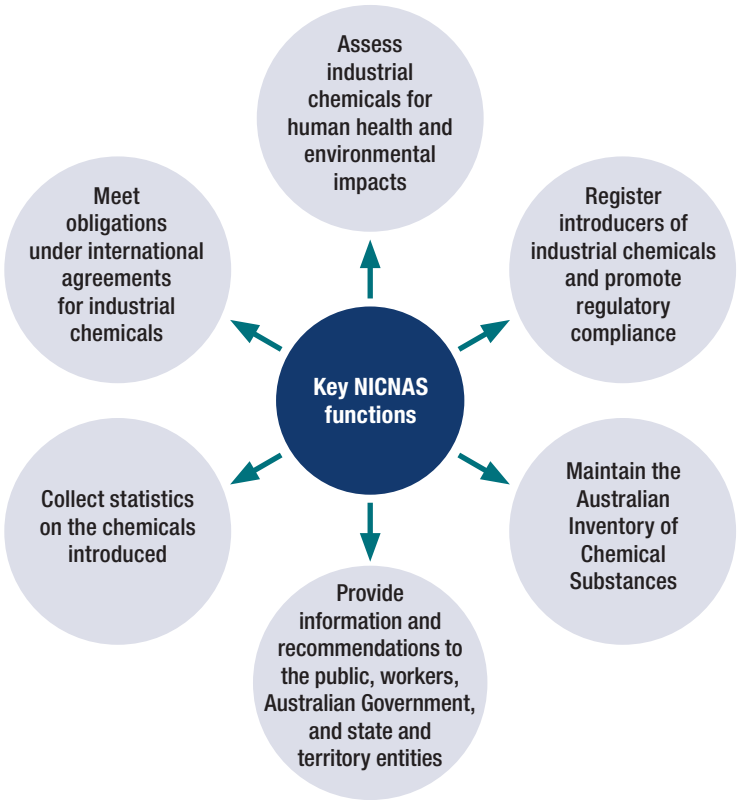
About the National Industrial Chemicals Notification and Assessment Scheme (NICNAS)

NICNAS was a statutory scheme established under the *Industrial Chemicals (Notification and Assessment) Act 1989* (the ICNA Act). The scheme's aim was to protect the Australian people and their environment from the risks associated with the introduction (manufacture or importation) and use of industrial chemicals, and provide information to promote the safe use of these chemicals. Information from NICNAS assessments is available to the public as well as to state, territory and other Australian Government authorities to assist in regulating the transport, storage, use and disposal of industrial chemicals. NICNAS contributed to Outcome 5 for the Health Portfolio.

From 1 July 2020, the Australian Industrial Chemicals Introduction Scheme (AICIS), established under the *Industrial Chemicals Act 2019* (the IC Act), replaces NICNAS. The main purpose of the new scheme remains the same, but improves on NICNAS by:

- making regulatory effort more proportionate to the risk posed by industrial chemicals; and
- promoting safer innovation by encouraging the introduction of lower risk chemicals.

Figure 1. NICNAS functions



Highlights

In 2019-20:

- NICNAS exceeded its performance measure (refer Outcome 5: Regulation, Safety and Protection, pg 102–117 of this Annual Report).
- 484 new businesses registered with NICNAS as a direct result of compliance monitoring activities, resulting in a total of 7,850 registered introducers. This represents the highest number of registrants since the commencement of the scheme.
- NICNAS sought information from businesses on Inventory-listed chemicals suspected of not having an industrial use. Following a review, 1,624 chemicals were found not to be industrial chemicals; these chemicals were subsequently not listed on the new Inventory.
- An increasing number of Inventory-related applications were processed online through the NICNAS Business Services portal, resulting in increased efficiency and quicker responses to introducers.
- NICNAS continued active engagement with the European Chemicals Agency (ECHA), and developed an Australian regulatory-specific customisation of the International Uniform Chemical Information Database (IUCLID) software to receive applicant submissions for assessed introductions under the new scheme, and to store and exchange data on chemicals in an internationally harmonised manner.
- A new section of the website was created, catering to educational material about the new scheme. This section used extensive multimedia to educate introducers and interested users about the rules, processes and technical details required to comply with AICIS.

Over the course of the scheme:

- 3,214 permits and 4,372 certificates were issued to industry for new chemicals;
- comprehensive risk assessments were published for 43 declared Priority Existing Chemicals (103 unique chemicals); and
- the Inventory Multi-Tiered Assessment and Prioritisation (IMAP) framework completed 23,240 assessments for 15,972 chemicals, and made 4,265 risk management recommendations.

Registration and compliance

Registration

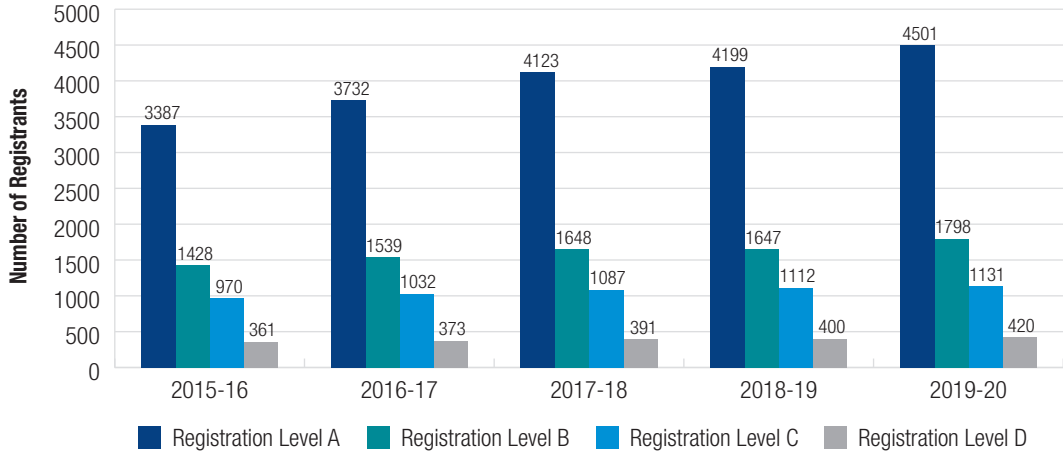
Under NICNAS, introducers of industrial chemicals in Australia must be included on the publicly available Register of Industrial Chemical Introducers[113]. This continues under AICIS. Registration assists the regulated community's awareness of its statutory obligations.

NICNAS compliance activities continued to focus on the registration of all known introducers of relevant industrial chemicals. In 2019-20, 7,850 introducers were registered with NICNAS, representing the highest number of registrants since the commencement of the scheme.

Most NICNAS activities were funded through a charge (levy) on those introducing chemicals. The amount payable by each introducer was determined in a four tiered framework (known as Levels A–D) by the total value of relevant industrial chemicals introduced in a registration year.

[113] Available at: www.industrialchemicals.gov.au/search-registered-businesses/business-index-listing

Figure 2. Five year trend data for NICNAS registrations



Source: NICNAS Annual Reports and internal data

Compliance monitoring

The NICNAS compliance strategy employed a staged process of risk-based compliance monitoring of regulated entities. Compliance monitoring and enforcement activities were proportionate to risk, with an initial focus on education and awareness raising to assist introducers in understanding and complying with their obligations under the ICNA Act.

Key compliance statistics during 2019-20

- 484 new businesses registered with NICNAS as a direct result of compliance monitoring activities.
- Registration levels of 510 introducers were adjusted as a result of NICNAS audits.
- 303 compliance cases were opened, and 203 cases were resolved.
- By the end of 2019-20, 620 previously registered introducers were identified as introducing industrial chemicals while unregistered, and subsequently managed according to the NICNAS compliance strategy.
- Formal compliance monitoring activity identified 29 new industrial chemicals introduced without notification or reporting to NICNAS. These introductions were subsequently managed according to the NICNAS compliance strategy.
- 12 Rotterdam Convention Annex III-listed chemical authorisations were processed (eight import, four export).

Inventory management

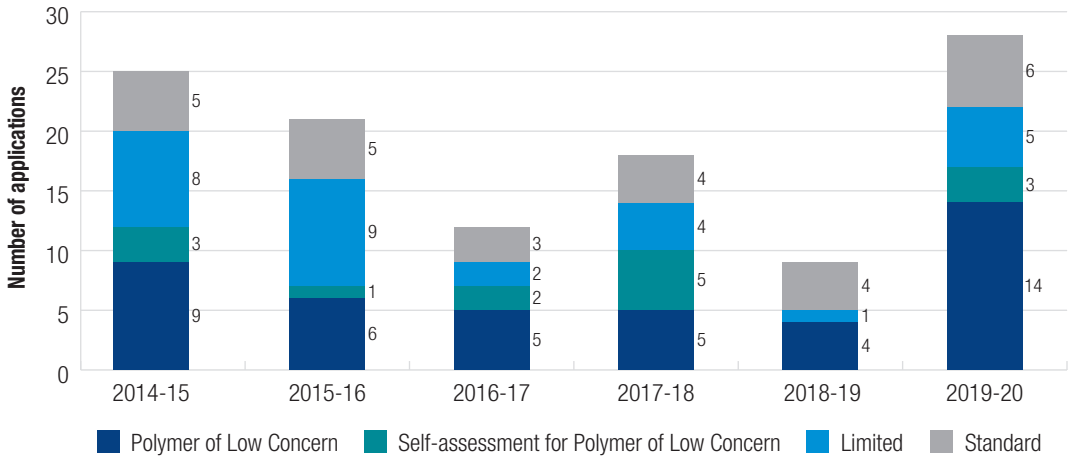
The Inventory provides chemical identity information and specific conditions of use associated with listed industrial chemicals. The Australian Inventory of Chemical Substances (the old Inventory) comprised both confidential and public sections under NICNAS.

Under the ICNA Act, a chemical that was listed on the old Inventory was considered an existing chemical and could be introduced into Australia, in accordance with the terms of the old Inventory listing, without notification to NICNAS. Unless chemicals were listed on the old Inventory, or were exempt from assessment under the ICNA Act, they were considered new chemicals and required assessment of risks to the environment and human health before being introduced.

Chemicals were only listed on the public section of the old Inventory five years after an assessment certificate had been issued, unless the certificate holder applied for early listing or sought (and was granted) listing on the confidential section of the Inventory after five years. Chemicals were listed in the confidential section if it could be demonstrated the commercial prejudice to the introducer that would result from the publication of information about the chemical outweighed the public interest (a statutory test).

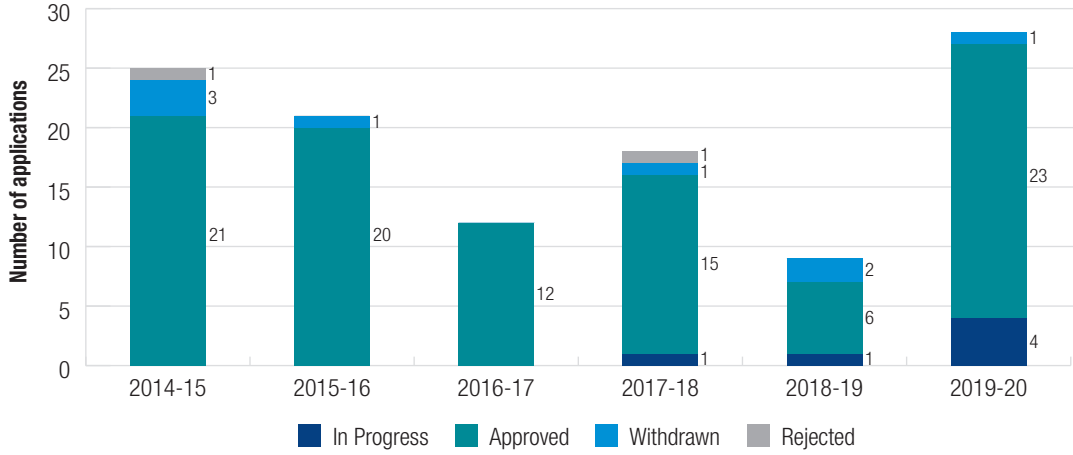
From 1 July 2020, under the IC Act, the Australian Inventory of Industrial Chemicals (the new Inventory) replaces the old Inventory. Although the new Inventory still lists chemicals with protection of confidential information, there will no longer be separate confidential and public sections. Applications for protection of confidential information will continue to be assessed against the statutory test and subject to a five yearly review.

Figure 3. Assessment categories for applications for listing/re-listing on the confidential section of the Inventory from 2014-15 to 2019-20



Source: NICNAS Annual Reports and internal data

Figure 4. Outcomes of applications for confidential listing/re-listing on the Inventory received from 2014-15 to 2019-20



Source: NICNAS Annual Reports and internal data

Figure 4 shows trends in outcomes of confidential listing/re-listing applications over recent years.

In 2019-20, NICNAS sought information, including Chemical Abstracts Service (CAS) name and CAS number for industrial use, from businesses on a list of chemicals on the old Inventory believed to not have an industrial use. Following a review of the responses, 1,624 chemicals were found not to be industrial chemicals; that is they never had, and do not have, an industrial use in Australia. As the IC Act mandates the new Inventory contain only industrial chemicals, the 1,624 chemicals identified as not having an industrial use have not been listed on the new Inventory.

Key statistics during 2019-20 for the Inventory

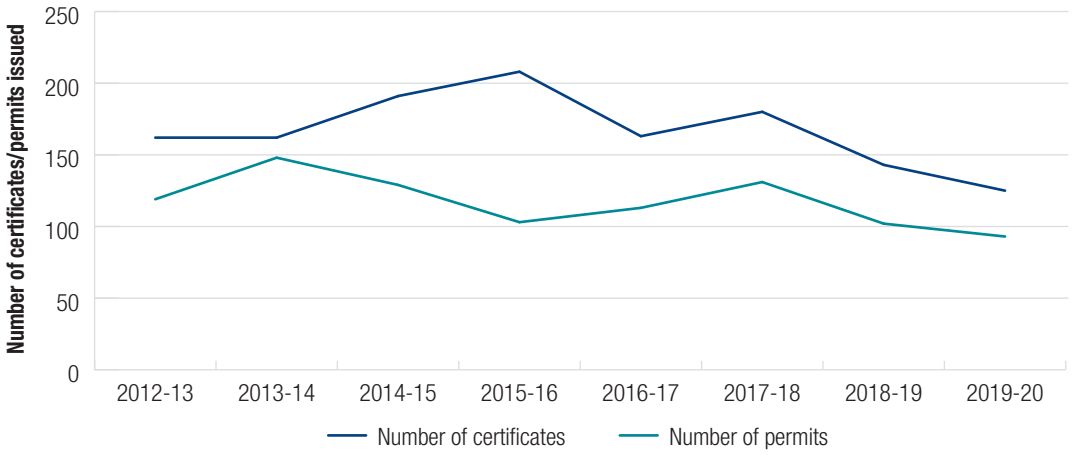
- At 30 June 2020, 40,769 chemicals were listed on the public section of the Inventory, and 126 chemicals on the confidential section of the Inventory.
- In total, 166 chemicals were added to the non-confidential section of the Inventory and one chemical was deleted.
- The number of applications (16) for listing on the confidential section of the Inventory nearly doubled since 2018-19 (refer Figure 3), but were close to the long term average. Twelve applications for re-listing were received pending expiry of their five year listing in 2015.
- In total, 2,193 requests were received from bona fide introducers for a search of the confidential section of the Inventory.
- An increasing number of Inventory-related applications were processed online through the NICNAS Business Services portal, resulting in increased efficiency and quicker responses to introducers.

Assessment of new industrial chemicals

New industrial chemicals were assessed according to criteria, including the type of chemical, the amount to be introduced per year, the proposed use(s) and proposed duration of use. Permits and certificates were issued after assessment of the risks to human health and the environment. Introducers (manufacturers or importers) of chemicals exempt from notification, as defined under the ICNA Act, had annual reporting and record-keeping obligations.

The number of new chemical assessments decreased slightly since the announcement of AICIS in May 2015 (refer Figure 5). Reductions over the last two years also reflect the lower numbers of Polymers of Low Concern (PLC) notified for assessment, after a change in legislation allowed them to be introduced without assessment.

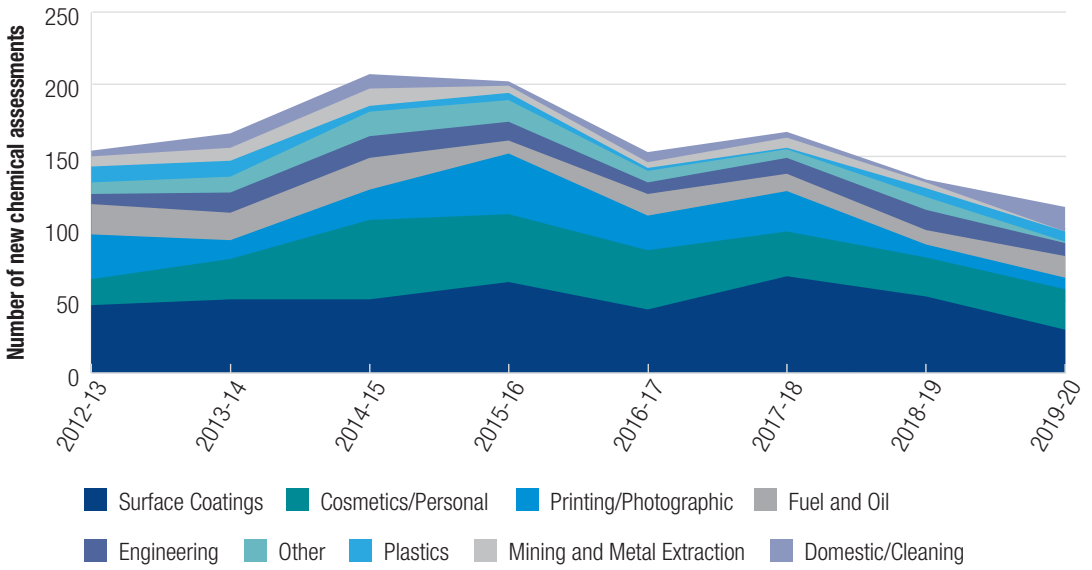
Figure 5. Number of certificates and permits issued over the period from 2012-13 to 2019-20



Source: NICNAS Annual Reports and internal data

The uses assessed under Standard (STD), Limited (LTD) and PLC certificate categories are detailed in Figure 6. In general, surface coatings and chemicals for cosmetic/personal use were the most commonly assessed uses. Based on the number of assessments, industrial use categories remained relatively constant over the eight year period, except for a recent reduction in chemicals in printing/photographic applications.

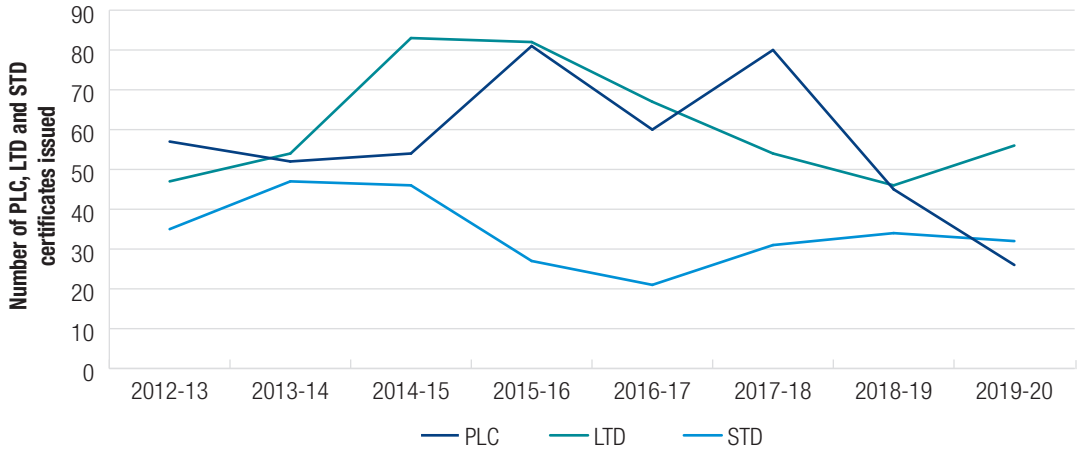
Figure 6. Industrial uses of chemicals assessed under Standard, Limited and Polymer of Low Concern certificate categories



Source: NICNAS Annual Reports and internal data

Figure 7 details the different certificate categories for chemicals assessed during the same period (2012-13 to 2019-20). The number of PLC assessments decreased during 2018-19 and further during 2019-20, due to amendments to the ICNA Act (effective from April 2019) removing the requirement for assessment of chemicals meeting PLC criteria. However, notifiers could still opt to have their PLC assessed (in order to achieve Inventory listing), and some PLC notifications were still received in 2019-20.

Figure 7. Number of Standard, Limited and Polymer of Low Concern certificates issued from 2012-13 to 2019-20

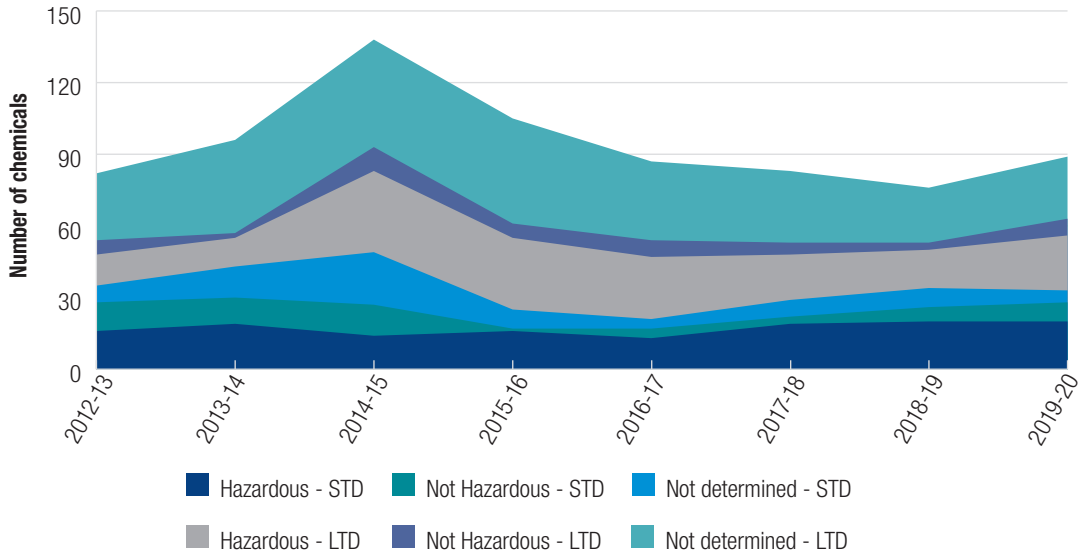


Source: NICNAS Annual Reports and internal data

Hazard classification was based on the information available for assessment. Figure 8 provides information on the nature of identified hazards of new chemicals assessed under STD and LTD certificate categories from 2012-13 to 2019-20, classified according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). PLCs are non-hazardous, so are not included in Figure 8.

It should be noted that, while an individual chemical substance can be determined to be a hazardous substance, the end product may not be hazardous due to the concentration of the chemical in the final product being below the threshold for hazard classification.

Figure 8. Hazards of chemicals assessed under Standard and Limited categories (certificates issued) from 2012-13 to 2019-20

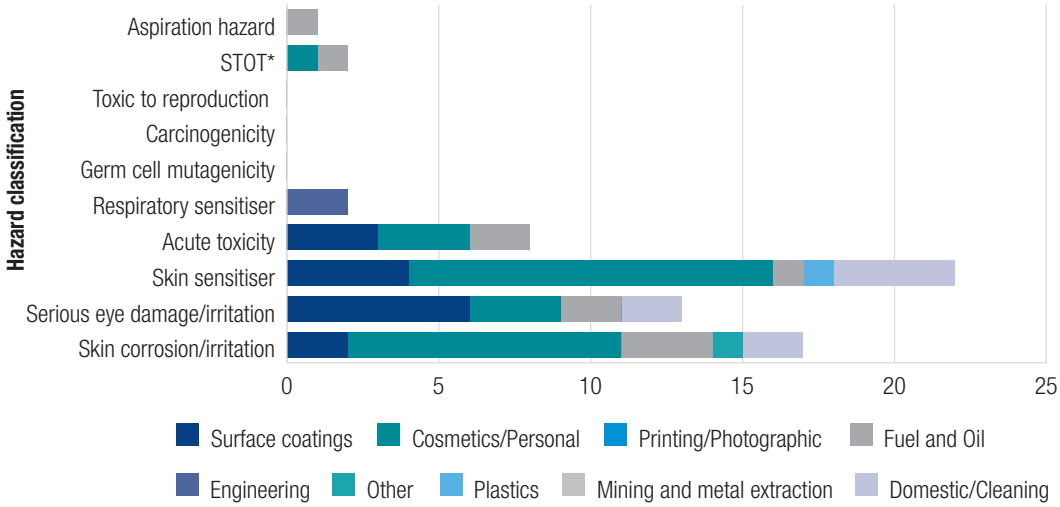


Source: NICNAS Annual Reports and internal data

High molecular weight polymers and chemicals introduced at ≤ 1 tonne/year had fewer data requirements (that is, underwent a LTD assessment) compared to chemicals with a higher introduction volume that underwent a STD assessment. The 'not determined' hazard classification from LTD assessments is the largest category in Figure 8, and arose when information received was insufficient to meet GHS hazard classification criteria. In some other cases, such as when the chemical was used solely for industrial applications and worker exposure could be mitigated through control measures such as use of engineering controls and personal protective equipment, a chemical could be assessed under the STD category even if data sets were insufficient to determine a definitive GHS classification.

Figure 9 demonstrates GHS hazard classifications for chemicals assessed under LTD and STD certificate categories and their distribution of industrial uses during 2019-20. An individual chemical can have multiple hazards. For those chemicals classified as hazardous, the most common hazard classification was skin sensitisation.

Figure 9. The number of chemicals classified as hazardous by the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) hazard classification and their distribution of industrial uses in 2019-20



Source: NICNAS Annual Reports and internal data
* STOT – specific target organ toxicity (single or repeated dose).

Chemicals for cosmetics/personal use, one of the most commonly assessed categories, tended to be classified as hazardous to human health more often than any other industrial use category. However, it should be noted that, where relevant, the risks to human health from new industrial chemicals used in cosmetics/personal care products can generally be effectively managed through scheduling under the Poisons Standard.

Key statistics for new industrial chemicals during 2019-20

- 218 certificates and permits were issued during the year for assessed chemicals.
- 15,686 industrial chemical introductions were reported under exemption categories by 282 introducers.
- Five comparable agency assessments (United States Environmental Protection Agency (US EPA), Environment and Climate Change Canada, and Health Canada) and two foreign scheme assessments (also from Canada) were received.

Assessment of existing industrial chemicals

Inventory Multi-Tiered Assessment and Prioritisation (IMAP) framework

The IMAP framework is a science and risk-based framework for the rapid identification and assessment of unassessed existing industrial chemicals listed on the old Inventory. The first stage of the IMAP framework (2012–16) was followed by Stage Two, which commenced 1 July 2016. During Stage Two (2016–20), NICNAS focused on identifying chemicals of low regulatory concern that were deprioritised and required no further assessment, while continuing the assessment of higher priority chemicals of concern (refer Figure 10). NICNAS continued to develop and apply new technologies in combination with innovative approaches, gaining efficiencies in screening and categorising chemicals of low regulatory concern and allowing greater acceleration of our assessment work. This work focused on higher concern chemicals as a priority for evaluations under the new scheme.

Our approaches included:

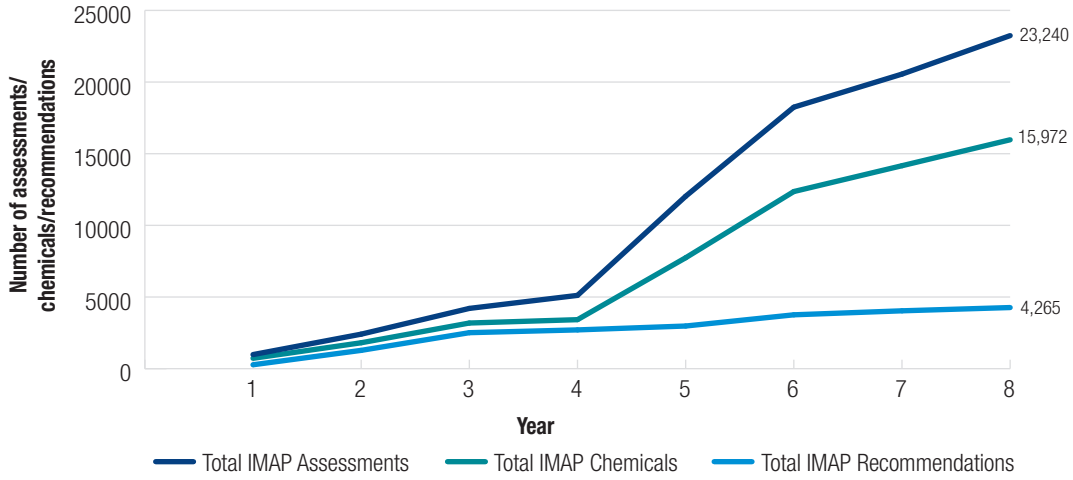
- use of existing hazard data (including in vivo studies);
- reviewing physico-chemical properties;
- data source collation and validation;
- exposure data-profiling;
- read-across strategies (including strategies for targeting efficient chemical grouping); and
- computer-based modelling (in silico) studies.

Innovative approaches enabled NICNAS to target several specific categories of chemicals such as PLC and chemicals considered to have 'excluded use' which, therefore, could be removed from the Inventory.

Collaboration with our overseas regulatory counterparts enabled quality assessment outcomes through the sharing of information.

Since July 2012, NICNAS has significantly enhanced chemical safety information made available to the public and risk management agencies by providing assessments on 15,972 previously unassessed unique chemicals on the Inventory (refer Figure 10).

Figure 10. The number of assessments, unique chemicals assessed and risk management recommendations determined from IMAP assessments



Source: NICNAS Annual Reports and internal data

The IMAP framework continued to produce assessment information to support risk management of chemicals in Australia, with a significant number of NICNAS risk management recommendations being implemented or considered by national risk management bodies (refer Figures 11a. and 11b.). As at 30 June 2020, 4,265 risk management recommendations have been made for 3,411 unique chemicals through IMAP since 2012.

Figure 11a. Recommendations resulting from an assessment through IMAP during 2019-20

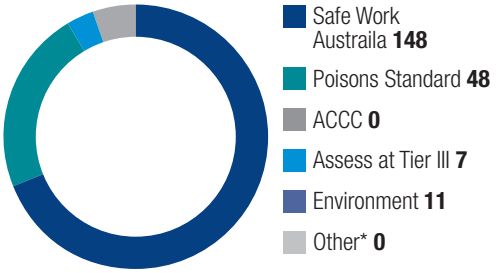
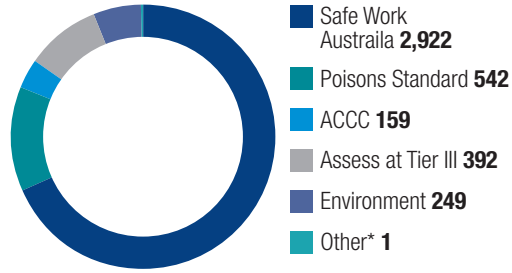


Figure 11b. Recommendations resulting from an assessment through IMAP during 2012-20



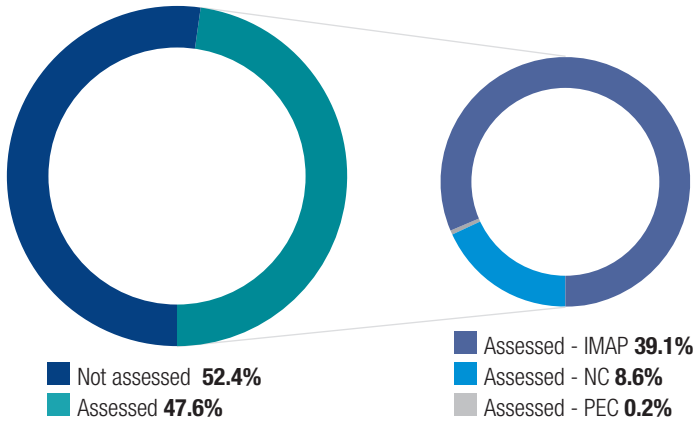
Source: NICNAS Annual Reports and internal data

* 'Other' refers to a new miscellaneous recommendation category for which there were no current risk management options/mechanisms in place (based on Tier III Human Health Assessment recommendation on Acetaldehyde in Tranche 26, March 2019: "*Recommendation to consider establishing an indoor air guidance value.*")

Priority Existing Chemical (PEC) assessments

The PEC program assessed chemicals listed on the Australian Inventory of Chemical Substances for which there was evidence the manufacture, handling, storage, use or disposal of the chemical gave rise, or may have given rise, to a risk of adverse health or environmental effects. In assessing PECs, detailed information was collected on human health and environmental effects, as well as data on human and environmental exposure to the chemical. Most of the information was provided directly by industry (via a mandatory call for information), overseas organisations and published literature. Wherever possible, international reviews and reports are used to improve efficiency and minimise duplication of effort. During 2019-20, the PEC program completed the final two PEC assessments, pentabromodiphenyl ether (pentaBDE) and tetrabromobisphenol A (TBBPA), bringing the total to 43 PEC assessments for 102 unique chemicals. These two assessments were published on 5 May 2020 (refer Figure 12).

Figure 12. Percentage of chemicals assessed on the inventory to date



Source: NICNAS Annual Reports and internal data

Secondary notification assessments

A chemical may require reassessment due to new information becoming available or a change in circumstances (e.g. a significant change to the way a chemical is used). This category of assessment was called secondary notification assessment.

Introducers were required to provide information on changed circumstances relating to a chemical. NICNAS staff then determined whether a secondary notification assessment was required. During 2019-20, one draft report of a secondary notification assessment of an existing chemical was released to applicants for comment, and one secondary notification assessment report of a new chemical introduced under a certificate was published.

Key statistics for existing chemicals in 2019-20

- 2,806 human health and/or environment assessments were undertaken for 2,398 unique chemicals.
- 214 recommendations were made to manage newly identified risks associated with the industrial use of 166 unique chemicals.
- By the end of 2019-20, NICNAS had produced 28 tranches of assessments, resulting in 23,240 assessments for 15,972 unique chemicals being published on the NICNAS website (refer Figure 10).

Australian Industrial Chemicals Introduction Scheme (AICIS) Implementation

AICIS replaces NICNAS on 1 July 2020 as the new national regulator of the importation and manufacture of industrial chemicals in Australia. Amendments to the ICNA Act commenced in April 2019 to allow for early regulatory changes. These changes are consistent with the shift to a more risk-based and proportionate regulatory scheme by reducing the regulatory burden for certain lower risk chemicals.

The ban on the use of new animal testing data for ingredients solely used in cosmetics also comes into effect on 1 July 2020.

The following technical and operational details of the new scheme continued to be developed in 2019-20:

- The Industrial Chemicals (General) Rules 2019 and the Industrial Chemicals (Consequential Amendments and Transitional Provisions) Rules 2019, together with their corresponding Explanatory Statements, were registered on the Federal Register of Legislation on 2 December 2019.
- The Industrial Chemicals (Fees and Charges) Rules 2020 were registered on the Federal Register of Legislation on 12 June 2020.
- The Industrial Chemicals Charges (General) Regulations 2020 were registered on the Federal Register of Legislation on 26 June 2020.
- A final draft of the Industrial Chemicals Categorisation Guidelines was published in December 2019. The final version of this document was issued by the Executive Director at the commencement of the new scheme.
- 12 videos educating stakeholders about various topics relating to the new scheme were published on the NICNAS website.
- Inquiries about technical details of the new scheme were responded to.
- Content and guidance about the new scheme was developed and published on the NICNAS website.
- Office of Chemical Safety (OCS) staff participated in a number of stakeholder meetings, which included presenting on the following aspects of the new scheme:
  - Surface Coatings Association Australia conference – September 2019.
  - Cement Industry Federation – October 2019.
  - Chemistry Australia meeting – February 2020.
  - Woolworths – February 2020.
  - Accord Australasia Regulatory Affairs Committee – May 2020.

At the end of 2019-20, a total of 239 stakeholder submissions had been received and analysed since the NICNAS reforms process commenced in 2015. During 2019-20, a further 90 stakeholder submissions were received and analysed in response to two successive consultations on fees and charges for the new scheme.

Digital transformation

NICNAS continued active engagement with the European Chemicals Agency (ECHA), and has developed an Australian regulatory-specific customisation of IUCLID software to receive applicant submissions for AICIS-assessed introductions and to store and exchange data on chemicals in an internationally harmonised manner in 2019-20. The customised table of contents will be available for use from 1 July 2020.

During 2019-20, a number of functionalities were developed to support the implementation of AICIS, to be made available to internal and external users from 1 July 2020. Features include business processes related to:

- registration;
- applications for certificates, authorisations, confidential business information;
- pre-introduction report submissions;
- inventory management;
- evaluations; and
- various activity records and other functions.

Website

The NICNAS website continued to be improved during 2019-20 through enhanced links, additional guidance material and a user-centred, accessible approach applied to the gov.au Content Guide.

In April 2019, a new section of the website was created, catering to educational material about the new scheme. This section, called AICIS (new scheme) 1 July 2020, was a hub of information to advise introducers and interested users about the rules, processes and technical details required to comply with AICIS. Large volumes of content and guidance materials were published between April 2019 and June 2020. During this period, multimedia features were used extensively for the first time on the NICNAS website, giving users varied ways to consume the information. These included infographics, animated videos and videos in a presentation style format with voice-overs on various topics.

Towards the end of 2019, work began on technical development of a new public website for AICIS that would go into production on 1 July 2020, coinciding with the launch of the new scheme. This website was built on the latest version of the GovCMS platform. The AICIS website features a contemporary design with reference to the Department of Health's design system, brand new content and navigation, as well as new functionalities. These functionalities include separate search functions for inventory, registered businesses and assessments, as well as the ability for users to search for multiple CAS numbers simultaneously.

Stakeholder engagement

During 2019-20, NICNAS continued to actively engage with government entities, chemical industry bodies and community groups through a range of mechanisms. A total of 12 issues of a new interactive stakeholder newsletter were disseminated, with information on new online forms, consultation opportunities, user testing and research.

International engagement

NICNAS continued to collaborate with international counterparts on matters of international interest via regular teleconferences and participation in international working groups and conferences. The Organisation for Economic Co-Operation and Development (OECD) Chemicals Committee and its key subsidiary committees are the principal mechanisms through which NICNAS staff engage multilaterally.

Formal bilateral cooperative arrangements/memoranda of understanding are in place with counterparts in Europe, USA, Canada, South Korea, and New Zealand. NICNAS maintains regular dialogue with each of these agencies on emerging topics of interest, such as a ban on animal testing for cosmetics and risk assessment methodologies. Information exchange continued between NICNAS and ECHA, Health Canada and Environment and Climate Change Canada, and the National Institute of Food and Drug Safety Evaluation of the Republic of Korea. As comparable regulators, many of these agencies sought information on the new scheme, particularly measures to implement a more risk proportionate approach to regulation.

Capacity Building

NICNAS continued to build capacity across the organisation, and with external stakeholders, through:

- Hosting regular forums on a diverse range of scientific and non-scientific topics with national and international experts, including regulators, community groups, academia and industry.
- Continuing to improve and develop the OCS Learning Centre, a cloud-based system allowing staff to undertake self-directed computer-based learning and development, with courses on regulatory toxicology and chemistry for toxicology.
- Collaborating with universities to increase awareness of the regulatory framework for industrial chemicals in Australia.
- Working with the OECD to contribute publicly available IMAP Quantitative Structure Activity Relationship (QSAR) data to the OECD QSAR toolbox, and to improve accessibility to other international regulatory agencies such as Health Canada and Environment and Climate Change Canada.

Financial performance

Compared with 2018-19, total revenue increased by $1.2 million and expenses increased by $1.5 million.

Revenue recovered from regulated industry was $18.3 million, which was $1.1 million higher than the previous financial year. This result was due to unanticipated assessment and registration revenues, as well as the impact of a one-off re-statement of assessment revenues in accordance with Australian Accounting Standard AASB 15 Revenue from Contracts with Customers (as amended). Net revenue from other sources was $0.4 million, which was slightly higher than the previous year.

Total expenses were $17.0 million, which was $1.5 million higher than the previous financial year. This result was due to operational costs associated with the implementation of AICIS, while concurrently undertaking business as usual activities in respect to the administration of NICNAS.

The NICNAS final net result for 2019-20 was a surplus of $1.8 million, which will be maintained in the Industrial Chemicals Special Account. Funds in the Special Account will provide for business continuity requirements and future capital projects.

Table 1. Five year comparison of NICNAS revenue and expenses

	2015-16 $'000	2016-17 $'000	2017-18 $'000	2018-19 $'000	2019-20 $'000
Industry cost recovered revenue	16,324	17,383	17,026	17,245	18,288
Other revenue	493	321	332	331	460
Total revenue	16,817	17,704	17,358	17,576	18,748
Total expenses	14,602	15,502	16,406	15,488	16,954
Operating surplus/(deficit)	2,215	2,202	952	2,088	1,794

Acknowledgements

The Director of NICNAS (until 30 June 2020 - Executive Director of AICIS from 1 July 2020) is an independent statutory office-holder, grateful for the assistance of staff from the Office of Chemical Safety within the Department of Health in both day-to-day administration of the scheme, and in the scientific assessment of the human health risks of industrial chemicals. The Director of NICNAS is also grateful for the assistance of scientific staff from the Department of Agriculture, Water and the Environment, who assess the environmental risks of industrial chemicals. Staff from both departments were also involved in preparing for the implementation of AICIS, which replaces NICNAS from 1 July 2020, including through careful management of an extensive stakeholder consultation process.

Contact details

Dr Brian Richards
Executive Director of AICIS

Address: GPO Box 58, Sydney NSW 2001, Australia
Level 7, 260 Elizabeth St, Surry Hills, NSW 2010
Phone: (02) 8577 8800
Free call: 1800 638 528
Email address: info@industrialchemicals.gov.au
NICNAS website: webarchive.nla.gov.au/awa/20200629140009/https://www.nicnas.gov.au/
(archived on 30 June 2020 by the National Library of Australia and available on the Australian Government Web Archive.)

Appendix 4: Australian National Preventive Health Agency Financial Statements

Essential functions of the Australian National Preventive Health Agency (ANPHA) transferred to the Department of Health from 1 July 2014.

The Secretary of the Department of Health, pursuant to subsection 17A(3) of the *Public Governance, Performance and Accountability Rule 2014*, is responsible for producing the financial statements for ANPHA, as would have been required by the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

Contents

OFFICIAL: Sensitive

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health

Opinion

In my opinion, the financial statements of the Australian National Preventive Health Agency (the Entity) for the year ended 30 June 2020:

(a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Administered Schedule of Assets and Liabilities; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Secretary of the Department of Health (the Secretary) is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Rahul Tejani

Executive Director

Delegate of the Auditor-General

Canberra

9 July 2020

Australian National Preventive Health Agency

Statement by the Secretary and Chief Financial Officer

The Secretary of the Department of Health pursuant to Section 31 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014 is the accountable authority responsible to prepare the financial statements of the Australian National Preventive Health Agency for the period ended 30 June 2020.

In our opinion, the attached financial statements for the period 1 July 2019 to 30 June 2020:

a) comply with subsection 42 (2) of the PGPA Act;
b) have been prepared based on properly maintained financial records as per subsection 41 (2) of the PGPA Act; and
c) at the date of this statement, there are reasonable grounds to believe that the Australian National Preventive Health Agency will be able to pay its debts as and when they fall due.

Signed .....

Caroline Edwards
A/g Secretary
Department of Health

9 July 2020

Signed .....

David Hicks CPA
Chief Financial Officer
Department of Health

9 July 2020

Australian National Preventive Health Agency

Statement of Comprehensive Income
for the period ended 30 June 2020

	2020 $	2019 $
Net Cost of Services		
Expenses		
Expenses incurred[1]	**14,741**	14,133
Total expenses	**14,741**	14,133
Revenue		
Resources received free of charge[1]	**14,741**	14,133
Total own-source income	**14,741**	14,133
Net cost of services	**-**	-
Surplus attributable to the Australian Government	**-**	-

The above statements should be read in conjunction with the accompanying notes.

Australian National Preventive Health Agency

Administered Schedule of Assets and Liabilities
as at 30 June 2020

	2020	2019
	$	$
Assets		
Financial assets		
Cash in special accounts	**12,382,827**	12,382,827
Total assets administered on behalf of Government	**12,382,827**	12,382,827
Net assets	**12,382,827**	12,382,827

Australian National Preventive Health Agency

Administered Reconciliation Schedule
as at 30 June 2020

	2020	2019
	$	$
Net Administered assets as at 30 June	**12,382,827**	12,382,827

The above schedules should be read in conjunction with the accompanying notes.

Australian National Preventive Health Agency

Notes to and forming part of the financial statements

Note 1: Overview

Abolition of the Australian National Preventive Health Agency

In the 2014-15 Budget papers the Australian Government announced as part of its Smaller Government initiative that it would abolish the Australian National Preventive Health Agency (ANPHA) and integrate its ongoing functions into the Department of Health.

The *Australian National Preventive Health Agency (Abolition) Bill 2014* (the Bill) was introduced to Parliament on 15 May 2014 by the Australian Government. The Bill was passed by the House of Representatives on 3 June 2014 but was negatived by the Senate on its second reading on 25 November 2014. There is currently no bill before Parliament to abolish ANPHA.

As at 30 June 2020, ANPHA had no debts and no employees.

The Secretary of the Department of Finance, pursuant to subsection 17A(3) of the *Public Governance, Performance and Accountability Rule 2014* instructed the Secretary of the Department of Health to produce the financial statements for ANPHA as would have been required by the accountable authority.

ANPHA is an Australian Government entity and does not have a separate legal identity to the Australian Government.

Objectives of the Australian National Preventive Health Agency

ANPHA is listed as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and its role and functions are set out in the *Australian National Preventive Health Agency Act 2010.*

The Australian Government established ANPHA on 1 January 2011 to provide a new national capacity to drive preventive health policy and programs.

ANPHA was structured to meet one outcome:

A reduction in the prevalence of preventable disease, including through research and evaluation to build the evidence base for future action, and by managing lifestyle education campaigns and developing partnerships with non-government sectors.

ANPHA activities that contributed toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ANPHA in its own right. Administered activities involve the management or oversight by ANPHA, on behalf of the Government, of items controlled or incurred by the Government.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and

b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. ANPHA has no unrecognised departmental or administered liabilities or assets.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

Cash

ANPHA no longer holds any cash independently. Cash holdings recognised at its nominal amount are cash in special accounts, this balance is held in the Official Public Account.

Related Party Relationships

ANPHA is an Australian Government controlled entity. Related parties to ANPHA are the Portfolio Minister and Executive Government, and other Australian Government entities.

ANPHA had no related party transactions to report during 2019-20 or in the comparative year.

New Australian Accounting Standards

From 1 July 2019 the ANPHA adopted the requirements of AASB 1058 *Income for Not-for-Profit Entities* for the recognition of volunteer services at fair value on the basis that those services would have been purchased if not provided voluntarily, and the fair value of those services could be measured reliably.

No accounting standard has been adopted earlier than the application date as stated in the standard. No new standards, revised standards, interpretations and amending standards that were issued by the Australian Accounting Standards Board prior to the sign-off date, are expected to have a material financial impact on the ANPHA for future reporting periods.

Taxation

ANPHA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Events after the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Administered

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Reporting of Administered Activities

ANPHA had no Administered activities to report during the reporting year or in the comparative year.

Note 2: Special accounts

The Australian National Preventive Health Agency special account (administered)[1,2,3]

	2020	2019
	$	$
Special account balance	**12,382,827**	12,382,827

No transactions were recorded against the ANPHA special account in the reporting period.

1 Appropriation: *Public Governance, Performance and Accountability Act 2013*, Section 80.

2 Establishing Instrument: *Australian National Preventive Health Agency Act 2010*, Section 50.

3 Purposes of the Account:

(a) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Chief Executive Officer's functions;

(b) paying any remuneration and allowances payable to any person under the *Australian National Preventive Health Agency Act 2010*; and

(c) meeting the expenses of administering the Account.

Appendix 5: Report on the operation of the National Sports Tribunal

As required under section 63(2) of the *National Sports Tribunal Act 2019*, the Department of Health Annual Report must include information on the operation of the National Sports Tribunal (NST) during the reporting period.

The NST commenced operations on 19 March 2020. Below is general information on the NST for the period to 30 June 2020.

A comprehensive report on the operations of the NST will be included in the 2020-21 Department of Health Annual Report.

Introduction

The NST is a key element of the Government's comprehensive sport integrity strategy – Safeguarding the Integrity of Sport – delivered in response to the 2018 Review of Australia's Sports Integrity Arrangements (known as the Wood Review). The NST is a critical pillar of Sport 2030 – National Sport Plan.

The NST was established to hear and resolve national-level sporting disputes in Australia. The NST offers a range of dispute resolution options, including arbitration, mediation, conciliation and case appraisal, to help national level sporting bodies and their participants resolve disputes efficiently and affordably.

The roles and functions of the NST are set out in the *National Sports Tribunal Act 2019*.

About the NST

Chief Executive Officer – Mr John Boultbee AM

John Boultbee is a lawyer and sport administrator with over 20 years' experience as a judge of the Court of Arbitration for Sport.

Structure

The NST has three divisions:

- Anti-Doping Division – deals with breaches of the anti-doping rules of a sport.
- General Division – deals with other disputes under the rules of a sport (including, for example, disputes that might arise under a sport's Member Protection Policy).
- Appeals Division – deals with appeals from the Anti-Doping or General Divisions, as well as appeals from decisions made by 'in-house' sport tribunals.

A Registry within the Department of Health supports the NST.

NST Members

NST members include legal and medical professionals working in sport, along with top sport administrators and former athletes.

The Minister for Youth and Sport appointed all NST Members on the recommendation of the independent, expert Selection Advisory Committee[114].

NST Members have a diverse range of skills and experience. Most are legally qualified, and these Tribunal Members will generally:

- conduct arbitrations, mediations, conciliations or case appraisals; and
- preside as chair when a dispute has more than one Tribunal Member hearing it.

National Sport Tribunal Members – 30 June 2020		
Prof. Jack Anderson	Mr Craig Green	Ms Jessica Lambert
Ms Joanna Andrew	Dr Peter Harcourt OAM	Mr Stephen Lancken
Ms Venetia Bennett	Ms Elisa Holmes	Ms Judith Levine
Assoc. Prof. Carolyn Broderick	Ms Diane Hubble	Mr Anthony Lo Surdo SC
Mr Adam Casselden SC	Mr Nicolas Humzy-Hancock	The Hon. Wayne Martin AC QC
The Hon. John Chaney SC	Ms Danielle Huntersmith	Mr Anthony Nolan QC
Prof. Bruce Collins QC	Mr Christopher Johnstone	Ms Rebecca Ogge
Ms Sarah Cook	Mr Darren Kane	Mr Anthony O'Reilly
Mr Paul Czarnota	Dr Dominic Katter	Mr Simon Phillips
Mrs Fiona de Jong	Mr Marcus Katter	Ms Jane Seawright
Ms Lisa Eaton	Ms Caroline Kenny QC	Mr Mark Stevens
Dr Peter Fricker	Mr Peter Kerr	Dr Larissa Trease
Mr David Grace AM QC	Ms Anita King	Mrs Annabelle Williams

[114] Further information available at: www.nationalsportstribunal.gov.au/about-us/who-we-are/selection-advisory-committee

Vision, mission and values

The NST's **vision** is to promote and protect the integrity and fairness of Australian sport as the national sporting community's forum of choice for consistent resolution of disputes.

The NST's **mission** is to provide an effective, efficient, independent, transparent and specialist tribunal for the fair hearing and resolution of sporting disputes.

The NST's **values** are to:

- Remain independent.
- Act with integrity and impartiality.
- Deliver quality justice and outcomes.
- Be accessible.
- Respect individuals.

Stakeholder engagement

During the first three months of operation, the NST undertook an extensive program of engagement with national sporting organisations, peak bodies, athlete/player associations, and domestic and international sports law groups and dispute resolution bodies. This included individual discussions with more than 40 sports organisations, participation in working groups, and distribution of information via the NST's website, social media and legal and sporting publications.

The NST continues to engage with the National Sports Tribunal Advisory Group (NSTAG). The NSTAG was formed in 2019 to provide strategic advice and guidance on the establishment of the NST. Members of NSTAG represent a diverse range of knowledge and expertise from the sports, legal, medical and academic sectors. The NSTAG now contribute their expertise to the continuous improvement of service design and delivery.

Evaluation

The NST is currently operating as a two year pilot. The purpose of the pilot is to establish demand, costs, an effective operating model, and provide insight as to the character of the projected caseload.

The Australian Government has engaged a public policy evaluation and consultancy firm to evaluate the pilot.

The evaluation aims to:

- assess the design and implementation of the NST to identify lessons and opportunities for improvement;
- assess the extent to which the NST achieved the expected outcomes; and
- inform the sustainability and future operation of the NST.

The results of the evaluation will inform Government about the establishment, implementation and delivery of sports dispute resolution services through the NST. The evaluation will shape the future design and delivery of national sports dispute resolution services.

The evaluation approach includes engagement with the tribunal team, with sporting organisations and stakeholders, and with users of the NST.

Navigation Aids

List of Requirements

The list below outlines compliance with key annual performance reporting information, as required in section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014*.

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(g)	**Letter of Transmittal**			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the Annual Report.	Mandatory	Page 1
17AD(h)	**Aids to Access**			
17AJ(a)		Table of contents.	Mandatory	Page 2
17AJ(b)		Alphabetical index.	Mandatory	Page 327
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	Page 320
17AJ(d)		List of requirements.	Mandatory	Page 314
17AJ(e)		Details of contact officer.	Mandatory	Page ii
17AJ(f)		Entity's website address.	Mandatory	Page ii
17AJ(g)		Electronic address of report.	Mandatory	Page ii
17AD(a)	**Review by Accountable Authority**			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	Page 4
17AD(b)	**Overview of the Entity**			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	Page 23
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	Page 146
17AE(1)(a)(iii)		A description of the outcomes and programs administered by the entity.	Mandatory	Page 24
17AE(1)(a)(iv)		A description of the purposes of the entity as included in Corporate Plan.	Mandatory	Page 23
17AE(1)(aa)(i)		Name of the accountable authority or each member of the accountable authority.	Mandatory	Page 1
17AE(1)(aa)(ii)		Position title of the accountable authority or each member of the accountable authority.	Mandatory	Page 8
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Page 142
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory	Page 22

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio estimates statements that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	Not applicable
17AD(c)	**Report on the Performance of the Entity**			
	Annual Performance Statements			Part 2
17AD(c)(i); 16F		Annual Performance Statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Page 28
17AD(c)(ii)	**Report on Financial Performance**			Preliminary pages & Part 2.2
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	Page 16
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	Page 130
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	Page 16
17AD(d)	**Management and Accountability**			
	Corporate Governance			Part 3.1
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	Page 141
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Page 141
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	Page 141
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	Page 141
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Page 134
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	Not applicable

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	Audit Committee			Part 3.1
17AG(2A)(a)		A direct electronic address of the charter determining the functions of the entity's audit committee.	Mandatory	Page 138
17AG(2A)(b)		The name of each member of the entity's audit committee.	Mandatory	Page 138
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Page 138
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Page 138
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	Page 138
	External Scrutiny			Part 3.6
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	Page 172
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	Page 176
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	Page 174
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	Not applicable
	Management of Human Resources			Part 3.4
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Part 3.4
17AG(4)(aa)		Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; and (d) statistics on staff location.	Mandatory	149 & Appendix 1
17AG(4)(b)		Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: • Statistics on staffing classification level; • Statistics on full-time employees; • Statistics on part-time employees; • Statistics on gender; • Statistics on staff location; and • Statistics on employees who identify as Indigenous.	Mandatory	149 & Appendix 1
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*.	Mandatory	Page 150

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AD(4)(c).	Mandatory	Page 271 & 276
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	Page 276
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	Page 277
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Not applicable
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	Not applicable
	Assets Management			Part 3.5
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	Page 161
	Purchasing			Part 3.5
17AG(6)		An assessment of entity performance against the *Commonwealth Procurement Rules*.	Mandatory	Page 162
	Consultants			Part 3.5
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	Page 163
17AG(7)(b)		A statement that "*During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of $[specified million]*".	Mandatory	Page 163
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	Page 163
17AG(7)(d)		A statement that "*Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.*"	Mandatory	Page 163

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	Australian National Audit Office Access Clauses			Part 3.5
17AG(8)		If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	Page 163
	Exempt Contracts			Part 3.5
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	Page 163
	Small Business			Part 3.5
17AG(10)(a)		A statement that "*the Department of Health supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.*"	Mandatory	Page 162
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Page 162
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—*a statement that "the Department of Health recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: www.treasury.gov.au.*"	If applicable, Mandatory	Page 162
	Financial Statements			Part 4
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Page 181
	Executive Remuneration			Part 3.4
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	Page 151 & 273

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(f)	**Other Mandatory Information**			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that; *"During 2019-20, the Department of Health conducted the following advertising campaigns:* • List name of advertising campaign *Further information on those advertising campaigns is available at www.health.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website www.finance.gov.au/advertising/"*	If applicable, Mandatory	Page 165
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	Not applicable
17AH(1)(b)		A statement that "*Information on grants awarded by the Department of Health during the period 1 July 2019 to 30 June 2020 is available at www.grants.gov.au"*	If applicable, Mandatory	Page 164
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Page 154
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	Page 174
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, Mandatory	Not applicable
17AH(2)		Information required by other legislation	Mandatory	Part 3.6 & Appendices

Acronyms and Abbreviations

AAP	Accessibility Action Plan
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
AHMAC	Australian Health Ministers' Advisory Council
AHPPC	Australian Health Protection Principal Committee
AICIS	Australian Industrial Chemicals Introduction Scheme
AIDS	Acquired immunodeficiency syndrome
AIHW	Australian Institute of Health and Welfare
AMR	Antimicrobial resistance
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
AUSMAT	Australian Medical Assistance Teams
AWEI	Australian Workplace Equity Index
BBV(s)	Blood borne virus(es)
BPSD	Behavioural and Psychological Symptoms of Dementia
CDBS	Child Dental Benefits Schedule
CDNA	Communicable Diseases Network Australia
CGM	Continuous glucose monitoring
CGRG	Commonwealth Grant Rules and Guidelines
CHC	Council of Australian Governments' (COAG) Health Council
CHHP	Community Health and Hospitals Program
CHSP	Commonwealth Home Support Programme
CMO	Chief Medical Officer
COAG	Council of Australian Governments
CPP	Chronic plaque psoriasis
DBMAS	Dementia Behaviour Management Advisory Service
DFAT	Department of Foreign Affairs and Trade
EA	Enterprise Agreement
EL	Executive Level
ESD	Ecologically sustainable development
FASD	Fetal alcohol spectrum disorder
FRSC	Food Regulation Standing Committee
GMO(s)	Genetically modified organism(s)
GP(s)	General practitioner(s)
HCH	Health Care Homes
HeaDS UPP	Health Demand and Supply Utilisation Patterns Planning
HIV	Human immunodeficiency virus
HPC	Hematopoietic progenitor cells
HPV	Human papillomavirus

ICC	International Cricket Council
IFA	Individual Flexibility Arrangement
JCPAA	Joint Committee of Public Accounts and Audit
LGBTI+	Lesbian, gay, bisexual, transgender, intersex and others
LSDP	Life Saving Drugs Program
MBS	Medicare Benefits Schedule
MHR	My Health Record
MMDR	Medicines and Medical Devices Regulator
MPIS	Midwife Professional Indemnity Scheme
MRFF	Medical Research Future Fund
NACCHO	National Aboriginal Controlled Community Health Organisation
NBCSP	National Bowel Cancer Screening Program
NCSP	National Cervical Screening Program
NCSR	National Cancer Screening Register
NDIS	National Disability Insurance Scheme
NDSS	National Diabetes Services Scheme
NFP	National Focal Point
NFRC	National Federation Reform Council
NHRA	National Health Reform Agreement
NHS	National Health Survey
NICNAS	National Industrial Chemicals Notification and Assessment Scheme
NIP	National Immunisation Program
NIR	National Incident Room
NMS	National Medical Stockpile
NPA	National Partnership Agreement
NST	National Sports Tribunal
NTS	National Tobacco Strategy
OECD	Organisation for Economic Co-operation and Development
OGTR	Office of Gene Technology Regulator
OTA	Organ and Tissue Authority
PAC	Program Assurance Committee
PAH	Pulmonary arterial hypertension
PBAC	Pharmaceutical Benefits Advisory Committee
PBS	Pharmaceutical Benefits Scheme
PGPA	*Public Governance, Performance and Accountability*
PHN(s)	Primary Health Network(s)
PIP	Practice Incentives Program
PLAC	Prosthesis List Advisory Committee
PSS	Premium Support Scheme
RAP	Reconciliation Action Plan
SES	Senior Executive Service
STI(s)	Sexually transmissible infection(s)
TGA	Therapeutic Goods Administration
WHA	World Health Authority
WHO	World Health Organization
WHS	Work Health and Safety

Glossary

Acquired immunodeficiency syndrome (AIDS)	AIDS occurs as the result of a person's immune system being severely damaged by human immunodeficiency virus (HIV). See **Human immunideficiency virus (HIV)**.
Anorexia nervosa	A psychological illness characterised by low body weight and body image distortion with an obsessive fear of gaining weight.
Antimicrobial resistance (AMR)	The ability of a microorganism (like bacteria, viruses and parasites) to stop an antimicrobial (such as antibiotics, antivirals and antimalarials) from working against it.
Australian Digital Health Agency (the Agency)	The Agency is responsible for national digital health services and systems, with a focus on engagement, innovation and clinical quality and safety. The Agency focuses on putting data and technology safely to work for patients, consumers and the health care professionals who look after them.
Australian Health Ministers' Advisory Council (AHMAC)	AHMAC is the advisory and support body to the Council of Australian Governments' (COAG) Health Council. It operates to deliver health services more efficiently through a coordinated or joint approach on matters of mutual interest.
Australian Health Protection Principal Committee (AHPPC)	The AHPPC is the key decision-making committee for health emergencies. It is comprised of all state and territory Chief Health Officers and is chaired by the Australian Chief Medical Officer.
Australian Medical Assistance Teams (AUSMAT)	Multi-disciplinary health teams that can rapidly respond to a disaster zone to provide life saving treatment to casualties, in support of the local health response.
Bacillus anthracis (anthrax)	A rare and potentially fatal bacterial disease most commonly occurring in wild and domesticated animals that can infect humans.
Blood borne viruses (BBV)	Viruses that are transmitted through contact between infected blood and uninfected blood (eg. hepatitis B and hepatitis C).
Breast implant associated anaplastic large-cell lymphoma (BIA-ALCL)	A rare cancer of the immune system. It is not breast cancer, which forms from cells in the breast, but instead a cancer of the body's disease-fighting lymphatic system and will usually grow in the fluid and internal scar tissue that develops around a breast implant.
Bulimia nervosa	A psychiatric illness characterised by recurrent binge-eating episodes, immediately followed by self-induced vomiting, fasting, over-exercising and/or the misuse of laxatives, enemas or diuretics.
Cellular immunotherapy	A form of treatment that uses the body's own immune system to fight cancer.
Cervical cancer	A cancer of the cervix, often caused by human papillomavirus, which is a sexually transmissible infection.
Chronic disease	The term applied to a diverse group of diseases, such as heart disease, cancer and arthritis, that tend to be longlasting and persistent in their symptoms or development. Although these features also apply to some communicable diseases (infections), chronic diseases is usually confined to non-communicable diseases.
Closing the Gap	Council of Australian Governments Closing the Gap initiatives, designed to close the gap in health equality between Indigenous and non-Indigenous Australians.

Communicable disease	An infectious disease transmissible (as from person to person) by direct contact with an infected individual or the individual's discharges or by indirect means. Communicable (infectious) diseases include sexually transmitted diseases, vectorborne diseases, vaccine preventable diseases and antimicrobial resistant bacteria.
Coronavirus	Coronaviruses form a large family of viruses that can cause a range of illnesses. These include the common cold, as well as more serious diseases like SARS (severe acute respiratory syndrome), MERS (Middle East respiratory syndrome), and the more recent coronavirus disease 2019. See **COVID-19** and **Novel coronavirus**.
Council of Australian Governments (COAG)	COAG is the peak intergovernmental forum in Australia. The members of COAG are the Prime Minister, state and territory Ministers and the President of the Australian Local Government Association.
COVID-19	Coronavirus disease 2019. An illness caused by the SARS-CoV-2 virus that was first identified in December 2019. Formerly known as 2019-nCoV. See **Coronavirus** and **Novel coronavirus**.
Diabetes	Refers to a group of syndromes caused by a malfunction in the production and release of insulin by the pancreas leading to a disturbance in blood glucose levels. Type 1 diabetes is characterised by the abrupt onset of symptoms, usually during childhood, and inadequate production of insulin requiring regular injections to regulate insulin levels. Type 2 diabetes is characterised by gradual onset commonly over the age of 45 years, but increasingly occurring in younger age groups. Type 2 diabetes can usually be regulated through dietary control.
Digital Health	Application of internet and other related technologies in the health care industry to improve the access, efficiency, effectiveness and quality of clinical and business processes utilised by health care organisations, practitioners, patients and consumers to improve the health status of patients.
Ebola virus	Any of several filoviruses (genus *Ebolavirus* and especially species *Zaire ebolavirus*) that cause an often fatal haemorrhagic fever.
Fetal alcohol spectrum disorder (FASD)	Refers to a range of problems caused by exposure of a fetus to alcohol during pregnancy.
Financial year	The 12 month period from 1 July to 30 June.
Fragile X syndrome	Inherited conditions caused by alterations of the Fragile X gene, causing a wide range of difficulties with learning, as well as social, language, attentional, emotional, behavioural and medical problems.
G20	G20 is the premier international forum for global economic cooperation. The G20 members account for 85 per cent of the world economy, 75 per cent of global trade and two-thirds of the world's population.
General practitioner (GP)	A medical practitioner who provides primary care to patients and their families within the community.
Gene technology	Gene technology is a technique for the modification of genes or other genetic material.
Genetically modified organisms (GMO)	Organisms modified by gene technology.
Haemopoietic progenitor cells (HPC)	Blood cells found in bone marrow, peripheral blood and umbilical cord blood that are capable of self-renewal into all blood cell types.

Head to Health	Provides help to find digital mental health services from some of Australia's most trusted mental health organisations. Provided by the Department, Head to Health brings together apps, online programs, online forums and phone services, as well as a range of digital information resources.
Health care	Services provided to individuals or communities to promote, maintain, monitor or restore health. Health care is not limited to medical care and includes selfcare.
Health outcome	A change in the health of an individual or population due wholly or partly to a preventive or clinical intervention.
Hepatitis B	A viral infection that attacks the liver and can cause both acute and chronic disease. It is most commonly transmitted from mother to child during delivery as well as through contact with blood or other bodily fluids.
Hepatitis C	A blood borne viral disease that can result in serious liver disease such as cirrhosis, liver failure and liver cancer. Hepatitis C is usually transmitted by parenteral means (as injection of an illicit drug or blood transfusion or exposure to blood or blood products).
Human immunodeficiency virus (HIV)	A virus that damages the body's immune system. The late stage of HIV is called acquired immunodeficiency syndrome (AIDS). See **Acquired immunodeficiency syndrome**.
Human papillomavirus (HPV)	A virus that causes genital warts which is linked in some cases to the development of more serious cervical cell abnormalities.
Immunisation	Inducing immunity against infection by the use of an antigen to stimulate the body to produce its own antibodies. See **vaccination**.
Immunoglobulin	A protein extracted from blood, sometimes called an antibody, which fights infection. An injection of immunoglobulins provide temporary immunity against certain infections (also known as passive immunisation).
Incidence	The number of new cases (of an illness or event, and so on) occurring during a given period. Compare with **prevalence**.
Jurisdictions	In the Commonwealth of Australia, these include the six states, the Commonwealth Government and the two territories.
Legionellosis	A collective term for diseases caused by Legionella bacteria, including the most serious, Legionnaires' disease, as well as the less serious condition of Pontiac fever.
Measles	A highly contagious infection, usually in children, that causes flu-like symptoms, fever, a typical rash and sometimes serious secondary problems such as brain damage. Preventable by vaccine.
Indemnity insurance	A form of professional indemnity cover that provides surety to medical practitioners, midwives and their patients in the event of an adverse outcome arising from medical negligence.
Influenza (flu)	Caused by the influenza virus, which is easily spread from person to person and is not the same as the common cold. The flu is a serious disease as it can lead to bronchitis, croup, pneumonia, ear infections, heart and other organ damage, brain inflammation and brain damage, and death.
Medical Research Future Fund (MRFF)	The MRFF delivers better and more advanced health care and medical technology for Australians. It provides support to researches to discover the next penicillin, pacemaker, cervical cancer vaccine or cochlear ear.

Medicare	A national, Government-funded scheme that subsidises the cost of personal medical services for all Australians and aims to help them afford medical care. The Medicare Benefits Schedule (MBS) is the listing of the Medicare services subsidised by the Australian Government. The schedule is part of the wider MBS (Medicare).
My Health Record	An online summary of a person's key health information that can be viewed securely online, from anywhere, at any time. A person's health information can be securely accessed from any computer or device that is connected to the internet.
National Disability Insurance Scheme (NDIS)	Australia's national scheme providing individualised packages of support to eligible people with disability.
Novel Coronavirus	A novel (new) coronavirus that has not been previously identified in humans or animals. See **Coronavirus** and **COVID-19**.
Organisation for Economic Cooperation and Development (OECD)	An organisation of 35 countries (mostly developed and some emerging, such as Mexico, Chile and Turkey), including Australia. The OECD's aim is to promote policies that will improve the economic and social wellbeing of people around the world.
Outcomes	Outcomes are the Government's intended results, benefits or consequences for the Australian community. The Government requires entities, such as the Department, to use Outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an Outcomes basis. The Department's current Outcomes are listed on pg 24.
Palliative care	Care provided to achieve the best possible quality of life for patients with a progressive and far-advanced disease, with little or no prospect of cure.
Pandemic	An outbreak of a disease that occurs over a wide geographic area (such as multiple countries or continents) and typically affects a significant proportion of the population.
Pathology	The study and diagnosis of disease through the examination of organs, tissues, cells and bodily fluids.
Per-and poly-fluoroalkyl substances	A group of manufactured chemicals used in a range of common household products and specialty applications, including in the manufacture of non-stick cookware; fabric, furniture and carpet stain protection applications; food packaging; some industrial processes; and in some types of fire-fighting foam.
Pharmaceutical Benefits Advisory Committee (PBAC)	PBAC is an independent expert body appointed by the Australian Government. Members include doctors, health professionals, health economists and consumer representatives. Its primary role is to recommend new medicines for listing on the PBS. No new medicine can be listed unless the committee makes a positive recommendation.
Pharmaceutical Benefits Scheme (PBS)	A national, Government-funded scheme that subsidises the cost of a wide range of pharmaceutical drugs for all Australians to help them afford standard medications. The PBS lists all the medicinal products available under the PBS and explains the uses for which they can be subsidised.
Polio	Polio (poliomyelitis) is a highly contagious viral infection caused by the poliovirus. Polio is spread mainly through contact with infected faeces, leading to gastrointestinal infection.
Portfolio Budget Statements (PB Statements)	Statements prepared by portfolios to explain the Budget appropriations in terms of outcomes and programs.

Prevalence	The number or proportion (of cases, instances, and so forth) in a population at a given time. In relation to cancer, prevalence refers to the number of people alive who had been diagnosed with cancer in a prescribed period (usually 1, 5, 10 or 26 years). Compare with **incidence**.
Primary care	Provides the patient with a broad spectrum of care, both preventive and curative, over a period of time and coordinates all of the care the person receives.
Program/Programme	A specific strategy, initiative or grouping of activities directed toward the achievement of Government policy or a common strategic objective.
Prostheses List	Under the *Private Health Insurance Act 2007*, private health insurers are required to pay benefits for a range of prostheses that are provided as part of an episode of hospital treatment or hospital substitute treatment for which a patient has cover and for which a Medicare benefit is payable for the associated professional service. The types of products on the Prostheses List include cardiac pacemakers and defibrillators, cardiac stents, joint replacements and intraocular lenses, as well as human tissues such as human heart valves. The list does not include external legs, external breast prostheses, wigs and other such devices. The Prostheses List contains prostheses and human tissue prostheses and the benefit to be paid by the private health insurers. The Prostheses List is published bi-annually.
Public health	Activities aimed at benefiting a population, with an emphasis on prevention, protection and health promotion as distinct from treatment tailored to individuals with symptoms. Examples include anti-smoking education campaigns and screening for diseases such as cancer of the breast or cervix.
Pulmonary arterial hypertension	A type of high blood pressure affecting the arteries that supply blood to the lungs, in which the arteries become narrow or stiff.
Sexually transmissible infection (STI)	An infectious disease that can be passed to another person by sexual contact. Notable examples include chlamydia and gonorrhoea.
Silicosis	A preventable lung disease resulting from inhalation of very fine silica dust.
Telehealth	Use of telecommunication techniques for the purpose of providing telemedicine, medical education, and health education over a distance.
Tuberculosis	An infectious disease caused by the bacterium Mycobacterium tuberculosis, that damages people's lungs or other parts of the body.
Vaccination	The process of administering a vaccine to a person to produce immunity against infection. See **immunisation**.
World Anti-Doping Agency (WADA)	An international independent agency composed and funded equally by the sport movement and governments of the world.
World Health Organization (WHO)	The WHO is a specialised agency of the United Nations (UN). Its primary role is to direct and coordinate international health within the UN system. The WHO has 194 member states, including Australia.

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