Australian Government
Department of Health

Department of Health

Annual Report 2020–21

Celebrating

YEARS OF HEALTH

An intra ocular camera telescope developed by Ronald Plummer. NAA: A1200, L45377 (1963).

Welcome to the Department of Health Annual Report 2020–21

In March 2021, the Department celebrated its 100 year anniversary. While the current year has seen a continued focus on the effects of the COVID-19 pandemic, the Department was created in 1921 partly in response to another major global pandemic, the Spanish flu. The Spanish flu and COVID-19 are the 2 largest pandemics in recorded history, and they mark both the beginnings of our Department and its present focus as we move into our next century.

Australia's world class health system touches every individual throughout the expanse of their lifetime, and is a complex landscape with many interdependencies and stakeholders. It is 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. The Department's focus in its 100 years on improving health outcomes for all Australians requires us to work with our partners in driving health, aged care and sporting outcome reform through evidence-based policy, well targeted programs and best practice regulation.

In 2020–21, the COVID-19 pandemic presented a second year of significant health challenges to Australia. However the Government, through the work of the Department, has continued to ensure all areas of the health sector are prepared, informed and engaged in the ongoing national response, supporting extraordinary collaboration between governments, public and private health systems, and industry.

The Department's Annual Report 2020–21 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 *Health Portfolio Budget Statements 2020–21* and *Health Corporate Plan 2020–21*, 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.**

Regulatory approval granted
in Australia for
3 COVID-19 vaccines[1]

Rural Health Multidisciplinary Training Program expanded
to improve recruitment of health professionals in regional and remote Australia[2]

For the first time ever,
immunisation coverage rates for children aged 5 years reached 95.18%[3]

GP bulk billing rates
reached an all time high, at
88.7%[4]

7.5 million
Australians participate in
free bowel, breast and cervical cancer screening
programs each year[5]

$17.7 billion investment announced
to deliver **once in a generation**
change to Australian aged care[6]

15 HeadtoHelp mental health clinics
established in Victoria[7]

The Office of the Gene Technology Regulator
celebrated its **20th Anniversary**[8]

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

Acknowledgement of Country

We, the Department of Health, acknowledge the Traditional Owners and Custodians of Country throughout Australia. We recognise the strength and resilience of Aboriginal and Torres Strait Islander people, and acknowledge and respect their continuing connections and relationships to country, rivers, land and sea.

We acknowledge the ongoing contribution Aboriginal and Torres Strait Islander people make across the health system and wider community. We also pay our respects to Elders past, present and future, and extend that respect to all Traditional Custodians of this land.

We acknowledge and respect the Traditional Custodians whose ancestral lands are where our Health offices are located.

Department of Health Annual Report 2020–21

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This Annual Report is available online at: www.health.gov.au/resources/publications/department-of-health-annual-report-2020-21

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

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Letter of Transmittal

Australian Government
Department of Health

Secretary

The Hon Greg Hunt MP
Minister for Health and Aged Care

Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Department of Health Annual Report 2020–21 for the year ended 30 June 2021. 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 as well as that 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 2020–21)
- *Industrial Chemicals (Notification and Assessment) Act 1989* (Appendix 3 – Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2020–21)
- 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)
- *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
6 October 2021

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Secretary's Review

Dr Brendan Murphy

In March 2021, the Department celebrated 100 years of continuous operation and service to the Australian people. The establishment of our Department in 1921 was driven by the deadly Spanish flu, at a time when infection control became a national issue after state controls were not able to stop the spread of the virus. Coincidentally, 100 years later we are amidst another global pandemic, with our efforts and resources presently focused on containment of the novel coronavirus (COVID-19) and supporting Australians through one of the largest pandemics in recorded history.

The COVID-19 pandemic has tested the programs and policies developed by our Department over the past 100 years. Through the outstanding work which continues to be delivered by our staff, our systems have been found to be resilient and adaptable to meet the demands of this global health emergency. Our staff can take pride knowing they have contributed to Australia's health system being one of the most effective in the world.

COVID-19

The Australian Health Emergency Response Plan for Novel Coronavirus – COVID-19 (the COVID-19 Plan), first released in February 2020, was developed to guide the Australian health sector's response to the COVID-19 pandemic. The COVID-19 Plan provides guidance on the response actions, proportionate to the level of risk, required to minimise the health impacts of the pandemic on the Australian population.

In August 2020, the COVID-19 Vaccine and Treatment Strategy was released, providing the framework under which safe and effective COVID-19 vaccines and treatments would be accessed by, and delivered to, all Australians. Under this strategy, the Government secured over 195 million doses of vaccines, including access to the global COVAX[1] facility.

The COVID-19 Vaccine Taskforce (the Vaccine Taskforce) was formally established in November 2020 to lead the vaccine rollout, bringing together departmental staff and secondees from numerous agencies across government. The Vaccine Taskforce worked extensively with states and territories, and alongside stakeholder advisory groups including Aboriginal and Torres Strait Islander people, the disability sector, culturally and linguistically diverse communities, the aged care sector, and primary care peak bodies to develop comprehensive implementation plans and policy.

[1] COVID-19 Vaccines Global Access, abbreviated as COVAX, is a worldwide initiative aimed at equitable access to COVID-19 vaccines.

The Vaccine Operations Centre (VOC) was established in late 2020 with the support of Emergency Management Australia. The VOC works across the Commonwealth and state and territories to coordinate the rollout of COVID-19 vaccines nationally. Upon the Pfizer (Comirnaty) and AstraZeneca (now Vaxzevria) vaccines' provisional approvals by the TGA in January and February 2021 respectively, the vaccine rollout commenced in late February 2021.

By 30 June 2021, over 7.8 million doses of the COVID-19 vaccine were delivered, with more than two thirds of people aged 70 and over having received their first dose, and in excess of 5,000 primary care points of presence delivering vaccinations.

Temporary Medicare Benefits Schedule (MBS) telehealth items created in response to the COVID-19 pandemic were extended to 31 December 2021, to help reduce the risk of COVID-19 transmission and protect patients and healthcare providers. Additional MBS items have enabled general practitioners to assess patients for COVID-19 vaccine suitability, including in-depth patient assessments for those who have doubts or questions regarding vaccination. Between March and June 2021, over 3 million patients have received an MBS COVID-19 vaccine suitability assessment service.

Additionally, new arrangements have provided an MBS fee to those practitioners offering vaccination services outside of their consulting rooms. This has helped facilitate the vaccination of people in residential aged care facilities, disability care homes, and home-bound Australians who are unable to attend vaccination clinics due to frailty, poor health, disability, or dementia.

The National Partnership on COVID-19 Response was instrumental to Australia's COVID-19 suppression strategy, providing Commonwealth funding to states and territories to ensure the health system had capacity to respond to COVID-19 outbreaks. Over 5.5 million tests and 3.2 million vaccines were delivered in state and territory clinics in 2019–20 and 2020–21, funded by the National Partnership.

Quarantine arrangements were integral to Australia's response to the COVID-19 pandemic, with National Cabinet agreeing early that states and territories would manage quarantine, given their primary role in delivering health care. The Department has supported these efforts by establishing partnerships with states and territories to provide support and ensure that overseas Australians could return safely to Australia. The Department's partnership with the Northern Territory Government to manage the Centre for National Resilience at Howard Springs in Darwin is a key example of our collaborative efforts. The centre prioritised the return and quarantine of our most vulnerable Australians who were stranded overseas. Within the first 10 months of establishment, the Centre saw more than 10,800 Australians return from overseas in a manner safe for the individual and the broader Australian community.

National Incident Centre (NIC)

The NIC was active throughout 2020–21 in coordinating Australia's response to the COVID-19 pandemic. With outbreaks occurring in almost every jurisdiction across Australia, the NIC has acted as a central hub for the dissemination of critical public health information, and managed the acquisition and distribution of flight passenger manifest data, close contact information, and outbreak event reporting.

The NIC supported the implementation of necessary health emergency requirements under the *Biosecurity Act 2015*, as determined by the Minister for Health and Aged Care. This included requirements for Australians and other overseas travellers returning to Australia to receive a negative COVID-19 test result prior to their flight's departure, and mandating that all passengers and air crew wear masks on flights and in airports.

Health workforce reform

Our health workforce provides health services across Australia, including in rural and remote areas, ensuring all Australians get the health care they need regardless of where they live. In response to the COVID-19 pandemic, the Department worked to identify areas in our health workforce system which were underutilised, while minimising barriers to ensure our health workforce could deliver services where they were needed in the community. These efforts included:

- supporting the Australian Health Practitioner Regulation Agency to fast track and prioritise registrations for doctors, nurses, midwives and pharmacists who were qualified, in country, and had applied for registration
- establishing the pandemic sub-register to support experienced and qualified health practitioners return to the workforce
- identifying opportunities where up to 3,000 nurses who held general registration, but were not currently practicing, could train and upskill
- funding that enabled up to 23,500 registered nurses to train and upskill, so they could transition to critical care nursing if required
- supporting innovative solutions to emerging challenges on the health workforce brought about by the acute and chronic shock of the pandemic nationally.

Australia's Long Term National Health Plan

The Department continued to deliver essential health services to Australians under the Long Term National Health Plan, through funding which strengthened the 4 key pillars of the Plan: guaranteeing Medicare and improving the access to life saving medicines; supporting our hospitals; prioritising preventive health, mental health and sport; and investing in breakthrough medical research.

The 2020–21 Budget saw record health and aged care investment, delivering $115.5 billion in 2020–21 and $467 billion over the forward estimates, including more than $16.5 billion as part of the emergency health response to the COVID-19 pandemic. With our priorities focused on the COVID-19 pandemic, the Department proved to be resilient and equal to the task. Our state and territory office network demonstrated the effectiveness of new dynamic working arrangements in establishing specialised teams to respond to rapid policy implementation requirements.

5 Year National Health Reform Agreement

The 2020–25 Addendum to the National Health Reform Agreement (NHRA) is an agreement between the Australian Government and all state and territory governments, which commits to improving health outcomes for all Australians by providing better coordinated care and ensuring the future sustainability of Australia's health system. Over 5 years, the NHRA will contribute approximately $133.6 billion in funding for public hospital services, including those delivered through emergency departments, hospitals and community health settings.

Together with state and territory governments, the Department works to achieve the goals of the NHRA to:

- deliver safe, high quality care in the right place at the right time
- prioritise prevention, and help people manage their health across their lifetime
- drive best practice and performance using data and research
- improve efficiency and ensure financial sustainability.

The NHRA is the key mechanism for the transparency, governance and financing of Australia's public hospital system.

Supporting the mental health of all Australians

The COVID-19 pandemic has significantly impacted the mental health of Australians, with requirements for physical distancing, quarantining and isolation leading to increased anxiety, stress and worry. Now more than ever, it is critical we continue to prioritise improvements to our mental health system. In 2020–21, the Department:

- Improved access to youth mental health services by supporting the establishment of 21 new headspace services, increasing the network to 134 services as at 30 June 2021. The headspace network will continue to expand to 164 services by 2025–26 to ensure young people aged 12 to 25 can access the local mental health support and services they need.
- Developed and implemented the National Mental Health and Wellbeing Pandemic Response Plan to reduce the negative mental health impacts of the pandemic, supported by a $48.1 million investment in key priorities to strengthen supports to vulnerable groups in the community and connect people to care.

- Implemented changes to the Medicare Benefits Schedule's Better Access Initiative to increase mental health support during COVID-19. This includes doubling the number of Medicare subsidised psychological therapy sessions nationally to 20 sessions per calendar year until 30 June 2022, and expanding Better Access to residential aged care settings.
- Developed the National Mental Health and Suicide Prevention Plan as the first phase of the Government's response to the recommendations of the Productivity Commission's Inquiry into Mental Health and the National Suicide Prevention Adviser's Final Report. Through the Plan, a record $2.3 billion has been invested to lead landmark reform in mental health support and treatment for Australians in need, based on 5 pillars: prevention and early intervention, suicide prevention, treatment, supporting the vulnerable, and workforce and governance.
- Launched the Coronavirus Mental Wellbeing Support Service (CMWSS), a free 24/7 dedicated mental health and wellbeing support for all Australians. Delivered by Beyond Blue, the CMWSS provides clear, evidence-based information, advice and support specifically tailored to mental health and wellbeing challenges raised by the pandemic.

Our Response to the Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety (the Royal Commission) has delivered:

- an interim report
- a special report on COVID-19 in aged care, tabled on 1 October 2020
- a final report, tabled on 26 February 2021.

In 2020–21, in response to the COVID-19 pandemic and urgent issues identified in the Royal Commission, additional funding was allocated to improve the safety, quality and integrity of Australia's aged care services. These services included the Dementia Behaviour Management Advisory Service and Severe Behaviour Response Team services, the Dementia Training Program and tackling the misuse of chemical and physical restraints for people living with dementia.

The Department built on and extended specific COVID-19 supports already provided to senior Australians, including additional home care packages and allied health services for residents in facilities affected by COVID-19 outbreaks, expanding mental health supports for aged care residents, early implementation in residential aged care of the Serious Incident Response Scheme, and extending the operation of the Victorian Aged Care Response Centre.

On 11 May 2021, the Department published the Government's comprehensive response to the Royal Commission's final report, designed to deliver sustainable quality and safety in Australia's home and residential aged care services. Of the 148 recommendations, the Government accepted, or accepted in principle, 126 (85%) recommendations, and supported an alternative on 4 recommendations. A total of 12 (8%) recommendations were subject to further consideration or noted in the Government response. A total of 6 recommendations were not accepted, including 4 which note the discordant views of the Commissioners.

On 27 May 2021, the Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Bill was introduced into Parliament. The Bill makes necessary changes to the current legislation ahead of the new aged care act planned for 2023. This Bill is the first step in a 5 year, 5 pillar aged care reform plan addressing home care, residential aged care services and sustainability, residential aged care quality and safety, workforce and governance.

Maturity of the Medical Research Future Fund (MRFF)

The MRFF is an ongoing research fund set up by the Australian Government in 2015. It operates as an endowment fund, where the net interest it earns is invested into important medical research projects to improve lives, build the economy and contribute to health system sustainability. The MRFF has been growing every year and reached its target of full capitalisation at $20 billion in July 2020. This has created a substantial source of funding for a wide range of investments across 20 initiatives including clinical trials, Indigenous health, aged care, genomics, and preventive and public health research.

In the past year, the number of grants funded through the MRFF has increased to 670, with a combined value of $1.8 billion. One third of these (247 grants; $635 million) are clinical trials investigating innovative drugs, devices and treatments for Australian patients. The MRFF also has a strong focus on commercialisation, and has so far invested $313 million in 31 grants to support the development of new medical technologies, biotechnologies and pharmaceuticals. Several MRFF grants have also been awarded in response to urgent public health needs such as the 2019–20 bushfires and COVID-19.

The MRFF will continue to invest substantially in priority-led research and is on track to deliver up to $650 million in new grants every year from 2022–23 onwards.

Medical Research
Future Fund

Looking ahead

The COVID-19 vaccine rollout continues to accelerate through Operation COVID Shield, and National Cabinet has set a roadmap for Australia to manage COVID-19 as an infectious disease like any other in the community. This roadmap relies on the majority of the eligible population rolling up their sleeves to get vaccinated, and this is dependent on the sufficient supply of vaccines and a capable vaccine workforce.

The Department's dynamic and adaptive Vaccine Taskforce will ensure the program continues to move forward at a pace allowing the safe and efficient administering of vaccines across remote, rural, regional and urban Australia, so that everyone has a chance to protect themselves against COVID-19. It took Australia 45 days to reach one million first doses of vaccine administered, and only 3 days to grow from 20 million to 21 million doses administered, as recorded in early September 2021.

In 2020–21, the Department continued to support an extensive process of consultation to develop a Primary Health Care 10 Year Plan. Guided by the Primary Health Reform Steering Group, with representation from across the health sector, the Department consulted with over 480 stakeholder and advocacy organisations, researchers, state and territory governments and, most importantly, people with lived experience. Important foundations for the 10 Year Plan have been laid through successive Budget investments in primary care, most recently in MBS telehealth, delivery of general practitioner and allied health services into aged care settings, and systems to support voluntary patient registration. The Department is looking forward to finalising a future-focused 10 Year Plan in 2021–22 and continuing its work with stakeholders on implementation.

The Department will continue to implement and deliver the Government's 5 year plan to reform Australia's aged care system through:

- a consumer focused aged care act to underpin fundamental reform, with implementation expected in 2023
- a new Australian National Aged Care Classification (AN-ACC) funding model, to improve the quality of care for senior Australians receiving residential and residential respite care
- a star rating system for residential aged care services to improve transparency and assist Australians to make an informed choice
- a new support at home program to better support senior Australians with their changing needs
- appointment of a Senior Practitioner to the Aged Care Quality and Safety Commission to support newly legislated restrictive practice requirements which came in to effect on 1 July 2021.

In 2021–22, the Department will also continue work on reforming our mental health and suicide prevention system. We will implement initiatives under the National Mental Health and Suicide Prevention Plan to improve outcomes for Australians experiencing mental ill-health and reduce deaths by suicide. The National Mental Health and Suicide Prevention Agreement will provide a platform for states and territories to collaborate to build a better mental health and suicide prevention system for all Australians.

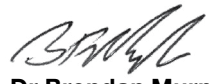
Thank you and farewell to Caroline Edwards

I would like to take this opportunity to farewell and sincerely thank Caroline Edwards for her huge contribution to the Department of Health, and her steadfast leadership, dedication and friendship during her time with us.

Caroline returned to the Department in February 2020 as acting Secretary during one of the most difficult periods in our nation's history – the early stages of the COVID-19 pandemic. Caroline led procurement efforts to ensure Australians had access to sufficient personal protective equipment and medical supplies, facilitated quarantine arrangements, new MBS items, Biosecurity Act Determinations and implemented a new era of Commonwealth-State cooperation and partnership.

In August 2020, Caroline transitioned to the role of Associate Secretary, and during this time she led the COVID-19 vaccine rollout, one of the most complex and logistically demanding tasks our Department has seen.

Caroline's can-do attitude has created a legacy effect within the Department, and since her departure in July 2021, our staff have continued to rise to new challenges with a sense of purpose and commitment thanks to her extraordinary example.



Dr Brendan Murphy

Secretary
September 2021

Chief Medical Officer's Report

Professor Paul Kelly

COVID-19 pandemic

The National Incident Centre (NIC) was activated in November 2019 in response to a measles outbreak in Samoa, and has remained activated throughout 2020–21 to facilitate Australia's response to the COVID-19 pandemic.

The NIC has distributed critical public health information and responded to nationwide outbreaks, working to coordinate, acquire and distribute flight passenger manifest data and close contact information. The NIC has provided ongoing international contact tracing support, and worked with states and territories to facilitate the return of overseas Australians through Green Zone travel arrangements with New Zealand, and administration of the Official Government Travel Policy.

The Australian Health Protection Principal Committee (AHPPC), which I chair, met 223 times during 2020–21, providing expert medical advice to inform Australia's response to the COVID-19 pandemic. The AHPPC is the key decision making committee for health emergencies, and its membership includes all state and territory Chief Health Officers.

Australian Medical Assistance Teams (AUSMAT) have continued to provide essential support in response to the COVID-19 pandemic both domestically and internationally, including in Victoria, Tasmania, Western Australia, the Northern Territory, Papua New Guinea, Timor-Leste and Fiji. AUSMAT provided targeted, scalable and specialist leadership and clinical expertise during outbreaks of COVID-19, and continue to demonstrate Australia's world class Emergency Medical Team capability.

The National Medical Stockpile (NMS) provided approximately 6,000 deployments of personal protective equipment and other medical supplies to support the COVID-19 response by states and territories, the disability and aged care sector, and the primary health sector. In addition, approximately $34 million in product has been deployed from the NMS to support Australia's humanitarian aid response to COVID-19 in Papua New Guinea, Indonesia, Fiji and India.

The COVID-19 pandemic has highlighted the need for software systems which enable timely data capture, management and reporting of communicable diseases. In June 2021, the Department delivered the first stage of the National Interoperable Notifiable Disease Surveillance System, which will support interoperable data collection and outbreak response across Australia for nationally notifiable diseases, and allow more timely reporting to meet both national and international requirements.

PFAS contamination

Per- and poly-fluoroalkyl substances (PFAS) are a class of manufactured chemicals previously used to make products that resist heat, stains, grease and water. Environmental PFAS contamination is a concern as these chemicals are persistent, toxic to fish and some animals, and can accumulate in the bodies of fish, animals and people who come into contact with them.

The Department is leading the Australian Government's response to PFAS contamination by supporting research into the potential health effects of PFAS, as there is currently limited evidence that exposure to PFAS causes adverse human health effects. The National Centre for Epidemiology and Population Health at the Australian National University has been commissioned to conduct an epidemiological study examining the potential health effects resulting from PFAS exposure, with reports due to be released in late 2021.

Through work with the Australian Bureau of Statistics, a PFAS component has been added to the Intergenerational Health and Mental Health Study, ensuring there is robust national data for PFAS exposure within Australia. Further, the Department has continued to participate in community engagement events in PFAS affected areas, including Jervis Bay Territory and Norfolk Island, alongside other Commonwealth departments.

Immunisation

Protecting the Australian public against influenza remains a critical public health measure. An effective influenza vaccination program reduces influenza illnesses, hospitalisations and deaths.

In 2021, more than 18.8 million doses of the influenza vaccine were made available nationally, with 9.4 million doses provided through the National Immunisation Program and state and territory government programs. This influenza season had an added challenge of occurring alongside implementation of the national COVID-19 vaccination program, and required development of specific, considered advice around co-administration of these vaccines.

The public health measures brought in to contain the COVID-19 pandemic, including the closure of international borders, reduction of large gatherings, social distancing, hand hygiene, and wearing face masks, have all contributed to a reduced number of influenza cases this season. Despite these record low numbers, it is critical that all eligible Australians continue getting vaccinated for influenza each year, as a quiet year can precede a rebound year of increased cases.

To allow for greater visibility of coverage across different population groups, from 1 March 2021 it became mandatory for vaccination providers to report administration of all influenza vaccines to the Australian Immunisation Register.

Health's response to climate change

Climate change has a significant effect on human health in the short and long term, including through higher average temperatures, poorer air quality and increased frequency of natural disasters. To respond to these emerging pressures, the Government is focused on developing a sustainable and responsive health system.

To help assess, understand and prepare for the impacts of climate change in Australia, further research is required. In November 2020, the National Health and Medical Research Council opened a $10 million special research initiative on health and environmental change to boost research capacity and capability. The initiative aims to improve Australia's preparedness and responsiveness to human health threats from changing environmental conditions and extreme weather events.

AHPPC has identified climate change as a health protection priority, and the Department is working with state and territory members to identify priority areas for national action.

The National Dust Disease Taskforce's final report

The National Dust Disease Taskforce (the Taskforce) was established 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.

The Taskforce's independent review of the systems in place for the prevention, early identification, control and management of accelerated silicosis from engineered stone, and broader occupational dust diseases, was published on 12 July 2021. Their final report contains 7 recommendations that support a range of regulatory and non-regulatory actions, designed to improve worker health and safety. The recommendations focus on:

- strengthening regulatory arrangements by addressing gaps in policy and implementation to ensure workers are protected from exposure to respirable crystalline silica
- improving health monitoring, screening and surveillance
- increasing the focus and investment on prevention activities and awareness raising
- increasing support for workers affected by dust diseases, and their families
- increasing support for medical, health and other related professionals to improve the diagnosis and management of people affected by silicosis
- expanding our evidence and knowledge base
- establishing effective ongoing governance, monitoring and reporting arrangements.

Implementation of these recommendations is currently underway. Further investment and research into silicosis is being continued through:

- $6 million in grants for silicosis research through the Medical Research Future Fund
- preparation of national clinical guidance, in consultation with a wide range of stakeholders
- establishment of the National Occupational Respiratory Disease Registry
- development of a National Silicosis Prevention Strategy.

Chief Nursing and Midwifery Officer Division (CNMOD)

In 2020–21, the CNMOD engaged with key nursing and midwifery stakeholders to support the COVID-19 response effort, and played an integral role in the development of the COVID-19 vaccination training program. The CNMOD also supported the Chief Nursing and Midwifery Officer, Professor (Practice) Alison McMillan, through various roles, including:

- establishing the Victorian Aged Care Response Centre, which managed the response to COVID-19 in Victorian residential aged care facilities
- the audit of managed quarantine, which ensured Australian biosecurity measures and travel restrictions were properly adhered to, reducing the risk of COVID-19 transmission from returning travellers to the broader Australian population
- acting as a member of the AHPPC, Australia's key decision making committee for health emergencies
- chairing the Infection Control Expert Group, who provide advice to the AHPPC to support best practice infection prevention and control in the community, hospital and other institutional settings
- chairing the Nursing Midwifery Strategic Reference Group, which enabled open discussion and strategic management of challenges faced by the professions.

Minimising the spread of antimicrobial resistance

Antimicrobials, such as antibiotics, are medicines that kill or slow the growth of organisms that cause disease. Antimicrobial resistance (AMR) occurs when these organisms become resistant to the effects of medicines used to treat them. Through the growing use of antimicrobials, some infections caused by resistant microorganisms have become harder and, in some cases, almost impossible to prevent and treat.

The final progress report for Australia's First National Antimicrobial Resistance Strategy 2015–2019 was published in March 2021, and highlights activities undertaken with stakeholders, and collaboration across Australia's animal and human health, environment, agricultural and food sectors, to develop best practices for minimising AMR and ensuring effective antimicrobials continue to be available to treat infections in humans and animals.

The report also identifies priority areas for continued action that have been added to Australia's National Antimicrobial Resistance Strategy – 2020 and beyond (AMR 2020 Strategy). In 2020–21, the Government invested $22.5 million to support key national priorities identified in the AMR 2020 Strategy, and several strategic initiatives which will monitor and address the threat from increasing rates of AMR, including:

- a One Health AMR and Antimicrobial Usage Surveillance System to integrate data from all sectors (human health, animal health, agriculture, food and the environment)
- a Strategic National One Health AMR research and development agenda to identify priorities, gaps and opportunities for collaboration, both nationally and internationally
- a Monitoring and Evaluation Framework for the AMR 2020 Strategy, with agreed measures to report on progress and evaluate the success of initiatives implemented
- a Scoping Study to examine funding mechanisms and economic models that could be used to incentivise the discovery, translation and market access for novel antibiotics in Australia, and contribute to global efforts to reinvigorate antibiotics development
- national capacity to respond to outbreaks of multi-drug resistant organisms.

The Department, in collaboration with the Department of Agriculture, Water and the Environment, developed the One Health Master Action Plan for the AMR 2020 Strategy, which was released in February 2021. The One Health Master Action Plan aims to guide and coordinate the actions of government, industry, researchers, professionals and the public to achieve the objectives of the AMR 2020 Strategy and support the development of sector-specific action plans that set out commitments and timeframes for completion.

In July 2020, Australia enrolled in the World Health Organization's Global Antimicrobial Resistance Surveillance System (GLASS). By enrolling in and contributing high quality data from existing surveillance programs to GLASS, Australia joined other contributing Member States whose participation is significantly increasing the amount of quality AMR data available globally.

Retirement of AICIS Executive Director, Dr Brian Richards

The *Industrial Chemicals Act 2019* established the Australian Industrial Chemicals Introduction Scheme (AICIS) to regulate the importation and manufacture of industrial chemicals in Australia. AICIS works to protect the health of Australians and our environment by finding out the risks of industrial chemicals, and recommending ways to promote their safer use.

Dr Brian Richards, the inaugural Executive Director of AICIS, retired in September 2020 after 8 years at the agency. Dr Richards' contributions to the Department of Health and Australian Public Service spanned over 2 decades, and include his time working as a medical practitioner involved in both clinical practice and health system reform, and while holding a range of senior executive positions within the Australian Government.

We would like to take this opportunity to thank Dr Brian Richards for his service over this time, and welcome the appointment of Mr Graeme Barden as the new Executive Director of AICIS. Mr Barden brings significant technical experience in chemical regulation policy, and has previously held leadership roles in the Office of Chemical Safety and the Health Protection Policy Branch.

Professor Paul Kelly

Chief Medical Officer
September 2021

Chief Operating Officer's Report

Charles Wann

In an incredibly busy centenary year for the Department, I am proud of the way in which the Department's people as a whole, including the Corporate Operations Group (Corporate), have leaned in to deliver on behalf of the Australian community.

COVID-19 response

The Department's number one priority in 2020–21, continuing into 2021–22, was the Australian COVID-19 vaccine rollout. The vaccination program commenced with priority populations including aged care and disability care residents and workers, frontline healthcare workers, and quarantine and border workers. The Department worked with states and territories to ensure vaccinations are made available through various hospital sites and general practices across Australia, and in residential aged care and disability care facilities.

Corporate provided strong support to the Department's COVID-19 pandemic response and vaccine rollout, from processing urgent and complex procurements, to providing real time assurance, detailed and strategic financial management support and reporting, facilitating the rapid stand up of the Vaccine Operations Centre (VOC), supporting office accommodation requirements for Operation COVID Shield, providing public relations and COVID-19 campaign support, and maintaining the number of determinations drafted. The Department conducted 66 webinars as the Department's website became an important channel to support stakeholder engagement, recording over 85,414,049 visits in 2020–21. The Contact Centre experienced a surge in activity due to an increase in vaccine enquiries from health professionals and the general public, resulting in a greater than 80% increase from pre COVID-19 activity. Corporate implemented several key vaccine digital solutions that helped order, track and manage distribution of vaccines, and provide information and booking coordination services to the community.

Aged care response

In 2020–21, the Department delivered critical supports to the aged care system while the Royal Commission completed its work and the Government considered its response, including enhancements and new capabilities that improve the quality and suitability of services for ageing Australians, their support networks, and the sector. There was a strong focus on building foundational capabilities, like the Serious Incident Response Scheme, risk-based targeting and information sharing, quality indicators, and aged care financial and prudential reporting. These supports underpin an increasingly transparent understanding of the aged care customer experience, and the ability to measure that the right services are available at the right time. This important work also lays the groundwork for the Australian Government's $17.7 billion commitment following the Royal Commission into Aged Care Quality and Safety; an ambitious multi-year agenda to build a robust, high quality, and safe system of care for senior Australians. A dedicated communications function has also been established to support the delivery of this once in a generation reform of aged care.

In response to the COVID-19 pandemic, Corporate supported the Department to rapidly establish and implement arrangements to provide travel and accommodation support for aged care workers in response to the major COVID-19 outbreaks in Victoria, and supported the Victorian Aged Care Response Centre (VACRC) through state and territory network coordination to ensure the rapid stand up of effective support to aged care providers.

State and territory offices of the Department also managed the assessment of personal protective equipment (PPE) requests from aged care services, disability providers and self-managed participants seeking access to PPE from the National Medical Stockpile, providing resources and guidance on evolving PPE requirements for healthcare workers, as well as communicating the eligibility criteria for accessing PPE.

I am pleased to be co-chair of the newly established Aged Care Transformation Program Steering Committee, reporting to the Investment and Implementation Board. The steering committee provides dedicated oversight of the aged care transformation Budget Measures, and uses a risk-based approach to enable appropriate assurance of the aged care transformation portfolio.

New Ways of Working

The New Ways of Working (NWOW) Program was established to create a more flexible, accessible and healthy workplace that will support staff to do their best work, now and into the future. The Program focuses on improving adaptability, collaboration and performance, whether people are working remotely or in the office, together or independently. In 2020–21, momentum increased in the NWOW Program, with delivery of a pilot site consisting of a major fit-out and refurbishment of Level 9 in the Sirius building in Canberra, Australian Capital Territory. The floor features a range of collaboration spaces, the latest technology and improved workplace design to support a range of working styles. Work is also underway on change management and redesign of the remaining floors within the Sirius building, along with the Department's Perth, Western Australia and Melbourne, Victoria sites. Construction is also underway of an additional site in Fairbairn, Canberra which will accommodate a new purpose-built laboratory facility with a modern, energy efficient plant to house Therapeutic Goods Administration operations.

Remote work agreements

In 2019–20, the Department developed a COVIDSafe Workplace Transition Plan focused on enabling safe and flexible work arrangements during the COVID-19 pandemic. The final stage of the plan was implemented in 2020–21, facilitating the safe return of staff to the office while continuing to support staff working in dispersed teams. While remote working arrangements were enhanced due to the COVID-19 pandemic, this builds on the Department's long history of providing access to flexible working arrangements to assist staff in balancing their professional and personal commitments, as well as assisting the Department in maintaining business continuity in the event of state and territory COVID-19 lockdowns.

As part of the Department's commitment to embedding flexibility into our culture and the way we work, implementation of remote work agreements was endorsed in November 2020. The agreement sets out expectations and ensures managers and staff understand their responsibilities in relation to work routines, work health and safety obligations, performance, communication, and security.

APS Staff Survey

The Australian Public Service Commission conducted 2 APS employee censuses (Staff Surveys) during 2020–21. This provided an opportunity to check in twice on our leadership and culture during a historic and challenging year.

The 2020 Staff Survey showed the Department had positively increased its results across the majority of questions, with most above the APS average. In particular, demonstrating strong results in SES leadership, change management, teamwork and collaboration.

The 2021 Staff Survey showed a continuation of these positive results, with further improvements in risk appetite and less staff reporting feeling burnt out. The Department's experience of working from home has remained positive, with 79% of staff accessing some form of flexible work (i.e. remote working, flexible or part-time hours), and 81% of staff reporting a good or excellent experience of remote working arrangements. The vast majority of managers (88%) reported their staff were just as productive, or more productive, working remotely compared to in the office. Staff also felt that support of flexible work practices (86%) and workgroup inclusiveness (84%) enabled them to perform at their best.

Over the coming year, the Department will focus on maintaining strong leadership and culture while continuing to improve the ability of staff to work at their best, regardless of location.

2020–23 Corporate Strategy

Throughout 2020–21, Corporate focused on establishing a united approach to delivering services to our customers. Corporate refreshed its corporate strategy and developed a set of annual themes, focusing and aligning our objectives over the next 3 years in an implementation guide. A roadmap identifying delivery milestones over each year ensures we deliver our objectives. The focus for 2020–21 was building our core capability to set the foundation for future transformation. This included agreeing to a strategic agenda and priority initiatives, establishing the mechanisms to hold each other accountable on delivery, and delivering a set of improvement initiatives that built on our capabilities and support the Department to work flexibly and remotely.

Governance

In July 2020, Corporate established the Corporate Operations Board (the Board) to focus on strengthening accountability and monitoring delivery of the 2020–23 Corporate Strategy. The Board is the Group's key governance forum. The Board's objectives are to facilitate strategic decision making, ensure cross-corporate alignment across a range of projects and initiatives, and oversee strategy implementation. The Board brings together the corporate leadership team who model our corporate mindset and behaviours, and hold each other accountable on delivery of strategic and improvement initiatives.

The streamlined senior governance committees, introduced in early 2020 to support the COVID-19 pandemic health response package, continued evolving as the COVID-19 landscape changed. As the priority shifted to implementation of the COVID-19 vaccination program, senior committee structures adapted to this new focus. More information on the Department's corporate governance is available in Part 3.1, page 140.

The Department regularly reviews its governance model to ensure it is fit for purpose and supports the delivery of departmental outcomes and the management of relevant risks. The Department exists in a constantly evolving environment. Operating under these circumstances increases the importance of assurance to provide confidence that risks are being managed appropriately and outcomes are achieved. In line with the Department's continuous improvement approach, all staff are responsible for identifying and implementing opportunities to improve the organisation.

Risk

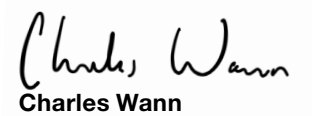
In early 2021, the Department completed the 2 yearly Comcover Risk Management Benchmarking Survey (the Survey). Based on the Survey results, Comcover rated the Department's risk management maturity as 'Embedded'. This is a pleasing result and reflects the Department's continued efforts in 2020–21 to strengthen its risk management capabilities, including through creating better alignment of our budget, business and risk planning processes, as well as further strengthening program and project governance. 2020–21 also saw the Department streamline and simplify business and risk planning tools, supporting effective business planning and risk management to ensure delivery of priorities in a dynamic COVID-19 environment.

Chief Operating Officer (COO) Committee

The COO Committee includes COOs from all departments and major entities within the Australian Public Service (APS). The committee first met in February 2020, with a remit to embed 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. The Department played a leading role through the committee in supporting the APS workforce to deliver critical work operations safely. As the COVID-19 pandemic landscape continues to evolve, the committee has resumed the strategic focus it was established for, focusing on strategic corporate collaboration and communication across the APS.

Financial Results

In 2020–21, the Department administered 27 programs across 6 outcomes. Administered expenses totalled $82.9 billion and were comprised primarily of payments for personal benefits of $53.9 billion (65% of the total), including those for medical services, pharmaceutical services and private health insurance rebates. Subsidies, predominantly for Aged Care, amounted to $14.1 billion (17% of the total). Grants expenditure was $10.8 billion (13% of the total), the majority of which was paid to non-profit organisations. For further information on our financial results, see Part 4: Financial Statements, page 189.



Charles Wann

Chief Operating Officer
September 2021

Celebrating 100 YEARS OF HEALTH 1921 - 2021

Mr R Price and Mr Wu check over plans of a partly constructed Health Department building. NAA: A1501, A5572/1 (1965).

Part 1:
About the Department

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Part 1.1: The Health Portfolio

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

As at 30 June 2021, the following ministers were responsible for the Health portfolio and its entities.

The Hon Greg Hunt MP

Minister for Health and Aged Care

As Minister for Health and Aged Care, 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, the Hon Mark Coulton MP on Outcomes 1, 2, 4 and 5, and the Hon David Coleman MP on Outcome 2, Program 2.1.

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:

Aged Care Quality and Safety Commission

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 Senior Australians and Aged Care Services
Minister for Sport

As Minister for Senior Australians and Aged Care Services and Minister for 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 Pricing Commissioner

Australian Radiation Protection and Nuclear Safety Agency

Australian Sports Commission (Sport Australia)

Australian Sports Foundation

Food Standards Australia New Zealand

Gene Technology Regulator

Sport Integrity Australia

The Hon Mark Coulton MP

Minister for Regional Health, Regional Communications and Local Government

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)

Australian Industrial Chemicals Introduction Scheme

The Hon David Coleman MP

Assistant Minister to the Prime Minister for Mental Health and Suicide Prevention

As Assistant Minister to the Prime Minister for Mental Health and Suicide Prevention, the Hon David Coleman MP has responsibility for the following:

Departmental Programs:

Outcome 2, Program 2.1: Mental Health

Portfolio Entities/Statutory Office Holders:

National Mental Health Commission

1.2: Portfolio Structure

As at 30 June 2021, the Health portfolio consisted of:

Department of State

Department of Health
Secretary:
Dr Brendan Murphy

Portfolio Entities

Aged Care Quality and Safety Commission
Commissioner:
Janet Anderson PSM

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

Australian Digital Health Agency
Chief Executive Officer:
Amanda Cattermole PSM

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 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:
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

Sport Integrity Australia
Chief Executive Officer:
David Sharpe APM OAM

Statutory Office Holders

Aged Care Pricing Commissioner
David Weiss

Aged Care Quality and Safety Commissioner
Janet Anderson PSM

Australian Industrial Chemicals Introduction Scheme
Executive Director:
Dr Roshini Jayewardene (acting)

Gene Technology Regulator
Dr Raj Bhula

National Health Funding Pool Administrator
Michael Lambert

National Rural Health Commissioner
Professor Ruth Stewart

National Sports Tribunal
Chief Executive Officer:
John Boultbee AM

Part 1.3: Departmental Overview

The Department of Health is a Department of State. In 2020–21, we operated under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013*.

Our History

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

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

The Department has continued to evolve, and has undergone a number of changes in name, function and structure throughout the years. However, after 100 years, the Department's focus remains on improving health and wellbeing for all Australians, now and into the future.

Our Vision

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

Our Purpose

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

Our Values and Behaviours

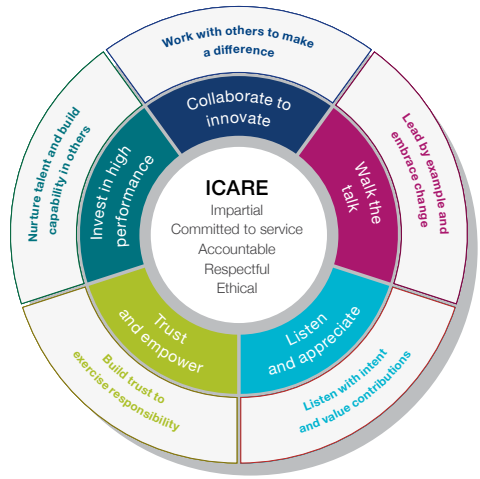
The Australian Public Service (APS) Values (also known as the ICARE principles) set out the standard of behaviour expected of APS employees, and are the foundation for everything we do. They are brought to life for our staff through the Department's Behaviours in Action, which provide practical guidance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

Our Commitment

We are committed to delivering the Government's major health reforms under Australia's Long Term National 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
- 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 2020–21.

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

A woman on a cattle station in the far inland of Queensland is using a transceiver set to speak with the doctor at the Charleville Flying Doctor Base.
NAA: A1200, L21268 (1956).

Part 2:
Annual Performance Statements

Part 2.1: 2020–21 Annual Performance Statements 28

Outcome 1: Health System Policy, Design and Innovation 30

Outcome 2: Health Access and Support Services 46

Outcome 3: Sport and Recreation 72

Outcome 4: Individual Health Benefits 80

Outcome 5: Regulation, Safety and Protection 102

Outcome 6: Ageing and Aged Care 122

Part 2.2: Entity Resource Statement 136

Part 2.1: 2020–21 Annual Performance Statements

As the accountable authority of the Department of Health, I present the Department of Health 2020–21 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
October 2021

Introduction

As required under the PGPA Act, this report contains the Department of Health's Annual Performance Statements for 2020–21. The Annual Performance Statements detail results achieved against planned performance criteria set out in the *Health Portfolio Budget Statements 2020–21*, *Health Portfolio Additional Estimates Statements 2020–21*, and the Department's *Corporate Plan 2020–21*.

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 2020–21
- results and discussion against each performance criteria.

Results key

● **Met**
100% of the target for 2020–21 has been achieved.

◖ **Substantially met**
75–99% of the target for 2020–21 has been achieved.

○ **Not met**
Less than 75% of the target for 2020–21 has been achieved.

— **Data not available**
Data is not available to report for the 2020–21 reporting year.

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

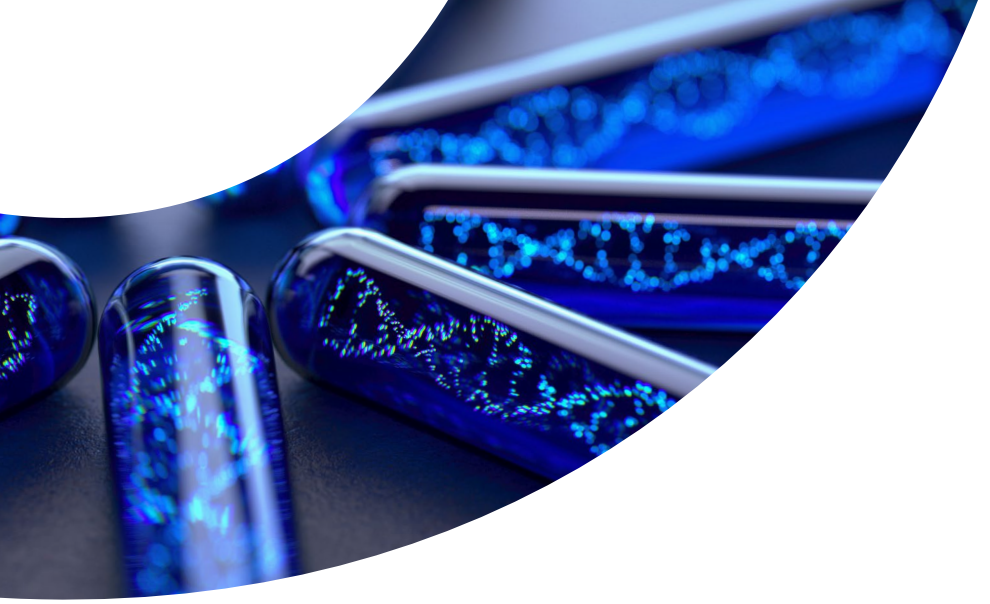
2020–21 departmental results overview

	Summary of results against performance criteria			
Outcome	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Outcome 1: Health System Policy, Design and Innovation	5	1	–	–
Outcome 2: Health Access and Support Services	2	5	2	4
Outcome 3: Sport and Recreation	1	–	–	1
Outcome 4: Individual Health Benefits	12	2	–	–
Outcome 5: Regulation, Safety and Protection	6	2	–	–
Outcome 6: Ageing and Aged Care	4	2	–	–
Total	**30**	**12**	**2**	**5**

In 2020–21, the Department met 30 out of 49 performance targets across our outcomes.

The Department continued to achieve against our measures, with a total of 42 targets either met or substantially met in 2020–21. While the number of targets fully met has dropped from 2019–20, where 39 out of 53 measures were met, the Department continued the trend of few targets not being met, with only 2 targets not met in 2020–21. The decrease in the number of targets fully met, and the increase of targets being substantially met, can be attributed in many instances to the impact of the COVID-19 pandemic, where COVID-19 related work, including the health response to the pandemic and the vaccine rollout, has been prioritised by the Department throughout 2020–21.

The Department will continue to work toward achieving the targets set in our Portfolio Budget Statements, Portfolio Additional Estimates Statements and Corporate Plan.



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

	Medical research investment	193 grants were awarded under the Medical Research Future Fund at a combined value of $498.9 million, including $25.6 million for the Coronavirus Research Response. *Program 1.1*
	Transformation of national digital health systems	22.97 million Australians have a My Health Record, with 91% of records now containing data, an increase of 8% since 2019–20. *Program 1.2*
	Supporting health infrastructure	Under the $1.25 billion Community Health and Hospitals Program, 152 health infrastructure projects have commenced since 2018–19. *Program 1.3*

22.97 million
Australians have a **My Health Record**

28
health infrastructure **projects funded** in **2020–21**

193 grants worth $498.9 million
provided under the **MRFF 10-Year Investment Plan**

Australia, through the Department, **participated** in the **G20 Global Health Summit**

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	1	1	–
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	**5**	**1**	**–**

Program 1.1:
Health Policy Research and Analysis

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

In 2020–21, the Department facilitated a nationally consistent focus on achieving better health outcomes for all Australians through collaboration with states and territories, and delivery of targeted improvements that ensure equitable access to care regardless of geographic location.

In response to the COVID-19 pandemic, the Department, alongside the Australian Government and states and territories, boosted health system capacity to support scalable and flexible outbreak responses, ensuring Australians remained safe through the testing, tracing and treatment of those infected with COVID-19. Further, combined efforts enabled the planning and commencement of the COVID-19 vaccine rollout, which is key to Australia's recovery.

The Department continued supporting medical research and innovation through release of the Australian Medical Research and Innovation Priorities 2020–22, and development of the Australian Medical Research and Innovation Strategy 2021–26. Both are designed to ensure investments made from the Medical Research Future Fund (MRFF) are in line with the statutory objective to improve the health and wellbeing of Australians.

In 2020–21, the Department announced various investments and grant opportunities, and executed grant agreements under the MRFF. All of these initiatives contributed to the MRFF's goal of transforming health and medical research to improve health outcomes, build the economy and contribute to health system sustainability.

COVID-19 vaccine rollout

The COVID-19 vaccine rollout is the Australian Government's highest immediate priority, described as the largest logistical effort since World War II. More than $8 billion has been invested to not only protect the health and wellbeing of all Australians, but to allow the reopening of our borders and aid Australia's economic recovery.

In August 2020, the COVID-19 Vaccine and Treatment Strategy (the Strategy) was released, providing the framework for securing access to safe and effective COVID-19 vaccines. Additionally, the COVID-19 Vaccines and Treatments for Australia – Science and Industry Technical Advisory Group (SITAG) was established to support the Government in making crucial decisions about the purchase and manufacture of COVID-19 vaccines and treatments. A cornerstone of the Strategy was the need to build a diverse global portfolio of investments in promising vaccine candidates. With guidance from SITAG, the Government invested in 5 separate agreements to secure more than 195 million COVID-19 vaccines that use a variety of technical platforms. This investment included access to the COVID-19 Vaccines Global Access (COVAX) facility.

In November 2020, Australia's COVID-19 Vaccination Policy (the Policy) was released. The Policy formalised the responsibilities of the Australian and state and territory governments, marking the rollout as a truly national effort. The Policy also set out key principles, such as free COVID-19 vaccines made available to all Australian citizens, permanent residents and visa holders, and outlined how COVID-19 vaccines would be accessible on a rolling basis. Decisions regarding access to COVID-19 vaccines have been, and continue to be, based on the expert medical advice of the Australian Technical Advisory Group on Immunisation (ATAGI).

In January 2021, Australia's Epidemiology and COVID-19 Vaccine Roadmap was published and described how, in accordance with ATAGI advice, the administration of COVID-19 vaccines would be staged, commencing with the most vulnerable populations, including aged care residents, frontline healthcare workers, and quarantine and border workers.

On 22 February 2021, Australia's rollout of COVID-19 vaccines formally commenced. Vaccinations were initially available nationally at vaccination 'hubs' and to Residential Aged Care Facilities (RACFs) through an in-reach workforce. Vaccination at primary care sites, including around 1,000 general practices, began in March 2021.

At 30 June 2021, highlights of the vaccine rollout included:

- 2,569 RACFs received a first dose of a COVID-19 vaccine and second doses were close to completion
- the number of primary care sites had expanded to well over 5,000
- more than 7.8 million vaccine doses were administered nationally
- around two thirds of those aged over 70 had received a first dose of a COVID-19 vaccine, with a quarter having received a second dose
- half of those aged over 50 had received their first dose
- approximately a third of the eligible population aged 16 years and over had received at least a first dose
- more than 100,000 Aboriginal and Torres Strait Islander people had received a first dose.

In 2021–22 the vaccine rollout will ramp up, with more vaccines arriving into Australia and a further increase in vaccination locations.

Lieutenant General John Frewen has been appointed by the Prime Minister as the Coordinator General of Operation COVID Shield to build on the considerable work that has already occurred to ensure as many Australians are vaccinated as early as possible.

Effectively support Australian Government Ministers and officials to collaborate with states and territories on health issues to achieve better health outcomes for all Australians. Source: *Health Portfolio Budget Statements 2020–21*, p.53 and *Health Corporate Plan 2020–21*, p.14	
2020–21 Target	**2020–21 Result**
Continue to work with states and territories to: • respond to the COVID-19 pandemic, emerging diseases and natural disasters; • implement the 2020–21 to 2024–25 Addendum to the National Health Reform Agreement; • improve health outcomes for Aboriginal and Torres Strait Islander Australians; and • strengthen the national mental health system and reduce the rate of suicide.	The Department, in collaboration with states and territories: • responded to the COVID-19 pandemic, emerging diseases and natural disasters through a range of formal and informal processes • progressed and implemented activities under the 2020–21 to 2024–25 Addendum to the National Health Reform Agreement • improved health outcomes for Aboriginal and Torres Strait Islander people through progressing long term health reforms and the National Aboriginal and Torres Strait Islander Health Plan • worked toward strengthening the national mental health system and reducing the rate of suicide through mental health reform.
	Result: Met

During 2020–21, the Department actively engaged with state and territory officials to support government ministers and the National Cabinet to improve health outcomes for all people in Australia, and ensure sustainability of our health system.

In response to the COVID-19 pandemic, Commonwealth, state and territory health ministers, departmental chief executives and chief medical officers met more frequently than ever before. Inter-governmental engagement focused strongly on management of the COVID-19 pandemic and the COVID-19 vaccine rollout. This has enabled the Australian health system to actively manage and respond to any outbreaks and plan and commence delivery of the COVID-19 vaccines, which is key to Australia's recovery.

As part of implementing the National Cabinet's new Federal Relations Architecture, the Council of Australian Governments' Health Council and Australian Health Ministers' Advisory Council, and their various subcommittees, were disbanded in 2020–21. Committees were replaced with more streamlined cross-jurisdictional engagement mechanisms. These include:

- A Health National Cabinet Reform Committee, whose first meeting took place in April 2021. Through meetings and out of session work, this Committee is working to support the delivery of a National Mental Health and Suicide Prevention Agreement.
- The Health Ministers Meeting, which progressed a broad range of issues of national significance, including developing a paper to support National Cabinet's consideration of the demand on public hospitals.
- The Health Chief Executives Forum, which met to progress critical cross-jurisdictional issues. This included mental health reform and the National Aboriginal and Torres Strait Islander Health Plan.

The Department worked with the Independent Hospital Pricing Authority, the Administrator of the National Health Funding Pool, and the 8 state and territory health departments to implement reforms introduced by the 2020–21 to 2024–25 Addendum to the National Health Reform Agreement. This included overseeing the development of new mechanisms to reduce preventable hospital readmissions and equalise incentives for public hospital treatment of private and public patients.

Through 8 schedules to the Health Federation Funding Agreement, the Department provided $50 million to states and territories to advance long term health reforms through the National Health Reform Agreement. This includes initiatives such as:

- a Torres and Cape Health Care commissioning fund in Queensland
- a trial in Tasmania of Rapid Access Specialist in-reach to give primary care services access to rapid advice and review of patients with chronic and complex healthcare needs.

Additionally, the Commonwealth entered into agreements with 4 states and territories, providing over $80 million for improved health outcomes and reduced pressure on hospitals through investments in infrastructure and health reform programs. This includes initiatives such as:

- a mental health inpatient facility in Darwin, Northern Territory, to provide greater access to mental health services in the area
- projects to improve outcomes for people with cardiovascular disease in Victoria.

Unprecedented investment in ground breaking and innovative medical research projects – the Frontier Health and Medical Research initiative

In 2020–21, the Australian Government invested an unprecedented $100 million into ground breaking and innovative medical research projects that could have a global impact on health care.

This 5 year funding, provided through grants, enables researchers to explore bold, innovative ideas and/or make discoveries of great potential and global impact through research relevant to any area of health and medical service delivery.

The 2020–21 grant funding round is split across 3 research projects led by senior researchers at the University of Melbourne, the Australian Lung Health Initiative, and the Florey Institute of Neuroscience and Mental Health. This funding will support:

- University of Melbourne – The Stroke Golden Hour: Development of lightweight brain scanners that can be easily carried in ambulances.
- The Australian Lung Health Initiative – 4D Functional Diagnoses: A new frontier in lung health for children that will deliver revolutionary lung scanners that are safe, rapid and easy to use.
- The Florey Institute of Neuroscience and Mental Health – The Australian Epilepsy Project: Development of a platform of artificial intelligence based expertise and clinical decision support, from diagnosis through to treatment.

Australia has the potential to lead health service delivery and create new markets for health related products by applying cutting edge science and technologies to innovation with the potential to improve human health. Funding these initiatives will encourage Australia's best and brightest researchers to create talented and ambitious multi-disciplinary teams. These teams will work together to achieve practical translation through research of bold ideas that have the potential to significantly improve health care.

'As Chair of the Australian Medical Research Advisory Board, I have been delighted with the extremely high standard of projects funded through this flagship MRFF funding opportunity. There has been a strong focus on internationally competitive research collaborations between academic groups, health care practitioners, and industry, with clear potential to provide better health for Australians, and potential commercial returns justifying the MRFF's investment. The 3 funded projects offer new strategies for addressing complex health and clinical care challenges and highlight the breadth and strength of Australia's health and medical research sector.'

– Professor Ian Frazer AC, Chair of the Australian Medical Research Advisory Board in 2020–21.

Provide a sustainable source of funding for transformative health and medical research that improves lives, contributes to health system sustainability and drives innovation. Source: *Health Portfolio Budget Statements 2020–21*, p.53 and *Health Corporate Plan 2020–21*, p.14	
2020–21 Target	**2020–21 Result**
Develop and release the Australian Medical Research and Innovation Priorities 2020–22 and the Australian Medical Research and Innovation Strategy 2021–25. Announce investments, offer grant opportunities and execute grant agreements under various Medical Research Future Fund (MRFF) initiatives consistent with the MRFF Act and the MRFF 10-year Investment Plan.	The Australian Medical Research and Innovation Priorities 2020–22[2] (the Priorities) were released in November 2020. The Australian Medical Research and Innovation Strategy 2021–26[3] (the 2021–26 Strategy) is under development and is anticipated to be tabled in parliament by early November 2021. In 2020–21, a total of 36 grant opportunities opened under the MRFF 10-Year Investment Plan, of which 30 have concluded. A total of 193 grants with a combined value of $498.9 million were awarded and announced, consistent with the *Medical Research Future Fund Act 2015*.
	Result: Substantially met

A comprehensive consultation process was undertaken for the third set of MRFF Priorities, with the Australian Medical Research Advisory Board conducting 2 national webinars, supported by a call for public submissions.

The 2021–26 Strategy is currently in development by the Australian Medical Research Advisory Board. By legislation, the 2016–21 Strategy remains in force until November 2021, when the 2021–26 Strategy is expected to be released.

Funding was distributed for 30 of the 36 grant opportunities that opened in 2020–21, providing a total of 193 grants with a combined value of $498.9 million under the MRFF 10-Year Investment Plan.

The investments in medical research distributed under each of the 4 MRFF themes, including $25.6 million for the Coronavirus Research Response, were:

- $100,469,707 for patients through 10 grant opportunities, including childhood and rare cancer, international clinical trial collaborations and silicosis research.
- $119,266,050 for researchers through 4 grant opportunities, including innovative and clinician-led research.
- $138,457,047 for research through 8 grant opportunities, including cardiovascular health, stem cell therapies, Indigenous health, brain cancer, mental health, genomics, traumatic brain injury, and dementia, ageing and aged care research.
- $140,751,355 for translation through 8 grant opportunities, including primary health care, efficient use of existing medicines, maternal health, medical research commercialisation, and research data infrastructure.

Outcomes for the remaining 6 grant opportunities will be finalised in 2021–22. Further up to date information on MRFF granting activities, including a full list of all grants awarded, can be found on the refreshed MRFF website[4].

[2] Available at: www.health.gov.au/resources/publications/australian-medical-research-and-innovation-priorities-2020-2022
[3] There was a typographical error in the *Health Portfolio Budget Statements 2020–21*. The Department will develop the Australian Medical Research and Innovation Strategy 2021–26.
[4] Available at: www.health.gov.au/initiatives-and-programs/medical-research-future-fund

The Zero Childhood Cancer National Precision Medicine Program

The Medical Research Future Fund (MRFF) is providing almost $60 million to the Children's Cancer Institute, through the University of New South Wales, as a contribution to the Zero Childhood Cancer National Precision Medicine Program (the Program).[5] This includes $5 million over 5 years from 2017–18 from the Australian Brain Cancer Mission, and a further $54.8 million over 5 years from 2019–20 from the Emerging Priorities and Consumer Driven Research Initiative. The funds are being used to expand the Program and enable it over time to reach all Australian children, adolescents, and young adults with medium, high and very high risk cancers.

Understanding the genomic drivers of paediatric cancer, and tailoring this information to Australian children, adolescents and young adults with cancer, has the potential to improve the understanding of individual tumours' genetics and their responsiveness to treatment. The Program will also evaluate the effectiveness of comprehensive national precision medicine platforms to improve health outcomes through genomic biomarker-driven matching of patients to ideal treatments and novel therapeutic clinical trials.

By using cutting edge computational and functional genomics, the Program has the potential to accelerate biological and clinical discovery of cancers, identify novel drug targets, and enable industry engagement. Assessment of the prevalence of hereditary cancer for Australian children and their families in all risk types will also be undertaken to inform effective identification of at risk individuals.

'Just like every child is different, every cancer is different. This is the key to Zero Childhood Cancer – recognising that each child and their cancer behaves uniquely and responds differently to the treatments that are used. Today, we have over 500 children and young people enrolled on Zero, and without the MRFF funds, we would not be able to generate the enormously compelling and trailblazing world class data and research outcomes we strive for.

The more we understand this insidious disease, the sooner we will create a future where cancer is no longer a killer disease, but a preventable or treatable condition. A future where all children have their best chance of living their best lives.'

– Vanessa Tyrrell, Program Leader, Zero Childhood Cancer Children's Cancer Institute.

Vanessa Tyrrell and Professor Michelle Haber AM, Executive Director, Children's Cancer Institute.

[5] Further information available at: www.health.gov.au/initiatives-and-programs/medical-research-future-fund/mrff-projects/getting-rid-of-childhood-brain-cancer

Program 1.2:
Health Innovation and Technology

The Department met the performance target related to this program.

In 2020–21, the Department continued working with the Australian Digital Health Agency to support the transformation of national digital health systems, including the My Health Record (MHR) system. The MHR system provides Australians with greater control of their health information, anywhere and at any point in time. MHR tracks medications, immunisations and allergies; and with appropriate safeguards, allows important health information to be shared with all healthcare providers involved in patient care.

Digital enablement of the healthcare system by harnessing digital technologies, including the MHR system, supports a more personalised and connected patient journey for all Australians.

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

Source: *Health Portfolio Budget Statements 2020–21*, p.54 and *Health Corporate Plan 2020–21*, p.15

2020–21 Target	2020–21 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.	In 2020–21, through the provision of timely, well-informed research, policy and legal advice, the Department continued to support the transformation of national digital health systems, including the MHR system. This is driving improvements in health outcomes and enhanced delivery of expanded, safer, more trusted and streamlined digital health services.
	Result: Met ●

A total of 22.97 million Australians now have a MHR, and the MHR system has continued to expand. More than 91% of MHRs (21.02 million) have data stored within them, an increase of over 8% from 2019–20.

In 2020–21, the Department completed an independent statutory review of the MHR system, with the report provided to the Minister for Health and Aged Care on 1 December 2020 and tabled in parliament on 11 February 2021. The report found that national support for the MHR system remains strong. The Government is considering the report's 33 recommendations.

The MHR system has continued to see increased use during the COVID-19 pandemic. Throughout 2020–21, there was:

- a 105% increase in shared health summary views
- a 65% increase in pathology report uploads
- a 90% increase in views on individual pathology report uploads
- a 210% increase in views of pathology report summary information.

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

Following the mid-term review of the Intergovernmental Agreement (IGA) on National Digital Health 2018–22, the updated IGA was circulated to state and territory health ministers in November 2020 for review and endorsement, and will be published on the Health Council (formerly the Council of Australian Governments) website once endorsed. The current IGA will terminate on 30 June 2022. Planning and early discussions to underpin advice to all Australian governments regarding future IGA arrangements have commenced.

Program 1.3:
Health Infrastructure

The Department met the performance target related to this program.

In 2020–21, the Department commenced a number of new health infrastructure projects under the Community Health and Hospitals Program (CHHP). Through the CHHP, the Australian 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. Individuals across Australia benefit from investment in health infrastructure through improved access to a range of services previously unreachable in many geographical locations.

Measuring the impact of health infrastructure investment is important, as it ensures projects align with national infrastructure and health service needs, meet relevant health sector and infrastructure standards, and provide the Government value for its investment.

Deliver health infrastructure projects and monitor compliance to ensure increased access to high quality health services.

Source: *Health Portfolio Budget Statements 2020–21*, p.55 and *Health Corporate Plan 2020–21*, p.15

2020–21 Target	2020–21 Result
Commence new health infrastructure projects under the CHHP and other relevant infrastructure projects, in partnership with key stakeholders including states and territories. Monitor infrastructure projects for compliance to ensure construction projects meet required standards and milestones.	Under the $1.25 billion CHHP and other Budget Measure agreements, 152 health infrastructure projects have commenced since 2018–19. One project agreement remains under negotiation and is due for execution in 2021–22. 28 new projects commenced in 2020–21, in partnership with key stakeholders including states and territories, Primary Health Networks (PHNs) and non-government organisations. All projects are actively managed and monitored through regular milestone reporting to ensure projects are delivered in accordance with requirements and standards.
	Result: Met ●

Of the 152 health infrastructure projects that have commenced since 2018–19, 28 projects were funded through executed agreements with states and territories, PHNs and non-government organisations in 2020–21.

Some examples of the range of services and projects that will complement existing services, increase research opportunities, support patient care, and aid in reducing pressure on community and hospital services include:

- An agreement with James Cook University, Queensland, to develop a facility to deliver high quality medical research through the new Cairns Tropical Enterprise Centre at the Cairns University Hospital.
- A partnership agreement with the South Australian Government to increase emergency treatment spaces in several rural hospitals.
- An agreement with the South Australian PHN to design and trial 8 centres that would complement existing mental health services and reduce mental health presentations in emergency departments.
- An agreement with Alfred Health, Victoria, for a new clinical trials and melanoma centre, to undertake clinical trials and provide specialist and multidisciplinary care to patients with all stages of melanoma and other cancers.

The majority of 2020–21 project targets were met and compliant. A small number of milestones were delayed on delivery of services and construction due to impacts of the COVID-19 pandemic. The Department is actively engaged with all projects to minimise the impact of these delays.

Program 1.4:
Health Peak and Advisory Bodies

The Department met the performance target related to this program.

In 2020–21, the Department supported 23 funded health peak and advisory bodies through the Health Peak and Advisory Bodies (HPAB) Program. This program builds capacity in the health sector by improving linkages, networks and co-operation with HPAB members, the health sector, the wider community and the Australian Government. This benefits the Government and the wider community by informing health policy and programs through active consultation with members, ensuring the views of their sector are equally and fully represented to the Government. This leads to sector improvements and better health outcomes for Australians.

Successfully harness the healthcare sector to share information relating to the Australian Government's health agenda. Source: *Health Portfolio Budget Statements 2020–21*, p.56 and *Health Corporate Plan 2020–21*, p.16	
2020–21 Target	**2020–21 Result**
Continue to engage with funded national health peak and advisory bodies to inform the Australian Government's health agenda. Monitor progress of organisations towards meeting performance conditions and milestones in their grant agreements.	The Department continued to engage with funded national health peak and advisory bodies. Progress of organisations towards meeting the performance conditions and milestones in their grant agreements was monitored.
	Result: Met

In 2020–21, the HPAB program continued to support 23 funded health peak and advisory bodies to contribute to the Government's health policy and program priorities. The HPAB program achieved this through supporting communication and consultation activities, providing expert, evidence-based and impartial advice, and engaging their members and other experts in the formulation of advice.

Some examples of work achieved in 2020–21 include:

- In July 2020, the Consumer Health Forum established the Consumer Commission: Beyond COVID-19, engaging a diverse range of consumer leaders to contribute views and ideas on the future of the Australian health and social care systems in the context of the COVID-19 pandemic. The final report, Making Health Better Together, was released on 23 November 2020 to support decisions around the future directions and priorities in health and social services.
- Allied Health Professions Australia (AHPA) provided advice to the Department on the impact of COVID-19 on the allied health sector and consumers. AHPA consulted with the sector and provided advice in relation to telehealth services, the impact of restrictions on rehabilitation services, planning for rehabilitation for COVID-19 patients and other consumers unable to access services during restrictions, and the response to COVID-19 in disability and culturally and linguistically diverse communities.

All funding milestones and activities in 2020–21 were delivered in accordance with agreement requirements. HPAB providers work with departmental policy areas to ensure their advice is connected to contemporary government policy and program priorities, and engaging in line with HPAB program requirements.

Program 1.5:
International Policy

The Department met the performance target related to this program.

The Department's continued engagement in international fora in 2020–21 increases Australia's preparedness to respond to global health emergencies. Active engagement in international health fora underpins Australia's health interests by helping us strengthen global and regional health system capacity, set norms and standards for key areas of common interest, and fulfil Australia's responsibility of improving global and regional public health. The outcomes of Australia's international engagement also serve to inform future policy development in priority areas of our domestic health agenda, which contributes to the health of the Australian community.

Australia's leadership role in international fora, both globally and regionally, has been particularly important during the COVID-19 pandemic. Australia's recovery from COVID-19 in part depends on how well the region responds to, and recovers from, the pandemic. Australia, through the Department, provided policy and technical advice, and support to countries in our region, including relating to vaccines, personal protective equipment and other medical equipment such as ventilators.

Protect the health of Australians by strengthening our health system through influencing the development of evidence-based international standards, and adopting international best practice and maintaining our ability to respond to health security threats. Source: *Health Portfolio Budget Statements 2020–21*, p.58 and *Health Corporate Plan 2020–21*, p.16	
2020–21 Target	**2020–21 Result**
Effectively engage in relevant international fora to influence the development and acceptance of international evidence, standards and best practice that will support and inform our domestic policy agenda. Continue to play a leading role in World Health Organization (WHO) reform and actively engage in the independent review of the international COVID-19 pandemic response. Continue to support Australia's regional leadership in responding to the COVID-19 pandemic.	The Department effectively engaged across multiple international fora, including the: • WHO • Organisation for Economic Co-operation and Development (OECD) • G20 and G7 summits. The Department played a leading role in WHO reform through the Bureau of the WHO's Sustainable Financing Working Group, and as an active member of the WHO Executive Board. Australia was an advocate for the Independent Panel for Pandemic Preparedness and Response (IPPR) review and the WHO Report on the Origins of COVID-19. The Department continued to support Australia's regional leadership in responding to the COVID-19 pandemic.
	Result: Met ●

In 2020–21 Australia, represented by the Department, concluded its 3 year term on the WHO Executive Board. Australia actively engaged on a broad set of strategic and technical health issues and continued to support and participate in work on strengthening WHO administration and governance through these representative roles.

Key pieces of work at these fora included:

- Australia took a lead role in calling for the IPPR review, which made recommendations to address the COVID-19 pandemic and strengthen international health frameworks in preparation for future health threats. Australia is considering recommendations from the review and will continue to work with international partners on WHO reform and establishing a pathway for long term reform.
- Australia, through the Department, co-chaired the WHO Sustainable Financing Working Group, with a focus on improving sustainability of the WHO's financing and building a strong and capable WHO at all levels.

Australia, as part of a group of other countries, provided leadership on a WHO resolution on the highest attainable standard of health for persons with disability, which seeks to ensure health services are disability inclusive and proposes a set of actions to progress this work at an international level.

Australia continues to play a leadership role in international fora and collaboration by actively working with countries to progress complex health issues, such as sexual and reproductive health rights.

Through the Department, Australia also participated in the G20 Global Health Summit in May 2021. The Summit was an opportunity for global leaders to share experiences and lessons learnt while handling the pandemic. The leaders adopted a 'Rome Declaration', committing to common principles to overcome COVID-19 and prevent and prepare for future pandemics.

The Department provides ongoing support to the region, promoting policy and technical expertise in responding to the pandemic at key international fora and meetings on areas such as testing standards and building health system capacity to respond to the pandemic.

International Engagement: Readying the world for future disease outbreaks

Australia was one of the first countries in the world to call for an independent review of the global outbreak of COVID-19, as well as the response of not only the World Health Organization (WHO), but the broader global community. In particular, Australia sought advice on ways to strengthen the world's ability to respond collectively to future disease outbreaks.

In response, the WHO established the Independent Panel for Pandemic Preparedness and Response (IPPR) in 2020 to provide an impartial, independent and comprehensive review of experiences gained and lessons learned from the current pandemic. IPPRs May 2021 findings closely aligned with Australia's priorities for:

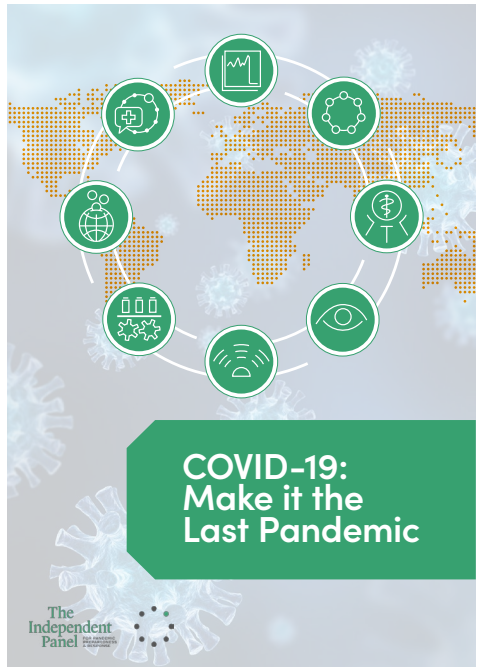
- an independent and authoritative WHO
- ways to reduce the risk of future zoonotic disease[6] transmission
- strong WHO operations on the ground.

The IPPR main report[7], alongside other similar reviews, highlighted response efforts that worked well and those that were lacking at both the domestic and global levels. It made a range of recommendations to end the COVID-19 pandemic and to better prepare for, and respond to, future global health threats. The IPPR called for a new international agreement or treaty on pandemic preparedness, highlighting the WHO's need for greater powers to investigate future outbreaks, and nominated better global zoonotic disease surveillance as a priority.

'Our aim is to do whatever it takes to make this the last pandemic.'

– Her Excellency Ellen Johnson Sirleaf, Co-chair of the Independent Panel.[8]

The departments of Health and Foreign Affairs and Trade are leading Australian engagement in this ongoing process. Through active participation and sharing of Australia's own experiences, we are working to ensure stronger global health architecture is better placed to respond to future health emergencies.



[6] A zoonotic disease is an infectious disease caused by a pathogen that has jumped from an animal to a human.
[7] Available at: www.theindependentpanel.org/mainreport
[8] Source: www.theindependentpanel.org/co-chairs-remarks-to-the-world-heath-assembly-may-26-2021

Outcome 1 - Expenses and Resources

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 1.1: Health Policy Research and Analysis[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	169,279	167,969	(1,310)
Special accounts			
Medical Research Future Fund	597,935	597,935	-
Special appropriations			
National Health Act 1953 - blood fractionation products and blood related products to National Blood Authority	820,729	824,252	3,523
Public Governance, Performance and Accountability Act 2013 s77 - repayments	2,000	2,000	-
Other Services Appropriation Act (No. 2)	7,749	4,700	(3,049)
Departmental expenses			
Departmental appropriation[3]	26,681	26,211	(470)
Expenses not requiring appropriation in the budget year[4]	1,729	2,274	545
Total for Program 1.1	**1,626,102**	**1,625,341**	**(761)**
Program 1.2: Health Innovation and Technology			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	10,925	13,304	2,379
Departmental expenses			
Departmental appropriation[3]	11,226	7,214	(4,012)
Expenses not requiring appropriation in the budget year[4]	728	668	(60)
Total for Program 1.2	**22,878**	**21,186**	**(1,692)**
Program 1.3: Health Infrastructure[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	63,394	62,499	(895)
Special appropriations			
Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund	10	-	(10)
Departmental expenses			
Departmental appropriation[3]	3,776	3,979	203
Expenses not requiring appropriation in the budget year[4]	245	323	78
Total for Program 1.3	**67,424**	**66,801**	**(623)**

Outcome 1 - Expenses and Resources (continued)

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 1.4: Health Peak and Advisory Bodies			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	7,649	7,625	(24)
Departmental expenses			
Departmental appropriation[3]	745	843	98
Expenses not requiring appropriation in the budget year[4]	48	73	25
Total for Program 1.4	**8,442**	**8,541**	**99**
Program 1.5: International Policy			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	18,369	17,220	(1,149)
Departmental expenses			
Departmental appropriation[3]	6,979	7,668	689
Expenses not requiring appropriation in the budget year[4]	452	652	200
Total for Program 1.5	**25,800**	**25,540**	**(260)**
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	269,616	268,617	(999)
Special accounts	597,935	597,935	-
Special appropriations	822,739	826,252	3,513
Other Services Appropriation Act (No. 2)	7,749	4,700	(3,049)
Departmental expenses			
Departmental appropriation[3]	49,406	45,915	(3,491)
Expenses not requiring appropriation in the budget year[4]	3,202	3,990	788
Total expenses for Outcome 1	**1,750,647**	**1,747,409**	**(3,238)**
Average staffing level (number)	**219**	**218**	**(1)**

[1] Budgeted expenses taken from the *Health Portfolio Budget Statements 2021–22* and re-aligned to the 2020–21 outcome structure.

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

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

[4] 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

Adult mental health centres	An adult mental health centre was established in Adelaide, South Australia in March 2021, with development of other centres in each state and territory underway. *Program 2.1*
Fetal Alcohol Spectrum Disorder (FASD) Strategic Action Plan	Implementation of the National FASD Strategic Action Plan was enhanced through the expansion of FASD diagnostic services to build capacity to diagnose FASD across Australia. *Program 2.4*
COVID-19 National Partnership	The Department supported the administration of $2.8 billion in cash payments to states and territories under the COVID-19 National Partnership, which delivered 10.6 million COVID-19 tests and 1.6 million COVID-19 vaccines. *Program 2.7*

$222 million invested
to **support alcohol** and other **drug treatment services**, **prevention activities and research** consistent with the National Drug Strategy

GP-led respiratory clinics
provided **1.3 million consultations** and performed **1.2 million COVID-19 tests**

21 new headspace services
commenced operation, bringing the current network to **134 services**

The National Bowel Cancer Screening Program
is expected to save around **59,000 lives by 2040**

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	1
Program 2.3: Health Workforce	–	1	–	–
Program 2.4: Preventive Health and Chronic Disease Support	–	2	–	3
Program 2.5: Primary Health Care Quality and Coordination	–	1	–	–
Program 2.6: Primary Care Practice Incentives	1	–	–	–
Program 2.7: Hospital Services	1	–	–	–
Total	**2**	**5**	**2**	**4**

Program 2.1:
Mental Health

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

The Department continued to support mental health and suicide prevention services, which were among the Australian Government's highest priorities in 2020–21.

The Department facilitated bilateral agreements in relevant jurisdictions to continue the rollout of the Way Back Support Service, which supports people immediately after an attempted suicide or suicidal crisis. This service works to minimise an individual's disengagement with services, reduce barriers to accessing follow-up care, increase attendance to appointments with health and other social support services, and reduce the risk of further suicide attempts.

The development of adult mental health centres in each state and territory is underway, with the centre in Adelaide, South Australia commencing service delivery in March 2021. Adult mental health centres will help people who may be experiencing distress or crisis, including people with conditions too complex for many current primary care services. Offering immediate short and medium term care and mental health service navigation, these services will grant access to on the spot care, advice and support without needing a prior appointment.

The first community-based residential eating disorder treatment centre, Wandi Nerida, was established in 2020–21. Wandi Nerida addresses a critical gap in the system of care, and improves access to person-centred and multidisciplinary care aimed at recovery for Australians with an eating disorder diagnosis.

There has been significant expansion of the headspace network in 2020–21, including establishment of additional services across Australia to address demand and reduce wait times. The headspace model provides early intervention mental health services to people aged 12 to 25, assisting with mental health, physical health (including sexual health), alcohol and other drug services, and work and study support.

The Department, in conjunction with the Independent Taskforce and its working groups, developed a draft National Mental Health Workforce Strategy in 2020–21. This strategy will support the community by providing guidance on how governments can attract, train and retain the workforce required to meet the current and future demands of the mental health system in Australia.

The Department continued to support the mental health and wellbeing of all Australians impacted by the COVID-19 pandemic through:

- a Coronavirus Mental Wellbeing Support Line
- 10 additional Medicare subsidised psychological therapy sessions under the Better Access initiative, bringing the total entitlement up to 20 sessions per year
- 24/7 mental health support through digital and telephone counselling
- 15 dedicated HeadtoHelp mental health clinics across Victoria
- extension of vital national perinatal mental health services.

Wandi Nerida eating disorder recovery centre

On 8 June 2021, Wandi Nerida, the first residential eating disorder treatment centre in Australia, was formally opened by the Assistant Minister to the Prime Minister for Mental Health and Suicide Prevention, the Hon David Coleman MP.

Located on the Sunshine Coast, Queensland, Wandi Nerida will provide holistic and multidisciplinary care to support those with an eating disorder over 16 years of age. The centre is purpose-built to create a home-like environment, with individualised treatment plans so participants can model recovery when they return home.

Wandi Nerida addresses a critical gap in the system of care by sitting between hospital and the community, improving access to intensive, person-centred and multi-disciplinary care for Australians with an eating disorder. The centre aims at achieving full recovery from eating disorders.

'Hospitals have played a really important part for those affected by eating disorders, in that when you're physically unwell, hospitals save lives. What Wandi Nerida is, is the next step in the care, where you can have intensive psychological recovery and support before you transition back into the community. It really is focusing on not only the physical, but psychological recovery.'

– Ms Jodie Ashworth, Director of Wandi Nerida.

WANDI NERIDA

gather together to blossom

Butterfly Residential Care Pty Ltd

Improve mental health outcomes for all Australians and combat suicide. Source: *Health Portfolio Budget Statements 2020–21*, p.67 and *Health Corporate Plan 2020–21*, p.23	
2020–21 Target	**2020–21 Result**
Continue to roll out the Way Back Support Service in partnership with relevant jurisdictions. Establish an adult mental health centre in each state and territory. Commence service delivery in the first community-based residential eating disorder treatment centre. Work closely with Primary Health Networks (PHNs) and headspace to establish new headspace services and plan for future services. Develop a National Mental Health Workforce Strategy in partnership with jurisdictions. Establish 15 Mental Health Clinics across Victoria to provide accessible mental health care and support general practitioners, hospitals and emergency departments. Implement and monitor mental health packages that support Australians in response to the effects of the 2019–20 bushfires and the COVID-19 pandemic.	Bilateral agreements for the Way Back Support Service were established in 7 out of 8 relevant jurisdictions. An adult mental health centre in Adelaide, South Australia was established and commenced service delivery in March 2021 under expedited arrangements. Adult mental health centres in other states and territories have commenced establishment and are on track to commence service delivery in 2021–22. Wandi Nerida, a community-based residential eating disorder treatment centre, has been established on the Sunshine Coast in Queensland. Capital works, recruitment and training is complete. A total of 21 new headspace services commenced operation in 2020–21.[9] This brings the current network to 134 services. An additional 19 services are expected to commence operation in 2021–22. This will bring the network to a total of 153 services. The Department completed a draft National Mental Health Workforce Strategy in conjunction with the Independent Taskforce and its working groups. Broader consultation with jurisdictions is underway. A total of 15 HeadtoHelp mental health clinics were established in Victoria, providing 1800 phone line and face-to-face support, mental health assessments and referrals to appropriate services. The Department implemented several mental health packages to support Australians impacted by the 2019–20 bushfires and COVID-19 pandemic.
	Result: Substantially met

During 2020–21, a bilateral agreement with the Tasmanian Government was established for the Way Back Support Service. Further locations were also agreed, with Queensland and Victoria included as part of the next stage of the rollout. Bilateral agreements are now executed with all but one jurisdiction, with Western Australia supportive of the service but unable to commit at this time.

Adult mental health centres are designed to provide a welcoming, low stigma, 'no wrong door' entry point for adults accessing mental health information, services and support. Establishment of centres includes service mapping, co-design, community consultation, securing premises, engaging service providers and recruiting staff. In 2020–21, set timeframes for establishment of centres in each state and territory were impacted by several factors, including difficulty securing appropriate sites, clinical workforce shortages and the COVID-19 pandemic. The centre in Adelaide, established directly by the South Australian Government, commenced operation in March 2021. It has received positive feedback for diverting presentation from emergency departments and providing a safe and welcoming environment for people in crisis.

[9] The headspace services that commenced in 2020–21 include: Cessnock, Katoomba and Batemans Bay in New South Wales; Pakenham, Sale, Wangaratta, Lilydale and Syndal in Victoria; Upper Coomera, Maryborough, Strathpine, Roma and Beaudesert in Queensland; Port Lincoln and Marion in South Australia; Margaret River, Northam, Esperance and Busselton in Western Australia; and Devonport and Burnie in Tasmania.

Wandi Nerida is the only eating disorder-specific residential treatment centre in Australia. It was opened by the Assistant Minister to the Prime Minister for Mental Health and Suicide Prevention, the Hon David Coleman MP, on 8 June 2021. The COVID-19 pandemic affected the commencement of service delivery at Wandi Nerida, but participant intake and service delivery will commence in July 2021. The centre is purpose-built to create a home-like environment, with individualised and phased treatment plans so participants can model recovery when they return home.

PHNs and headspace National have been working closely to establish 40 new headspace services by December 2021. While 21 new headspace services commenced in 2020–21, set timeframes for establishment of these centres were affected by difficulty securing appropriate sites, workforce shortages and the impacts of COVID-19 and natural disasters, including storms and flooding.

In developing a draft National Mental Health Workforce Strategy, Independent Taskforce meetings were held virtually on a monthly basis during the COVID-19 pandemic. Consultation with jurisdictions and the public was delayed as Australia continued to respond to the pandemic. The Strategy is expected to be finalised and published in 2021–22.

Victorian PHNs successfully and rapidly implemented 15 HeadtoHelp clinics to enhance mental health support available for Victorians during the extended lockdown period of the COVID-19 pandemic. Initially, clinics were staffed with a minimum of 2 mental health professionals due to fast establishment timeframes. However, workforce for the clinics has been scaled up over time. The Department continues to work closely with Victorian PHNs to inform the evaluation of and transfer learnings to the overarching Head to Health program. Consumer survey feedback of the clinics has been positive, and engagement from other health services is increasing as an awareness of the service grows. From 14 September 2020 to 30 June 2021, the HeadtoHelp phone line received over 10,487 contacts, with over 4,934 contacts referred to HeadtoHelp clinics for services.

The Department successfully implemented several bushfire and COVID-19 mental health packages in 2020–21, which included funding to support the mental health of Australians affected by bushfires, and a Community Wellbeing and Participation campaign. In addition, funding was provided to increase the capacity of existing services such as Beyond Blue, Lifeline, Kids Helpline and headspace to support the mental health and wellbeing of Australians during the COVID-19 pandemic. Funding agreements are in place under all packages, and the Department continues to monitor their progress.

HeadtoHelp clinics support Victorians during the COVID-19 pandemic

In September 2020, the Australian Government established 15 mental health clinics in Victoria, branded as HeadtoHelp clinics, to enhance mental health support available for Victorians in response to tough lockdown restrictions during the COVID-19 pandemic. HeadtoHelp clinics are embedded within existing primary care locations and provide onsite mental health support and connections to other mental health services in the region. This ensures people can get the help they need, when they need it.

Services are available by calling the HeadtoHelp hotline, where an experienced mental health professional works with consumers to find the best way to get the help they need. This may include being connected with suitable existing services, receiving care at a HeadtoHelp clinic, or being connected with specialists or acute mental health services, including emergency care.

In recognition of the ongoing impact of COVID-19 restrictions and the associated social and economic impacts on the mental health of Victorians, HeadtoHelp aims to improve accessibility to mental health services in the region, and provide additional mental health sector capacity through relieving pressure on existing services.

Victorian HeadtoHelp clinics:

- provide a clear point of entry for people seeking assistance with their or someone else's mental health
- undertake a consistent clinical intake and assessment service
- deliver free clinical mental health care to individuals through one-on-one psychological interventions and other supports
- connect and transfer individuals to appropriate local community support and specialised mental health services that respond to the needs of individuals, providing a seamless consumer journey.

Further information about the service can be found on the HeadtoHelp website[10].

'It was fantastic. It changed my life for the better in so many ways. I couldn't get the help I needed until I contacted HeadtoHelp.'

– Consumer story, 1 April 2021.

'Excellent support was given throughout the process. Empathy and understanding were aptly demonstrated.'

– Consumer story, 15 April 2021.

HeadtoHelp

[10] Available at: www.headtohelp.org.au

Program 2.2:
Aboriginal and Torres Strait Islander Health

There was one performance target for which data sets were not available at the time of publication. Where data sets were available, the Department continued to work towards meeting the targets.

The Department works in partnership with Aboriginal and Torres Strait Islander people to develop and implement strategies, programs and initiatives that improve health and wellbeing outcomes, consistent with the reform priorities and targets of the National Agreement on Closing the Gap. This is achieved by supporting the delivery of culturally appropriate health services, and by implementing targeted efforts, including smoking cessation and chronic disease management programs.

In 2020–21, the new funding model for Aboriginal Community Controlled Health Clinics commenced, providing an additional $90 million over 3 years, annual indexation and 3 year funding agreements.

The Department also continued to work in partnership with Aboriginal and Torres Strait Islander stakeholders on the response to COVID-19, including through the Aboriginal and Torres Strait Islander Advisory Group on COVID-19.

In 2020–21, the Department continued work to refresh the *National Aboriginal and Torres Strait Islander Health Plan 2013–2023* (Health Plan), an evidence-based policy framework which envisions an equitable Australian health system free of racism, where all Aboriginal and Torres Strait Islander people have access to health services that are effective, high quality, appropriate and affordable. The refreshed Health Plan is planned to be released in late 2021.

While the Aboriginal and Torres Strait Islander chronic disease-related mortality rate target was not met in 2020–21, continued improvements in chronic disease prevention, detection and management, including reducing smoking rates, are important contributors to declining the overall chronic disease mortality rates.

In 2020–21, the Department continued to work toward increasing the percentage of Aboriginal and Torres Strait Islander women having at least one health check in the first trimester of pregnancy. In the long term, healthy mums and babies directly relate to improved health outcomes later in life, specifically in terms of chronic disease.

Improve health outcomes of Aboriginal and Torres Strait Islander Australians through implementing actions under the *National Aboriginal and Torres Strait Islander Health Plan 2013–2023* (Health Plan) and its associated Implementation Plan.

Source: *Health Portfolio Budget Statements 2020–21*, p.69 and *Health Corporate Plan 2020–21*, p.25

2020–21 Target	2020–21 Result
Complete, release and commence implementation of the refreshed Health Plan in partnership with Aboriginal and Torres Strait Islander Australians, communities and organisations.	The refreshed Health Plan is not yet complete. It is expected to be released in late 2021, with the Implementation Plan to be delivered 6 months later.
	Result: Not met ○

While the endorsement process was delayed due to the COVID-19 pandemic, the Health Plan is in the finalisation stage and on track to be released by late 2021. Implementation of the Health Plan will drive systemic and structural change at the national level, including responsibilities for influencing mainstream service providers and partnerships with Aboriginal and Torres Strait Islander organisations.

Aboriginal and Torres Strait Islander chronic disease-related mortality rate per 100,000 is reduced. Source: *Health Portfolio Budget Statements 2020–21*, p.69 and *Health Corporate Plan 2020–21*, p.25					
2019 Target[11]	**2019 Result**	**2018**	**2017**	**2016**	**2015**
548–582	726.0[12]	721.4	691.3	724.8	724.5
	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 13% between 2006 and 2019.

Death rates for cardiovascular disease, diabetes and kidney disease have fallen over the last 10 years. However, other health outcomes have not improved and rates of death from cancer have increased.[13]

The Australian Government's Indigenous Australians' Health Programme provides targeted funding for a number of programs to help contribute to a lowered chronic mortality rate in Aboriginal and Torres Strait Islander people, including:

- the Tackling Indigenous Smoking Program, which aims to reduce harms from smoking
- the Integrated Team Care and Medical Outreach Indigenous Chronic Disease programs, which help patients understand and better manage their chronic conditions.

Increase the percentage of Aboriginal and Torres Strait Islander women who have at least one health check in the first trimester of pregnancy. Source: *Health Portfolio Budget Statements 2020–21*, p.69 and *Health Corporate Plan 2020–21*, p.25					
2020 Target[14]	**2020 Result**	**2019**	**2018**	**2017**	**2016**
57.3%	Data not available[15]	N/A[16]	N/A	N/A	N/A

Although data sets are not yet available for this measure, progress toward the 57.3% goal is on track to be met. In 2018, the age-standardised proportion of Aboriginal and Torres Strait Islander women attending antenatal care in the first trimester was above the current goal, at 61%. The proportion has increased significantly over time, from 41% in 2010 to 61% in 2018.

The Department funds a number of activities through the Indigenous Australians Health Programme to support achievement of this target. This includes the Australian Nurse-Family Partnership Program (ANFPP), a culturally appropriate, nurse-led home visiting program for women who are pregnant with an Aboriginal and/or Torres Strait Islander baby. One of the key focuses of the ANFPP is acting as a referral service to specialised support, including antenatal care and general practitioners.

Antenatal care in the first trimester (before 14 weeks gestational age) is associated with better maternal health in pregnancy, fewer interventions in late pregnancy and positive child health outcomes.

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

[12] 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 sets are deemed 'preliminary' when first published, 'revised' when published the following year and 'final' when published after a second year. For this Annual Report, the 2019 and 2018 data is 'preliminary', the 2017 data is 'revised', and the 2016 data is 'final'.

[13] Australian Institute of Health and Welfare 2020. Aboriginal and Torres Strait Islander Health Performance Framework 2020.

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

[15] The latest data on this performance measure is from 2018, as outlined in the Australian Institute of Health and Welfare Report tracking progress against the Implementation Plan goals for the *Aboriginal and Torres Strait Islander Health Plan 2013–2023*. Data for the 2020 result is not expected to be available until December 2022.

[16] This is a new performance measure for 2020–21, therefore results are not available prior to 2020.

Program 2.3:
Health Workforce

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

In 2020–21 the Department, on behalf of the Government, continued to invest in programs which improve health workforce distribution across Australia, particularly to regional, rural and remote areas. While the determinants of health outcomes are multi-faceted, for people living in these areas, access to the right healthcare professionals and services is reduced, contributing to poorer health outcomes.

To address these challenges, the Stronger Rural Health Strategy provides more opportunities for doctors to train and practise in rural and remote Australia, and gives nurses and allied health professionals a greater role in the delivery of multidisciplinary, team-based primary care.

In 2020–21, the Government announced a $50.3 million investment for expansion of the Rural Health Multidisciplinary Training (RHMT) Program to improve the recruitment and retention of health professionals in rural and remote Australia. The RHMT Program supports students undertaking rural training, increasing the likelihood of these trainees staying in rural health communities to work as health professionals.

The Government also invested $3.3 million over 2 years from 2020–21 to support well developed proof of concept pilots for innovative primary care models in rural areas across western and southern New South Wales. Additionally, a further investment of $11.2 million over 4 years from 2020–21 was made to extend and expand the Office of the National Rural Health Commissioner.

Looking forward, regional and rural Australians will continue to benefit from improved access to health services, with the Government further investing $123.0 million over 5 years in health workforce programs in the 2021–22 Budget.

Effective investment in workforce programs will improve the distribution of Australia's health workforce.[17]

a. Full time equivalent (FTE) vocationally registered Primary Care General Practitioners (GPs) per 100,000 population in Australia.[18]

b. FTE non-vocationally registered primary care GPs per 100,000 population in Australia.[19]

c. FTE non-general practice medical specialists per 100,000 population in Australia.[20]

d. FTE primary and community nurses per 100,000 population in Australia.[21]

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

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

Source: *Health Portfolio Budget Statements 2020–21*, p.71 and *Health Corporate Plan 2020–21*, p.26

2020–21 Target		2020–21 Result		2019–20[24]		2018–19		2017–18		2016–17	
Cities	Rural	Cities	Rural	Cities	Rural	Cities	Rural	Cities	Rural	Cities	Rural
a. 120.3	101.8	109.9	90.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
b. 7.1	13.6	7.4	16.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. 187.5	91.1	183.9	84.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d. 152.0	207.1	150.0	204.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
e. 386.4	282.4	373.8	273.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
f. N/A	>50%	N/A	51%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Result: Substantially met									

In 2020–21, results for this measure met 3 out of the 11 targets. For the remaining 8 targets:

- over 89% of the FTE was achieved for one target
- over 91% of the FTE was achieved for 2 targets
- over 96% of the FTE was achieved for 2 targets
- over 98% of the FTE was achieved for 3 targets.

Overall, 96.5% of the FTE across all targets was achieved.

COVID-19 and border restrictions have contributed to workforce shortages, as there have been less international health and medical workers coming into Australia than usual.

Continued implementation of the Government's $550 million Stronger Rural Health Strategy is assisting to address the challenges in accessing health services in rural and remote Australia by giving doctors more opportunities to train and practise in rural and remote areas, and giving nurses and allied health professionals a greater role in the delivery of multidisciplinary, team-based models of primary health care.

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

[17] Additional health workforce information is available at: www.hwd.health.gov.au
[18] Medical Benefits Scheme claims data 2013–14 to 2018–19 (date of processing).
[19] Ibid.
[20] National Health Workforce Datasets (NHWDS), Medical Practitioners, 2013–18.
[21] NHWDS, Nurses and Midwives, 2013–19.
[22] NHWDS, Allied Health, 2013–18.
[23] Australian General Practice Training Program data, 2019.
[24] This is a new performance measure for 2020–21, therefore results are not available prior to 2020.

Program 2.4:
Preventive Health and Chronic Disease Support

There were 3 performance targets for which data sets were not available at the time of publication. Where data sets were available, the Department substantially met all targets.

In 2020–21, the Department supported enhancement of public and preventive health policy through the development of national strategies for preventive health, obesity and injury prevention, and the implementation of existing national strategic action plans for chronic diseases and national strategies for men's, women's and children's health. Patients, students, teachers, parents, carers and health professionals will benefit from having credible information that is easily accessible through a range of platforms, and access to a range of programs and services that help improve the management of chronic conditions.

The final National Injury Prevention Strategy, which was circulated to states and territories in March 2021 for their endorsement, seeks to address inequities that contribute to the disproportionate burden of injury experienced by specific population groups. Injury is a major cause of preventable death and disability in Australia and the final strategy outlines the best ways to reduce injury rates across all age groups and risk levels.

The 10 year National Preventive Health Strategy, due to be finalised in the second half of 2021, is part of Australia's Long Term National Health Plan. It focuses on system wide, evidence-based approaches to reducing poor health and improving wellbeing at all stages of life and will provide the overarching approach to prevention in Australia for the next decade.

In 2020–21, the Department established and implemented the Australian Thalidomide Survivors Support Program. The program provides a support package that acknowledges the pain and suffering of thalidomide survivors, and aims to improve survivors' quality of life by helping with the cost of out-of-pocket healthcare and daily living.

The Department also supports preventive health through early detection programs such as the National Bowel Cancer Screening Program, BreastScreen Australia and the National Cervical Screening Program (NCSP). Cancer screening programs help to reduce the morbidity and mortality rates of cancer through early detection, diagnosis and treatment. Further, research has predicted that if vaccination coverage and screening participation in the NCSP are maintained, Australia will likely eliminate cervical cancer as a public health problem by 2035.

The National Drug Strategy and its sub-strategies improve the health and wellbeing of Australians by preventing and reducing the harms associated with alcohol, tobacco and other drug use. The National Drug Strategy outlines a national commitment to harm minimisation through a balanced adoption of effective demand, supply and harm reduction strategies to build safe, healthy and resilient Australian communities.

Provide national guidance to states, territories and health professionals on strategies to reduce the prevalence of chronic conditions and associated complications. Support Australians to make healthy lifestyle choices. Source: *Health Portfolio Budget Statements 2020–21*, p.73 and *Health Corporate Plan 2020–21*, p.27	
2020–21 Target	**2020–21 Result**
Continue to implement Commonwealth responsibilities under relevant action plans, implementation plans and strategies. Finalise and launch the National Injury Prevention Strategy and develop the Monitoring and Reporting Framework. Finalise and launch the 10 year National Preventive Health Strategy. Commence implementation of a thalidomide financial support package.	Commonwealth responsibilities under action plans, implementation plans and strategies continued to be implemented. The final National Injury Prevention Strategy (the Strategy) was circulated to states and territories for their endorsement in March 2021, and will be finalised following final consultations with states and territories. A draft Monitoring and Reporting Framework has been developed and will be finalised in 2021–22 following the launch of the Strategy. The 10 year National Preventive Health Strategy is due to be finalised in the second half of 2021. The Australian Thalidomide Survivors Support Program has been established, and implementation has commenced.
	Result: Substantially met

A large number of grants have been distributed among a range of peak bodies, universities and other non-governmental organisations. New grants awarded in 2020–21 include activities in the areas of inflammatory bowel disease, lung conditions, rare diseases and migraine. Activities include education and training of health professionals, consumer awareness, and education and research. Grant activities align with the objectives of relevant chronic condition action plans.

Funded organisations are developing and delivering a range of resources and services to support Australians living with chronic conditions. Funded activities, directed toward consumers and/or health professionals, include the:

- development of evidence-based resources, including for target population groups
- expansion and enhancement of support services
- development of guidelines to inform diagnosis and management
- development or upgrade of digital platforms.

These activities will continue over a number of years, and are aligned with the objectives of relevant chronic condition action plans.

In 2020–21, an amendment was made to the Australia and New Zealand Food Standards Code, requiring pregnancy warning labels on alcoholic beverages from 31 July 2023 to warn of the risks of alcohol consumption during pregnancy.

Additionally, delivery of the Australian Breastfeeding Association's free 24 hour National Breastfeeding Helpline and live chat service, and training of professionals and volunteers, continued. Funding of approximately $2 million to the Australian Breastfeeding Association in 2020–21 maintained continuation of the service, and the training of a minimum of 400 volunteers per month to staff these services. On 1 May 2021, the Australian Breastfeeding Association celebrated receiving the one millionth call to its National Breastfeeding Helpline.

The development and finalisation of the 10 year National Preventive Health Strategy was delayed in 2020–21, as staff were redeployed to other areas of the Department to assist in the COVID-19 pandemic response. Despite these delays, the National Preventive Health Strategy was drafted in close collaboration with the Expert Steering Committee and released for public consultation in March 2021. The National Preventive Health Strategy is anticipated to launch in the second half of 2021. Delaying finalisation of the National Preventive Health Strategy has enabled further public consultation processes to take place.

The National Injury Prevention Strategy takes a life-stage approach to reduce the overall burden of injury in Australia. Due to impacts caused by the COVID-19 pandemic, the public consultation process for the Strategy was delayed by 6 months, opening on 15 May 2020, and closing on 3 July 2020. The Department is now working with states and territories to finalise the National Injury Prevention Strategy.

The Australian Thalidomide Survivors Support Program will provide eligible Australian registered thalidomide survivors with lifetime benefit. Implementation of the Program is on track, with the majority of recognised survivors registered and receiving support.

Australian Thalidomide Survivors Support Program

The Australian Thalidomide Survivors Support Program is a lifetime support package for recognised thalidomide survivors that acknowledges the pain and suffering of survivors and helps with out-of-pocket health care and daily living costs.

Thalidomide survivors are experiencing premature ageing, with associated increased health care requirements and increasing need for day to day assistance. This support will improve survivors' quality of life and help meet their specialised needs.

Under the Program, survivors may be eligible to:

- receive a lump sum payment and ongoing annual payments
- access an Extraordinary Assistance Fund
- access a Health Care Assistance Fund
- receive personalised assistance from a dedicated Thalidomide Support Service to assist in accessing the above funds and other government and community supports.

The Government is also in the process of establishing a national site of recognition for thalidomide survivors and their families, and will issue a formal apology on behalf of the nation.

The financial support provided to thalidomide survivors recognises the pain and suffering they have experienced, and assists them to meet their increasing health and wellbeing needs to maintain quality of life as they age.

'(My mother's) guilt and worry for me as I approach 60 and she approaches 90 has eased since your lovely support. That means the most to me.'

– Thalidomide survivor.

'In the midst of pandemic, the time you've awarded to addressing the grave historic injustice of thalidomide is hugely and graciously appreciated by all survivors.'

– Thalidomide survivor.

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

a. National Bowel Cancer Screening Program.[25]

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

Source: *Health Portfolio Budget Statements 2020–21*, p.74 and *Health Corporate Plan 2020–21*, p.28

Jan 2020 – Dec 2021 Target	Jan 2020 – Dec 2021 Result	Jan 2019 – Dec 2020	Jan 2018 – Dec 2019	Jan 2017 – Dec 2018	Jan 2016 – Dec 2017
a. 56.6% b. 54%	Data not available[26] Data not available[27]	Data not available[28] Data not available[29]	43.5% 55.0%	42.4% 55.0%	41.3% 55.0%

Participation rates in the National Bowel Cancer Screening Program (NBCSP) are increasing over time. New data released by the Australian Institute of Health and Welfare (AIHW) has shown for the period of January 2018 to December 2019, of the 5.7 million people aged 50 to 74 who were invited to participate, almost 2.4 million (43.5%) participated, up from 42% in the previous 2 year rolling period.[30] Historically, women have higher participation rates than men. Participation rates remain highest for people aged 70 to 74, which was a continuing trend from 2014–15 to 2018–19.

A 2018 AIHW report[31] indicates that bowel cancers detected through the NBCSP are less likely to cause death than bowel cancers diagnosed in people never invited to screen. Using current participation rates, the NBCSP is expected to save around 59,000 lives by 2040.

Participation in BreastScreen Australia is measured over 2 calendar years to align with the 2 year recommended screening interval. The most recent monitoring report from the AIHW on participation in the BreastScreen Australia program found that in the 2 calendar years of 2017 and 2018, around 55% of the eligible population participated in the program.

BreastScreen services were briefly suspended in 2020 due to the COVID-19 pandemic, and some are still operating at reduced capacity. The Department is monitoring the impact of the pandemic on participation trends.

In 2020–21, the Department contracted research into potential improvements to the BreastScreen program, including personalised risk-based screening and new ways of screening.

[25] Participation is defined as the percentage of people invited to screen through the National Bowel Cancer Screening Program over a 2 year period (1 January to 31 December) who return a completed screening test within that period or by 30 June of the following year.

[26] Due to the time between an invitation being sent, test results and collection of data from the Register, participation rates for January 2020 to December 2021 are not yet available. These results are expected to be available in June 2023.

[27] Due to the time between an invitation being sent, test results and collection of data from BreastScreen registries, participation rates for January 2020 to December 2021 are not yet available. These results are expected to be available in October 2022.

[28] Due to the time between an invitation being sent, test results and collection of data from the Register, participation rates for January 2019 to December 2020 are not yet available. These results are expected to be available in June 2022.

[29] 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. These results are expected to be available in October 2021.

[30] National Bowel Cancer Screening Program monitoring report 2021, available at: www.aihw.gov.au/reports/cancer-screening/nbcsp-monitoring-report-2021/summary

[31] Available at: www.aihw.gov.au/reports/cancer-screening/cancer-outcomes-screening-behaviour-programs/contents/summary

The percentage of women aged 25–74 years old participating in the National Cervical Screening Program (NCSP) is maintained.[32] Source: *Health Portfolio Budget Statements 2020–21*, p.74 and *Health Corporate Plan 2020–21*, p.28					
Jan 2020 – Dec 2024 Target	**Jan 2020 – Dec 2024 Result**	**Jan 2019 – Dec 2023**	**Jan 2018 – Dec 2019**	**Jan 2017 – Dec 2018**	**Jan 2016 – Dec 2017**
57%	Data not available[33]	Data not available	46.5%	53.0%[34]	56.3%[35]

The NCSP aims to reduce morbidity and mortality from cervical cancer. The NCSP targets people with a cervix aged 25 to 74 years to undertake a test to detect the presence of human papillomavirus (HPV) every 5 years. The program was renewed on 1 December 2017, when it changed from 2 yearly Pap testing to a 5 yearly HPV test.

Program data for the full 5 year period from January 2020 to December 2024 is required in order to fully assess participation under the renewed program. As such, participation rates will not be finalised until 2025.

While 5 years of data for the renewed program is not currently available, in the 2 year period from January 2018 to December 2019, a total of 3,129,719 people with a cervix aged 25 to 74 years had a HPV test in the program, which is estimated to be 47% of the target population.

Participation in 2018–19 was lower than 2017–18. It is understood that the participation rate has been impacted by a change in the definition of participation. Prior to 2018–19, participation included all HPV tests performed for any reason. However, participation calculations are now restricted to HPV tests performed for cervical screening only. It should be noted that participation for the most recent 2 years of data is not comparable to participation rates previously reported under the previous Pap testing program.

[32] From 1 December 2017, the biennial Pap test for people 18 to 69 years of age changed to a 5 yearly Cervical Screening Test for people 25 to 74 years of age. Prior to 1 December 2017, the results for this criterion were reported on a rolling 2 calendar year basis, however biennial targets are no longer applicable due to the change in the screening interval from 2 to 5 years. Participation rates for the renewed National Cervical Screening Program will only be accurately measured after a full phase of screening (5 years) has been completed and the data assessed. Prior to this, interim indicators will be used to estimate participation using available data.

[33] Due to the change from the 2 yearly Pap test to the 5 yearly Cervical Screening test, the 5 yearly participation rate will not be published by the AIHW until 12 months after completion of the 5 year period. As such, results from January 2019 to current will not be available until approximately late 2025.

[34] An estimated 53.0% of women aged 25 to 69 participated in cervical screening over the 2 year period 2017–18, under either the previous or the renewed NCSP.

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

Support a collaborative approach to preventing and reducing the harms from alcohol, tobacco and other drugs. Source: *Health Portfolio Budget Statements 2020–21*, p.75 and *Health Corporate Plan 2020–21*, p.29	
2020–21 Target	**2020–21 Result**
Continue investing in quality alcohol and drug treatment services consistent with the National Quality Framework. Strengthen the alcohol and drugs evidence base through high quality research, data analysis and consultation with industry experts. Continue to work with Commonwealth entities, states, territories and other relevant agencies to support the development, implementation and monitoring of Australia's national alcohol, tobacco and other drug policy frameworks, including reporting on the National Drug Strategy and associated sub-strategies. Continue to deliver the National Tobacco Campaign, focusing on high prevalence smoking populations.	In 2020–21, the Department invested $222 million to support alcohol and other drug treatment services, prevention activities and research consistent with the National Quality Framework. Under the Drug and Alcohol Program, the Department funded 5 national research centres[36] to undertake research activities relevant to alcohol and drugs. This funding informs the Department's work to refine evidence-based policy on alcohol and drugs, in consultation with stakeholders. The Department continued to work with Commonwealth entities, states, territories and other relevant agencies to: • release the revised Australian guidelines to Reduce Health Risks from Drinking Alcohol (the Alcohol Guidelines) on 8 December 2020 • implement the Fetal Alcohol Spectrum Disorder (FASD) Strategic Action Plan • regularly monitor the National Drug Strategy through the National Drug Strategy Annual Report • develop the next iteration of the National Tobacco Strategy (NTS). Development of a new phase of the National Tobacco Campaign has been delayed until 2021–22.
	Result: Substantially met

The Australian Government is committed to building safe and healthy communities by reducing the impacts associated with drug and alcohol misuse to individuals, families and communities. Under the Drug and Alcohol Program, funding is provided to reduce the drug and alcohol prevalence and harms across Australia. This includes treatment, prevention, research, data, governance and capacity building projects. Funding is provided to Primary Health Networks to commission locally based treatment services in line with community needs, while also directly funding services with a national and statewide intake.

In 2020–21, the 5 funded national research centres undertook a broad range of research to inform evidence-based drug and alcohol policy. This included treatment and interventions, patterns of alcohol and drug use, prevention and early intervention, workforce development, service delivery, drug and alcohol policy, the impact of the COVID-19 pandemic on alcohol and drug usage, and availability and use of services.

The revised Alcohol Guidelines were released on 8 December 2020. The Department, alongside stakeholders and states and territories, is funding a campaign to build engagement, raise awareness and educate Australians on the revised guidelines through social media and other mechanisms.

Implementation of the National FASD Strategic Action Plan was supported by the Government's announcement on 9 September 2020 of $23.7 million for FASD diagnostic and support services. This funding includes an expansion of FASD diagnostic services, which will ensure FASD diagnostic capacity and capability in all jurisdictions. Support services were also extended, providing telephone and online support to individuals, families and carers across Australia.

[36] The 5 research centres are the National Drug and Alcohol Research Centre (NDARC), the National Drug Research Institute (NDRI), the National Centre for Education and Training on Addiction (NCETA), the National Centre for Youth Substance Abuse Research (NCYSAR), and the National Centre for Clinical Research on Emerging Drugs (NCCRED).

On 4 November 2020, the Ministerial Drug and Alcohol Forum and the National Drug Strategy Committee were formally disbanded as a result of the National Cabinet Review of the Council of Australian Governments' Councils and Ministerial Forums (the Conran Review). Recommendations for ongoing governance arrangements will form a key component of the National Drug Strategy mid-point review, due to be undertaken in 2021–22. This will provide an opportunity to more thoroughly assess progress, measure success and identify new priorities, emerging issues or challenges. The Department continues to meet regularly with jurisdictional health officials to monitor progress of the National Drug Strategy, identify emerging issues and undertake collaborative work.

Work with the states and territories to finalise the next NTS is ongoing. All state and territory governments have overseen development of the draft NTS 2021–30, in consultation with a range of public health and tobacco control experts. Revision of the NTS was based on feedback from a range of government and non-government stakeholders. Development of a new phase of the National Tobacco Campaign has been delayed until 2021–22 due to ongoing prioritisation of departmental communication resources on COVID-19 and vaccine related health campaigns.

Reduce the percentage of the population 18 years of age and over who are daily smokers.[37]

Source: *Health Portfolio Budget Statements 2020–21*, p.76 and *Health Corporate Plan 2020–21*, p.29

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18
12%	Data not available[38]	Data not available	Data not available	14%[39]

There has been a long term decline in the daily smoking rate of Australian adults aged 18 years and over. Since 2001, the proportion of adults who are daily smokers has decreased from 22.4% to 13.8%.

The Department is working to implement a new national best practice support service for nicotine cessation to ensure health professionals receive up to date and evidence-based resources.

The Department collaborated with other government agencies to continue implementing tobacco control measures at the national level, including:

- tobacco excise and excise-equivalent customs duty
- plain packaging of tobacco products
- labelling tobacco products with larger graphic health warnings
- prohibiting tobacco advertising and promotion
- providing education and support to prevent and reduce smoking
- measures to minimise the illicit tobacco trade.

[37] 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.

[38] The most recent results available are from the ABS NHS 2017–18. Progress against this performance measure will be available when the results of the next NHS are released, which is anticipated to occur in late 2021.

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

Program 2.5:
Primary Health Care Quality and Coordination

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

The Department continued to support Primary Health Networks (PHNs) in 2020–21, improving the efficiency, effectiveness and coordination of health services at the local level. PHNs work closely with health professionals to build health workforce capacity and deliver high quality care, and work collaboratively within their regions to integrate health services at the local level. A total of 7 priority areas guide the work of PHNs, including mental health, Aboriginal and Torres Strait Islander health, population health, digital health, health workforce, aged care, and alcohol and other drugs.

During 2020–21, 150 GP-led respiratory clinics (GPRCs) supported the COVID-19 pandemic response through providing free, full clinical assessment of patients with respiratory symptoms, including relevant treatment and testing for COVID-19. GPRCs reduce the pressure on hospital emergency departments and protect other general practices from potential COVID-19 cases, while ensuring ongoing patient care is maintained.

The role of the GP-led respiratory clinics (GPRCs) in the Australian Government's response to the COVID-19 pandemic

In March 2020, the Government established a network of up to 150 GPRCs across Australia to deliver equitable, scalable and culturally safe primary health care for patients with mild to moderate respiratory symptoms as part of the COVID-19 health response.

GPRCs supplement the work of state and territory fever clinics by providing free, full clinical assessment of patients with respiratory symptoms, including relevant treatment and testing for COVID-19 regardless of Medicare eligibility or visa status. This protects other general practices, healthcare settings and emergency departments from potential COVID-19 cases while ensuring ongoing patient care is maintained.

Primary Health Networks (PHNs) worked with local health districts to identify suitable GPRC site locations to complement state and territory testing clinics. PHNs continue to support ongoing operation of the clinics.

GPRCs were also identified as vaccine delivery sites in the COVID-19 Vaccination Strategy, with the majority currently administering vaccinations in addition to respiratory assessment and testing services.

Improve efficiency, effectiveness and coordination of health services at the local level. Source: *Health Portfolio Budget Statements 2020–21*, p.77 and *Health Corporate Plan 2020–21*, p.30	
2020–21 Target	**2020–21 Result**
Primary Health Network (PHN) performance is maintained or improved from the previous assessment. GP-led respiratory clinics (GPRCs) continue to support the COVID-19 pandemic response.	The Department's assessment of the PHN Program for 2019–20, through the PHN Program Performance and Quality Framework, is underway but not yet complete. In 2020–21, the Government's response to the COVID-19 pandemic continued through the respiratory assessment and testing services provided by Commonwealth funded GPRCs.
	Result: Substantially met

Throughout 2020–21, PHNs were actively involved in the COVID-19 pandemic response, including provision of additional support for primary care, including vaccination coordination, communication with general practices, residential aged care facilities and Aboriginal health services, as well as workforce infection control and surge capacity activities. In 2020–21, the PHN Program continued to improve health outcomes for the Australian community by supporting health practitioners and building system integration and commissioning services to meet unmet health needs. However, the COVID-19 pandemic has impacted the ability of PHNs to deliver activities and has caused a redirection and reprioritisation of their existing resources.

Assessment of PHN program performance through the PHN Program Performance Report for 2019–20 is underway but has not yet been completed. Preliminary assessments of 14 individual PHN 12 month reports in June 2021 provides early indication that performance has broadly been maintained.

Throughout 2020–21, 150 GPRCs provided respiratory assessment and testing services to local communities. GPRCs have serviced 2,443 postcodes nationally, covering 99.7% of the population. More than half of GPRCs are located in non-metropolitan areas, where they are often the only health service and/or local testing service available.

As at 30 June 2021, more than 1.3 million consultations occurred in GPRCs, and more than 1.2 million tests for COVID-19 were conducted in line with current testing guidelines.

Allied health services in Residential Aged Care Facilities (RACFs)

The allied health group therapy program in RACFs aims to improve the physical functioning of residents at risk of deconditioning due to the COVID-19 lockdowns in 2020. The program was aimed at people living in one of the 119 RACFs that had a COVID-19 case among residents or staff up until 23 October 2020. The program was offered by Primary Health Networks across 11 sites in early 2021, supporting twice-weekly group therapy for up to 26 weeks.

Group therapy sessions were led by physiotherapists, occupational therapists and/or exercise physiologists, with funding provided to conduct:

- an initial meeting with the RACF to discuss the program
- one face-to-face initial consultation for each participant
- 2 hours of face-to-face group therapy per week, per participant, over a minimum of 2 sessions
- up to 26 weeks of therapy.

The group therapy program delivered was based on the SUNBEAM[40] program, which has been proven to be effective in preventing falls in the elderly.

The allied health group therapy in RACFs program is part of a $132.2 million investment in response to the Royal Commission into Aged Care Quality and Safety recommendations on COVID-19. The group therapy will support people who need rehabilitation after recovering from COVID-19, and people who have lost condition or mobility because of restrictions put in place to manage the outbreak.

'Over the years of implementing the SUNBEAM program, it has become very clear to me that it is not just the exercise that is important but also the sense of enjoyment, pride and belonging that really helps residents.'

– Jennifer Hewitt, physiotherapist, member of the Australian Physiotherapy Association and one of the authors of the SUNBEAM program.

'Well, I've been coming to the gym 3 times a week for about a year now and I can honestly say the gym is the best thing since sliced bread, with honey on it. I think the strength in my muscles… I wasn't so weak, I can straighten up and walk tall (with) a bit more confidence. My quality of life is definitely better since I've been doing these exercises.'

– RACF resident.

[40] Hewitt J, et al. Progressive Resistance and Balance Training for Falls Prevention in Long-Term Residential Aged Care: A Cluster Randomized Trial of the Sunbeam Program. JAMDA 2018: 19 (4): 361-369. ISSN 1525-8610, www.doi.org/10.1016/j.jamda.2017.12.014

Program 2.6:
Primary Care Practice Incentives

The Department met the performance target related to this program.

The Department continues to support the Government in maintaining Australia's access to quality general practitioner care through the Practice Incentives Program Quality Improvement (PIP QI) Incentive. The PIP QI Incentive is a payment to general practices who participate in quality improvement activities and share data with their Primary Health Network (PHN) to improve patient outcomes and deliver best practice care.

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

Source: *Health Portfolio Budget Statements 2020–21*, p.78 and *Health Corporate Plan 2020–21*, p.30

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
≥86.0%	87.7%[41]	85.5%	85.3%	85.2%	91.0%
	Result: Met ●				

The PIP encourages general practices to continue providing quality care, enhancing capacity and improving access and health outcomes for patients. In 2020–21, the PIP QI supported quality improvement activities through data sharing agreements between general practices and their PHN.

In the final quarter of 2020–21, there were 6,600 accredited general practices. Of these, 5,789 were eligible for a PIP QI payment as they submitted data to their PHN to facilitate quality improvement activities.

[41] This is a new performance measure for 2020–21. Results from previous years, which are outlined in the table above, relate to the previous measure *'Access to accredited general practitioner care maintained through percentage of general practitioner patient care services provided by Practice Incentives Program practices'*.

Program 2.7:
Hospital Services

The Department met the performance target related to this program.

In 2020–21, the Department engaged with interjurisdictional fora and provided advice and analyses concerning public hospital funding to relevant stakeholders in support of the 2020–25 Addendum to the National Health Reform Agreement (NHRA). The NHRA outlines the Australian Government's funding contributions to states and territories for public hospital services, including those delivered through emergency departments, hospitals and community health settings.

The Department administered significant funding in 2020–21 under the COVID-19 National Partnership, which provides financial assistance to states and territories to cover additional costs incurred as a result of the COVID-19 pandemic. The partnership supports the capacity and capability of our health system to ensure the safety of all Australians through COVID-19 testing, contact tracing and treatment, and by providing access to COVID-19 vaccines.

The 2020–25 Addendum to the NHRA and the COVID-19 National Partnership provide an estimated $135.4 billion in additional funding to public hospitals over 5 years from 2020–21.

Provide public hospital funding policy advice to Government and external stakeholders to support better health outcomes for all Australians.

Source: *Health Portfolio Budget Statements 2020–21*, p.80 and *Health Corporate Plan 2020–21*, p.31

2020–21 Target	2020–21 Result
Support the implementation of the New Addendum to the National Health Reform Agreement (NHRA) 2020–21 to 2024–25, by providing relevant advice and analysis and through engagement with interjurisdictional fora. Support the implementation of the COVID-19 National Partnership.	In 2020–21, the Department supported the administration of $19.2 billion in cash payments to states and territories under the 2020–25 Addendum to the NHRA. 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 Department supported the administration of $2.8 billion in cash payments to states and territories under the COVID-19 National Partnership, which delivered 10.6 million COVID-19 tests and 1.6 million COVID-19 vaccines.
	Result: Met

The 2020–21 to 2024–25 Addendum to the NHRA commenced on 1 July 2020. 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, 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 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 support for COVID-19 testing, contact tracing, and treatment and other public health activities to minimise spread of the virus. Under the COVID-19 National Partnership, the Commonwealth has committed funding support for the delivery of COVID-19 vaccines and infection prevention and control in residential aged care facilities.

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 interjurisdictional forums that address public hospital funding policy.

Outcome 2 - Expenses and Resources

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 2.1: Mental Health[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,044,263	1,035,091	(9,172)
Departmental expenses			
Departmental appropriation[3]	30,336	29,300	(1,036)
Expenses not requiring appropriation in the budget year[4]	2,253	2,651	398
Total for Program 2.1	**1,076,852**	**1,067,042**	**(9,810)**
Program 2.2: Aboriginal and Torres Strait Islander Health[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	958,724	958,626	(98)
Departmental expenses			-
Departmental appropriation[3]	25,719	26,582	863
Expenses not requiring appropriation in the budget year[4]	2,892	3,143	251
Total for Program 2.2	**987,335**	**988,351**	**1,016**
Program 2.3: Health Workforce			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,480,908	1,430,128	(50,780)
Departmental expenses			
Departmental appropriation[3]	35,866	36,822	956
Expenses not requiring appropriation in the budget year[4]	3,561	3,960	399
Total for Program 2.3	**1,520,335**	**1,470,910**	**(49,425)**
Program 2.4: Preventive Health and Chronic Disease[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	488,272	468,935	(19,337)
Departmental expenses			
Departmental appropriation[3]	38,783	37,709	(1,074)
Expenses not requiring appropriation in the budget year[4]	3,193	3,627	434
Total for Program 2.4	**530,248**	**510,271**	**(19,977)**
Program 2.5: Primary Health Care Quality and Coordination			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	850,444	808,356	(42,088)
Departmental expenses			
Departmental appropriation[3]	29,995	28,718	(1,277)
Expenses not requiring appropriation in the budget year[4]	2,292	2,545	253
Total for Program 2.5	**882,731**	**839,619**	**(43,112)**

Outcome 2 - Expenses and Resources (continued)

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 2.6: Primary Care Practice Incentives			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	449,398	439,678	(9,720)
Departmental expenses			
Departmental appropriation[3]	2,138	2,222	84
Expenses not requiring appropriation in the budget year[4]	175	209	34
Total for Program 2.6	**451,711**	**442,109**	**(9,602)**
Program 2.7: Hospital Services[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	16,039	15,848	(191)
Departmental expenses			
Departmental appropriation[3]	42,188	42,817	629
Expenses not requiring appropriation in the budget year[4]	2,734	2,625	(109)
Total for Program 2.7	**60,961**	**61,290**	**329**
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	5,288,048	5,156,662	(131,386)
Departmental expenses			
Departmental appropriation[3]	205,025	204,170	(855)
Expenses not requiring appropriation in the budget year[4]	17,100	18,760	1,660
Total expenses for Outcome 2	**5,510,173**	**5,379,592**	**(130,581)**
Average staffing level (number)	**907**	**897**	**(10)**

1 Budgeted expenses taken from the *Health Portfolio Budget Statements 2021–22* and re-aligned to the 2020–21 outcome structure.

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

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

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

Technicians in Physics Department of University of WA modify wheelchair for operation by breath - used by quadriplegic, John Eyegenraam.
NAA: A1200, L72379 (1968).

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

	2032 Olympic and Paralympic Games candidature	Australia submitted a bid to host the 2032 Olympic and Paralympic Games on 25 May 2021. *Program 3.1*
	Sport 2030	The Department continued to implement programs and initiatives to progress action areas of Sport 2030, Australia's first national sport plan. *Program 3.1*
	Rugby World Cup 2027 bid	Rugby Australia publicly launched its bid to host the Rugby World Cup 2027, supported by the Australian Government. *Program 3.1*

81.4% of adults participated
in organised sport and physical activity
once per week in 2020

Australia submitted a **bid to host** the **2032 Olympic and Paralympic Games**

In 2020,
participation rates for physical activities
like walking, cycling, swimming, tennis and yoga
increased

Implementation of the **Driving Social Inclusion** through **Sport and Physical Activity Program** continued

Programs contributing to Outcome 3

	Summary of results against performance criteria			
Program	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Program 3.1: Sport and Recreation	1	–	–	1
Total	**1**	**–**	**–**	**1**

Program 3.1: Sport and Recreation

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

The Department continued supporting Australians' participation in sport during 2020–21 by progressing key targets and outcomes of Sport 2030. Sport 2030 is Australia's first national sport plan, setting the vision for sport and physical activity in Australia – to ensure we are the world's most active and healthy nation, known for our integrity and sporting success. Sport 2030 encourages more Australians to be involved in sport and physical activity, from childhood through to senior years, so they receive the health and social benefits participation delivers.

The Department commenced planning for the FIFA Women's World Cup 2023, following FIFA's announcement on 25 June 2020 that Australia and New Zealand won joint hosting rights. Hosting the FIFA Women's World Cup 2023 is expected to enhance Australia's growing reputation for promoting and supporting women's sport, and gender equity more broadly. This will be the pinnacle event for women's football and will lead to a significant boost in international and domestic tourism through football's global appeal and reach.

Australia also submitted a bid to host the 2032 Olympic and Paralympic Games. Hosting this event will provide significant socio-economic benefits including increased tourism, trade, employment, health and social cohesion.

Support Australians' participation in sport through developing, implementing and promoting national policies, strategies and programs. Source: *Health Portfolio Budget Statements 2020–21*, p.84 and *Health Corporate Plan 2020–21*, p.38	
2020–21 Target	**2020–21 Result**
Maintain the level of Australian children aged 0–14 years participating in organised sport or physical activity outside of school hours. Maintain the level of the Australian population aged 15 years and over participating in organised sport or physical activity. Progress key targets and outcomes of Sport 2030, including having 15% more Australians participating in at least 150 minutes of moderate to vigorous activity each week by 2030.	2020–21 participation rates for children and adults are not available.[42] The Department continued to implement programs and initiatives to progress action areas of Sport 2030, including the: • Driving Social Inclusion through Sport and Physical Activity Program • Supporting Sport and Physical Activity election commitments[43] • Female Facilities and Water Safety Stream Program • Community Development Grants Program. Participation data for the Sport 2030 participation target is not available.[44]
	Result: Data not available —

While data is not yet available for 2020–21, 2020 calendar year data shows 48.0% of children participated in organised sport and physical activity outside of school once per week, a 10.9% decrease from 2019.

Enforced restrictions in place during the COVID-19 pandemic, including the cancellation of participation sporting events and reduction in length of seasons for organised community sport, likely contributed to these reduced participation rates. An AusPlay[45] focus report[46] found that less than one in 5 Australian children were active in organised activities outside of school during lockdown.

Similarly, 2020 calendar year data shows 81.4% of adults participated in organised sport and physical activity once per week, a decrease of 1.2% from 2019. The COVID-19 pandemic affected the types of activities adults were able to undertake during 2020 and while there was an overall decrease in participation rates, there was an increase in a number of physical activities from 2019 to 2020, including walking and bush walking, jogging, cycling, swimming, yoga, golf and tennis. In general, these activities were able to be performed under social distancing requirements and while following COVID-19 guidelines.

Despite these challenges, current data indicates that 80% of adults and children who played organised sport before the COVID-19 pandemic had returned to at least one of their sports by March 2021.

[42] 2020–21 participation rates for children and adults for each financial year are compiled 5 months after the end of the reference period. Results will be published in the 2021–22 Department of Health Annual Report and in October 2021, available at: www.clearinghouseforsport.gov.au/research/ausplay/results

[43] Previously titled the Supporting Sport and Physical Activity initiative.

[44] Results from the National Health Survey 2021 are expected to be released by the Australian Bureau of Statistics in December 2021, which will inform progress toward the Sport 2030 participation target. Results will be published in the 2021–22 Department of Health Annual Report.

[45] The AusPlay survey is a large scale national survey led by Sport Australia, which tracks the sporting behaviours and activities of the Australian population.

[46] The report is available at: www.clearinghouseforsport.gov.au/__data/assets/pdf_file/0011/975530/AusPlay-Focus-Early-Impact-of-COVID-19_Final.pdf

Driving social inclusion through the Seven Sisters Program

The Driving Social Inclusion through Sport and Physical Activity Program provides grant funding to projects addressing inclusion issues for vulnerable and disadvantaged individuals. It seeks to enhance wellbeing and a sense of community belonging by using sport and physical activity to contribute to the building of resilient, cohesive and harmonious communities, ensuring individuals, families and communities have the opportunity to thrive, with the capacity to respond to emerging needs and challenges.

The Seven Sisters Program (the Program) is one of the projects funded under the Sport and Physical Activity Program, and is delivered by Glass Jar Australia's Shooting Stars. The Program provides Aboriginal and Torres Strait Islander girls and women with opportunities to develop positive social and emotional wellbeing skills and preventive mental health strategies, which enable them to respond and adapt to emerging challenges as they progress through life.

The Program was developed after Shooting Stars Yarning Circles research identified recurring themes as barriers for school attendance for participants across all sites, including negative relationships with peers or staff, emotional regulation and bullying.

The 10 week program uses netball as a space to teach participants emotional regulation strategies, including how to recognise and name their emotions and develop strategies for cheering themselves up or calming down, and learning how to build healthy relationships to ultimately increase school attendance.

The Program finishes with a community netball match event open to families and the wider community to support participants. The event is also an opportunity for local Aboriginal health service providers to engage with participants and build connections, which helps participants feel comfortable accessing health services in their community.

The Program has been developed in line with Aboriginal and Torres Strait Islander perspectives of social and emotional health, which applies a holistic model of connection to 7 different spheres of life: culture, land, physical self, mental self, community, family/kinship and ancestors/spirituality. Characters were designed to reflect these spheres and allow participants to affiliate and connect with at least one character.

In 2020, the Program was successfully piloted in Narrogin, Western Australia, and has now been implemented with Year 5 and 6 students across all 8 Shooting Stars sites. The year 2022 will see the Program adapted for high school students and rolled out across all Shooting Stars sites.

'The program incorporates 7 characters who personify a connection to each of the 7 spheres. Whilst participants will affiliate with at least one character, the program works to ensure they develop strategies to connect with every aspect on the sphere wheel. Equipping our participants with the skills to respond and adapt to emerging challenges doesn't just benefit our participants, but also their communities.'

– Jade McGuire, Seven Sisters Program Coordinator.

Provide whole-of-government leadership for, and coordination of, major international sporting events in Australia, including developing and implementing policies and strategies to support each event. Source: *Health Portfolio Budget Statements 2020–21*, p.84 and *Health Corporate Plan 2020–21*, p.38	
2020–21 Target	**2020–21 Result**
Policies and operational arrangements are developed and implemented to meet Australian Government commitments to support bids for and delivery of future major sporting events in Australia, including the: • International Cricket Council T20 Men's World Cup 2022; • FIFA Women's World Cup 2023; and • 2032 Olympic and Paralympic Games candidature.	In July 2020, the International Cricket Council (ICC) T20 Men's World Cup 2020 was postponed until 2022. The development of policies and operational arrangements shifted to align with the revised tournament delivery date. On 25 June 2020, Australia and New Zealand were announced as successful co-hosts of the FIFA Women's World Cup 2023. Australian Government planning for the event, coordinated by the Office for Sport, has since commenced. On 25 May 2021, Australia submitted a bid to host the 2032 Olympic and Paralympic Games to the International Olympic Committee Future Host Commission. On 20 May 2021, Rugby Australia publicly launched its bid to host the Rugby World Cup 2027, supported by the Australian Government.
	Result: Met ●

In 2020–21, the Department continued to work with a broad range of Australian Government operational agencies to ensure impacts of the COVID-19 pandemic are addressed when planning for the rescheduled ICC T20 Men's World Cup, due to take place in 2022. This includes incorporating COVIDSafe arrangements across the full spectrum of operational support. Planning for the FIFA Women's World Cup 2023 includes a focus on the implementation of operational support commitments made in the bid phase, working with Football Australia on an approach to legacy planning, and engaging with our New Zealand counterparts to ensure the co-hosted event is planned cohesively.

The Department also worked collaboratively with Australian Government agencies and across 3 levels of government to prepare and submit a candidature for Brisbane, Queensland, to host the 2032 Olympic and Paralympic Games.

The Department is collaborating with Rugby Australia to develop a compelling and compliant bid for the Rugby World Cup 2027. The bid is due for submission in early 2022, and requires significant Australian Government financial and operational support commitments.

Hosting these major sporting events is expected to inspire the nation and drive increased participation in sport and physical activity across Australia.

Outcome 3 - Expenses and Resources

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 3.1: Sport and Recreation[2]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	126,610	109,157	(17,453)
Special accounts			
Sport and Recreation	194	221	27
Departmental expenses			
Departmental appropriation[3]	12,259	11,844	(415)
Expenses not requiring appropriation in the budget year[4]	964	1,100	136
Total for Program 3.1	**140,027**	**122,322**	**(17,704)**
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	126,610	109,157	(17,453)
Special accounts	194	221	27
Departmental expenses			
Departmental appropriation[3]	12,259	11,844	(415)
Expenses not requiring appropriation in the budget year[4]	964	1,100	136
Total expenses for Outcome 3	**140,027**	**122,322**	**(17,704)**
Average staffing level (number)	**60**	**58**	**(2)**

1 Budgeted expenses taken from the *Health Portfolio Budget Statements 2021–22* and re-aligned to the 2020–21 outcome structure.

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

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

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

Celebrating 100 YEARS OF HEALTH 1921 - 2021

Cricket match - Melbourne Cricket Ground, view from the stands.
NAA: A1200, L1010 (1945).

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

	COVID-19 Medicare Benefits Schedule (MBS) items	New MBS items were added to support COVID-19 vaccination in general practice settings. *Program 4.1*
	Private health insurance reforms	Private health insurance reforms helped deliver the lowest average premium change in 20 years, at 2.74%. *Program 4.4*
	National Diabetes Services Scheme (NDSS) programs	New NDSS support programs, such as KeepSight, FootForward and Diabetes in Schools, were developed and implemented to enhance the lives of people living with diabetes. *Program 4.8*

67 million
MBS COVID-19
telehealth services
delivered to over
14 million patients

885,461 clients
provided with a range of
hearing devices
and services

463 patients
nationwide
benefitted from the
Life Saving
Drugs Program

Community Service
Obligation
distributors supplied
371,727,251 units of
eligible PBS medicines
to community pharmacies

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	–	–
Program 4.2: Hearing Services	1	–	–
Program 4.3: Pharmaceutical Benefits	4	1	–
Program 4.4: Private Health Insurance	2	–	–
Program 4.5: Medical Indemnity	1	–	–
Program 4.6: Dental Services	1	–	–
Program 4.7: Health Benefit Compliance	1	–	–
Program 4.8: Targeted Assistance – Aids and Appliances	1	1	–
Total	**12**	**2**	**–**

Program 4.1:
Medical Benefits

The Department met the performance target related to this program.

The Department is supporting the Australian Government in providing continued access to a high quality Medicare system that provides safe and modern care for all Australians.

The Medicare Benefits Schedule (MBS) Review, which ran from 2015 to 2020, considered how the more than 5,700 items listed on the MBS could be better aligned with contemporary clinical evidence and practice to improve health outcomes.

The MBS Review made almost 1,400 recommendations to government to improve Medicare services, including removing low value or unsafe services, amending items to reflect contemporary best practice, and improving services for patients, especially those in rural areas. The MBS Review has resulted in many reforms to Medicare, including enabling rural and regional patients to receive life saving kidney dialysis in their remote communities from nurses, Indigenous practitioners and Indigenous health workers.

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: *Health Portfolio Budget Statements 2020–21*, p.92 and *Health Corporate Plan 2020–21*, p.42

2020–21 Target	2020–21 Result
Implementation of 40% of all government responses to the MBS Review recommendations are either underway or complete. Implement internal governance mechanisms to monitor outcomes of the MBS Review and maintain clinical quality and cost-effectiveness of MBS services. Conduct maintenance and refinement activities to ensure that the MBS items created in response to the COVID-19 pandemic deliver effective services for the duration of the pandemic.	Work to implement 72% of government responses to the MBS Review recommendations was completed by 30 June 2021. The Department implemented, and continues to maintain, internal governance mechanisms to monitor and report progress in responding to MBS Review recommendations, and maintain clinical quality and cost-effectiveness of MBS services. MBS items created in response to the COVID-19 pandemic have been enhanced and extended in response to changing circumstances. This included the introduction of MBS items to support COVID-19 vaccination in general practice settings.
	Result: Met

As at May 2021, the Government has accepted 811 of the 1,400 MBS Review recommendations. Of those 811, the Government's response to 586 (or 72%) came into effect on or before 1 July 2021. Responses to the remaining 225 recommendations accepted by government will be implemented and come into effect by March 2023.

Post implementation reviews occur up to 24 months following implementation to assess the effectiveness of changes, including whether actual changes are consistent with what was predicted, relating to item utilisation, cost and effectiveness.

The Department monitors the use of MBS items created in response to the COVID-19 pandemic, engaging in ongoing regular consultation with stakeholders to change and refine these items as required.

Stakeholders continue to be engaged through Implementation Liaison Groups (ILGs) to inform MBS changes. ILGs are being progressively established to examine new areas of MBS Review recommendations, building on the 20 already in operation or completed.

New Medicare Benefits Schedule (MBS) items in response to the COVID-19 pandemic

Commencing on 13 March 2020 and extending until 31 December 2021, temporary Medicare telehealth items have been made available to help reduce the risk of COVID-19 community transmission and protect patients and healthcare providers.

To better support the mental health and wellbeing of Australians during the pandemic, additional psychological therapy telehealth services have been made available under the Better Access initiative.

Since 1 March 2021, new Medicare items have enabled general practitioners (GPs) to assess patients for their suitability to receive a COVID-19 vaccine.

From 14 June 2021, new 'flag fall' arrangements were implemented, which provide an MBS fee to practitioners providing vaccination services outside of their consulting rooms. This has helped facilitate the vaccination of people in residential aged care facilities, disability care homes, and homebound Australians who are unable to attend vaccination clinics due to frailty, poor health, disability, or dementia.

On 18 June 2021, additional Medicare in-depth patient assessment items were introduced to support people coming forward for vaccinations, but who still have doubts and questions. The new items enable extended GP consultations to discuss the risks and benefits of the vaccine for the individual. The Medicare vaccine support services are provided free of charge to patients and must be bulk billed by GPs.

Since 13 March 2020, 67 million MBS COVID-19 telehealth services have been delivered to over 14 million patients by more than 85,000 providers. Approximately 24% of all COVID-19 MBS telehealth services have been provided to Australians in regional and remote locations.

Since 1 March 2021, more than 3 million patients have received an MBS COVID-19 vaccine suitability assessment service, delivered by more than 20,000 medical practitioners.

Program 4.2:
Hearing Services

The Department met the performance target related to this program.

In 2020–21, eligible Australians continued to receive access to a range of hearing devices and services through the Hearing Services Program.

The Department supported the Australian Government in working to reduce the incidence and consequences of avoidable hearing loss in the Australian community by providing access to high quality hearing services and devices through the Hearing Services Program. Eligible Australians are supported to improve their capacity to communicate and participate in social situations, which can positively impact their education and employment opportunities.

Number of eligible Australian clients provided with a range of hearing devices and services to manage their hearing loss and improve their engagement with the community.

Source: *Health Portfolio Budget Statements 2020–21*, p.93 and *Health Corporate Plan 2020–21*, p.42

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
871,000 clients	885,461 clients	821,731 clients	796,000 clients[47]	733,400 voucher clients	713,182 voucher clients
	Result: Met ●				

In 2020–21, eligible Australians continued to receive access to a range of hearing devices and services through the Hearing Services Program.

The Department continues to work with clients, the hearing services sector, states and territories, and other stakeholders to increase support for Australians managing their hearing loss and improve their engagement with the community. This includes progressing projects in response to the Roadmap for Hearing Health[48], and commissioning the Hearing Services Program Review.

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

[48] Available at: www1.health.gov.au/internet/main/publishing.nsf/content/CDFD1B86FA5F437CCA2583B7000465DB/$File/Roadmap%20for%20Hearing%20Health.pdf

Program 4.3:
Pharmaceutical Benefits

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

During 2020–21, the Department continued to ensure new medicines recommended for listing on the Pharmaceutical Benefits Scheme (PBS) were considered within appropriate timeframes, and applications for establishment of pharmacies supplying PBS medicines in new locations, including areas of population growth, were assessed and, where appropriate, approved. The PBS ensures Australians with a wide range of medical conditions are provided with timely, reliable and affordable access to necessary medicines to improve health outcomes. Working toward equitable access to medicines means all Australians, no matter their location, will have access to the subsidised medicines they need to maintain their health and wellbeing.

The Department worked with the Australian Government to ensure Community Service Obligation (CSO) distributors supplied eligible PBS medicines to community pharmacies across Australia, and supported post-market reviews of medicines. The CSO ensures arrangements are in place for all Australians to have access to the full range of PBS medicines via their community pharmacy, regardless of where they live and usually within 24 hours.

The sustainability of the PBS and the National Medicines Policy objectives are supported through implementation of recommendations following post-market reviews. These changes are intended to ensure cost-effective prices over time, improve patient access to medicines they need, and ensure the ongoing quality use of medicines.

The Department continued to assess patient applications for life saving drugs through the Life Saving Drugs Program to ensure eligible patients receive access to fully subsidised essential medicines to treat rare and life-threatening diseases in a timely manner.

Ensure Australians have access to recommended Pharmaceutical Benefits Scheme (PBS) medicines by maintaining the percentage of submissions for new medicines listed on the PBS within six months of in-principle agreement to listing arrangements.

Source: *Health Portfolio Budget Statements 2020–21*, p.94 and *Health Corporate Plan 2020–21*, p.43

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
≥80%	100%	100%	100%	88%	85%
	Result: Met ●				

The Department continued negotiations with medicine sponsors and listing activities for new listings of medicines on the PBS, with 100% of submissions for new medicines being listed on the PBS within 6 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. Discussions regarding the finalisation of price, budget impact and conditions of supply following Pharmaceutical Benefits Advisory Committee (PBAC) recommendation are often complex and may, in limited circumstances, require further PBAC consideration.

Ensure Australians have reasonable access to Pharmaceutical Benefits Scheme (PBS) medicines by maintaining a percentage of Urban Centres[49] in Australia with a population of 1,000 persons or more with an approved supplier[50] of PBS medicines.

Source: *Health Portfolio Budget Statements 2020–21*, p.95 and *Health Corporate Plan 2020–21*, p.43

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
>90%	93.56%	92.99%	91.13%	90.56%	91.96%
	Result: Met ●				

The result demonstrates that suppliers continue to be approved in appropriate locations.

Throughout 2020–21, the Department has assessed and, where appropriate, approved applications for establishment of pharmacies in new locations, including areas of population growth.

Percentage of subsidised Pharmaceutical Benefits Scheme (PBS) units delivered to community pharmacies within agreed timeliness requirements[51] of the Community Service Obligation.

Source: *Health Portfolio Budget Statements 2020–21*, p.95 and *Health Corporate Plan 2020–21*, p.43

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
≥95%	97.9%	N/A[52]	N/A	N/A	N/A
	Result: Met ●				

The CSO aims to ensure all Australians have access to the full range of PBS medicines via their community pharmacy, regardless of where they live and usually within 24 hours. Payment is provided to eligible CSO distributors who meet agreed compliance requirements and service standards.

In 2018–19, the Department conducted an approach to market to appoint eligible wholesalers to support implementation of the CSO arrangements. This approach to market appointed 4 national and 2 state-based wholesalers, ensuring continuity of CSO arrangements and supporting timely and affordable access to PBS medicines for all Australians.

In 2020–21, CSO distributors supplied 371,727,251 units of eligible PBS medicines to community pharmacies across Australia.

[49] 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

[50] 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.

[51] Timeliness requirements are generally within 24–72 hours of request.

[52] This is a new performance measure for 2020–21, therefore results are not available prior to 2020.

Percentage of Government-accepted recommendations from post-market reviews into ongoing clinically appropriate use of medicines implemented by Government. Source: *Health Portfolio Budget Statements 2020–21*, p.95 and *Health Corporate Plan 2020–21*, p.43					
2020–21 Target	**2020–21 Result**	**2019–20**	**2018–19**	**2017–18**	**2016–17**
≥80%	100%	98%	94%	100%	85%
	Result: Met ●				

In response to the post-market review of the use of biologics in the treatment of severe chronic plaque psoriasis (CPP), the Pharmaceutical Benefits Advisory Committee (PBAC) recommended a cost-effectiveness review of biologics for severe and moderate CPP. The PBAC considered this cost-effectiveness review in July 2020 and made no further recommendations.

The PBAC did not recommend expanding the PBS restrictions to include moderate CPP at the current PBS price, and noted it was open to submissions from sponsors to expand the PBS listings for any of the biologics used to treat moderate CPP at a cost-effective price at any time.

In response to the post-market review of pulmonary arterial hypertension (PAH) medicines, the PBAC recommended PBS restriction changes to better align with clinical guideline recommendations, including earlier access to treatment. Revised PBS restrictions for monotherapy[53] were implemented on 1 May 2020, and dual therapies on 1 November 2020 and 1 February 2021.

In September 2020, the PBAC requested the Department present PBS restrictions and the estimated cost to the PBS for a third dual therapy combination involving the prostacyclin class[54] of medicines for its future consideration.

Ensure new and existing eligible patients have timely and continuing access[55] to the Life Saving Drugs Program. Source: *Health Portfolio Budget Statements 2020–21*, p.95 and *Health Corporate Plan 2020–21*, p.44	
2020–21 Target	**2020–21 Result**
90% of patient applications for accessing life saving drugs are processed within 8 calendar days of receipt of the complete application, never exceeding 30 days. 95% of urgent applications are processed within 48 hours.	100% of all new completed and eligible patient applications were processed within 30 calendar days of receipt. 80% of patient applications were processed within 8 calendar days of receipt of the complete application. 100% of urgent applications were processed within 48 hours of receipt.
	Result: Substantially met ◖

During 2020–21, all new applications were processed within 48 hours, including urgent applications. Existing eligible patients were provided timely access to treatment under the Life Saving Drugs Program within required timeframes.

The Department facilitated this through:

- assessing applications received against the relevant eligibility criteria for each medicine
- ordering and delivering medicines from sponsors to the patient's nominated pharmacy, so treatment could be administered as authorised by the treating specialist.

[53] Monotherapy is the treatment of a disease with a single medicine.
[54] The prostacyclin class of medicines includes epoprostenol and iloprost used in the treatment of PAH.
[55] Timely and continuing access is in line with the Life Saving Drugs Program procedure guidance.

Impact of the Life Saving Drugs Program (LSDP)

The LSDP provides fully subsidised access to expensive essential medicines for patients with rare and life-threatening diseases.

While most medicines in Australia are subsidised through the Pharmaceutical Benefits Scheme (PBS), funding for medicines on the LSDP is separate to the PBS.

To be listed under the LSDP, medicines must meet the following criteria:

- The Therapeutic Goods Administration has approved the medicine to treat a rare disease.[56]
- Treating physicians can identify the disease with reasonable diagnostic precision, and studies show that the disease reduces patients' age-specific life expectancy.
- Evidence predicts that a patient's life will be longer if they use the medicine.
- The Pharmaceutical Benefits Advisory Committee has accepted that the medicine is clinically effective, and rejected PBS listing for cost-effectiveness reasons.
- There is no other medicine listed on the PBS, or available for public hospital inpatients, that doctors can use as a life saving treatment for the disease. However, it is possible to list new medicines on the LSDP even if there are already other LSDP medicines that treat the same condition.
- There are no non-drug treatments (like surgery or radiotherapy) that medical authorities regard as suitable and cost-effective for the condition.
- The cost of the medicine would be an unreasonable financial burden for the patient or their guardian.

There are currently 16 medicines available through the LSDP which treat 10 rare conditions. To access a medicine under the LSDP, patients must meet the eligibility criteria for their condition under the LSDP guidelines and must participate in assessments of medicine effectiveness (or have a valid reason not to). Patients must also be eligible for Medicare and must not have any other medical condition that could make the medicine less effective.

In 2020–21, the LSDP benefitted 463 patients nationwide by enabling them to manage their rare and life-threatening conditions, significantly extending their life in many cases.

One of the 10 conditions treated by medicines under the LSDP is Fabry disease, which is a rare enzyme deficiency that can result in life-threatening complications such as kidney failure, heart attack and stroke. The LSDP provides over 100 Fabry patients with access to agalsidase alfa, agalsidase beta, or migalastat to reduce their disease symptoms and dramatically improve their quality of life. Without the LSDP, Fabry patients would have to pay hundreds of thousands of dollars for this treatment, far beyond the reach of most families fighting this rare condition.

Because these medicines are so critical for patients, the Department assesses all applications within 30 days. However, the average processing time is 7 days, benefitting patients by ensuring they receive their medication as quickly as possible.

[56] A disease is considered rare if it has a prevalence of one in 50,000 people or less in the Australian population – around 500 people.

Program 4.4:
Private Health Insurance

The Department met all performance targets related to this program.

In 2020–21, the Department implemented private health insurance reforms to improve the affordability of private health insurance, contributing to the lowest premium increase Australia has seen in 20 years.

In January 2021, the Department began user research testing for the Medical Costs Finder tool to gauge its impact on the wider community. Initial results indicate the majority of consumers and doctors see significant value and potential benefits from the tool, with specialist participation to be measured in late 2021. The tool aims to help patients avoid 'bill shock' from unexpected medical expenses by better understanding potential out-of-pocket costs and the benefits provided by their private health insurer.

The Department continued work on Prostheses List reforms to maintain affordable access to prostheses for privately insured patients. The Prostheses List aims to promote affordable choice for consumers by providing privately insured patients with access to clinically and cost-effective prostheses, setting the minimum benefits payable by private health insurers when prostheses are used in part of insured hospital treatment.

Support the provision of simpler and more affordable private health insurance for all Australians. Source: *Health Portfolio Budget Statements 2020–21*, p.96 and *Health Corporate Plan 2020–21*, p.44	
2020–21 Target	**2020–21 Result**
Work with private health insurers, hospitals and health care providers to develop and implement further reforms to support lower annual premium changes and greater take up of private health insurance policies. Undertake regular stakeholder communications with insurers and other regulatory agencies to provide two-way dissemination of information. Enhance the Medical Costs Finder website[57] to provide greater functionality and cost information for a wider range of medical specialists, and support these activities with appropriate education material.	The Department consulted on a range of reforms and other initiatives to improve the value and affordability of private health insurance, including: • Commenced actuarial studies[58] into regulatory arrangements for risk equalisation and Lifetime Health Cover, engaging with stakeholders on objectives, options and assessment criteria. • Enabled insurers to extend the age of dependents that policies can cover, and extend cover for dependents with disability. • Amended legislation to continue the current income tiers that interact with the operation of the private health insurance rebate and the Medicare levy surcharge. • Continued to support multiple channels and fora, including the establishment of the Private Hospital Consultation Forum, to inform stakeholders and obtain feedback and queries. • The Medical Costs Finder website was updated with 2019–20 aggregated claims data for over 1,100 out of hospital and in-hospital services on 24 March 2021.[59] **Result: Met**

The annual premium application process resulted in an industry average premium increase of 2.74%, the lowest in 20 years.

The Department progressed additional reform activities in 2020–21, including:

- the Natural Therapies Review
- the Clinical Categories Review
- consulting with the sector on improving access to rehabilitation and mental health services out of hospital, and improving the strength of payment processes.

The private health insurance sector responded positively to the impact of the COVID-19 pandemic through a range of measures to support policyholders, including delaying or completely deferring approved premium increases. The private hospital sector assisted with the response to COVID-19 through its timely engagement with state and territory governments to provide additional capacity and resources, supported by the Australian Government, guaranteeing the sector's viability.

The Medical Costs Finder website was not actively promoted to users in 2020–21 due to the COVID-19 pandemic response being a primary communications focus. Despite this, since the launch of the website in December 2019, there has been 57,391 total unique users, with on average 200 visits per day. This indicates a continued increase in website traffic and usage over the past year. Additionally, a spike in activity occurred following a feature in the media on 30 May 2021. The Medical Costs Finder is currently undergoing further enhancements and research testing with consumers, doctors and medical specialists, with an anticipated completion by November 2021. A communications campaign will follow in the future to promote the Medical Costs Finder to consumers and specialists.

[57] Available at: www.health.gov.au/resources/apps-and-tools/medical-costs-finder
[58] Actuaries make assessments and recommendations of risks.
[59] The Medical Costs Finder website will be updated with 2020–21 data as soon as practicable after it becomes available.

Privately insured patients have access to clinically appropriate, cost-effective prostheses under the *Private Health Insurance Act 2007*. Source: *Health Portfolio Budget Statements 2020–21*, p.97 and *Health Corporate Plan 2020–21*, p.45	
2020–21 Target	**2020–21 Result**
Work with the Prostheses List Advisory Committee and relevant stakeholders to implement revised Prostheses List arrangements, enabling improved access to prostheses for privately insured patients. Continue publishing the updated Prostheses List three times per year, enabling access to new devices for privately insured patients.[60]	Prostheses List reforms and review work continued to progress throughout 2020–21, despite a pause implemented due to impacts of the COVID-19 pandemic on the health sector. The Department continued to work with the Prostheses List Advisory Committee and relevant stakeholders to implement revised Prostheses List arrangements. The Prostheses List was updated in July and November 2020, and March 2021.
	Result: Met ●

Between April and December 2020, Prostheses List reforms and reviews were paused due to impacts of the COVID-19 pandemic. However, updates to the Prostheses List continued during this period.

Once the pause had been lifted, a public consultation paper was released in December 2020, which sought feedback from all stakeholder groups on possible reform options. All information received was considered by the Department and used to provide advice to government on reforming the Prostheses List to improve access to prostheses for privately insured patients.

In May 2021, the Government announced an investment of $22 million over 4 years to improve the Prostheses List arrangements. The announced reforms incorporate feedback received from public consultation and build on reform activities achieved over the past 3 years.

The Prostheses List continues to be updated at least 3 times per year.

[60] From 1 April 2020, all Prostheses List reforms and reviews were paused for up to 12 months due to impacts of the COVID-19 pandemic on the medical technology industry. Completion of this target will occur once the pause is lifted.

Program 4.5:
Medical Indemnity

The Department met the performance target related to this program.

In 2020–21, the Department supported the Australian Government in implementing annual reporting requirements to monitor the access to medical indemnity insurance for medical practitioners. Patients and their families benefit from access to medical and other health professional indemnity insurance, with appropriate compensation available for any injury suffered when a successful claim is made against a medical practitioner and/or an eligible midwife.

Privately practising health practitioners benefit, as their rights are appropriately represented in the event of a claim through accessible and affordable insurance cover. Health practitioners are also able to access a subsidy toward the cost of their professional indemnity insurance through the Premium Support Scheme, which in turn assists in keeping care affordable to the community.

Ensure eligible midwives[61] and medical practitioners[62] have continued access to medical and professional indemnity insurance.

Source: *Health Portfolio Budget Statements 2020–21*, p.98 and *Health Corporate Plan 2020–21*, p.46

2020–21 Target	2020–21 Result
Monitor the access of medical indemnity insurance for medical practitioners through annual reporting requirements on refusal of cover.[63] Table the report on the stability and affordability of the indemnity insurance market in Parliament no later than 28 February 2021.	While the requirement for insurers to report on the refusal of cover and the application of the risk surcharge was legislated on 1 July 2020, annual reporting will not commence until 2021–22.[64] The Department has given insurers until 31 August 2021 to provide reports. The report on the stability and affordability of the indemnity insurance market was tabled in both Houses of Parliament on 10 November 2020.[65]
	Result: Met ●

The requirement for insurers to report on the refusal of cover and the application of the risk surcharge was legislated on 1 July 2020. This requirement was introduced to ensure insurers' universal cover obligations do not result in any increased pricing, or in an expanded class of practitioners subject to higher premiums. Each of the 6 medical indemnity insurers eligible for the Commonwealth Medical Indemnity Schemes must provide reports to the Department within 2 months of each financial year. These reports will include any refusals of cover or application of a risk surcharge.

The Department wrote to insurers in May 2020 outlining their new reporting responsibilities, and included a template for the provision of information on refusal of cover and the application of the risk surcharge. The Department must then publish this information on its website within 4 weeks of receipt.

The report on the stability and affordability of the indemnity insurance market indicates the industry has enjoyed a period of stability and profitability over the past 10 years, which has resulted in premiums remaining affordable, and insurance cover accessible, for medical practitioners and eligible midwives.

In 2020–21, the Department has continued to liaise with professional indemnity insurers about the impact of the COVID-19 pandemic on cover, reinsurance and premiums, and explore views on whether extended indemnity arrangements are required to support the success of the COVID-19 vaccination rollout.

[61] An eligible midwife is defined by the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*.
[62] A medical practitioner is defined under section 4 of the *Medical Indemnity Act 2002*.
[63] Refusal of cover reporting is on an annual basis. Further information is available at: www1.health.gov.au/internet/main/publishing.nsf/Content/health-medicalindemnity-pubs.htm
[64] Results for this target will be published on the Department of Health website by 31 September each year.
[65] Available at: www.aga.gov.au/publications/other/evaluation-stability-affordability-medical-indemnity-insurance

Program 4.6:
Dental Services

The Department met the performance target related to this program.

In 2020–21, the Department continued to support access to essential dental services through the Child Dental Benefits Schedule (CDBS). The CDBS provides eligible children aged 2 to 17 years with financial support for basic dental services received in both public and private settings. Despite the challenges the COVID-19 pandemic had on delivery of dental services in 2020–21, early data for the 2021 calendar year shows an increase in the utilisation of the scheme from 2020.

Increase the percentage of eligible children accessing essential dental health services through the Child Dental Benefits Schedule.

Source: *Health Portfolio Budget Statements 2020–21*, p.99 and *Health Corporate Plan 2020–21*, p.46

2021 Target	2021 Result	2020	2019	2018	2017
40.40%	42.10%[66]	33.80%	39.40%	38.54%	36.40%
	Result: Met ●				

Since March 2020, the COVID-19 pandemic has heavily impacted utilisation rates due to mandatory suspension of dental services. In July 2020, public and private dental providers began slowly reopening. However, this has continued to impact the amount of children accessing dental health services.

In 2020–21, most public and private dental providers were able to continue providing dental services in a COVIDSafe manner. While finalised calendar year results will not be available until the end of 2021, at this stage the 2021 estimated result appears to be trending above the target figure.

[66] As this measure is reported on a calendar year basis, an estimated result for 2021 has been included. Full year results will be published in the 2021–22 Department of Health Annual Report.

Program 4.7:
Health Benefit Compliance

The Department met the performance target related to this program.

The Department continued assisting the Australian Government in supporting the integrity of Medicare benefit claims, and ensuring the needs of Australian patients are met through compliance activities focused on early intervention and prevention. This assists health providers in receiving correct entitlements and, through support and education initiatives, meeting their obligations and responsibilities.

During 2020–21, treatment of serious cases of non-compliance and investigations of fraudulent behaviour continued while the Department reduced its other compliance activities on health providers directly affected by the 2019–20 bushfire season, the March 2021 eastern Australian floods, and on the wider health workforce as it focused on Australia's response to the COVID-19 pandemic.

Deliver a quality health provider compliance program that prevents non-compliance where possible and ensures audits and reviews are targeted effectively to providers whose claiming is non-compliant.

a. Percentage of audits and reviews undertaken by the Department of Health which find non-compliance.

Source: *Health Portfolio Budget Statements 2020–21*, p.100 and *Health Corporate Plan 2020–21*, p.46

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
a. >90%	93%	>90%	>90%	N/A	N/A
	Result: Met ●				

During 2020–21, 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
- continuing to strengthen and update our data analytics to identify irregular claiming patterns and non-compliance
- employing behavioural, insights-driven approaches to treat non-compliance and support appropriate practice
- strengthening debt recovery processes
- continuing to strengthen compliance approaches through investment in data analytics, investigations, provider education, and debt recovery capabilities.

Since December 2019, the Department has periodically, and temporarily, suspended health provider compliance and debt recovery activities, except in instances of serious non-compliance or investigations of fraudulent behaviour. This includes:

- in bushfire disaster declared areas – November 2019 to September 2020
- to reduce the distraction and impact on health providers who were contributing to the COVID-19 pandemic response – March 2020 to July 2021
- in flood affected regions of eastern Australia – March 2021 to May 2021.

These events have affected the Department's ability to undertake some of its planned compliance and debt recovery activities throughout 2020–21.

The Department will continue to carefully monitor and respond to any changes in, or escalation of, the COVID-19 pandemic. This includes reassessing the potential impact on health providers and adjusting activities as required.

Program 4.8:
Targeted Assistance – Aids and Appliances

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

In 2020–21, the Department continued to ensure eligible individuals were provided access to the National Diabetes Services Scheme (NDSS), and that the NDSS remained relevant within a changing diabetes sector by developing and implementing new NDSS support programs. The NDSS aims to enhance the capacity of people with diabetes in Australia to understand and self-manage their life with diabetes, providing subsidised products and a range of support services and information for people with diabetes and their carers, guardians, and health professionals.

The Department continued to provide subsidised continuous glucose monitoring (CGM) products to eligible Australians through the NDSS to assist in the management of their conditions by improving blood glucose control, and reducing the prevalence of long term complications.

Diabetes in Schools program

The Diabetes in Schools program (the program) encourages families, schools and health professionals to work together to support students to manage their type 1 diabetes at school, giving them the best chance to learn, achieve and be the best they can be.

Managing type 1 diabetes is a 24/7 job. It impacts everything a child does; what they eat, the sport they play, sleepovers and even play time. It can place families under significant stress as they do everything they can to keep their child safe and healthy, especially when they go to school. It can also be challenging for principals, teachers and staff to know how they can best support a student with type 1 diabetes and their family.

The program, including through the Diabetes in Schools website[67], provides access to a range of tools, resources and information to help parents and schools better understand how to support students with type 1 diabetes while at school. It also offers a free, easily accessible online training program for all schools across the country. Face-to-face training by qualified health professionals will also be provided in the future for schools with students who are newly diagnosed with type 1 diabetes, or who may require support to administer insulin.

'It really will transform lives. I'm just so relieved other parents won't have to endure the stress and uncertainty that so many of us have. We have great teachers and school staff in Australia. Diabetes in Schools will give them the knowledge to provide the support our children need.'

– Rachael Lineham, mum of Bella who lives with type 1 diabetes and is participating in the Diabetes in Schools program.

Rachael Lineham and her daughter, Bella.

[67] Available at: www.diabetesinschools.com.au

The National Diabetes Services Scheme (NDSS) meets the needs of registrants[68]. Source: *Health Portfolio Budget Statements 2020–21*, p.101 and *Health Corporate Plan 2020–21*, p.47	
2020–21 Target	**2020–21 Result**
Annual NDSS registrant survey demonstrates that the needs of at least 90% of registrants surveyed are being met. Support services delivered under the NDSS are based on expert clinical advice and are designed to ensure the needs of NDSS registrants are being met. Proposals for new services are developed in response to an identified need, to ensure that the NDSS continues to remain relevant within a changing diabetes sector.	89% of surveyed registrants indicated the NDSS met their needs by improving their knowledge and understanding of diabetes, and helping them manage their condition more effectively. Peak diabetes organisations and tertiary and research facilities continued to provide commentary and expert clinical advice in the ongoing development and design of NDSS programs, services and resources. A number of new NDSS support programs, such as KeepSight, FootForward and Diabetes in Schools, continued to be developed and implemented in Australia to ensure the NDSS remains relevant within a changing diabetes sector.
	Result: Substantially met

The NDSS is a demand driven program. In 2020–21, 1,389,475 people with type 1, type 2, gestational diabetes and other diabetes received benefit from the NDSS. There were also a further 168,177 people registered on the post-gestational diabetes register who were eligible to receive services (but not products) from the NDSS. All eligible individuals were provided access to the program throughout 2020–21.

The high number of positive responses from surveyed registrants is due, in part, to the Government's continued efforts to meet the needs of people registered with the scheme, including through support provided during the COVID-19 pandemic.

NDSS programs, services and resources are subject to a cycle of continuous review and evaluation to ensure they are clinically relevant and meet the needs of NDSS registrants. Expert clinical advice and input is provided through peak diabetes organisations, with participation established through working groups and expert advisory panels.

A number of new NDSS programs continued to be developed in 2020–21. These included:

- the KeepSight program, to help prevent diabetes-related blindness by making it easier for people with diabetes to get their eyes checked
- the Diabetes in Schools program, which provides nationally consistent diabetes information and training for parents and families, principals, school staff and health professionals, so students with type 1 diabetes can be supported to manage their condition at school
- the FootForward program, a new program to help people with diabetes understand the importance of getting their feet checked to avoid foot problems that can lead to amputation.

[68] Registrants are people with type 1 diabetes, type 2 diabetes, gestational diabetes or 'other diabetes' who are registered on the NDSS.

Support Australians with type 1 diabetes or similar conditions through the National Diabetes Services Scheme (NDSS). Source: *Health Portfolio Budget Statements 2020–21*, p.102 and *Health Corporate Plan 2020–21*, p.47	
2020–21 Target	**2020–21 Result**
Continue to provide eligible Australians with subsidised Continuous Glucose Monitoring products through the NDSS to assist in the management of their conditions.	Fully subsidised CGM consumables were provided through the NDSS to 31,476 people, comprising: • 12,909 children and young people under 21 years of age with type 1 diabetes • 226 children and young people with conditions very similar to type 1 diabetes, such as cystic fibrosis-related diabetes and neonatal diabetes, who require insulin • 1,509 women with type 1 diabetes who are planning for pregnancy, pregnant, or immediately post-pregnancy • 16,832 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/carers.

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 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
- reducing the anxiety of people with type 1 diabetes who are eligible to participate.

Outcome 4 - Expenses and Resources

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 4.1: Medical Benefits			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	193,015	153,859	(39,156)
Special account			
Medicare Guarantee Fund - medical benefits	28,276,519	27,450,914	(825,605)
accrual adjustment	27,805	138,790	110,985
Departmental expenses			
Departmental appropriation[2]	32,723	31,378	(1,345)
Expenses not requiring appropriation in the budget year[3]	2,748	3,119	371
Total for Program 4.1	**28,532,810**	**27,778,060**	**(754,750)**
Program 4.2: Hearing Services			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	599,147	582,310	(16,837)
Departmental expenses			
Departmental appropriation[2]	8,109	14,949	6,840
Expenses not requiring appropriation in the budget year[3]	4,886	3,909	(977)
Total for Program 4.2	**612,142**	**601,168**	**(10,974)**
Program 4.3: Pharmaceutical Benefits			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	763,918	709,810	(54,108)
Special account			
Medicare Guarantee Fund - pharmaceutical benefits	13,171,997	13,637,895	465,898
accrual adjustment	5,617	112,762	107,145
Departmental expenses			
Departmental appropriation[2]	59,476	54,306	(5,170)
Expenses not requiring appropriation in the budget year[3]	6,114	6,373	259
Total for Program 4.3	**14,007,122**	**14,521,146**	**514,024**

Outcome 4 - Expenses and Resources (continued)

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 4.4: Private Health Insurance			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	17,311	4,719	(12,592)
Special appropriations			
Private Health Insurance Act 2007 - incentive payments and rebate	6,404,488	6,321,402	(83,086)
Departmental expenses			
Departmental appropriation[2]	12,928	11,921	(1,007)
Expenses not requiring appropriation in the budget year[3]	814	957	143
Total for Program 4.4	**6,435,541**	**6,338,999**	**(96,542)**
Program 4.5: Medical Indemnity			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	382	330	(52)
Special appropriations			
Medical Indemnity Act 2002	100,275	145,485	45,210
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	3,515	-	(3,515)
Departmental expenses			
Departmental appropriation[2]	2,256	2,432	176
Expenses not requiring appropriation in the budget year[3]	175	219	44
Total for Program 4.5	**106,602**	**148,466**	**41,864**
Program 4.6: Dental Services[4]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	-	-	-
Special appropriations			
Dental Benefits Act 2008	336,528	316,428	(20,100)
Departmental expenses			
Departmental appropriation[2]	1,188	1,337	149
Expenses not requiring appropriation in the budget year[3]	93	119	26
Total for Program 4.6	**337,809**	**317,884**	**(19,925)**
Program 4.7: Health Benefit Compliance			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	19,425	18,724	(701)
Departmental expenses			
Departmental appropriation[2]	85,140	85,679	539
Expenses not requiring appropriation in the budget year[3]	6,973	8,023	1,050
Total for Program 4.7	**111,538**	**112,426**	**888**

Outcome 4 - Expenses and Resources (continued)

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 4.8: Targeted Assistance - Aids and Appliances			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,592	1,555	(37)
Special appropriations			
National Health Act 1953 - aids and appliances	399,922	367,853	(32,069)
Departmental expenses			
Departmental appropriation[2]	4,549	4,319	(230)
Expenses not requiring appropriation in the budget year[3]	356	412	56
Total for Program 4.8	**406,419**	**374,139**	**(32,280)**
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,594,408	1,471,307	(123,483)
Special appropriations	7,140,938	7,151,168	(93,560)
Special account	41,448,516	41,088,809	(359,707)
accrual adjustment	33,422	251,552	218,130
Departmental expenses			
Departmental appropriation[2]	206,369	206,321	(48)
Expenses not requiring appropriation in the budget year[3]	22,159	23,131	972
Total expenses for Outcome 4	**50,445,812**	**50,192,288**	**(357,696)**
Average staffing level (number)	**985**	**952**	**(33)**

[1] Budgeted expenses taken from the *Health Portfolio Budget Statements 2021–22* and re-aligned to the 2020–21 outcome structure.

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

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

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

Celebrating 100 YEARS OF HEALTH 1921 - 2021

The Commonwealth Department of Health's National Biological Standards Laboratory in Canberra. Here a laboratory chemist, Mr J Howard, begins a phenacitin check. The laboratory tests all therapeutic products marketed in Australia. NAA: A1200, L46647 (1964).

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

	**COVID-19 vaccines**	The Therapeutic Goods Administration granted regulatory approval in Australia for 3 COVID-19 vaccines. *Program 5.1*
	**Australian Medical Assistance Team (AUSMAT) deployments**	9 national and international AUSMAT deployments supported Australia's response to the COVID-19 pandemic in 2020–21. *Program 5.2*
	**Immunisation coverage rates for children at 5 years of age**	Australia met its aspirational target of 95% coverage rates, achieving herd immunity. *Program 5.3*

Over 300 AUSMAT members deployed
due to COVID-19 and other public health reponses **since January 2020**

The National Focal Point of Australia identified **37 new public health events of national significance**

56 assessments and evaluations of **industrial chemicals** were completed

156 infringement notices were issued by the **TGA**, totalling **$1.8 million in fines**

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	1	1	–
Total	**6**	**2**	**–**

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

The Department met all performance targets related to this program.

In 2020-21, the Therapeutic Goods Administration (TGA) granted regulatory approval to 42 new prescription medicines, which included 3 COVID-19 vaccines. Additionally, the TGA implemented the Therapeutic Goods (Excluded Goods – Hand Sanitisers) Determination 2020, which enabled distilleries and other businesses dependent on hospitality services to pivot their business and re-employ staff. This ensured there would be ongoing supply of hand sanitisers to meet increased demand, while minimising major losses in income for Australians in these affected businesses.

On 1 July 2020, the Office of Chemical Safety (OCS) implemented the new Australian Industrial Chemicals Introduction Scheme (AICIS), replacing the National Industrial Chemicals Notification and Assessment Scheme (NICNAS). AICIS completed 56 assessments and evaluations of industrial chemicals in 2020–21, exceeding targets for statutory timeframes, promoting timely availability of information on industrial chemicals to the community, and providing regulatory certainty for industry.

The Office of the Gene Technology Regulator continued to protect human health and safety, and the environment, through effective regulation of medical, agricultural and other research involving genetically modified organisms (GMOs) through the Gene Technology Regulatory Scheme (the Scheme). The Scheme facilitates safe conduct of medical research with the potential to lead to new, effective preventions and treatments for a range of significant diseases. The Scheme also facilitates safe conduct of field trials of crops genetically modified to increase agricultural productivity and nutritive value. The Scheme ensures all GMOs are subject to a scientifically rigorous risk assessment completed prior to release into the Australian environment. Regular public consultation provides transparency and allows individuals to provide information relevant to risk assessments, enabling the community to safely access GMOs and products produced from GMOs.

Prescription opioids – be aware for better care

Over the past decade, prescription opioids have been responsible for far more deaths and poisoning hospitalisations in Australia than illegal opioids, such as heroin. Every day in Australia, nearly 150 hospitalisations and 14 emergency department admissions involve issues relating to opioid use, and 3 people die from the resulting harm.

Opioids can be an effective component in the management of acute and cancer-related pain. However, the evidence shows that for most people with chronic non-cancer pain, opioids do not provide clinically important improvement in pain or function compared with a placebo. In contrast, they carry significant risk of harm, even when used as prescribed.

In August 2019, the Minister for Health and Aged Care, the Hon Greg Hunt MP, announced the Therapeutic Goods Administration (TGA) would implement a number of regulatory changes to minimise the harms caused by opioid prescription medicines, including:

- harmonising and restricting opioid indications across the entire class[69] of approximately 700 products simultaneously to support patients being prescribed an opioid only where the benefits outweigh the risks
- smaller pack sizes of prescription opioid products commonly used for short term pain relief
- a review of boxed warnings and class statements to prominently display safety information about prescription opioids
- a communication and education program on regulatory reforms.

To help achieve long term behaviour change, in 2020–21 the TGA provided funding for a tailored education program and Australian Government campaign more than 55,000 times, where health professionals accessed online education modules, education visits, webinars (live and on-demand), podcasts, and specific web content about the regulatory changes. Consumers were reached more than 7 million times through various channels.

The changes will ensure the safe and effective prescribing and use of opioids while maintaining access for patients who need them.

'The online case study was extremely beneficial and had valuable information that can help healthcare professionals to ensure their patients are receiving optimal care.'

– General practitioner.

'Thank you for this message. I have had chronic pain for a long time and it's so nice to see this information about opioids explained without judgement.'

– Consumer.

[69] A drug class is a term used to describe medications that are grouped together because of their similarity.

Improve timeliness, transparency, and compliance functions in relation to the *Therapeutic Goods Act 1989* for sponsors of therapeutic products, while increasing awareness and maintaining safety for consumers. Source: *Health Portfolio Budget Statements 2020–21*, p.109 and *Health Corporate Plan 2020–21*, p.52	
2020–21 Target	**2020–21 Result**
Finalise the implementation of the Australian Government's reforms arising from the Review of Medicines and Medical Devices Regulation (MMDR). Undertake appropriate administrative and/or legal action 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.	Reforms arising from the Australian Government's Review of MMDR continued to be embedded. Appropriate administrative and/or legal action continued to be 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.
	Result: Met ●

In 2020–21, implementation and embedding of reforms from the Australian Government's Review of MMDR slowed. This reflects the challenges identified by stakeholders and industry, who have redirected their efforts to respond to the COVID-19 pandemic. The delays have allowed the TGA to undertake further consultation to develop more comprehensive guidance materials and refine implementation details relating to the reforms. For example, the Government agreed that commencement of changes to software-based medical devices and custom-made medical devices should be deferred by 6 months. This additional time allowed the development of more detailed guidance materials, and refinement and clarity of regulatory obligations.

Legislative amendments were finalised and guidance developed, enabling the data protection scheme for the assessed listed medicine pathway to be developed as part of the MMDR reforms. Following on from MMDR reforms that introduced new application categories for substances for use in listed medicines, the TGA engaged with industry stakeholders to develop mandatory requirements for new application categories.

The TGA issued 156 infringement notices to 45 companies and 13 individuals for breaches of the *Therapeutic Goods Act 1989* (the Act), totalling nearly $1.8 million in fines. Additionally, 248 medical devices and 4 complementary medicines were cancelled from the Australian Register of Therapeutic Goods as a result of non-compliance. A total of 7 cases for criminal prosecution were referred by the TGA to the Commonwealth Director of Public Prosecutions, and 3 civil actions through the Federal Court of Australia were also undertaken. Further, a declaration under subsection 7 of the Act clarifying that certain sports supplements are therapeutic goods in law was made to improve the safe use of these goods by consumers.

To provide further support in addressing the COVID-19 pandemic, the TGA:

- granted regulatory approval in Australia for 3 COVID-19 vaccines
- approved manufacturer CSL-Seqirus to produce the AstraZeneca vaccine at their Melbourne-based facilities
- closely monitored suspected side effects (also known as adverse events) from the use of COVID-19 vaccines. Results were published in a weekly safety report on the TGA website[70]
- established the Therapeutic Goods (Excluded Goods – Hand Sanitisers) Determination 2020 to facilitate the urgent and ongoing supply of hand sanitisers for use in healthcare settings and for personal domestic use.

Education and assistance to industry regarding compliance with regulatory requirements is an ongoing activity. In 2020–21, the TGA:

- established the Therapeutic Goods (Restricted Representations – COVID-19 Vaccines) Permission (No. 2) 2021, with guidance to allow health professionals and others to advertise approved COVID-19 vaccines
- provided warnings to consumers and advertisers about illegal advertising and import of COVID-19 related products
- published media statements on compliance and enforcement outcomes, including information on application of the law
- conducted webinars and published fact sheets, decision trees and presentations on the TGA website to help industry and consumers understand therapeutic goods regulatory requirements.

[70] Available at: www.tga.gov.au/communicating-covid-19-safety-information

Regulation of hand sanitisers

The regulation of hand sanitisers in Australia is complex and split between consumer products regulated by the Australian Competition and Consumer Commission (ACCC) and jurisdictions, and therapeutic products for use in hospitals and other healthcare settings regulated by the Therapeutic Goods Administration (TGA). Hand sanitisers play a critical role in supporting the COVID-19 pandemic health response, resulting in an extraordinary increase in supply demand which initially threatened a supply shortage in medical and healthcare settings.

In March 2020, the Department, in collaboration with the Department of Industry, Science, Energy and Resources, the ACCC and the Australian Industrial Chemicals Introduction Scheme (AICIS), produced a legislative instrument, the Therapeutic Goods (Excluded Goods – Hand Sanitisers) Determination 2020 (Exclusion Determination) to respond to the increase in supply demand.

Hand sanitisers produced in accordance with the requirements specified in this Exclusion Determination are not regulated by the TGA, and therefore are not required to be included in the Australian Register of Therapeutic Goods before they can be supplied in Australia.

The Department also proactively engaged with the ACCC, Safe Work Australia, AICIS, Standards Australia, industry associations, traditional hand sanitiser manufacturers and newcomers to the market including gin and whiskey manufacturers, often on a daily basis, to find logical solutions to supply issues. In May 2020, the Exclusion Determination was amended to address feedback and concerns raised by consumers and industry, especially in relation to the use of inappropriate, beverage style containers.

Ongoing post-market surveillance, monitoring and testing mitigates the risks associated with hand sanitisers manufactured in accordance with the Exclusion Determination. This has been conducted by the Regulatory Compliance Branch and the Laboratories Branch within the TGA, the ACCC and the National Measurement Institute.

Through effective collaboration and engagement, the TGA was able to quickly develop and implement a practical regulatory solution to address the significant shortage of hand sanitisers, while also ensuring the safety, efficacy and quality of these products was not compromised. This ensured continued access to these products both in medical and healthcare settings, and for the broader community.

Complete industrial chemical risk assessments and evaluations, within statutory timeframes, under the Australian Industrial Chemicals Introduction Scheme (AICIS) to provide the Australian community with access to information about the safe use of industrial chemicals and to support innovation by Australian businesses.

a. Percentage of industrial chemical risk assessments and evaluations completed within statutory timeframes.

Source: *Health Portfolio Budget Statements 2020–21*, p.110 and *Health Corporate Plan 2020–21*, p.52

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
a. ≥95%	98.2%	99.5%	98.7%	99.0%	99.6%
	Result: Met ●				

During 2020–21, the Department completed a total of 56 assessments and evaluations of industrial chemicals, with 55 of these completed within statutory timeframes.

Assessment quality was maintained through internal peer review and feedback from applicants, introducers and other stakeholders prior to finalising all reports.

People and the environment are protected through open, effective and transparent regulation of genetically modified organisms (GMOs). Source: *Health Portfolio Budget Statements 2020–21*, p.111 and *Health Corporate Plan 2020–21*, p.53	
2020–21 Target	**2020–21 Result**
All decisions are made within the statutory timeframes, supported by scientific risk analysis. Continue to monitor regulated dealings with GMOs to ensure compliance with gene technology legislation. No adverse effect on human health or environment from authorised GMOs.	100% of licensed dealings were made within statutory timeframes, with all decisions based on sound scientific analysis. Regulated dealings with GMOs were monitored through a combination of onsite visits and desktop audits. There were no reports of adverse effects on human health or the environment from authorised GMOs.
	Result: Met ●

The Office of the Gene Technology Regulator has skilled technical staff to conduct science-based risk assessments. Project management structures are in place for all licence applications, including timeframe and quality assurance reporting, with public consultation procedures built into relevant decision making processes. The following licences were issued during 2020–21:

- 5 licences for trial of genetically modified (GM) vaccines for COVID-19.
- 3 licences for trial of GM cancer treatments.
- 6 licences for trial of GM therapeutics.
- One licence for pre-clinical (in vitro and animal) research into understanding and treating human diseases.
- One licence for the commercial supply of a GM therapy for an inherited condition.
- 3 licences for the commercial supply of vaccines against human diseases (including 2 COVID-19 vaccines).
- 2 licences for the production of a COVID-19 vaccine.
- 2 licences for contained research on gene drives.
- One licence for a trial of GM crops.
- 2 licences for the commercial release of GM plants.

Monitoring and compliance desktop and onsite inspections showed 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 2021, there were:

- 19 active clinical trial licences for human therapeutics (2 for COVID-19 related therapeutics) and 2 active licences for trials of animal therapeutics.
- 12 licences for the manufacture or commercial supply of human therapeutics (4 for COVID-19 related therapeutics) and 3 for animal therapeutics.
- 14 licences for GM plant field trials, with 22 active field trial sites for GM crops.
- 18 licences for the commercial release of GM plants and 5 licences for the import of GM grain for processing.
- 97 licences for research using GMOs (one for COVID-19 related research).
- Over 2,000 facilities certified as appropriate for work with GMOs.

Office of the Gene Technology Regulator's 20th anniversary

The *Gene Technology Act 2000* (the Act) came into effect on 21 June 2001, establishing a nationally consistent regulatory system for gene technology. Safety has always been at the heart of the Gene Technology Regulatory Scheme (the Scheme). The Act's aim is to protect the health and safety of people, and protect the environment, by identifying risks posed by or as a result of gene technology, and by managing those risks through regulating certain dealings with genetically modified organisms (GMOs). The Scheme and the Gene Technology Regulator's (the Regulator) Risk Analysis Framework are well respected internationally.

Over the past 20 years, the field of gene technology has seen many exciting developments, some of which could not have been imagined when the Act was written. In gene technology research, new tools are being used to enable scientists to modify the genes or genomes of organisms much faster, cheaper, easier and more accurately than ever before.

The Regulator has licensed GMOs for use in agriculture, as crop plants and vaccines for livestock, and in health and medicine. Although genetically modified (GM) foods and crops tend to dominate media discussions, there are only 3 GM crops grown commercially in Australia: cotton, canola and safflower. The Regulator has also approved GM carnations for growing or importing into the country.

The vast majority of licences issued under the Scheme have authorised research into human diseases and their treatment. This medical research is increasingly being translated, with more than 75% of licences issued this year for clinical trials or commercial release of GM therapeutics. A GM virus therapy for the treatment of melanoma, 2 gene therapies and 6 vaccines (for Japanese encephalitis, influenza, dengue fever, cholera and 2 for COVID-19) are currently licensed for commercial supply.

The Scheme ensures medical, agricultural and other research involving GMOs is conducted in accordance with biosafety best practice and in a manner that protects human health and safety, and the environment. The Scheme also facilitates safe conduct of medical research with the potential to lead to new, effective preventions and treatments for a range of significant diseases, and facilitates safe conduct of field trials of GM crops for enhanced pest, disease or drought resistance and improved nutritive value.

The Scheme ensures all GMOs are subject to a scientifically rigorous risk assessment prior to release into the Australian environment. Regular public consultation provides transparency and allows individuals to provide information relevant to risk assessments. This enables the community to safely access GMOs and products produced from GMOs.

Program 5.2:
Health Protection and Emergency Response

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

The National Incident Centre (NIC) coordinates national responses to health emergencies, significant events and emerging threats, where there is an impact on human health or health systems. Within the NIC, the National Focal Point of Australia (NFP) liaises with and facilitates actions by national and international bodies to prevent, protect against, manage and respond to a public health event of national significance or a public health emergency of international concern.

During 2020–21, the NFP continued to assist national coordination for public health emergencies by supporting states and territories to rapidly respond to and manage public health events. The work of the NFP played a key role in suppressing the transmission of COVID-19, including through coordination of a number of Australian Medical Assistance Team (AUSMAT) deployments nationally and internationally in response to the COVID-19 pandemic, which in turn protected Australians from the severity of its effects. Additionally, the NFP supported jurisdictions' local COVID-19 response through the provision of flight manifests, facilitating the sharing of case information, ensuring consistent reporting on outbreaks, sharing geographical information on exposure sites and providing direct assistance with contact tracing.

The Department continued to work closely with states and territories to ensure the national collection and analysis of high quality surveillance data to inform regular reporting on the COVID-19 situation. This information and analysis informed well coordinated and effective COVID-19 response activities, both nationally and at the state and territory level.

In 2020–21, the Chief Medical Officer declared COVID-19 hotspots, triggering the provision of Commonwealth support to geographically localised areas affected by COVID-19. Determining a COVID-19 hotspot for the purpose of Commonwealth supports enabled access to a range of supports, including provision of personal protective equipment, assistance with contact tracing, reprioritisation of vaccine supplies, asymptomatic testing via general practitioner (GP) led respiratory clinics, access to Medicare Benefits Schedule telehealth items, and access to COVID-19 Disaster Payments, in addition to specific actions for aged care.

The Australian Health Protection Principal Committee (AHPPC) continued to provide public health advice on the COVID-19 pandemic to the National Cabinet. AHPPC has been supported by its subcommittees, including Communicable Diseases Network Australia (CDNA) and its dedicated COVID-19 Working Group. During the 2020–21 financial year, AHPPC met to discuss COVID-19 233 times, and has released 26 statements to provide advice about management of COVID-19. Business as usual matters were generally dealt with out of session, however targeted meetings were held to progress the important work of its subcommittees unrelated to COVID-19.

As a standing committee of the AHPPC, the provision of COVID-19 testing advice to inform the Australian pandemic response remains the highest priority for the Public Health Laboratory Network (PHLN). The PHLN met fortnightly, and is supported by several COVID-19 expert reference panels, including one on SARS-CoV-2 serology and another on emerging testing technology.

The Department progressed activities in 2020–21 to implement the National Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) Strategies 2018–22 (the Strategies). The goals and targets of the Strategies focus on significantly reducing the transmission of BBV and STI, increasing diagnosis and treatment rates, facilitating a highly skilled and collaborative workforce, and improving the quality of life for people living with a BBV and/or STI.

In 2020–21, the Department continued providing national direction to minimise the spread of antimicrobial resistance (AMR) by implementing strategies and action plans. Operation of the current Antimicrobial Use and Resistance in Australia Surveillance System (AURA) transitioned to the Department from the Australian Commission on Safety and Quality in Health Care to facilitate the move to the One Health AMR and Antimicrobial Usage Surveillance System model. The Australian community will benefit from improved collaboration and coordination of efforts across all levels of government and One Health sectors to minimise AMR, and this will ensure effective antimicrobials continue to be available in Australia in the future. In the longer term, stakeholders will benefit from improved access to relevant and usable information on AMR and antimicrobial use in Australia to inform policy decisions, public health responses and positive patient outcomes.

Support a coordinated response to reducing the spread of blood borne viruses (BBV) and sexually transmissible infections (STI). Source: *Health Portfolio Budget Statements 2020–21*, p.112 and *Health Corporate Plan 2020–21*, p.53	
2020–21 Target	**2020–21 Result**
Publish reports on progress towards the targets defined in the National BBV and STI Strategies 2018–22, in accordance with respective implementation plans and the National BBV and STI Surveillance and Monitoring Plan 2018–22.	The Australian Health Protection Principal Committee (AHPPC) endorsed the progress report on the implementation of the Fifth National Aboriginal and Torres Strait Islander BBV and STI Strategy on 30 September 2020. The progress report was subsequently endorsed by Health Council members out of session on 13 April 2021. Progress reports on the remaining 4 Strategies were endorsed by the AHPPC on 8 December 2020. The Department continues to work with stakeholders to progress activities to implement the National BBV and STI Strategies 2018–2022[71] (the Strategies).
	Result: Met ●

The response to BBV and STI in Australia is guided by the 5 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
- Eighth National HIV Strategy.

Activities to implement the Strategies are well underway, with the implementation of the National Aboriginal and Torres Strait Islander BBV and STI Strategy a high priority. Examples of these activities include:

- execution of contract with the National Aboriginal Community Controlled Health Organisation (NACCHO) to increase BBV and STI testing, treatment and prevention
- expansion of the Test Treat and Go (TTANGO) contract for point of care testing services in up to 85 sites for STI's
- execution of contracts for point of care testing in up to 65 sites for hepatitis C.

Implementing the Strategies is a shared responsibility between governments and key stakeholders.

The Department recently facilitated 2 open and competitive grant opportunities to test the market for innovative projects to test, treat, raise awareness of and prevent BBV and STI. Examples of these projects include:

- sexual health promotion activities combining the use of point of care testing and community beauty/yarning sessions
- weekly sexual health education and empowerment sessions for young Aboriginal and Torres Strait Islander women
- smart vending machines that dispense HIV self test kits
- sexual health education, treatment and workforce development for fly in/fly out populations
- development of a podcast series and supporting social media campaign designed to improve youth sexual health.

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

Provide national direction to minimise the spread of antimicrobial resistance (AMR). Source: *Health Portfolio Budget Statements 2020–21*, p.113 and *Health Corporate Plan 2020–21*, p.53	
2020–21 Target	**2020–21 Result**
Implement the next National AMR Strategy, including the development of supporting action plans.	The Final Progress Report: Australia's First National AMR Strategy 2015–2019[72] (the Final Progress Report) and the One Health Master Action Plan[73] (OHMAP) were published on the One Health AMR website on 24 March 2021 and 19 February 2021 respectively. Activities commenced to enhance national surveillance of AMR and antimicrobial usage over the next 3 years. National AMR governance arrangements were strengthened to support the implementation of the National AMR Strategy. Scoping of a number of key national priorities to be progressed over the next 12 to 24 months commenced. The fourth Australian report on antimicrobial use and resistance in human health, AURA 2021, will be published before the end of 2021.
	Result: Met ●

The Final Progress Report highlights activities implemented to combat AMR between 2017 and 2019 by non-government and government bodies in the human and animal health, food production and the environment sectors.

The OHMAP supports the implementation of *Australia's National Antimicrobial Resistance Strategy - 2020 and Beyond*[74], which was endorsed by the Council of Australian Governments in March 2020. The OHMAP provides a guide for partners and sectors to develop their own sector-specific action plans. It was informed by expert advice from the Australian Strategic and Technical Advisory Group on AMR (ASTAG) and stakeholders, including state and territory authorities. Stakeholders are encouraged to use the OHMAP to establish their commitments to tackling AMR.

In 2020–21, scoping commenced for a nationally coordinated One Health AMR and Antimicrobial Usage Surveillance System (OHSS) model, and a transition plan to guide its establishment. In January 2021, operation of the current AURA transitioned to the Department from the Australian Commission on Safety and Quality in Health Care to facilitate the move to the OHSS model.

The ASTAG was restructured to ensure it is best placed to support the implementation phase of the National AMR Strategy through broadened One Health expertise.

Leadership of the Antimicrobial Resistance Governance Group will be shared between the Department of Health and the Department of Agriculture, Water and the Environment to further strengthen the One Health approach.

A number of national priorities were progressed to the early stages of development. These include:

- development of a strategic national One Health AMR research and development agenda to identify research priorities and opportunities for collaboration
- a study to examine how Australia could contribute to ongoing global efforts to identify practical market incentive options to reinvigorate the failed antibiotics development pipeline
- establishment of national capacity to respond to outbreaks of multi-drug resistant organisms
- a framework to monitor and evaluate Australia's progress in implementing the National AMR Strategy.

[72] Available at: www.amr.gov.au/resources/final-progress-report-australias-first-national-antimicrobial-resistance-strategy-2015
[73] Available at: www.amr.gov.au/resources/one-health-master-action-plan-australias-national-antimicrobial-resistance-strategy-2020
[74] Available at: www.amr.gov.au/resources/australias-national-antimicrobial-resistance-strategy-2020-and-beyond

National Focal Point Report

As of 22 June 2021, the National Focal Point of Australia (NFP) identified 37 new public health events of national significance during 2020–21, classified across 11 hazards. Of these, 28 new events (76%) classified across 4 hazards are reportable as using protected information as specified in section 29 of the *National Health Security Act 2007*.

Of the 28 new national incidents requiring the use of protected information, the majority related to tuberculosis (86%). Other notified hazards are not reported due to re-identification risks.

The significantly decreased volume of new non COVID-19 communicable disease public health events is consistent with widespread international restrictions to travel and trade, and widespread international lockdowns.

Of the 37 new public health events notified to the NFP, 29 (78%) were identified by domestic authorities and 8 (22%) were identified by international authorities.

When compared to pre COVID-19 baseline levels in 2018–19, and early pandemic levels in 2019–20, the NFP's activity has increased by over an order of magnitude in 2020–21. COVID-19 notifications and requests in 2020–21 represent the largest volume of health emergency coordination under the *National Health Security Act 2007* and *International Health Regulations (2005)* in the Department's history.

From 1 July 2020 to 22 June 2021, the NFP issued a total of 6,346 notifications or requests to domestic or international public health authorities, of which 5,990 (94%) used protected information and 356 (6%) did not. The NFP issued 3,414 (54%) notifications or requests to domestic health authorities and 2,932 (46%) to international health authorities.

The COVID-19 pandemic accounted for the majority of the NFP's activity in 2020–21. Of the 6,346 notifications or requests to public health authorities, 6,299 (99%) were related to COVID-19. Of these 6,299 notifications or requests, 5,949 (94%) used protected information. The high volume of protected information used reflects the dominance of operations support to national and international contact tracing efforts amongst the NFP's coordination activity.

The NFP issued 2,904 COVID-19 notifications or requests to international authorities in accordance with the *International Health Regulations (2005)*, which accounted for 46% of all COVID-19 notifications or requests. Considering significant international travel and trade restrictions, this level of activity demonstrates Australia's strong two-way commitment to international collaboration and information sharing, together with the successful integration of international collaboration into standard public health practice among state and territory health authorities in Australia.

Contact tracing support to jurisdictions

The Department, through the NFP, also provided contact tracing surge support to the Victorian Government during the second wave domestic outbreak in mid to late 2020. Federal officers in a dedicated contact tracing operations unit were deputised to act under the Victorian *Public Health and Wellbeing Act 2008* to support authorised Victorian Public Health Officers. The contact tracing unit conducted case interviews and issued isolation and quarantine instructions by telephone. Cases were interviewed according to Victorian Government protocols to identify close contacts and potential exposure sites. The contact tracing unit also provided advice and reassurance to cases and close contacts, per Victorian Government protocols.

Manage and respond to national health emergencies and emerging health protection issues through effective preparation and mitigation measures. Source: *Health Portfolio Budget Statements 2020–21*, p.113 and *Health Corporate Plan 2020–21*, p.54	
2020–21 Target	**2020–21 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 (IHR) (2005). Through the National Incident Room (NIR)[75], engage with state, territory, and international partners to refine coordination models and systems, to ensure Australia maintains its world-leading ability to prepare for, and respond to, health emergencies. Implement outcomes of reviews of the following domestic health emergency response plans and guidelines to ensure effective preparedness and response measures are in place: • Bacillus anthracis (Anthrax); and • the Emergency Response Plan for Communicable Diseases of National Significance. Undertake a desktop and discussion exercise to build preparedness to manage emergency responses and strengthen relationships with internal and external stakeholders.	In 2020–21, the NFP continued to support national coordination for public health emergencies. This included significantly expanding its operations to respond to the COVID-19 pandemic. The responsibilities of the NFP included: • sharing contact tracing information relating to COVID-19 cases with Australian and international jurisdictions • processing quarantine exemptions • acting as a 24 hour first point of contact into the Department for all COVID-19 related issues. In the ongoing response to the COVID-19 pandemic, the National Incident Centre (NIC) engaged with state, territory and international partners to refine coordination models and systems. The review of the Anthrax Guidelines was delayed and will be completed by the end of 2021–22. It will incorporate modelling which tests the effects of the deliberate release of aerosolised inhalational bacillus anthracis in an Australian context. The review of the Emergency Response Plan for Communicable Diseases (CD Plan) will commence in 2021–22. The regular desktop and discussion exercise program was placed on hold in 2020–21 due to the COVID-19 pandemic. The program will be reviewed in the 2021–22 financial year to ensure it addresses outcomes and lessons learnt from the COVID-19 pandemic response.
	Result: Substantially met

In 2020–21, the NFP played a significant role in national coordination of the response to the COVID-19 pandemic. The NFP was able to put into practice and refine processes previously developed to engage with state, territory, and international partners. Among the work done to refine processes, the NFP's participation in the World Health Organization's (WHO) Exercise Crystal enabled the NFP to:

- practice and test the NFP's assessment of public health events using the IHR (2005), and the IHR's notification process
- engage in cross-sectoral communication and coordination between international NFPs
- refresh understanding and familiarity of staff with the IHR NFP system and improve collaboration with other agencies.

Though the Communicable Diseases Network Australia, the NFP has worked on developing reporting templates to ensure state and territory reporting processes are consistent, ensuring better quality and more timely information flows.

Additionally, in 2020–21 the NFP coordinated a number of Australian Medical Assistance Team (AUSMAT) deployments both nationally and internationally in response to the COVID-19 pandemic, building on AUSMAT's public health capabilities demonstrated in the 2019 deployment for a significant measles outbreak in Samoa, and extended during the emergence of the COVID-19 pandemic in early 2020.

[75] Now known as the National Incident Centre (NIC).

The NIC engaged with international and state and territory partners in 2020–21 to refine coordination models. This included:

- development of reporting templates to ensure consistency of information provided to and from the NFP
- discussions with jurisdictional counterparts on appropriate information sharing arrangements
- working with the WHO and international counterparts on information exchange, including participation in WHO facilitated exercises.

While some delays have occurred due to the priority focus of the COVID-19 pandemic, some progress was made towards the review of the Anthrax Guidelines in 2020–21, which will ensure Australia's preparedness, response and management following a deliberate release of anthrax in the community. Modelling studies of possible deliberate release scenarios have been undertaken. The outcomes from the modelling will inform the revision of the guidelines.

The review of the CD Plan is currently on hold due to a priority focus on the COVID-19 pandemic response, and will commence in 2021–22.

The desktop and discussion exercise program was also put on hold in 2020–21 due to the COVID-19 pandemic response. However, cross agency and cross sector participation in the live response to the COVID-19 pandemic achieved the Department's goals in a practical sense through establishing relationships, and strengthening and continuously improving emergency response capacity and capability as the pandemic unfolded.

Australian Medical Assistance Teams (AUSMAT): supporting the domestic and international response to the COVID-19 pandemic

The AUSMAT program is a national emergency response capability which provides rapid and targeted support to communities in response to national and international disasters. AUSMAT members are drawn from state and territory health services to deploy at short notice. Multidisciplinary teams comprise of doctors, nurses, paramedics and logisticians. Team sizes change depending on the scale of the disaster and community need, ranging from a small team of 4 people to a field hospital with 80 staff.

The program provides the Australian Government with a dedicated and effective medical and public health response to national and international disasters. The program is managed through the National Critical Care and Trauma Response Centre in Darwin, Northern Territory, and includes over 700 personnel, an equipment cache and a fully self-contained field hospital. AUSMAT is internationally accredited through the World Health Organization Emergency Medical Team initiative.

Following the first domestic deployments in support of the Victorian and New South Wales response to the bushfires in 2019–20, AUSMAT has deployed several times during 2020 and 2021 to the Northern Territory, Western Australia, Victoria, Tasmania and Christmas Island in response to COVID-19 related health emergencies.

Since January 2020, more than 300 AUSMAT members have been deployed in response to the COVID-19 pandemic. Domestically, AUSMAT has provided essential medical support and expert public health advice to support the repatriation of vulnerable Australians, management of quarantine at the Centre for National Resilience in Howard Springs, Northern Territory, and during outbreaks including the Victorian aged care response. AUSMAT has also been deployed internationally to provide clinical and public health support to national COVID-19 responses in Papua New Guinea, Timor-Leste and Fiji.

Dr Anthony Draper (left) and Dr Anthony Chenhall. Photos and information supplied by the Department of Foreign Affairs and Trade.

AUSMAT member profiles: Timor-Leste deployment

From April to June 2021, a 6 member AUSMAT team was deployed to Dili to assist with COVID-19 management following widespread flooding in Timor-Leste.

Dr Anthony Draper is a senior epidemiologist at the Northern Territory Centre for Disease Control. Dr Draper has a long history working in Timor-Leste and is fluent in Tetum. During the deployment to Timor-Leste, Dr Draper provided technical assistance and public health advice while working alongside colleagues in the Timor-Leste Departamentu Vijilánsia. Dr Draper has previously deployed with AUSMAT to Papua New Guinea to support the post earthquake response in 2018, and to Samoa to support the public health response to a measles epidemic in 2019.

Dr Anthony Chenhall is an emergency physician from the Northern Territory and was the clinical lead for the deployment to Timor-Leste. Dr Chenhall worked at the Vera Cruz isolation centre supporting and mentoring doctors and nurses treating patients in the intensive care unit. He also supported a number of other hospitals and worked closely with senior clinicians on medical protocols, training staff and commissioning essential equipment used to diagnose complications associated with COVID-19. In early 2020, Dr Chenhall deployed with AUSMAT to support the retrieval of Australians from the Diamond Princess ship in Japan due to COVID-19.

Program 5.3:
Immunisation

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

In 2020–21, Australia surpassed its national aspirational immunisation coverage target of 95% for children at 5 years of age. This target ensures children achieve herd immunity, stopping the spread of measles and other vaccine-preventable diseases. To achieve herd immunity for infectious diseases, vaccination coverage against a disease needs to be high to prevent it from spreading. Herd immunity also offers indirect protection to unvaccinated people, including children too young to be vaccinated, people unable to be vaccinated for a range of valid medical reasons, and people for whom vaccination has not been fully effective.

In 2020–21, Australia grew nearer to closing the gap for immunisation coverage rates as Aboriginal and Torres Strait Islander child immunisation continued to rise. Aboriginal and Torres Strait Islander people are an important population group for vaccinations. The National Immunisation Strategy 2019–24 focuses on this cohort, recognising high immunisation coverage rates is an important contribution to closing the gap in Indigenous health outcomes.

Immunisation coverage rates in children at 5 years of age are increased and maintained at the protective rate of 95%.[76]

Source: *Health Portfolio Budget Statements 2020–21*, p.116 and *Health Corporate Plan 2020–21*, p.55

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
≥94.75%	95.18%	94.77%	94.90%	94.40%	93.60%
	Result: Met ●				

Childhood immunisation coverage is the percentage of children in Australia who have had all the vaccines recommended for their age in the National Immunisation Program (NIP) schedule. Measuring childhood immunisation coverage helps us keep track of how protected we are against vaccine-preventable diseases.

Childhood immunisation coverage rates are calculated every quarter. In June 2021, calculated coverage rates saw Australia's aspirational target of 95% coverage exceeded for the third consecutive quarter, and the first time ever at 95.18%.

The ongoing delivery of the NIP through the National Partnership on Essential Vaccines (NPEV) with the states and territories contributes to any successes in childhood coverage rates.

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

Source: *Health Portfolio Budget Statements 2020–21*, p.116 and *Health Corporate Plan 2020–21*, p.55

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
≥93.50%	93.36%	93.40%	92.40%	92.50%	92.20%
	Result: Substantially met ◖				

The NIP includes a specific schedule for Aboriginal and Torres Strait Islander children, including vaccinations at 2, 4, 6 and 12 months. The achievement of targets for Aboriginal and Torres Strait Islander children is supported by performance benchmarks in the NPEV.

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

Outcome 5 - Expenses and Resources

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'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[2]	31,597	31,319	(278)
to special accounts	(23,646)	(22,596)	1,050
Expenses not requiring appropriation in the budget year[3]	1,539	1,008	(531)
Special accounts			
OGTR[4]	8,310	8,221	(89)
Industrial Chemicals Special Account[5]	23,985	18,185	(5,800)
TGA[6]	187,000	178,146	(8,854)
Expense adjustment[7]	(5,013)	5,256	10,269
Expenses not requiring appropriation in the budget year[3]	-	-	-
Total for Program 5.1	**223,772**	**219,539**	**(4,233)**
Program 5.2: Health Protection and Emergency Response[8]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,373,430	882,082	(491,348)
Non-cash expenses[9]	362,739	1,367,361	1,004,622
Departmental expenses			
Departmental appropriation[2]	119,698	121,636	1,938
Expenses not requiring appropriation in the budget year[3]	5,829	8,032	2,203
Total for Program 5.2	**1,861,697**	**2,379,111**	**517,414**
Program 5.3: Immunisation[7]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	34,333	28,812	(5,521)
to Australian Immunisation Special Account	(7,133)	(5,921)	1,212
Special accounts			
Australian Immunisation Register Special Account (s78 PGPA Act)	9,820	8,863	(957)
Expense adjustment[7]	-	(2,942)	(2,942)
Special appropriations			
National Health Act 1953 - essential vaccines	436,425	415,898	(20,527)
Departmental expenses			
Departmental appropriation[2]	10,483	10,178	(305)
Expenses not requiring appropriation in the budget year[3]	807	946	139
Total for Program 5.3	**484,735**	**455,834**	**(28,901)**

Outcome 5 - Expenses and Resources (continued)

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Outcome 5 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,407,763	910,894	(496,869)
to special accounts	(7,133)	(5,921)	1,212
Non-cash expenses[9]	362,739	1,367,361	1,004,622
Special accounts	9,820	5,921	(957)
Special appropriations	436,425	415,898	(20,527)
Departmental expenses			
Departmental appropriation[2]	161,778	163,133	1,355
to special accounts	(23,646)	(22,596)	1,050
Expenses not requiring appropriation in the budget year[3]	8,175	9,986	1,811
Special accounts	214,282	209,808	(4,474)
Total expenses for Outcome 5	**2,570,203**	**3,054,484**	**487,222**
Average staffing level (number)	**1,235**	**1,280**	**45**

1 Budgeted expenses taken from the *Health Portfolio Budget Statements 2021–22* and re-aligned to the 2020–21 outcome structure.

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

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

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

5 Industrial Chemicals Special Account. The Australian Industrial Chemicals Introduction Scheme (AICIS) replaced the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) on 1 July 2020.

6 Therapeutic Goods Administration (TGA) Special Account.

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

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

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

The Medical Officer, Federal Department of Health, administering a Salk anti-poliomyelitis injection to a school girl in Canberra, NAA: A1200, L20667 (1956).

Outcome 6:
Ageing and Aged Care

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

Highlights

	My Aged Care assessments	In 2020–21, 185,605 comprehensive assessments and 265,750 home support assessments were provided to senior Australians to determine their eligibility for aged care services. *Program 6.1*
	More Home Care Packages	Over 40,000 additional Home Care Packages supported senior Australians to live independently in their own homes. *Program 6.2*
	Residential Aged Care places	219,105 residential aged care places supported senior Australians unable to continue living independently in their own homes. *Program 6.2*

Telehealth and online alternative services
delivered to senior Australians during the COVID-19 pandemic

195,699 home care packages allocated
to support **senior Australians** with complex care needs

Home support services provided
through the CHSP to approximately **894,000 senior Australians**

Referrals to the **Dementia Behaviour Management Advisory Service**
up 29% from 2019–20

Programs contributing to Outcome 6

	Summary of results against performance criteria		
Program	**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	1	–	–
Total	**4**	**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 senior Australians in 2020–21 through delivery of aged care assessments, which help determine eligibility for subsidised aged care services, and provision of clear service and information resources, including the My Aged Care website and Contact Centre.

Aged care assessments are provided through Aged Care Assessment Teams (ACAT) and Regional Assessment Services (RAS) in community and hospital settings to determine eligibility for services, including Home Care Packages and residential aged care, residential respite care, short term restorative care and transition care, and Commonwealth Home Support Programme services. In 2020–21, the Department ensured high priority assessments were completed within appropriate timeframes, providing senior Australians who were in most need of support access to appropriate services.

For Australians who are transitioning into aged care, or are already accessing aged care services, the Department continued ensuring the My Aged Care Contact Centre and website provided suitable information, resources and support for senior Australians to navigate and access the aged care system. Both the My Aged Care website and Contact Centre offer telephone or digital options so people can choose an information pathway best suiting them.

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

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

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

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

Source: *Health Portfolio Budget Statements 2020–21*, p.121 and *Health Corporate Plan 2020–21*, p.60

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
a. >90.0%	99.5%	92.5%	88.5%	88.5%	65.9%
b. >90.0%	99.2%	98.8%	95.0%	95.0%	87.1%
c. >90.0%	97.2%[77]	97.0%	93.3%	93.3%	82.7%
	Result: Met ●				

In 2020–21, a total of 185,605 senior Australians were provided with comprehensive assessments for aged care services in community and hospital settings, 132,313 of these for community setting (performance measure a) and 53,292 of these for hospital setting (performance measure b). A total of 265,750 senior Australians were provided with home support assessments (performance measure c).

The Australian Government provides assessment services through ACAT and RAS. ACAT assessors undertake comprehensive assessments in community and hospital settings to determine eligibility for aged care services under the *Aged Care Act 1997*, such as Home Care Packages and residential aged care, residential respite care, short term restorative care and transition care. RAS assessors are engaged to deliver home support assessments to determine a client's eligibility for entry level aged care services, including Commonwealth Home Support Programme services.

During 2020–21, the Department worked cooperatively with ACAT and RAS to ensure continuity of services. Despite considerable COVID-19 related disruption, most jurisdictions and/or assessment organisations implemented flexible approaches, including the completion of telephone and telehealth assessments. The use of these flexible approaches contributed to high priority timeframes being met, and ensured clients received approvals for aged care supports according to their urgency.

[77] The percentage reflects the overall national result. Information was extracted on 13 July 2020 for data as at 9 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.

The percentage of surveyed users[78] who are satisfied[79] with the service provided by the:

a. My Aged Care Contact Centre.

b. My Aged Care website.

Source: *Health Portfolio Budget Statements 2020–21*, p.121 and *Health Corporate Plan 2020–21*, p.60

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
a. ≥95.0% b. ≥65.0%	95.3% 52.0%	93.0%[80] 47.3%	89.0% 55.0%	92.0% 56.0%	95.0% 54.0%
	Result: Substantially met				

In 2020–21, satisfaction with the My Aged Care Contact Centre increased from 2019–20.

The Department is committed to developing more targeted initiatives to continue improving consumer satisfaction and experience with the Contact Centre. Following a successful trial from March to December 2020, the Department implemented a case coordination approach as an ongoing service in the Contact Centre. The service now supports senior Australians who have complex needs and/or who are vulnerable by providing a case management approach with a single point of contact through their My Aged Care journey.

Satisfaction with the My Aged Care website increased from 2019–20 but continues to be lower than the 2020–21 target. The Department is committed to continuously improving the quality of the website. Feedback from consumers and the sector continues to be closely monitored to better understand consumer needs and expectations.

Key themes emerging in relation to website dissatisfaction include:

- confusion around aged care costs and fees
- difficulty finding and comparing providers, largely due to the quality of information entered by service providers
- users needing further information before applying online, such as what services will be available and how long the process might take.

The Department is working to reduce these barriers through ongoing enhancements to the functionality of, and information on, the website. In 2020–21, enhancements included:

- a redesign of the website's fee estimator tool
- the addition of an eligibility checker to allow users to check their eligibility for a My Aged Care assessment before applying online
- the development of a My Guide to Aged Care tool, where users can create a tailored step by step guide, providing more transparency around process and timeframes for accessing government-funded aged care services.

[78] '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.

[79] 'Satisfied' callers to the My Aged Care Contact Centre are those who give the contact centre a score of 6–10 on a scale of zero–10 in response to the My Aged Care Customer Satisfaction Survey question: 'How satisfied were you overall with your experience?'. 'Satisfied' visitors to the website consist of an aggregate score from multiple questions which measure key indicators of website satisfaction. The methodology for calculating user satisfaction was changed on 1 July 2020 to denote a more holistic measurement of user experience of the website.

[80] 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.

Helping senior Australians in their online aged care journey

The My Aged Care Online Registration and Screening (apply for an assessment online form), is the fourth and final project under the My Aged Care Extension Program to improve the My Aged Care consumer experience.

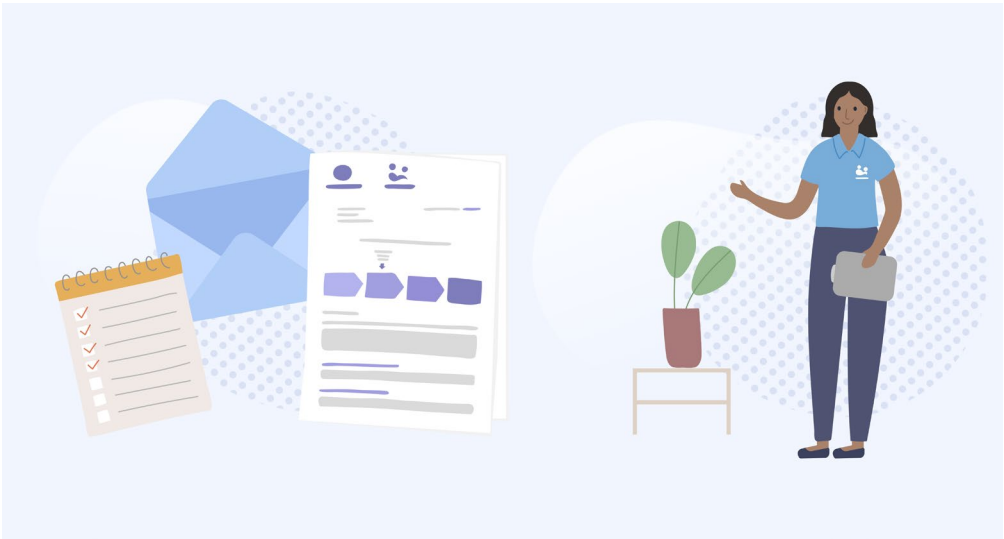
The apply for an assessment online form[81] was introduced on 20 January 2020. It is a consumer-focused dynamic form on the My Aged Care website. The form was introduced to allow senior Australians, or someone acting on their behalf, to register with My Aged Care and apply for their first assessment online.

Prior to the delivery of the apply for an assessment online form, senior Australians interacting with My Aged Care could only apply by calling the My Aged Care Contact Centre, or be referred via a health/sector professional.

The form now provides an option for consumers to register and complete a referral for assessment quickly and easily at a time that best suits them, including when the My Aged Care Contact Centre is not open.

'I applied online for an assessment for my mum. I did it on my phone so Mum was there to answer all the questions. Everything was there that I needed, so it was pretty straightforward. I liked the screen layout, (and) the information was nice and easy to follow. I thought doing it that way was a lot easier than ringing up and I was quite happy to do it. It is not as daunting as you think it is – give it a crack because it is pretty easy. You will be surprised.'

– Consumer.



[81] Available at: www.myagedcare.gov.au/assessment/apply-online

Program 6.2:
Aged Care Services

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

In 2020–21, the Department provided senior Australians with home support and access to a range of services in their own homes, including through the Commonwealth Home Support Programme (CHSP) and allocation of Home Care Packages (HCPs).

The CHSP provides entry level support services to senior Australians who need assistance to keep living independently in their own home and community, including transport, meals, domestic assistance, personal care, nursing, allied health, and respite services. HCPs assist senior Australians with more complex needs to access a range of clinical care, personal care, and support services to assist with day to day activities while living at home. The increased number of allocated HCPs in 2020–21 significantly reduced wait times for home care, connecting people to essential care sooner.

The Department continued to support people unable to continue living independently in their own homes through delivery of a range of residential aged care options, on either a permanent or short term basis, including flexible care options to meet the needs of senior Australians living in regional and remote communities.

Commonwealth Home Support Programme (CHSP) service delivery during the COVID-19 pandemic

During 2020–21, the COVID-19 pandemic prevented face-to-face service delivery. CHSP providers needed to quickly repurpose their in-home support activities to continue providing much needed aged care supports to vulnerable clients isolated in their homes during the pandemic.

In response, the Australian Government provided $31.47 million in 2020–21, adding to the $30.77 million provided in 2019–20, to over 260 CHSP providers to deliver COVID-19 related services within short timeframes. This was in addition to the $49.02 million funding to boost the capacity of 441 meal providers over 2019–21. This additional funding ensured aged care clients could remain independent and safe in their homes during the pandemic, and were provided with an alternative to face-to-face CHSP services.

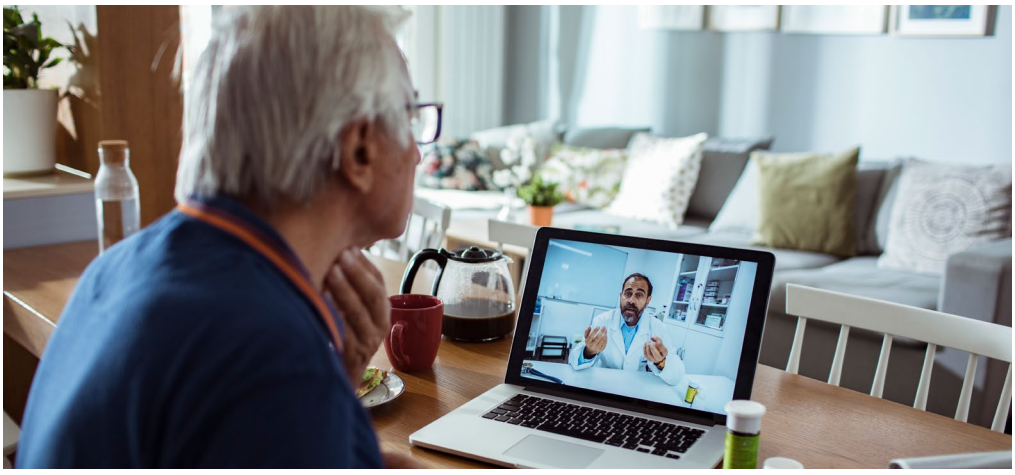
Alternative services were delivered through a range of online activities, use of telehealth appointments, purchasing of tablets and other IT-based equipment, and use of digital home monitoring devices. Activities included:

- adapted social support group activities, where providers conducted online videoconferencing sessions instead of in-person group sessions
- regular phone wellbeing checks to remain connected with clients
- delivery of online or telehealth allied health and therapy services
- assisting clients to purchase groceries online and providing pick-up services on behalf of clients for groceries and pharmacy items
- providing telephone and web-based social support to maintain connection to community, including the provision of virtual art and craft, dancing, choir and technology learning sessions
- the purchase of personal alarms for socially isolated clients.

An 87 year old CHSP client in Victoria was able to embrace the move from traditional face-to-face services to those provided online:

'I have sharpened my skills in keyboard typing, viewing and sending photos and messages. I can now access video calls using Messenger and Zoom to talk to my family, relatives and join prayer groups. Thanks to all the volunteers and staff for their patience and understanding.'

– Quote provided by Australian Filipino Community Services, a CHSP provider.



Provide senior Australians with entry-level support to remain independent and live in their homes and communities for longer.[82] Source: *Health Portfolio Budget Statements 2020–21*, p.124 and *Health Corporate Plan 2020–21*, p.61	
2020–21 Target	**2020–21 Result**
894,600 clients to access Commonwealth Home Support Programme (CHSP) services to support independence and wellness at home. Undertake a grant round to address geographic areas facing greatest demand pressures.	Home support services were provided through the CHSP to approximately 894,000[83] clients. A grant growth round was undertaken across geographic areas to address demand pressures.
	Result: Met ●

In 2020–21, over 1,400 CHSP providers delivered a range of entry level support services to around 894,000 senior Australians to continue living in their own homes and communities for longer. The CHSP provides services nationally to clients with an assessed level of need, with a focus on activities that support independence, wellness and reablement.

In 2020–21, the Department reviewed the progress of wellness and reablement practices for CHSP clients. The review showed 77% of providers reported the application of a wellness and reablement approach resulted in clients regaining or seeing an improvement in physical or cognitive abilities.

A targeted growth funding round of $112.1 million was allocated in 2020–21 across 66 Aged Care Planning Regions to meet increased numbers of senior Australians needing access to CHSP services. Broad consultation with the sector informed the CHSP services of highest priority across the country.

[82] Measured through program evaluation and accessing data from My Aged Care.

[83] This is an estimated figure based on previous client numbers of 840,000, with estimated additional clients from growth and other funding rounds. Varied demand due to COVID-19 will impact this estimate, with final numbers not known until the end of September 2021.

Support senior Australians with complex care needs to remain living independently in their own homes through the Home Care Packages Program.

a. Number of allocated Home Care Packages.

Source: *2020–21 Health Portfolio Additional Estimates Statements*, p.48 and *Health Corporate Plan 2020–21*, p.61

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
195,600	195,699	155,625	125,119	99,932	91,980
	Result: Met ●				

The Department closely monitors Home Care Package (HCP) indicators, which assists in accurately modelling the number of HCPs needed to meet the target. The increase in allocated HCPs from 2019–20 to 2020–21 means more senior Australians are accessing a range of services, assisting them with clinical care, visiting the doctor, social activities, personal care and a number of other services.

Increase residential care options and accommodation for senior Australians who are unable to continue living independently in their own homes.

a. Residential aged care places available as at 30 June.

Source: *Health Portfolio Budget Statements 2020–21*, p.124 and *Health Corporate Plan 2020–21*, p.61

2020–21 Target	2020–21 Result	2019–20	2018–19	2017–18	2016–17
224,000	219,105	217,145	213,397	210,815	204,335
	Result: Substantially met ◖				

The rate at which residential aged care places became operational in 2020–21 was below the Department's expectations. It is likely that providers did not establish places at projected rates due to:

- low occupancy rates in residential care, resulting in some providers deferring additional investment
- impacts of the COVID-19 pandemic, which may have reduced building activity in the sector.

This is a demand driven program and the shortfall for 2020–21 is not an indicator of access issues. Lower rates of occupancy indicate there is sufficient residential aged care places available to meet the needs of senior Australians unable to continue living independently in their own homes.

Emergency in-home supports for aged care home residents

During 2020–21 and in response to the COVID-19 pandemic, a national 2-tiered model of emergency support was introduced for people living permanently in residential aged care who wanted or needed to temporarily relocate to live with family to reduce their risk of contracting COVID-19.

The 2 tiers include:

- Tier 1: high intensity nursing and personal care services for those people from a residential aged care facility significantly impacted by COVID-19.
- Tier 2: entry level home support services for all people choosing to relocate as a precaution, including meals, transport, allied health and therapy services, unaccompanied shopping, social support, and individual and low level personal care and nursing.

Residential aged care clients were able to access in-home support services for up to 8 weeks following their relocation. Where an aged care facility was significantly impacted, short term in-home support services were made available, and included high level personal care and nursing to help transition clients to temporary care in the community.

This $71.4 million national model provided assurance and support to aged care residents and their families and carers during the unpredictable COVID-19 pandemic. A total of 49 aged care residents, including 23 Tier 1 and 26 Tier 2 clients, were supported under this measure. Following their short term in-home care, all clients either returned to residential aged care, or transitioned to other forms of care such as a Home Care Package, conventional CHSP or private services.

Due to the ongoing impact of the pandemic, the measure has been extended into 2021–22.

Program 6.3:
Aged Care Quality

The Department met the performance target related to this program.

In 2020–21, the Department continued to ensure provision of quality aged care services, with increased funding and support for people with dementia through the Dementia Training Program, Dementia Behaviour Management Advisory Service (DBMAS) and Severe Behaviour Response Teams (SBRT).

The DBMAS is a support service for people with dementia who are experiencing changes in behaviour that impact their care or their carer. The DBMAS provides expertise, advice and short term case management interventions so carers are better equipped to identify triggers for behavioural and psychological symptoms of dementia (BPSD), and are aware of non-pharmacological interventions to help minimise these behaviours. Dementia services aim to reduce the use of restraints and strengthen capacity of the aged care sector to deliver quality care to people living with dementia, their families and their carers.

Support aged care providers in managing behavioural and psychological symptoms of dementia (BPSD). Source: *Health Portfolio Budget Statements 2020–21*, p.126 and *Health Corporate Plan 2020–21*, p.62	
2020–21 Target	**2020–21 Result**
At least 75% of care givers[84] providing feedback via a survey report an improvement in confidence when managing BPSD, following an intervention from the Dementia Behaviour Management Advisory Service (DBMAS).	93% of care givers surveyed report an improvement in confidence when managing BPSD following an intervention from the DBMAS. **Result: Met** ●

The 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 impacts their care and quality of life. Providers and carers in all locations in Australia, including rural and remote areas, can choose whether DBMAS services are delivered face-to-face or via videoconferencing.

As well as improving providers' confidence and skills where BPSD affects 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 the aged, acute and primary care sectors about knowledge gaps in these sectors, and shows that a small percentage of people with BPSD require a more secure and intensive form of care.

The results show that care givers who use this service increase their skills and confidence when caring for people living with dementia. Research published in 2020–21 has validated the clinical impact of the DBMAS and SBRT programs on neuropsychiatric outcomes.

COVID-19 and social distancing measures have a particular impact on people living with dementia, their families and carers. DBMAS adapted to the situation and continued to provide assistance and support, remaining open through lockdowns to support the aged and healthcare sectors and family carers. Referrals to DBMAS and SBRT in 2020–21 were up 29% from 2019–20.

[84] Sampled care givers include family carers, acute care staff and aged care staff/providers.

Outcome 6 - Expenses and Resources

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Program 6.1: Access and Information			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	273,698	240,196	(33,502)
Departmental expenses			
Departmental appropriation[2]	72,131	75,513	3,382
Expenses not requiring appropriation in the budget year[3]	35,963	28,698	(7,265)
Total for Program 6.1	**381,792**	**344,407**	**(37,385)**
Program 6.2: Aged Care Services[4]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)[5]	4,032,624	3,807,105	(225,519)
Zero Real Interest Loans			
- appropriation	3,309	6,542	3,233
- expense adjustment[6]	(2,216)	(12,747)	(10,531)
Other services			
Refundable Accommodation			
Deposit Concessional Loan			
- appropriation	28,038	-	(28,038)
- expense adjustment[7]	(24,764)	-	24,764
Special appropriations			
Aged Care Act 1997 - flexible care	596,729	561,411	(35,318)
Aged Care Act 1997 - residential and home care	17,837,211	17,563,149	(274,062)
National Health Act 1953 - continence aids payments	90,900	90,352	(548)
Aged Care Act 2006 - Accommodation Payment Security	3,362	60,341	56,979
Departmental expenses			
Departmental appropriation[2]	65,398	65,655	257
Expenses not requiring appropriation in the budget year[3]	13,435	11,862	(1,573)
Total for Program 6.2	**22,644,026**	**22,153,670**	**(490,356)**
Program 6.3: Aged Care Quality			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	643,765	396,631	(247,134)
Departmental expenses			
Departmental appropriation[2]	58,250	56,319	(1,931)
Expenses not requiring appropriation in the budget year[3]	3,780	4,561	781
Total for Program 6.3	**705,795**	**457,511**	**(248,284)**

Outcome 6 - Expenses and Resources (continued)

	Budget Estimate 2020–21[1] $'000 (A)	Actual 2020–21 $'000 (B)	Variation $'000 (B) - (A)
Outcome 6 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	4,953,396	4,450,474	(502,922)
- expense adjustment[6]	(2,216)	(12,747)	(10,531)
Other services	28,038	-	28,038
- expense adjustment[7]	(24,764)	-	(24,764)
Special appropriations	18,528,202	18,275,253	(252,949)
Departmental expenses			
Departmental appropriation[2]	195,779	197,487	1,708
Expenses not requiring appropriation in the budget year[3]	53,178	45,121	(8,057)
Total expenses for Outcome 6	**23,731,613**	**22,955,588**	**(769,477)**
Average staffing level (number)	**730**	**720**	**(10)**

1 Budgeted expenses taken from the *Health Portfolio Budget Statements 2021–22* and re-aligned to the 2020–21 outcome structure.

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

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

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.

7 Payments under the Refundable Accommodation Deposit (RAD) loan support program are a loan to support aged care providers who face insolvency risks as a result of an outflow of refundable accommodation deposits. This adjustment recognises the difference between the appropriation and the concessional loan discount and unwinding of the concessional discount loan expense.

Canberra District Nursing Service - District nurses assist an elderly patient with a walking frame in a suburban house in Canberra. NAA: A1200: L56278 (1966).

Part 2.2: Entity Resource Statement

	Actual available appropriation for 2020–21 $'000 (A)	Payments made 2020–21 $'000 (B)	Balance remaining 2020–21 $'000 (A) - (B)
DEPARTMENTAL			
Annual appropriations - ordinary annual services[1]			
Prior year departmental appropriation	47,542	47,542	-
Departmental appropriation	781,787	743,691	38,096
Departmental capital budget[2]	14,006	10,129	3,877
Receipts retained under PGPA Act - section 74	159,134	159,134	-
Total annual appropriations - ordinary annual services	**1,002,469**	**960,496**	**41,973**
Annual appropriations - other services - non-operating[3]			
Prior year departmental appropriation	29,872	24,413	5,459
Equity injections	40,034	24,280	15,754
Total annual appropriations - other services - non-operating	**69,906**	**48,693**	**21,213**
Total departmental annual appropriations	**1,072,375**	**1,009,189**	**63,186**
Special accounts[4]			
Opening Balance	117,915		
Appropriation receipts[5]	21,865		
Non-appropriation receipts to special accounts	200,003		
Payments made		204,542	
Total special accounts	**339,783**	**204,542**	**135,241**
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts	21,865		
TOTAL DEPARTMENTAL RESOURCING	**1,390,293**	**1,213,731**	**198,427**
ADMINISTERED			
Annual appropriations - ordinary annual services[1]			
Outcome 1	268,737	268,737	
Outcome 2	5,282,238	5,100,665	
Outcome 3	136,610	108,870	
Outcome 4	1,587,192	1,530,354	
Outcome 5	2,121,962	1,897,355	
Outcome 6	4,879,190	4,417,834	
Receipts retained under PGPA Act - section 74	8,111		
Payments to corporate Commonwealth entities	566,938	566,938	
Total annual appropriations - ordinary annual services	**14,850,978**	**13,890,752**	

	Actual available appropriation for 2020–21 $'000 (A)	Payments made 2020–21 $'000 (B)	Balance remaining 2020–21 $'000 (A) - (B)
Annual appropriations - other services - non-operating[3]			
Prior year administered appropriation	695,443	578,211	
Administered assets and liabilities	711,123	216,374	
Payments to corporate Commonwealth entities	17,086	17,086	
Total annual appropriations - other services - non-operating	**1,423,652**	**811,671**	
Total administered annual appropriations	**16,274,630**	**14,702,423**	
Administered special appropriations			
Special appropriations limited by criteria/entitlement			
Aged Care (Accommodation Payment Security) Act 2006		2,375	
Aged Care Act 1997		17,769,103	
Health Insurance Act 1973		-	
National Health Act 1953		1,698,146	
Medical Indemnity Act 2002		17,552	
Private Health Insurance Act 2007		6,304,959	
Dental Benefits Act 2008		315,981	
Public Governance, Performance and Accountability Act 2013 - s77		2,000	
Total administered special appropriations		**26,110,116**	
Special accounts[4]			
Opening Balance	1,510,121		
Appropriation receipts[5]	5,921		
Appropriation receipts - other entities[6]	42,021,101		
Non-appropriation receipts to special accounts	3,511		
Payments made		41,691,462	
Total special accounts	**43,540,654**	**41,691,462**	**1,849,192**
Less administered appropriations drawn from annual/special appropriations and credited to special accounts	5,921		
Less payments to corporate entities from annual/special appropriations	584,024	584,024	
TOTAL ADMINISTERED RESOURCING[7]	**59,225,339**	**81,919,977**	**1,849,192**
Total resourcing and payments for the Department of Health	**60,615,632**	**83,133,707**	**2,047,619**

1 Supply Act (No. 1) 2020–21, Appropriation Act (No. 1) 2020–21, Appropriation Act (No. 3) 2020–21 and Advance to the Finance Minister. This also includes prior year departmental appropriation and section 74 retained revenue receipts, and excludes amounts permanently withheld under s51 of the PGPA Act.

2 Departmental capital budgets are not separately identified in Appropriation Acts and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contributions by owners'.

3 Supply Act (No. 2) 2020–21, Appropriation Act (No. 2) 2020–21, Appropriation Act (No. 4) 2020–21 and Advance to the Finance Minister.

4 Does not include 'Relevant Money' held in Services for Other Entities and Trust Moneys special account (SOETM).

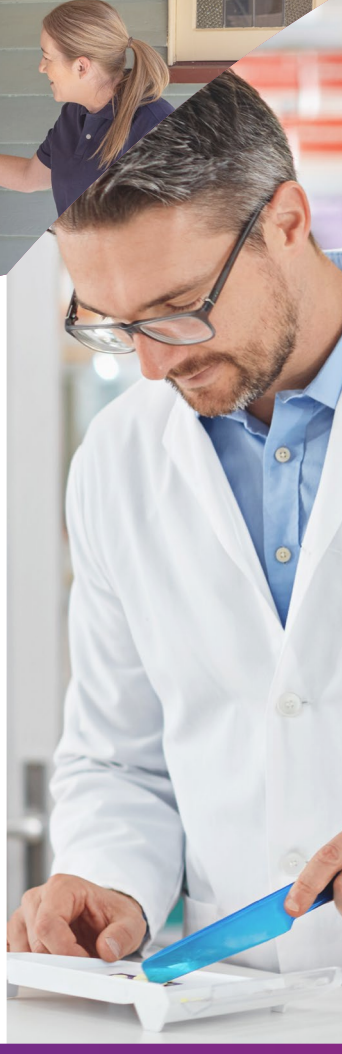
5 Appropriation receipts from the Department of Health's annual appropriations 2020–21 included above.

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.

Celebrating 100 YEARS OF HEALTH 1921 - 2021

Staff of the Commonwealth Department of Health in 1928, Canberra. (Dr Cumpston right front)



Part 3:
Management and Accountability

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Part 3.1: Corporate Governance

The Department's corporate governance plays an integral role in ensuring government priorities and program outcomes are delivered efficiently and effectively.

In early 2020, the senior governance committees were streamlined to support the COVID-19 pandemic health response package, and continue to evolve as the COVID-19 landscape changes. As the priority shifted to implementation of the COVID-19 vaccination program, senior committee structures adapted to this new focus.

The Executive Committee replaced the Executive Board, streamlining processes and establishing greater dynamic governance in the Department through the Secretary, Associate Secretary and Deputy Secretaries.

Senior governance committees

The senior governance committees provide advice and make recommendations to the Executive on:

- organisational performance
- delivery of administered programs
- implementation of the Department's highest risk change projects
- strategic portfolio policy issues to improve performance of the health and aged care systems.

Figure 3.1.1: Senior governance committee structure

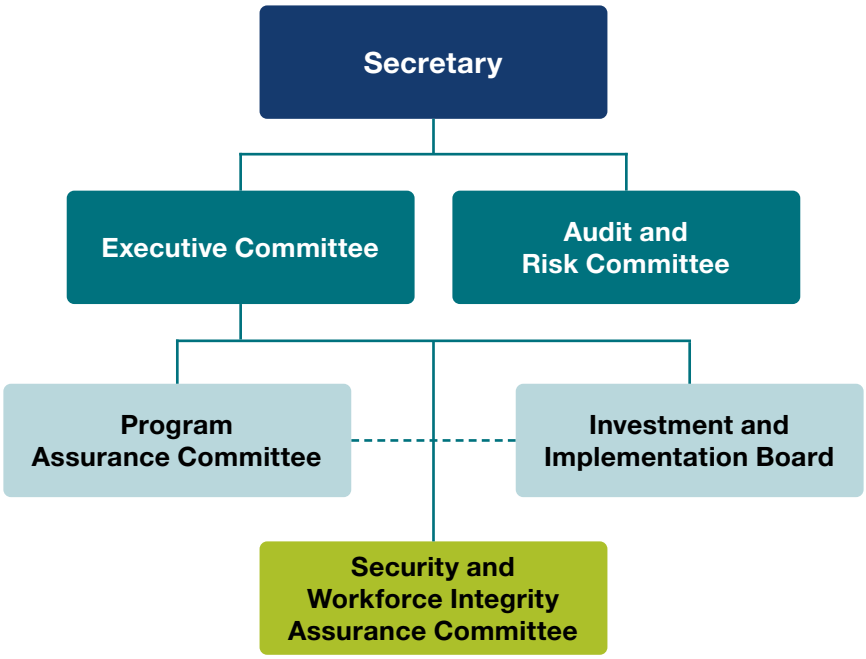


Table 3.1.1: Senior governance committees

Committee	Role
Executive Committee	The Executive Committee provides strategic direction and leadership to ensure the achievement of outcomes, including those documented in the Department's Corporate Plan and Portfolio Budget Statements. The Committee sets out to achieve outcomes through: • effective decision making and governance • setting the strategic direction and ensuring achievement of high quality outcomes • shaping organisational culture and developing capability • monitoring and addressing departmental performance and risks • providing strategic advice on recommendations put forward by the Department's Senior Governance Committees. Membership comprises the Secretary, Associate Secretary and all Deputy Secretaries.
Audit and Risk Committee	The Audit and Risk Committee provides review of the appropriateness of the Department's: • financial reporting • systems of internal control • performance reporting • systems of risk oversight and management. At 30 June 2021, the Committee comprised of an external chair, 3 external members, and a senior executive member chosen from within the Department.
Program Assurance Committee	The Program Assurance Committee (PAC) drives excellence in program delivery across all departmental programs, which are mapped to the outcome and program structure reflected in the Portfolio Budget Statements. It considers both the ongoing delivery of programs and the implementation of new programs and measures. As an advisory body reporting to the Executive Committee, the PAC reviews sub-programs to provide: • 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 Committee 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 the PAC. Membership comprises senior executives selected for their expertise and/or current role in the Department.

Committee	Role
Investment and Implementation Board	The Investment and Implementation Board provides oversight, advice and assurance to the Executive Committee on: • effective management and ongoing viability of the Department's high risk change projects • assessment of performance impacts and delivery related to the Department's COVID-19 pandemic response • strengthening and maturing project capability and independent project assurance • investments relating to the use of departmental capital and associated non-capital budgets. 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 Committee in the provision of a cohesive and coordinated approach to security and workforce integrity risk. The Committee supports the Executive Committee 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 • 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 (ARC) changed in 2020–21. At 30 June 2021, the Committee comprised of an external chair, 3 external members, and a senior executive member chosen from within the Department. The Committee met 5 times in 2020–21.

The ARC's functions are set out in its Charter, available at: www.health.gov.au/audit-risk-committee-charter

The ARC has 2 sub-committees, chaired by external members, to support it in performing its functions. These committees and chairs are:

- The Financial Statements Sub-Committee, chaired by Tim Youngberry.
- The Performance Reporting Sub-Committee, chaired by Nick Baker.

ARC membership as at 30 June 2021

Jenny Morison – External Chair

Jenny Morison is a Fellow of the Chartered Accountants of Australia and New Zealand, with over 38 years of broad experience in accounting and commerce, including audit, taxation, management consulting, corporate advisory and consulting to government. Jenny has held numerous board positions and has extensive experience as an external member and chair of Audit Committees in the Australian Government. Jenny's 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 5 ARC meetings during 2020–21.

Remuneration: $80,000 (incl. GST) per annum.

Caroline Edwards – Deputy Chair

As the Associate Secretary of the Department, Caroline has responsibility for whole of portfolio strategic policy and relations, health economics and medical research, and the strategic and corporate operations of the Department. Caroline was previously a Deputy Secretary (2017–2019), with responsibility 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.

Caroline was previously the Deputy Secretary for Social Policy at the Department of Prime Minister and Cabinet in 2019, until her recall to Health in February 2020 to assist with the COVID-19 pandemic response.

Caroline attended 4 ARC meetings during 2020–21.

Remuneration: Nil. Caroline was a member of the Department's Senior Executive Service during 2020–21.

Andrew Stuart – External Member (June 2021 – current)

Andrew Stuart is a former Deputy Secretary of the Department of Health. Andrew was, at one time, the Chief Operating Officer of the Department, responsible for its internal reform and efficiency program and the establishment of a portfolio shared services centre covering 20 portfolio entities. Andrew has also been responsible for the management of the Medicare program, private health insurance and the Pharmaceutical Benefits Scheme, with total expenditure of $45 billion per annum. Andrew holds a Master of Social Science and Statistics from the Australian National University.

Andrew attended one ARC meeting during 2020–21.

Remuneration: $4,000 per meeting (GST exempt).

Nick Baker – External 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 5 ARC meetings during 2020–21.

Remuneration: $35,000 (incl. GST) per annum.

Tim Youngberry – External Member (January 2021 – current)

Tim is an international consultant specialising in public financial management. He has worked with the Commonwealth and state governments in Australia, and is a subject matter expert on public finance with the International Monetary Fund, the Organisation for Economic Co-operation and Development, and international aid organisations. In addition to working in multiple jurisdictions in Australia, Tim has undertaken assignments in Africa, China, Latin America, Asia, the Pacific and Europe.

Tim has more than 15 years of experience in senior executive roles in the Australian Government, including with the Department of Finance, where he held responsibility for whole of government accounting, financial reporting and appropriations management. Tim has also served as the Chief Finance Officer at the Defence Materiel Organisation and the Department of Social Services[85].

Tim also has more than 10 years of private sector experience, and worked for the National Australia Bank and Ernst and Young early in his career.

Tim was a member of the International Public Sector Accounting Standards Board from 2010 to 2015.

Tim currently chairs, or is a member of, a number of Commonwealth agency audit committees.

Tim attended 2 ARC meetings during 2020–21.

Remuneration: $38,500 (incl. GST) per annum.

[85] Formerly named the Department of Families, Community Services and Indigenous Affairs.

Organisational planning

The Department's corporate governance agenda is guided by the Department's Corporate Plan. In 2020–21, the Department undertook a review of performance reporting arrangements and updated its Performance Measurement and Reporting Framework. This included developing a performance planning and reporting assurance process and implementing a centralised register of performance information. Integrated business planning and risk management processes are undertaken annually and are closely aligned to internal budget allocation processes. This approach provides visibility of the higher areas of need, allowing business areas to use a risk-based approach to manage budget and resource allocations in order to deliver government priorities consistent with our vision.

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[86]

The Corporate Plan is the primary strategic planning document for the Department and is a core element of the Department's performance framework.

It sets our key objectives and key activities to enable us to achieve our purpose over the next 4 years. It also details how we will measure our performance in delivering a modern, sustainable health system for all Australians. Additionally, the Corporate Plan includes information on our operating context, capability, approach to managing risk, and how we work with our partners to 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 2020–21.

Remaining contemporary and dynamic to the Department's needs, the Risk Management Framework is designed to assist the Department in making smarter business decisions and increasing risk maturity as the Department responds to the changing COVID-19 pandemic environment.

In 2020–21, the Department participated in the 2021 Comcover Risk Management Benchmarking Survey, recording an overall risk maturity rating of 'Embedded', with the strongest risk maturity capability in risk governance. The Department continues to strengthen its risk management maturity through the senior leadership team, integrating our budget, business and risk planning processes, and providing risk oversight of programs and projects to ensure they are effectively managed and on track to deliver government policy. The Department maintains focus on shaping the risk capability of staff by empowering them to practice effective risk management as a core part of their role.

[86] Available at: www.health.gov.au/corporateplan

Fraud minimisation and control

The Department is fully committed to minimising the risk, incidence and impact of fraud and corruption.

The Department has taken all reasonable measures to appropriately deal with fraud and properly manage public resources by providing assurance over the integrity of activities conducted across the Department.

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, investigation and reporting of fraud matters for the Department.

The Department recognises the changing fraud landscape. In particular, the COVID-19 pandemic has introduced increased fraud and corruption risks across the Department. These risks are being actively managed, including through:

- fraud and corruption risk assessments, identifying vulnerabilities, evaluating and prescribing fraud and corruption control measures and creating treatment plans
- active engagement with the Attorney-Generals' Commonwealth Fraud Prevention Centre to share their counter fraud subject matter expertise, as well as information and intelligence regarding vaccine fraud threats
- development and distribution of fraud related information products to help staff identify potential fraud threats and counter fraud appropriately.

A strong control environment is integral to fraud control and the effectiveness of measures protecting the Department and its programs against fraud and corruption. Internal controls, which include processes or systems used to minimise fraud, are at the centre of fraud risk management in the Department.

During 2020–21, the Department referred 28 Briefs of Evidence to the Commonwealth Director of Public Prosecutions (CDPP). The CDPP commenced criminal prosecution in relation to 17 matters following the Department's investigation of alleged fraud against the Medicare Benefits Schedule, Pharmaceutical Benefit Scheme, and Child Dental Benefits Scheme. Of those, 5 were referred in 2020–21 and 12 were referred in previous years.

During 2020–21, 5 cases resulted in a successful criminal prosecution and 2 criminal prosecutions were discontinued by the CDPP. The offenders in these matters were 2 pharmacists, one optometry practice owner, one medical receptionist and one case where a person claimed to be an exercise physiologist. The offenders received sentences ranging from an Intensive Corrections Order through to a term of imprisonment of up to 2 years.

As at 30 June 2021, 23 matters were before the courts, with 7 cases awaiting sentencing.

Assurance and audit activities

The Department undertook assurance and audit activities to promote and support effective corporate governance.

Internal audits completed during 2020–21 supported compliance and provided assurance in relation to the Department's key delivery objectives and the effectiveness of its control frameworks. During 2020–21, the Department completed one audit from the 2019–20 Internal Audit Work Program, and 12 audits from the 2020–21 Internal Audit Work Program.

A live assurance program undertaken in response to the COVID-19 pandemic informed the establishment of a service offering in the Department, providing 'real time' assurance advice and guidance. The live assurance service offering is provided by the Department's internal audit providers and includes assurance products such as health checks, deep dives and a tailored risk snapshot self-assessment to identify control gaps and mitigate potential risks. During 2020–21, the Department completed 4 deep dives and 3 risk snapshot self-assessments.

Compliance reporting

The Department recorded no significant breaches of finance law during 2020–21.

The Department maintains a risk-based approach to compliance, with a combination of self-reporting and focused review. The ARC review and endorse application and adjustments to this methodology, with instances of non-compliance reported to the ARC. 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, 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
- taken all reasonable measures to appropriately deal with fraud relating to the Department.

Dr Brendan Murphy
6 October 2021

Part 3.2: Executive

(as at 30 June 2021[87])

Dr Brendan Murphy
Secretary

Dr Brendan Murphy commenced as the Secretary of the Department of Health on 13 July 2020. Prior to his appointment as Secretary, Brendan was the Chief Medical Officer (CMO) for the Australian Government and prior to this, the Chief Executive Officer of Austin Health in Victoria.

Dr Murphy is a Professorial Associate with the title of Professor at the University of Melbourne; an Adjunct Professor at Monash University and at the Australian National University; a Fellow of the Australian Academy of Health and Medical Sciences; a Fellow of the Royal Australian College of Physicians; and a Fellow of the Australian Institute of Company Directors.

He was formerly CMO and director of Nephrology at St Vincent's Health, and sat on the Boards of the Centenary Institute, Health Workforce Australia, the Florey Institute of Neuroscience and Mental Health, the Olivia Newton-John Cancer Research Institute and the Victorian Comprehensive Cancer Centre. He is also a former president of the Australian and New Zealand Society of Nephrology.

Caroline Edwards
Associate Secretary

Caroline Edwards was Acting Secretary, Department of Health, until 12 July 2020, before commencing as Associate Secretary 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 Paul Kelly
Chief Medical Officer

Professor Paul Kelly is the Chief Medical Officer for the Australian Government and is the principal medical adviser to the Minister for Health and Aged Care and the Department of Health. He also holds direct responsibility for Health's Office of Health Protection and Response Division. Professor Kelly is a public health physician and epidemiologist with more than 30 years' research experience. He has worked around the world in health system development and infectious disease epidemiology.

Paul has vast experience in infectious disease epidemiology, in particular influenza, pneumonia and tuberculosis. This will help us understand how coronavirus spreads through the community and what we can do to slow the spread.

[87] 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

Dr Margot McCarthy is currently a Special Adviser in the Department of Health and Australian Public Service Commission (APS Academy).

Margot has held a number of senior positions in the Australian Public Service including Deputy Secretary Ageing and Aged Care, Department of Health, National Security Adviser, Department of the Prime Minister and Cabinet, and Deputy Secretary Strategic Reform and Governance, Department of Defence.

Margot is a graduate of Oxford University (DPhil 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.

Penny Shakespeare
Deputy Secretary, Health Resourcing

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.

Michael Lye
Deputy Secretary, Ageing and Aged Care

Michael Lye joined 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.

Adj Prof. 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, and has extensive experience in medical, agricultural and environmental policy, regulation, research management, technology application and commercialisation.

He has served on the boards of many national and international organisations, and has more than 30 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 (Vic).

He holds a first class honors degree in Science (Pharmacology) and a PhD from the University of Sydney Medical School.

Charles Wann
Chief Operating Officer

Charles Wann was appointed as Chief Operating Officer in February 2021.

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.

Tania Rishniw
Deputy Secretary, Primary and Community Care

Tania Rishniw 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.

Before being appointed as Deputy Secretary in May 2020, she held senior positions in the Department of the Prime Minister and Cabinet, Department of Finance, Department of Education and Employment, and Department of Environment.

Tania has led policy reform in environmental and financial regulation, long term health strategy, Indigenous employment and education, primary care, and service delivery. She 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.

Tania has a Bachelor of Laws (Hons) and a Bachelor of Arts in Psychology, as well as holding an Executive Master's Degree in Public Administration.

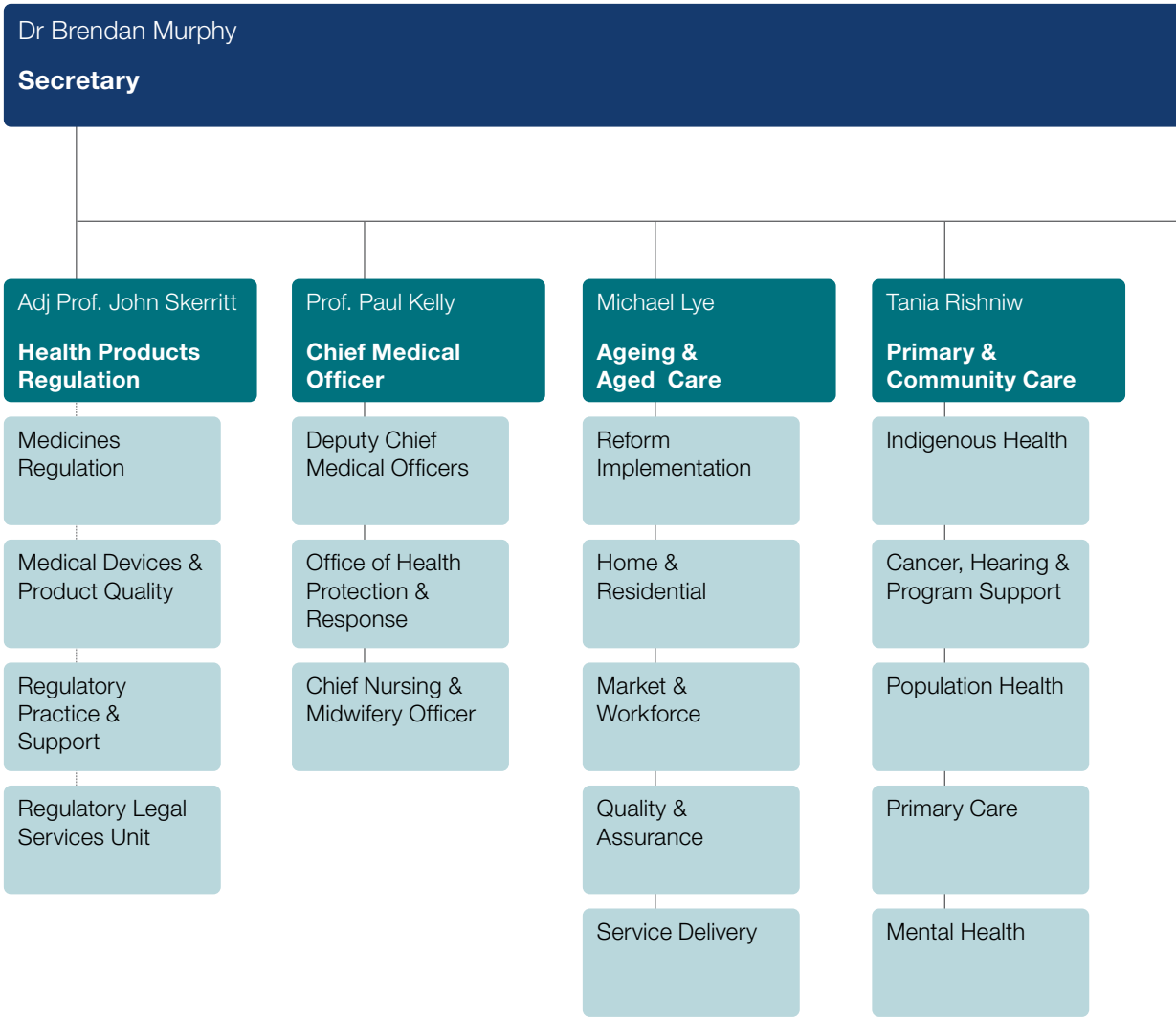
Celebrating 100 YEARS OF HEALTH 1921–2021

Dr John Howard Lidgett Cumpston, first Director-General of the Australian Government's Department of Health (1921–1945).

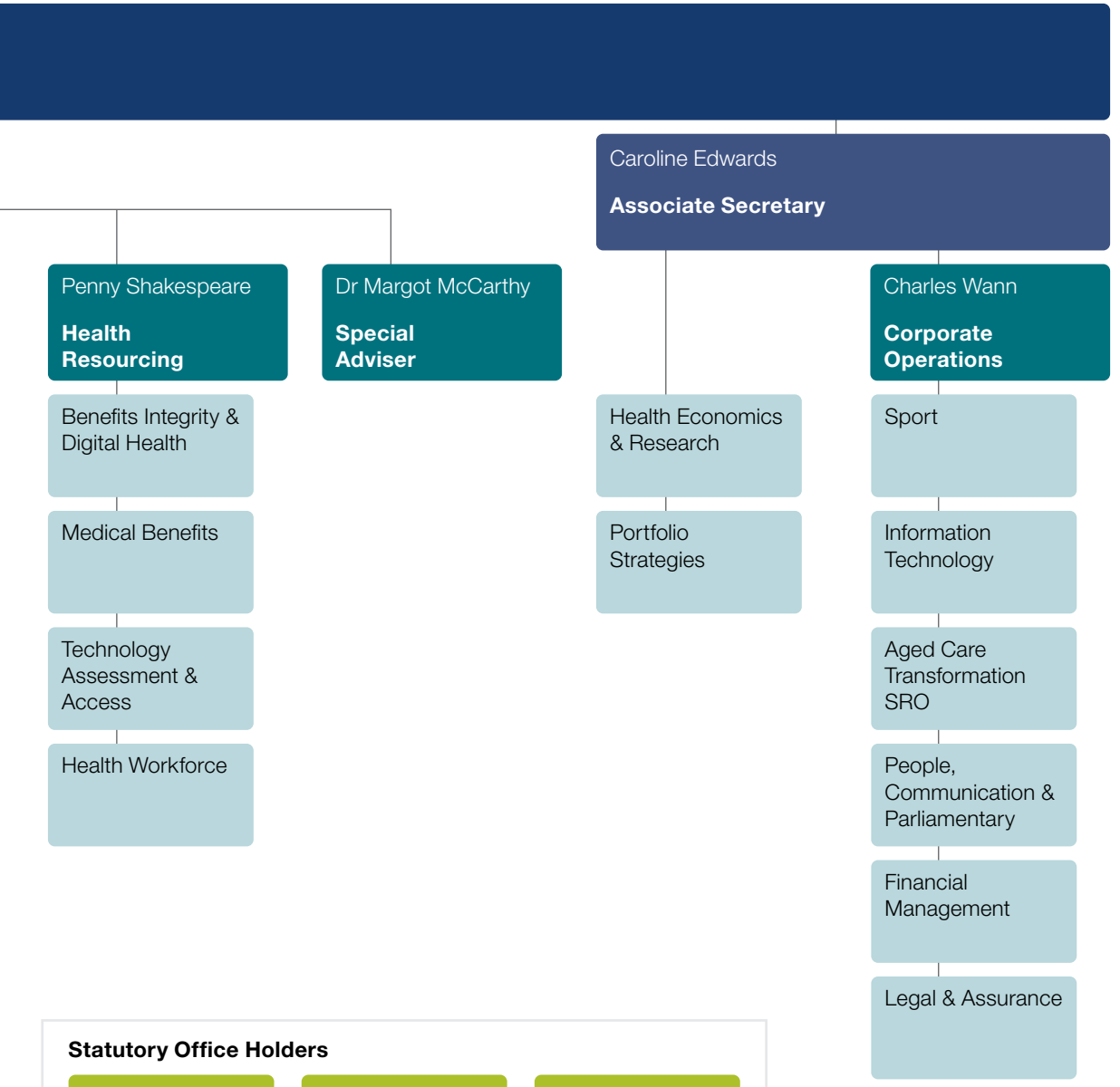
Part 3.3: Structure Chart

(as at 30 June 2021[88])

Department of Health



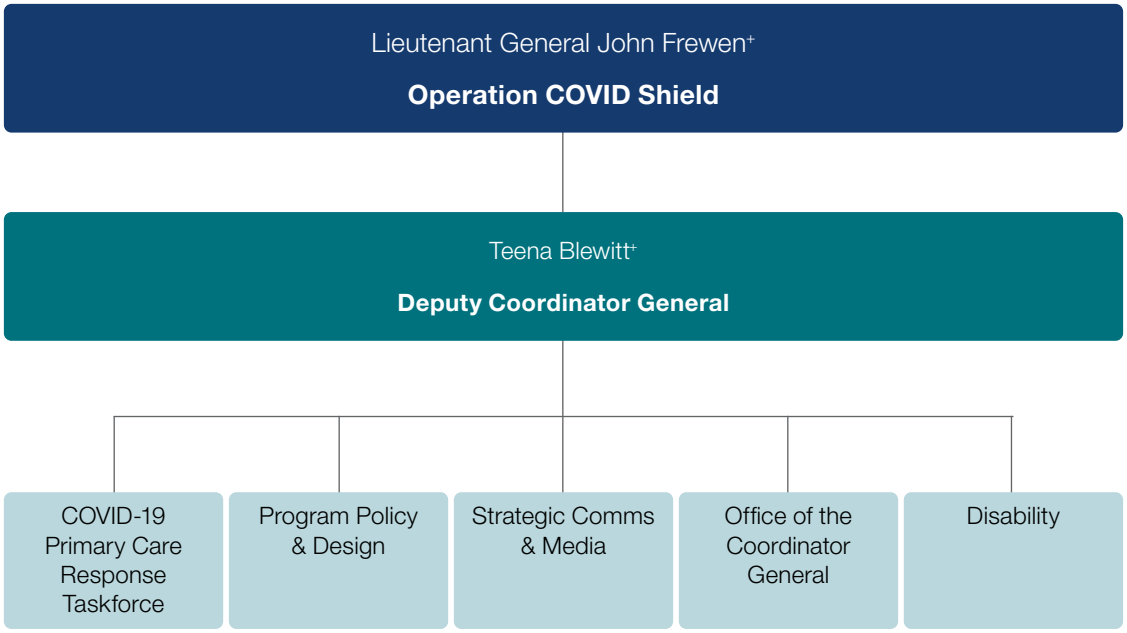
[88] To view the most recent Departmental Structure Chart, visit: www.health.gov.au/about-us/who-we-are/organisational-chart


Caroline Edwards
Associate Secretary
Penny Shakespeare
Health Resourcing
Dr Margot McCarthy
Special Adviser
Charles Wann
Corporate Operations
Benefits Integrity & Digital Health
Medical Benefits
Technology Assessment & Access
Health Workforce
Health Economics & Research
Portfolio Strategies
Sport
Information Technology
Aged Care Transformation SRO
People, Communication & Parliamentary
Financial Management
Legal & Assurance
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 3.3: Structure Chart

(as at 30 June 2021)

Operation COVID Shield



+ SES on secondment from another Agency

Part 3.4: People

During 2020–21, the Department's strong leadership and positive culture provided a solid foundation to successfully meet a historic and busy year. Our performance and culture are measured through our internal Pulse Surveys, Australian Public Service (APS) State of the Service Census (Staff Survey), and key measures and diversity benchmarks for the Department and wider APS. The Department continues to measure staff productivity and their remote working experiences to support them to do their best work safely and flexibly.

Organisational performance

Measures of leadership and culture

In light of the COVID-19 pandemic and its impact on the APS, the Australian Public Service Commission (APSC) delayed the 2020 Staff Survey from its normal May/June delivery timeframe until October 2020. The 2021 Staff Survey was conducted during the normal May/June timeframe. This provided 2 opportunities to monitor our leadership and culture during a challenging year.

The 2020 Staff Survey reported a broad improvement across the majority of questions, with noted increases in departmental communication, change management, teamwork and collaboration, and Senior Executive Service (SES) leadership. The results for most questions were above the APS average.

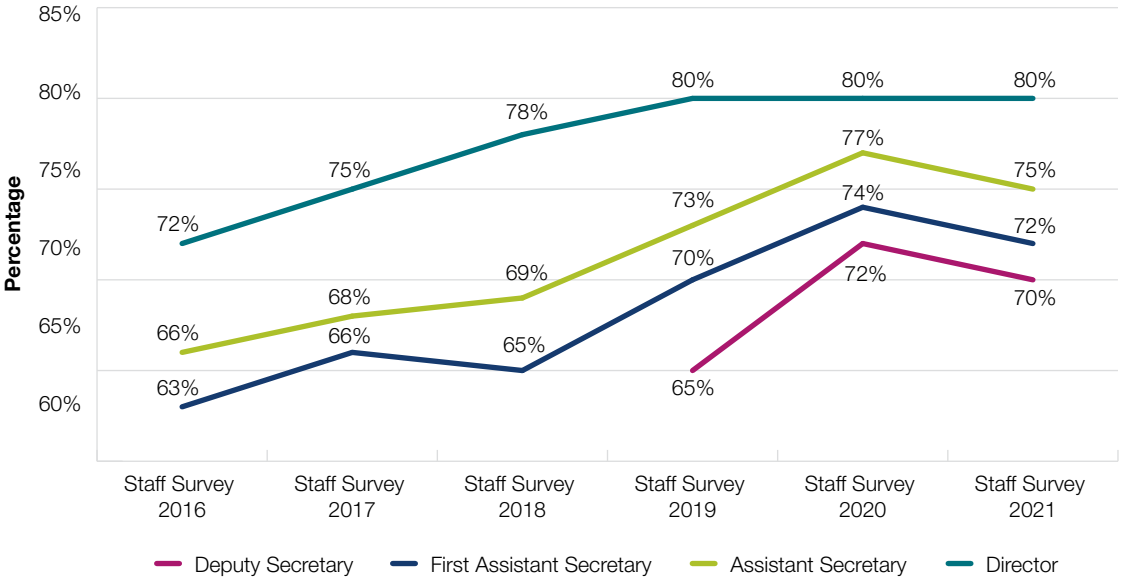
The 2021 Staff Survey showed we had maintained our positive results from 2020. The areas which saw significant improvement since 2020 were appetite for risk, a reduction in staff feeling burned out, and staff reporting reduced skill or capability gaps. While staff perception of wellbeing, communication and change management decreased in 2020, these areas increased significantly in 2021 and the results remained strong when viewed in the context of other APS agencies and our historical departmental results.

The Department's experience of flexible working has remained positive, with 81% of staff reporting a good or excellent experience of remote working arrangements. The vast majority of managers (88%) reported their staff were just as productive, or more productive, working remotely compared to in the office.

The perception of the Department's SES remains strong, and satisfaction with the Executive Level (EL) 2 cohort maintains the highest leadership satisfaction scores (refer Figure 3.4.1).

Over the coming year, the Department will focus on maintaining our strong leadership and culture, while continuing to improve the ability of staff to work at their best, regardless of location.

Figure 3.4.1: Health and APS senior leadership perception



Workforce composition

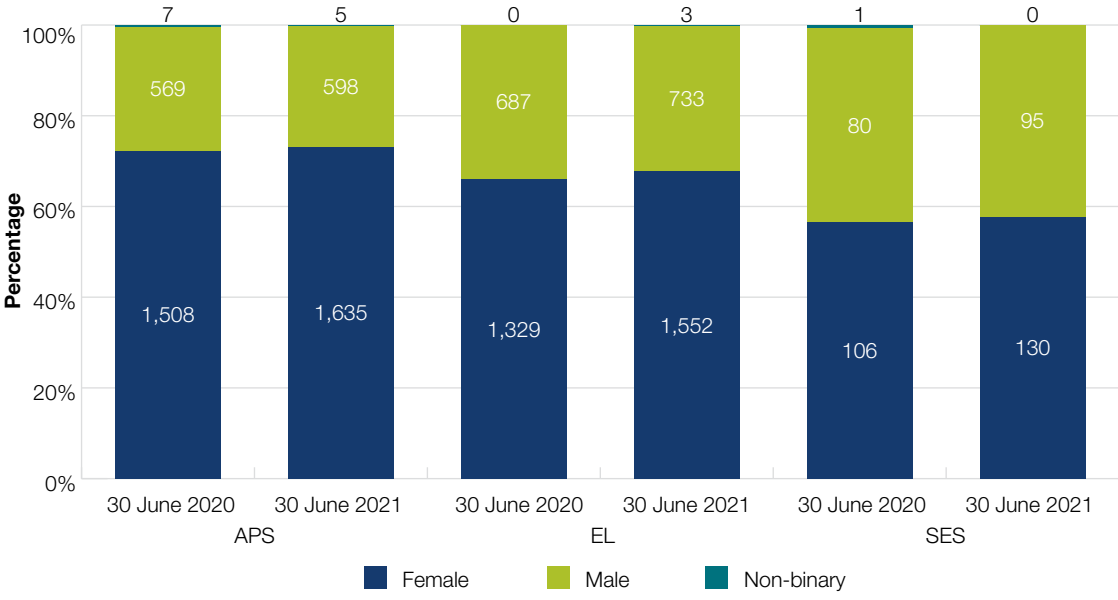
At 30 June 2021, the Department had a workforce of 4,760 ongoing and non-ongoing APS staff (including staff on leave and secondment). This is an increase from 4,296 at 30 June 2020, which is largely due to a surge in workforce numbers to assist with the Australian Government's response to the COVID-19 pandemic, including the vaccination program.

At 30 June 2021:

- 93.5% of staff were ongoing and 6.5% were non-ongoing
- 18.4% of staff were employed on a part-time basis
- 69.8% of staff were female
- 2.5% of staff identified as Aboriginal and/or Torres Strait Islander
- 4.0% of staff identified as having disability.

The ongoing staff turnover rate in 2020–21, excluding voluntary redundancies and machinery of government moves, was 9.4%, an increase from 8.2% in 2019–20. Including voluntary redundancies, the ongoing staff turnover rate was 10.0%.

Figure 3.4.2: Comparison of gender profile at 30 June 2020 and 30 June 2021[89,90]



Employment arrangements

The Department's employment arrangement practices with its staff are consistent with the Public Sector Workplace Relations Policy 2020, the *Fair Work Act 2009*, and the *Public Service Act 1999*. Information on employment arrangements are outlined below.

Enterprise Agreement

The Department's Enterprise Agreement 2019–2022 (EA)[91] commenced operation on 26 March 2019 and will nominally expire on 25 March 2022. The EA provides terms and conditions of employment for non-SES staff.

The EA contains a flexibility term, enabling 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.

Salary increases under Health's EA were awarded on 26 March 2019 and 2020. On 9 April 2020, the Government announced that due to the COVID-19 pandemic, APS salary increases due between 14 April 2020 and 13 April 2021 would be delayed for 6 months. As a result, the 26 March 2021 Health EA salary increase was delayed until 26 September 2021. Increases due under IFAs are also subject to the delay on salary increases.

[89] 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 EL1-2, Medical Officers 2-4, Legal 1-2, Public Affairs 3, Senior Principal Research Scientist and Principal Research Scientist.

[90] 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 2021, 8 staff members identified as non-binary.

[91] Available at: www.health.gov.au/resources/publications/enterprise-agreement

Executive remuneration and performance pay

During 2020–21, the Department's remuneration for SES officers was consistent with equivalent public sector entities. Base salaries and inclusions complied with government policy and guidelines. Consistent with government policy, remuneration for SES officers did not increase in 2020–21.

Remuneration for SES officers takes into account 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. 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. Usually, the Department's Secretary and Deputy Secretaries review all SES salaries regularly. This did not occur in 2020–21.

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 2020–21. On 25 June 2021, the Australian Public Service Commissioner advised Secretaries the pause on SES pay increases had been lifted. Following this advice, the Department's Executive approved a 1.7% increase to SES base salaries to take effect early in the 2021–22 financial year. This increase is in line with the Wage Price Index for the private sector as at June 2021.

Refer to Appendix 1: Workforce Statistics in this Annual Report for more information on the Department's staffing numbers, workplace arrangements, remuneration and salary structures.

Workforce Capability

Learning through change

In 2020–21, the Department matured its approach to learning and development by establishing better governance, taking a data-driven approach to resourcing and investment, and developing learning solutions directly aligned with business needs. This work provided a solid foundation to identify the most important, urgent and strategic capability gaps, and design learning solutions that are relevant, high impact, scalable, cost-effective and accessible.

Key areas of focus for 2020–21 included:

- Delivery of a Health-specific program supporting managers of teams that rapidly shifted to more remote and flexible working arrangements in response to the COVID-19 pandemic.
- Embedding 'digital first' delivery of learning, ensuring learning and development is accessible to staff no matter their location, as well as improving the Department's ability to rapidly develop high quality digital learning content through implementation of a new tool.
- Design of a Health-specific and work integrated program for APS6 to EL2 managers building critical capabilities in business planning, workforce planning, financial management, performance management, judgement and decision making, and professional and safe workplaces.
- Rebuild and rollout of a new Essential Learning Program, ensuring staff are aware of their responsibilities and obligations for recordkeeping, security, integrity, privacy, fraud, safety, the APS Values, and Code of Conduct.

All staff continued to have access to LinkedIn Learning, which includes over 15,000 video-based courses on topics including software, project management, data, leadership, communication, and career management.

Investing in leadership and talent

The Department supported EL2 and SES leaders, providing access to coaching services and a range of targeted leadership development opportunities.

The Department's Talent Council, including 4 First Assistant Secretaries, is an advisory body to the Executive Committee on matters relating to talent management. The Talent Council guided the leadership development of identified high potential executive level employees to support individual development and succession planning.

In 2020–21, staff had the opportunity to nominate themselves to participate in other leadership opportunities, such as the Jawun Secondment Program, Sir Roland Wilson Scholarship, Pat Turner Scholarship, National Security College Executive Development, and the Institute of Public Administration Australia's Future Leaders Program. While these leadership opportunities were all available in 2020–21, some programs were tailored to deliver a virtual/online delivery method due to the COVID-19 pandemic.

Continuing professional development

The Department recognises further training and study has lifelong benefits for staff, building their capability and knowledge in an area or discipline to enhance their performance now and into the future. The Department's Study Bank scheme provides eligible staff access to financial and/or leave support for approved courses of study. Aboriginal and/or Torres Strait Islander staff, staff from a non-English speaking background, or staff with disability may be eligible for additional study leave entitlements.

The Department supports the continued development of our medical officers by offering an annual professional development allowance to assist them in maintaining their professional qualifications. During 2020–21, the Department undertook extensive consultation to inform a new policy to support the ongoing development of other staff who are required to hold professional qualifications for their role. This policy will be finalised in early 2021–22.

Culture

The Department invests in its people, values, processes and systems to build a workplace culture that:

- encourages and rewards high performance
- recognises the importance of investing in the ongoing development of staff
- encourages flexibility, innovation and collaboration.

This focus is reflected in both our 2020 and 2021 Staff Survey results which shows the Department's culture is distinguished by strong communication, leadership, and willingness to work together and collaborate. The Department's commitment to supporting staff to work flexibly can be seen in the results for staff productivity and their experience working remotely.

The Department's leaders model the APS Code of Conduct and Values, and communicate priorities and expectations to ensure effort and behaviours align with the Department's strategic vision.

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 reflect the Code and Values.

Flexible working arrangements

The Department has a long history of providing access to flexible working arrangements, with all staff able to request various types of flexible work to assist in balancing their professional and personal commitments. This was enhanced in response to the COVID-19 pandemic, and during 2020–21 staff continued working in dispersed teams and collaborating via improved digital tools, regardless of physical location.

The increased flexibility put in place throughout 2020–21 has assisted the Department to maintain business continuity seamlessly where local state and territory arrangements are subject to sudden change in response to COVID-19 lockdowns. The 2021 Staff Survey showed that 79% of staff accessed some form of flexible work (i.e. remote working, flexible or part-time hours). A total of 81% of staff reported their experience of remote working arrangements were good or excellent. Staff also felt that support of flexible work practices (86%) and workgroup inclusiveness (84%) enabled them to perform at their best.

Workforce inclusivity and diversity

The Department acknowledges and respects the importance of workplace diversity and inclusion, and how it enriches our workplace and helps us to deliver better health outcomes for all Australians.

Throughout the year, implementation of the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) Action Plan 2020–22[92] continued. In August 2020, the Department celebrated Wear it Purple Day with a photo competition, receiving multiple entries from individuals and teams across the country. Staff in Canberra, Australian Capital Territory, also participated in a big purple photo shoot, and this photo featured at the 2021 Australian Lesbian, Gay, Bisexual, Transgender and Queer/Questioning (LGBTQ) Inclusion Awards in a showcase of work promoting awareness and visibility in the workplace.

In November 2020, a record number of staff tuned in to the Secretary's NAIDOC awards to celebrate our contribution and commitment to improving services and outcomes for Aboriginal and Torres Strait Islander people. This indicates an increase in staff engagement and maturity on our reconciliation journey.

[92] Available at: www.health.gov.au/resources/publications/lesbian-gay-bisexual-transgender-and-intersex-action-plan-2020-22

In December 2020, Health partnered with the Department of Industry, Science, Energy and Resources, IP Australia and the National Indigenous Australians Agency to deliver events for International Day of People with Disability. These included a virtual guest speaker presentation by paralympian Dylan Alcott OAM, watched by over 1,000 people across the 4 agencies, and an all-abilities basketball game. Our commitment to partnering to deliver initiatives across APS agencies continues.

The Department is committed to measuring its progress in pursuing greater inclusivity. The Department participated in the annual Australian Workplace Equality Index (AWEI), which is the national benchmark for LGBTQ workplace inclusion in Australia. In June 2021, the Department retained Bronze Employer tier status. The Department missed achieving Silver Employer tier status by only a few points, and will 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.

The Department participated in the 2 yearly Workplace Reconciliation Action Plan (RAP) barometer survey to better understand the impact of Health's RAP on our employees' attitudes and perceptions towards reconciliation, relative to members of the wider Australian community and other RAP organisations. In 2020, 482 Health staff completed the survey, an increase of 152 participants compared to 2018. The results of the 2020 survey support the Department's progress towards reconciliation, with the majority of results meeting or exceeding those of other RAP organisations. The Department will continue to work with our Aboriginal and Torres Strait Islander workforce to inform ways to strengthen relationships, trust and cultural competence.

Additionally, the Department participated in the 2020 Australian Network on Disability's Access and Inclusion Index, a benchmarking tool for disability workplace inclusion. While a score of 45 out of 100 indicates there is significant room for improvement, the Department ranked a solid 13th out of the 28 participating organisations. The Index provided an opportunity to assess our progress and maturity, and focus our future efforts on the journey toward disability confidence.

The Department's diversity networks continued to thrive during 2020–21. 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, including 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 in 2020–21. They adapted their activities to include virtual options, and 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 2021, 8 SES Champions supported our networks.

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. The Department implements initiatives to align with celebrations of Carers Week and International Day of People with Disability.

In 2020–21, these activities included:

- a Cuppa with Carers session, offering opportunities for carers to connect with and support each other
- Haiku for Carers, a creative exercise extended to all staff to show their appreciation for the work of carers
- partnering with other APS agencies to participate in an all-abilities basketball game and hear from inspirational speaker, paralympian Dylan Alcott
- raising the profile of staff with disability within the Department by highlighting their stories and achievements.

The Department also continues our 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 Australian Public Service (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[93] (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 2 yearly report tracks progress against the 6 outcome areas of the Strategy. Further information is available at: www.dss.gov.au

[93] Available at: www.dss.gov.au/our-responsibilities/disability-and-carers/publications-articles/policy-research/national-disability-strategy-2010-2020

Our values and behaviours

Together the APS Values, the APS Employment Principles and the APS Code of Conduct contained in the *Public Service Act 1999* set out the standard of behaviour expected of all APS employees. The APS Values (also known as the ICARE principles) are the foundation for everything we do, and are brought to life for our staff through the Department's Behaviours in Action, which provide practical guidance to staff about what the expected behaviours look like in the workplace. The ICARE principles are embedded into staff members' performance agreements, which are regularly revisited during the year to ensure staff are familiar with the expected behaviours.

The Department is committed to a positive working environment that values diversity and is safe and free from all forms of workplace bullying, discrimination and harassment. To ensure alignment with contemporary best practice, the Department has initiated reviews of 2 important people management processes. These include reviews of the Department's:

- Bullying, harassment and discrimination framework: The purpose of this review is to ensure a streamlined policy, which clearly sets out the roles and responsibilities for managers and employees. The policy will be supported by user friendly and practical tools for employees which advise how to address or report bullying, discrimination and harassment incidents, offer clear pathways for support, and ensure a more transparent and victim centered approach to complaints handling.
- Code of Conduct procedures: The purpose of this review is to ensure the Department's processes are contemporary, streamlined and easy to understand, while meeting legislative requirements under the *Public Service Act 1999*. The review will include the development of guidance for case managers and decision makers to ensure procedural fairness and inform decision making.

Consistent with the Department's commitment to a positive and safe workplace, all alleged breaches of the APS Code of Conduct are treated seriously and managed in accordance with best practice. The Department finalised 13 APS Code of Conduct investigations during 2020–21, resulting in 13 breaches of the APS Code of Conduct being determined. The majority of bullying, harassment and discrimination complaints received were resolved through local management action or preliminary assessments.

Career and succession

Performance management and development

The Department continues to focus on high performance by building knowledge, confidence and capability in our staff.

All staff participate in the Department's Performance Development Scheme. Through the scheme, each staff member works with their manager to develop goals for the year, and how these will be measured for effective performance. Formal performance discussions and assessments between managers and staff occur at least twice a year, with regular informal discussions strongly encouraged to provide genuine feedback, direction, and support development. Staff and their managers discuss individual development objectives to ensure staff have the right capability to meet their agreed goals.

In 2020–21, the Department implemented strategies to foster a high performance environment and focus on managing for outcomes. These included:

- Implementing Managing Teams at Health training to build manager capability. The package includes modules on how to set clear goals, provide constructive feedback, and coach staff.
- Workplace coaching for SES and EL cohorts in group and/or one-on-one forums to foster high performance.
- Toolkits for Human Resources (HR) practitioners and line area managers, which include reference material, guidelines and practical tips to manage and lead effectively.
- A model to support a diagnostic approach to preparing and conducting meaningful conversations, aimed at building a high performance environment where teams are able to deliver quality work, and individuals are supported to reach their full potential.

The Department also recognises the need to effectively manage underperformance. Where there are identified performance concerns, managers and staff are supported to ensure expectations are clearly expressed, capability gaps are addressed and regular actionable feedback is provided, with the goal of closing identified performance gaps. Where performance is not restored, the Department may initiate its formal underperformance process.

In relation to formal underperformance, the Department engaged KPMG Australia to assist with a review of the managing underperformance policy and procedures. The purpose of the review is to ensure an efficient and effective approach that supports performance and culture, enables supervisors to effectively manage underperformance, and gives employees a genuine opportunity to restore performance wherever possible. The review will conclude in the 2021–22 financial year.

Entry level programs

During 2020–21, the Department participated in a number of entry level and employment recruitment programs and activities to engage a diverse range of participants, with a focus on key capabilities. These included the:

- Department of Health's Graduate Program, which included an Affirmative Measures process for Aboriginal and Torres Strait Islander people and the opportunity to opt in to the RecruitAbility Scheme
- Australian Taxation Office's APS HR Graduate Program
- Digital Transformation Agency's Australian Government ICT Graduate Program
- Office of the Chief Scientist's Australian Science Policy Fellowships Program
- Department of Finance's Career Starter Program
- Services Australia's Indigenous Apprenticeship Program.

In 2021–22, there will be a continued focus on enhancements to entry level and employment programs, including:

- increased participation in whole of government graduate stream recruitment programs
- overall program attraction and retention strategies
- reviewing the learning and development offering
- post-program pathways and support.

Career development and mobility

The Department mobilised our workforce quickly in response to the COVID-19 pandemic, the COVID-19 vaccine rollout and other emerging priorities. This provided staff with the opportunity to lean in to challenges, take on new roles, and work in an agile manner across traditional boundaries. This resulted in broadening skills and experience, and building capability.

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 increased in 2020–21, particularly in relation to the Department's COVID-19 pandemic response and the COVID-19 vaccine rollout.

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 an employment register for staff willing to contribute under a short term arrangement to health priority work, including the COVID-19 pandemic response. A large number of placements were made from this register to fill vacancies across the Department, including in the National Incident Centre (NIC). In addition to this register, staff from the Department and across the APS provided assistance in short and long term arrangements, many of which uniquely saw business areas 'loan out' staff with no financial impact on the NIC. There was flexibility in both tenure and release timeframes, encouraging a mobile and responsive workforce during this period.

Additionally, the Department made a large number of placements through the APSC's Surge Reserve to support work in the Department's Vaccine Operations Centre (VOC). The placements were temporary and brought in a variety of skillsets and experience.

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.

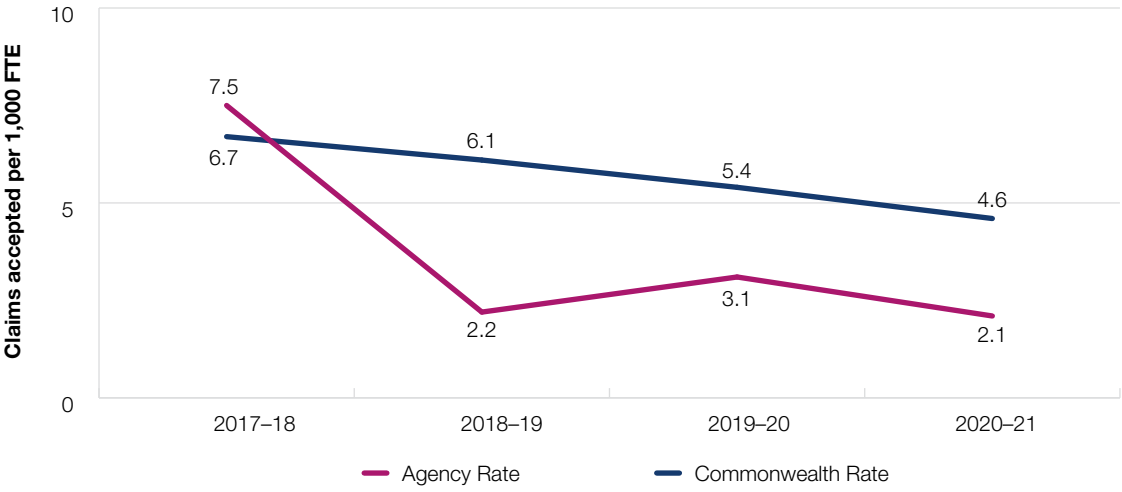
Work Health and Safety (WHS)

The Department continued to improve its injury and illness management in 2020–21. The Department's revised premium rate for the 2019–20 financial year was 0.96%, which has reduced to 0.91% in 2020–21. The rate is above the Commonwealth scheme average rate of 0.79% due to a higher than usual volume of claims in 2017–18.

The Department has a diverse workplace environment, however our most common risks are due to ergonomics and psychological fatigue attributed to the COVID-19 pandemic. Throughout 2020–21, the Department also recognised the need for tailored support for employees as they continue to work remotely. These risks are managed through the provision of well-designed workspaces, ergonomic tools and enhanced wellbeing supports. In 2020–21, the Department partnered with other Commonwealth agencies in creating the Victorian Aged Care Response Centre, and in the Australian Capital Territory the VOC, which created unique challenges in managing employees' health and wellbeing. The Department continues to enforce policies, procedures and practices to appropriately protect workers from, and respond to, potential hazards.

There was a spike in accepted claims in 2017–18, dropping significantly in 2018–19, with a slight increase in 2019–20. In 2020–21, Comcare accepted a total of 8 claims, which were attributed to psychological factors (4), disease (3) and injury (one).

Figure 3.4.3: Number of accepted compensation claims from 2017–18 to 2020–21



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 completed a WHS Management System Audit in May 2021. The Department scored very strongly, with good practices noted, including:

- open and frequent communication at senior management level
- workplace and work environment awareness amongst workers
- workers' understanding of complex contractor and facility management
- early intervention programs.

A rehabilitation management system audit is scheduled for July 2021.

Improving WHS in the workplace

Like many employers in 2020–21, the Department faced unusual WHS challenges due to the COVID-19 pandemic. 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 employee queries
- COVIDSafe inspections of workplaces
- increased access to the flu vaccination program
- wellbeing webinars for all staff throughout the pandemic
- wellbeing webinars dedicated to employees experiencing lockdown
- tailored support for employees with unique requirements
- a staged approach to transitioning employees to a combination of remote and in office working arrangements
- provision of personal protective equipment (PPE) to states and territories for staff who required masks when travelling for work, or where staff were required to wear masks in the workplace
- COVIDSafe kits containing PPE for employees in hotspots
- a work plan to transition to work in a COVIDSafe way.

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 was extended into 2020–21 to continue to provide proactive early program and triaging intervention, resulting in fewer matters becoming compensation claims during 2020–21. The early intervention program also assisted the Department in proactively managing accepted claims for compensation, and providing the most appropriate services to employees earlier.

To increase employees' awareness and knowledge of WHS, the WHS eLearning module was refreshed to ensure content remains relevant. This module forms part of the Department's 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 workstation assessments, the Employee Assistance Program (EAP), flexible working arrangements, prompt case management and, where appropriate, reimbursement for medical treatments.

To ensure work from home arrangements were meeting WHS requirements, the Department created a workstation assessment program that could be delivered to employees virtually. The program was designed to support employees as they worked in remote workplaces with less than optimal workstations. The program enables employees to send photos of their workstation to an occupational therapist, who reviews the images and makes recommendations for sensible and practical adjustments. The program was accessed over 420 times in 2020–21, saving over $200,000 on external contracting associated with the traditional workstation assessment process. The Virtual Workstation Assessment was a finalist in Comcare's 2021 Safety Awards. The awards recognise innovative solutions to deliver WHS.

Additionally, the Department created a suite of short videos with health, safety and wellbeing messaging. The videos promoted a COVIDSafe workplace and work practices, and supported national messaging for staff safety as they navigated the COVID-19 pandemic.

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 immediate family members. The Department recorded a usage increase in 2020–21, however this increase was not directly attributable to the pandemic.

The Health and Wellbeing Program

During 2020–21, the Department continued to provide access to the EAP, with unlimited access for any issue related to COVID-19. 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. It also provides services tailored to specific groups or needs, such as coaching and advice to managers, vocational counselling and career planning, financial counselling, and specialist help lines for Aboriginal and Torres Strait Islander employees, support for LGBTIQ+ issues, and those affected by domestic violence.

In addition to the standard EAP offering across the Department, wellbeing webinars were made available to all employees and their family members. The webinars are recorded and available to staff for 30 days. A comprehensive range of topics including mental health awareness, mental health fitness, sleep and our health, thriving under pressure, building resilience, and compassion burnout were included in these webinars.

An annual influenza vaccination program was delivered across the country in 2020–21 through onsite clinics and a voucher system accessed through nominated pharmacies. A total of 2,233 employees received an influenza vaccination onsite, while 739 employees and contractors downloaded a voucher to obtain free vaccination at a participating pharmacy.

The Department also offers eyesight testing and eyewear reimbursement to eligible employees for screen-based work, and a corporate gym membership scheme under which staff can access discounted membership or attendance rates at nominated gyms in major cities.

Notifiable incidents

The Department received 106 incident and hazard reports in 2020–21. This is a decrease from the 2019–20 financial year, where 151 incident and hazard reports were received. The Department is committed to continuous improvement, with a focus on increasing the reporting of near misses and hazards, and the identification of early intervention opportunities. The Department has developed an easy to use online reporting form to assist in accurately reporting incidents, hazards and near misses.

Of the 106 incident and hazard reports, Comcare was notified of 8 incidents. These related to medical episodes unrelated to work and 2 minor electrical shocks as a result of human error by qualified electricians.

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 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 Investment and Implementation Board and the Administered Program Board. The Administered Program Board is an advisory forum that sits below the senior governance committee level chaired by the Chief Operating Officer, consisting of Senior Executive Service officers with direct responsibilities in the management of administered appropriations. Further, the Department's Audit and Risk Committee provides independent advice to the Accountable Authority (the Secretary).

Finance law also mandates the production of audited financial statements prepared in accordance with the Australian Accounting Standards. The 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
- 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 2020–21, the Department continued purchasing goods and services to support the Government's health response to the COVID-19 pandemic, with an emphasis on the purchase of vaccines, consumables and services supporting the national COVID-19 vaccine rollout.

Initiatives to support small business

Small and Medium Enterprises (SMEs) make up the majority of all Australian businesses, contribute billions of dollars to the economy and provide employment for millions of Australians. In addition to the use of mandatory whole of Australian Government panels, the Department supports small business participation in the Commonwealth Government procurement market. SME and Small Enterprise participation statistics are available on the Department of Finance's website[94].

The Department's measures to support SMEs include:

- Ongoing promotion and application of the Indigenous Procurement Policy, on which detailed information is included on the following page.
- Ensuring Small Business Engagement Principles are clearly communicated in simple language and in an accessible format, as outlined in the Government's Industry Innovation & Competitiveness Agenda[95].
- 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.
- Providing internal guidance and advice to support the Indigenous Procurement Policy, Small Business Engagement Principles and the CCS.
- Incorporating the new Commonwealth Procurement Rules, Appendix A – exemption 17, allowing direct engagement of SMEs for procurements valued at up to $200,000 (including GST), providing value for money can be demonstrated.

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[96].

Over the 2020–21 financial year, the Department implemented a substantial upgrade to its invoice management system and accounts payable policies to improve timely payments to small businesses. The upgrade is the first stage in enabling e-Invoicing by early 2021–22.

[94] Available at: www.finance.gov.au
[95] Available at: www.pmc.gov.au/sites/default/files/publications/industry_innovation_competitiveness_agenda.pdf
[96] Available at: www.treasury.gov.au

Indigenous Procurement Policy

Indigenous businesses are vital to creating jobs for, and employing more, Aboriginal and Torres Strait Islander people. The Indigenous Procurement Policy aims to support these businesses to grow and create opportunities for Indigenous Australians.

The value based target, designed to help Indigenous businesses win higher value contracts, increased in 2020–21 from 1.0% to 1.25% of the Department's average relevant procurement spend over the previous 3 years. The existing volume targets and policy objectives remain in place.

In 2020–21, the Department entered into 175 new contracts with Indigenous businesses, worth a combined $34.5 million. This exceeded the target of 88 new contracts and represents a stable volume of contracts compared with 2019–20. In addition, the Department exceeded its value based target of $9.2 million by $25.3 million.

The Department continued to promote awareness of opportunities to procure goods and services from Indigenous businesses. The Department's Reconciliation Action Plan 2017–2019 was successful in providing awareness and recognition of Indigenous suppliers and the benefits of their involvement in the Department's procurements. The Department's new Reconciliation Action Plan 2021–2023 is being developed in consultation with Reconciliation Australia, with an expected launch by December 2021.

The Department is a member of Supply Nation, which supports and empowers Indigenous enterprises to achieve success and build business.

Reportable consultancy contracts

During 2020–21, 262 new reportable consultancy contracts were entered into, involving total expenditure of $31.2 million. In addition, 144 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $19.8 million.

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
- 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.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website[97].

Table 3.5.1: Top 5 consultancy contracts for 2020–21

Organisations receiving a share of reportable consultancy contract expenditure 2020–21	Australian Business Number (ABN)	Expenditure $ (including GST)
PricewaterhouseCoopers Consulting	20 607 773 295	5,198,822
KPMG	51 194 660 183	3,850,010
Ernst & Young	75 288 172 749	2,650,545
McKinsey Pacific Rim Inc	66 055 131 443	2,519,000
Nous Group Pty Ltd	66 086 210 344	2,358,976

[97] Available at: www.tenders.gov.au

Reportable non-consultancy contracts

During 2020–21, 2,631 new reportable non-consultancy contracts were entered into, involving total expenditure of $1.1 billion. In addition, 1,477 ongoing reportable non-consultancy contracts were active during the period, involving total expenditure of $1.0 billion.

The Department takes into account the scope, scale and risk associated with any procurement activity in line with its internal policies and procedures. Decisions to engage a particular supplier are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules.

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website[98].

Table 3.5.2: Top 5 non-consultancy contracts for 2020–21

Organisations receiving a share of reportable non-consultancy contract expenditure 2020–21	Australian Business Number (ABN)	Expenditure $ (including GST)
Seqirus (Australia) Pty Ltd	66 120 398 067	337,900,359
Multigate Medical Products Pty Ltd	98 003 283 529	318,984,934
First Sourcing and Logistics Pty Ltd	43 640 133 606	189,234,260
Pfizer Australia Pty Ltd	50 008 422 348	151,234,662
GlaxoSmithKline Australia Pty Ltd	47 100 162 481	106,189,424

Exempt contracts and Australian National Audit Office access

Exempt contracts

In 2020–21, 86 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 2019–20, where 95 contracts were exempt from reporting.

Australian National Audit Office (ANAO) access clauses

The Department's standard contract and Standing Offer templates include provisions to allow the ANAO access to a contractor's premises.

Grants

As with all Commonwealth agencies, the Department gives effect to government policy decisions through the provision of grant funding. In practice, the Department is the single largest granting agency in the Commonwealth. In 2020–21, grant activity spanned across 6 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 COVID-19 pandemic. In recent years, the Department has funded over 12,000 grant activities for services and capital works each year, but in 2020–21 the number of grant activities grew to over 13,200. Key grants delivered as part of the COVID-19 pandemic response included:

- $237.0 million for the Aged Care Workforce Retention Payments
- $91.3 million to Support Aged Care Workers in COVID-19
- $89.6 million for COVID-19 Aged Care Preparedness.

[98] Available at: www.tenders.gov.au

The Department's approach to grant administration is based on the mandatory requirements and principles set out in the Commonwealth Grant Rules and Guidelines (CGRGs). The CGRGs establish the policy framework and communicate the grants administration expectations of non-corporate Commonwealth entities. The grant lifecycle involves 5 distinct but connected 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. 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 more internal processes and systems to reduce the impost on the resources of funding recipients to report on expenditure of funds. The Department has already adopted a number of internal procedural reforms to streamline the grant funding process, which benefit both funding recipients and the Department.

Information on grants awarded by the Department during the period 1 July 2020 to 30 June 2021 is available on the Australian Government's grant information system, GrantConnect, available 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 must report on payments over $13,800 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 2020–21.

Advertising campaigns

During 2020–21, 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)[99]:

- COVID-19 vaccine campaign
- COVID-19 vaccine campaign – next phase – advertising
- COVID-19 vaccine campaign – Phase 1b
- COVID-19 vaccine campaign – 50 and over animated television commercial
- COVID-19 vaccine campaign – 50 and over
- COVID-19 vaccine campaign – Phase 2
- COVID-19 health campaign
- COVID-19 health campaign 2
- COVID-19 mental health campaign
- Safe and effective use of prescription opioids.

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

[99] Available at: www.finance.gov.au/government/advertising/guidelines-information-advertising-campaigns-non-corporate-commonwealth-entities

Table 3.5.3: Advertising, market research, direct mail and media advertising payments for 2020–21

Organisation	Service provided	Paid $ (including GST)
Advertising agencies (creative advertising agencies which have developed advertising campaigns)		
BMF Advertising	COVID-19 mental health campaign creative services	520,684
BMF Advertising	COVID-19 vaccines campaign creative services	865,811
Carbon Media Pty Ltd	COVID-19 campaign creative services	211,272
Carbon Media Pty Ltd	COVID-19 vaccines campaign creative services	159,093
Marmalade Melbourne Pty Ltd	Safe and effective use of prescription opioids creative services	82,500
McCann	COVID-19 campaign creative services	32,357
Market research		
Bastion Insights Pty Ltd	Concept testing for mental health campaign	247,500
Australian Men's Health Forum	Men lived experience research	16,720
Bastion Insights Pty Ltd	Stage 3 exploratory research 2020	107,250
Cultural Perspectives Pty Ltd	Culturally and linguistically diverse lived experience research	21,780
Essential Media Communications Pty Ltd	Survey and user testing of template designs	73,920
Faster Horses Pty Ltd	Aged care research services	18,480
Faster Horses Pty Ltd	Research services for aged care	21,710
Fifty-Five Five Pty Ltd	Exploratory research	435,325
Fifty-Five Five Pty Ltd	COVID-19 vaccine exploratory research	424,925
Fifty-Five Five Pty Ltd	COVID-19 vaccine monitoring research	205,975
Forms Administration Pty Ltd	Survey fieldwork services	459,910
Hall and Partners Pty Ltd	Evaluation research for the COVID-19 vaccination campaign	244,146
Hall and Partners Pty Ltd	COVID-19 campaign evaluation	134,134
Hall and Partners Pty Ltd	Mental health campaign evaluation research	91,913
Hall and Partners Pty Ltd	Evaluation of COVID-19 campaign	410,795
Hall and Partners Pty Ltd	Analysis services	32,560
Hall and Partners Pty Ltd	Phase 2 of evaluation research of coronavirus (COVID-19) campaign	652,451
Instinct and Reason Pty Ltd	Research on community attitudes to gene technology in Australia	71,500
Ipsos Public Affairs Pty Ltd	Coronavirus syndicated reports	33,000
Painted Dog Research Pty Ltd	Research services for COVID-19 measures	333,520
Painted Dog Research Pty Ltd	Research services for COVID-19 measures	425,824
Quantum Market Research (Aust) Pty Ltd	Conduct research and analysis – Reporting updates	84,057

Organisation	Service provided	Paid $ (including GST)
Quantum Market Research (Aust) Pty Ltd	Vaccination research	33,000
Symego Pty Ltd T/A Qualie	Concept testing research for syphilis communications	47,355
Symego Pty Ltd T/A Qualie	Adult mental health centres branding market research	33,413
The Boston Consulting Group Pty Ltd	Provider maturity research and advice for transition	220,000
The University of New England	Family and friends – Lived experience research	25,300
Tobias and Tobias Pty Ltd	User research and website design	445,199
Whereto Research Based Consulting	Consumer research to test the new system for In-home aged care	265,000
Yellow Edge Pty Ltd	Lived experience research	35,200
Direct mail organisations (includes organisations which handle the sorting and mailing out of information material to the public)		
National Mail and Marketing Pty Ltd	National Immunisation Program 1 July 2020 schedule changes mailout	114,133
National Mail and Marketing Pty Ltd	National Bowel Cancer Screening Program information payments 3-C mailout	25,717
National Mail and Marketing Pty Ltd	National Bowel Cancer Screening Program information payments 3-A mailout	18,773
National Mail and Marketing Pty Ltd	National Bowel Cancer Screening Program personalised letter to GPs and specialists	31,833
National Mail and Marketing Pty Ltd	2021 Influenza information mailout	176,909
National Mail and Marketing Pty Ltd	Take home naloxone pilot – resources to pharmacists	30,763
Media advertising organisations (the master advertising agencies which place government advertising in the media – this covers both campaign and non-campaign advertising)		
Mediabrands Australia Pty Ltd	Media buy for the COVID-19 campaign	18,416,753
Mediabrands Australia Pty Ltd	Media buy for the COVID-19 vaccines campaign	23,481,320
Mediabrands Australia Pty Ltd	Media buy for the COVID-19 mental health campaign	8,296,479
Mediabrands Australia Pty Ltd	Media buy for 715 health checks	110,000
Mediabrands Australia Pty Ltd	Media buy for Your Healthy Pregnancy	219,836
Mediabrands Australia Pty Ltd	Media buy for the 2021 seasonal influenza program	49,500
Mediabrands Australia Pty Ltd	Media buy for the safe and effective use of prescription opioids campaign	162,367
Mediabrands Australia Pty Ltd	Gene technology public notices	16,766

Property management and environmental impact

During 2020–21, the Department implemented new measures, and continued existing measures, across all its tenancies to support staff health and welfare during the COVID-19 pandemic, and to support the continued operation of the National Incident Centre and stand up of the Vaccine Operations Centre.

The Department has undertaken a range of activities to ensure continued best practices for a COVIDSafe work environment in its tenancies. This includes supporting remote working, increased hygiene support, and improved guidance and signage on physical distancing. It has also included an enhanced general cleaning regime, ad hoc cleaning of workspaces and surrounding areas under the Department's internal procedures for responding to suspected cases of COVID-19 among staff, as well as the rollout of state and territory QR code check in systems for larger meeting rooms across our network of tenancies to support COVIDSafe practices in face-to-face meetings.

Ecologically sustainable development principles

The principles of ecologically sustainable development (ESD) outlined in section 3A of the *Environment Protection and Biodiversity Conservation Act 1999* are that:

- decision making processes should effectively integrate both long term and short term economic, environmental, social and equity considerations
- if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation
- the present generation should ensure the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations
- the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision making
- improved valuation, pricing and incentive mechanisms should be promoted.

Our contribution

In 2020–21, 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 Act 2019

The Australian Industrial Chemicals Introduction Scheme (AICIS) aids in the protection of the Australian people and the environment by assessing the risks from the introduction and use of industrial chemicals, and making recommendations to promote their safe use. AICIS replaced the National Industrial Chemicals Notification and Assessment Scheme on 1 July 2020. AICIS operates within an agreed framework for chemical management consistent with the National Strategy for ESD, and is aligned with the United Nations Conference on Environment and Development Agenda 21 (Rio Declaration) chapter on the environmentally sound management of toxic chemicals.

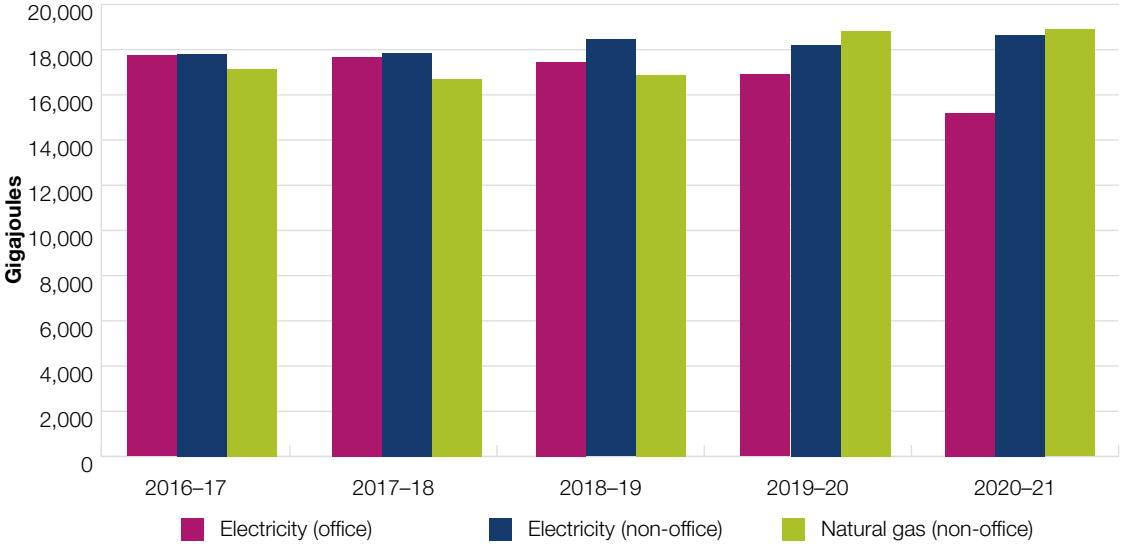
Environmental impact of our operations

The Energy Efficient in Government Operations (EEGO) Policy contains minimum energy performance standards for Australian Government office buildings as a strategy for achieving energy targets. This ensures entities progressively improve their performance through the procurement and ongoing management of energy efficient office buildings, and environmentally sound equipment and appliances.

The Department, 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 2 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 2020–21, the Department met this target comfortably, using 2,920 MJ per person, per annum. Our EEGO performance improved by approximately 34% when compared to 2019–20. Despite growth in the Department's staffing levels, the reduction in energy consumption is driven, in part, by continued high levels of remote and home-based work that commenced in response to the COVID-19 pandemic and has become part of the Department's standard operating environment.

The Department continues its efforts in its leased tenancies to reduce energy consumption through technology such as:

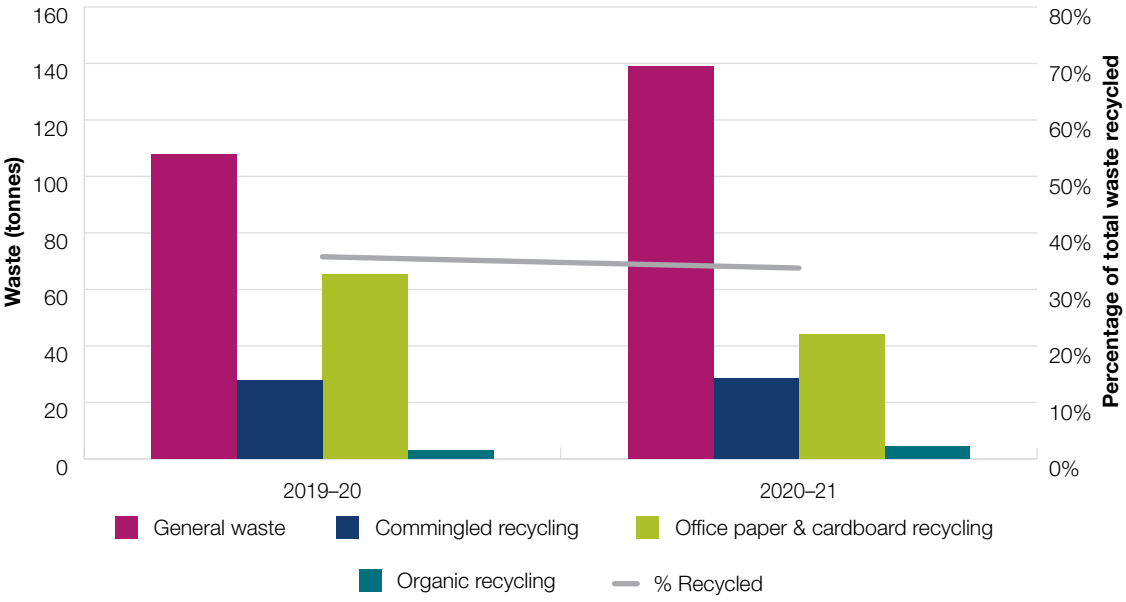
- new functionally designed fit-outs
- T5 fluorescent and movement activated sensor lighting
- double glazed windows
- energy efficient heating
- ventilation
- air-conditioning systems.

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, predominantly the Symonston, Australian Capital Territory facility, which houses the Therapeutic Goods Administration (TGA) in the Health Products Regulation Group. This facility accounts for all departmental use of natural gas. During the 2019–20 financial year, 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.

Non-office electricity consumption is also primarily related to the Symonston facility, where the nature of the work is less amenable to the remote working arrangements that have contributed to the reduction in office electricity consumption. From mid 2022, the TGA will be accommodated in a new purpose-built laboratory facility with a modern, energy efficient plant, and an adjacent new office building with optimal energy consumption management technologies.

Waste management

Figure 3.5.2: Average monthly waste produced by the Department



Due to a change in facility management suppliers, data prior to 2019–20 is not comparable and therefore not included in the above graph.

The Department is committed to protecting the environment through the implementation of efficient and effective waste management programs.

When compared to 2019–20, general waste increased by 29%, organic recycling increased by approximately 50%, and office paper consumption increased by approximately 120% mainly due to the gradual increase in office occupancy. The cardboard paper consumption has decreased by an estimated 34%. The reduction can be attributed to a change in estimation methodology based on more specific site data. This change was implemented from January 2021, which provides a part year effect.

In addition to the above, approximately 55% of the 2020–21 general waste data is driven by estimates, based on the type of bins and trucks servicing various properties. The Department is working with its Whole of Government Property Service Provider to improve the estimation methodology and reduce the risk of over or under reporting waste levels in the future.

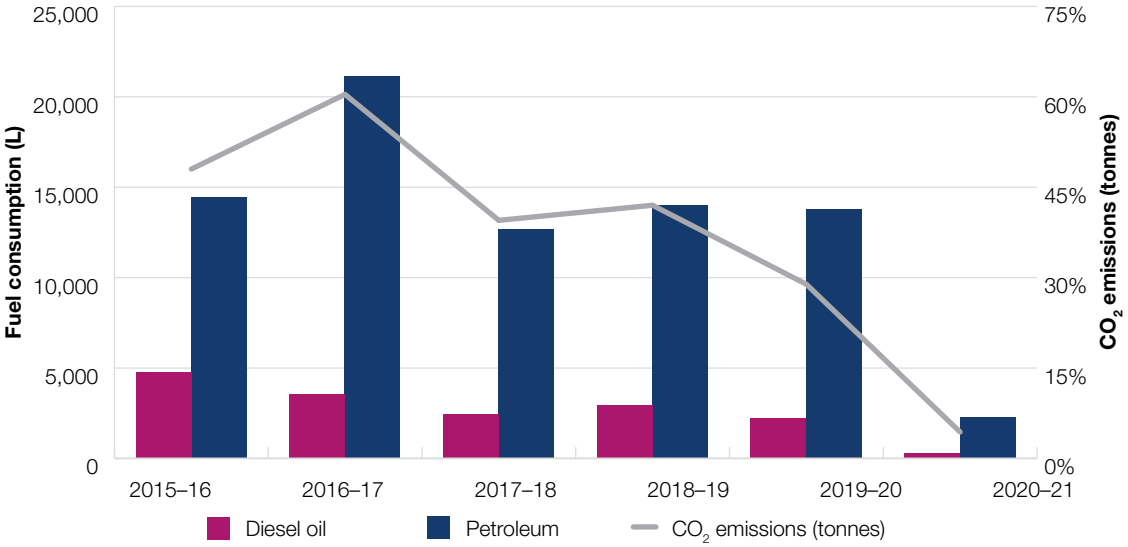
In the majority of the Department's offices, waste management initiatives include segregated waste streams to improve management of general waste, co-mingled recycling, organic recycling, and paper and cardboard recycling. The Department aims to increase the amount of waste recycled as a proportion of total waste.

Additional recycling efforts include the recycling of printer and toner cartridges, batteries and mobile phones to ensure these items are diverted from landfill and used in sustainable programs.

The Department's largest office building, the Sirius Building in Woden, 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.

Vehicle fleet management

Figure 3.5.3: Fleet fuel consumption and CO_2 emissions



In 2020–21, the Department operated 30 vehicles, which travelled a total of 32,502 kms and expended 178.55MJ. This resulted in an energy consumption of approximately 0.0056MJ/Km.

The Department saw a significant reduction in fleet vehicle usage during 2020–21 due to changing work practices such as remote working and reduced in person meetings with stakeholders.

The Department did not replace several vehicles when their leases expired, leaving the Department with a current operating fleet of 28 vehicles as at 30 June 2021.

The Department will continue to review its vehicle fleet to ensure 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 2020–21, the Department received 150 parliamentary Questions on Notice from the House of Representatives and the Senate, and 819 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 12 times, and received 235 Questions on Notice.

Joint Committee of Public Accounts and Audit reviews

During 2020–21, the Joint Committee of Public Accounts and Audit (JCPAA) tabled one review involving the Department:

- Report 485 Cyber Resilience: Inquiry into matters contained and associated with Auditor-General's Reports 1 and 13 (2019–20) was tabled on 9 December 2020. No recommendations were directed to the Department.

Senate Estimates hearings

During 2020–21, the Department appeared before the Community Affairs Legislation Committee:

- Budget Estimates – 26 and 27 October 2020.
- Additional Estimates – 24 March 2021.
- Spill over Additional Estimates – 3 May 2021.
- Budget Estimates – 1 and 2 June 2021.

The Department also appeared before the Finance and Public Administration Legislation Committee for the Cross Portfolio Indigenous hearings:

- Budget Estimates – 23 October 2020.
- Additional Estimates – 6 March 2021.
- Budget Estimates – 28 May 2021.

Parliamentary Committee inquiries

The Department provided evidence and/or submissions to the following parliamentary committee inquiries:

Committee	Evidence/submission provided
Senate Select Committee on COVID-19	• Inquiry into the Australian Government's response to the COVID-19 pandemic.
Senate Standing Committee on Community Affairs Legislative Committee	• Inquiry into Aged Care Legislation Amendment (Financial Transparency) Bill 2020. • Inquiry into the Aged Care Amendment (Aged Care Recipient Classification) Bill 2020. • Inquiry into the Health Insurance Amendment (Compliance Administration) Bill 2020.
Senate Standing Committee on Finance and Public Administration	• Inquiry into the current capability of the Australian Public Service (APS).
Joint Committee on Law Enforcement	• Inquiry into vaccine related fraud and security risks. • Inquiry into public communications campaigns targeting drug and substance abuse emergency.
Standing Committee on Health, Aged Care and Sport	• Inquiry into approval processes for new drugs and novel medical technologies in Australia.
House of Representatives Standing Committee on Industry, Innovation, Science and Resources	• Inquiry into waste management and recycling industries.
Joint Standing Committee on Electoral Matters	• Inquiry on the future conduct of elections operating during times of emergency situations.
House of Representatives Standing Committee on Social Policy and Legal Affairs	• Inquiry into family, domestic and sexual violence. • Inquiry into homelessness in Australia.
Joint Standing Committee on Foreign Affairs, Defence and Trade	• Inquiry into the implications of the COVID-19 pandemic for Australia's foreign affairs, defence and trade.
House Select Committee on Mental Health and Suicide Prevention	• Inquiry into mental health and suicide prevention.
Joint Standing Committee on the National Broadband Network (NBN)	• Inquiry into the business case for the NBN and the experiences of small businesses.
Joint Standing Committee on the National Disability Insurance Scheme (NDIS)	• Inquiry into the NDIS Quality and Safeguards Commission.
House of Representatives Standing Committee on Indigenous Affairs	• Inquiry into pathways and participation opportunities for Indigenous Australians in employment and business.
Select Committee on Tobacco Harm Reduction	• Inquiry into tobacco harm reduction.
Senate Standing Committee for the Scrutiny of Delegated Legislation	• Inquiry into the exemption of delegated legislation from parliamentary oversight.
Senate Select Committee on Temporary Migration	• Inquiry into temporary migration.
Joint Select Committee on Australia's Family Law System	• Inquiry into the family law system. • Inquiry into the Victorian Government's COVID-19 contact tracing system and testing regime.

Freedom of Information

In 2020–21, the Department received 633 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.

The Department's Information Publication Scheme Agency Plan (the Agency Plan), which outlines the mechanisms and procedures the Department is required to undertake in managing and making information available, is available on the Department's website at:
www.health.gov.au/resources/publications/information-publication-scheme-ips-agency-plan

The Agency Plan includes a link to the Department's Freedom of Information disclosure log, which is available on the Department's website 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 2020–21, the ANAO tabled 4 audits involving the Department. Of those, 3 of the 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	**Managing Health Provider Compliance** Published – 23 November 2020 Performance audit (Auditor-General Report No.17 of 2020–21)
Objective	To assess the effectiveness of the Department of Health's approach to health provider compliance.
Recommendations (Directed to the Department)	**Recommendation 1.** The Department of Health cost health provider compliance activities to: a. inform if the allocation of resources are targeted to the areas requiring the most attention b. enable calculation of the net return on investment in compliance activities. **Recommendation 2.** The Department of Health review the methodology for selecting and calculating the health provider compliance program performance measure to ensure it accurately reflects the planned performance outcome and the result achieved.
Audit	**Planning and Governance of COVID-19 Procurements to Increase the National Medical Stockpile (NMS)** Published – 10 December 2020 Performance audit (Auditor-General Report No.22 of 2020–21)
Objective	To examine whether the COVID-19 NMS procurement requirement was met through effective planning and governance arrangements.
Recommendations (Directed to the Department)	**Recommendation 1.** Health's business as usual procurement planning for the NMS be based on an analysis of strategic risks and threats, including a range of potential health emergencies, and the risk to the surety of supply chains for stockpiled items, including personal protective equipment. **Recommendation 2.** Health seek jurisdictional agreement about, and document, the respective objectives of the Commonwealth and state and territory stockpiles and the roles and responsibilities of each jurisdiction, including for stockpiling specific items. **Recommendation 3.** Health establish a mechanism for regular sharing of information between jurisdictions about stockpile inventories that will function in both business as usual and emergency conditions. **Recommendation 4.** Health put in place a strategic procurement, management and distribution plan for the NMS that includes protocols for emergency procurements.
Audit	**Cyber Security Strategies of Non-Corporate Commonwealth Entities** Published – 19 March 2021 Cross entity performance audit (Auditor-General Report No.32 of 2020–21)
Objective	To assess the effectiveness of cyber security risk mitigation strategies implemented by selected non-corporate Commonwealth entities to meet mandatory requirements under the Protective Security Policy Framework, and the support provided by the responsible cyber policy and operational entities.
Recommendations (Directed to the Department)	Nil.

Audit	COVID-19 Procurements and Deployments of the NMS Published – 2 January 2020 Performance audit (Auditor-General Report No.39 of 2020–21)
Objective	To examine whether COVID-19 procurements to increase the NMS were consistent with the proper use and management of public resources and whether COVID-19 deployments of the NMS were effective.
Recommendations (Directed to the Department)	**Recommendation 1.** As a component of the protocols for emergency procurements recommended and agreed to in Auditor-General Report No.22 2020–21, Health include protocols for record keeping that would facilitate reasonable assurance that public resources are being used properly during an emergency procurement. **Recommendation 2.** Health undertake regular deployment drills that test possible deployment scenarios and include all elements of deployment operations. **Recommendation 3.** Health put in place a strategic deployment plan for the NMS that is based on an analysis of risk and is developed in consultation with national health system stakeholders. **Recommendation 4.** Health develop a performance framework for NMS deployments that includes consideration of logistics providers' and Health's performance in conducting deployments in different emergency scenarios.

Judicial decisions, decisions of administrative tribunals and decisions of the Information Commissioner

In 2020–21, 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 2020–21, the Department was involved in:

- one matter in the High Court of Australia
- 5 matters in the Full Federal Court of Australia
- 25 matters in the Federal Court of Australia
- one matter in the Supreme Court of the Australian Capital Territory
- one matter in the Supreme Court of Queensland
- 3 matters in the Supreme Court of New South Wales
- 2 matters in the Magistrates Court of the Australian Capital Territory
- 28 matters in the Administrative Appeals Tribunal
- 29 Freedom of Information review requests with the Information Commissioner.

In addition to the above, the Commonwealth Director of Public Prosecutions (CDPP) finalised 5 successful criminal prosecutions in 2020–21 following the Department's investigation of alleged fraud against the Medicare Benefits Schedule, Pharmaceutical Benefits Scheme, and Child Dental Benefits Scheme. A further 2 criminal prosecutions were discontinued by the CDPP in 2020–21. Further details about these convictions can be found in the fraud minimisation and control section of this Annual Report, page 146.

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 2020–21, the Department received 3 preliminary inquiries (section 7A of the *Ombudsman Act 1976*) and 3 investigations (section 8 of the *Ombudsman Act 1976*) from the Office. A total of 2 preliminary enquiries (section 7A) and one investigation (section 8) were carried over from 2019–20. Of these 9, 8 were finalised under section 12 of the *Ombudsman Act 1976*[100], none of which resulted in a finding of administrative deficiency.

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 313 potential contraventions of the Act were investigated in 2020–21 and 53 warning letters were issued.

A sole trader operating a retail store in Queensland was issued a penalty of $4,000, with a conviction recorded for a contravention of s31(2) of the Act.

A copy of this report has been provided to the Minister for Health and Aged Care.

The *Human Services (Medicare) Act 1973*

The *Human Services (Medicare) Act 1973* provides for the Chief Executive Medicare to authorise the exercise of powers requiring a person to give information or to produce a document that is in the person's custody, or under the person's control, and the power to obtain a statutory report under section 42 of the *Human Services (Medicare) Act 1973*. The table below outlines the number of times powers were exercised in 2020–21.

	Section 42(1) paragraphs (a) to (h)	
(a)	the number of signed instruments made under section 8L	18
(b)	the number of notices in writing given under section 8P	147
(c)	the number of notices in writing given to individual patients under section 8P	–
(d)	the number of premises entered under section 8U	–
(e)	the number of occasions when powers were used under section 8V	–
(f)	the number of search warrants issued under section 8Y	–
(g)	the number of search warrants issued by telephone or other electronic means under section 8Z	–
(h)	the number of patients advised in writing under section 8ZN.	–

[100] Section 12 of the *Ombudsman Act 1972* 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.

Legal services expenditure

The table below outlines the Department's legal services expenditure for 2020–21, in compliance with paragraph 11.1(ba) of the Legal Services Directions 2017.

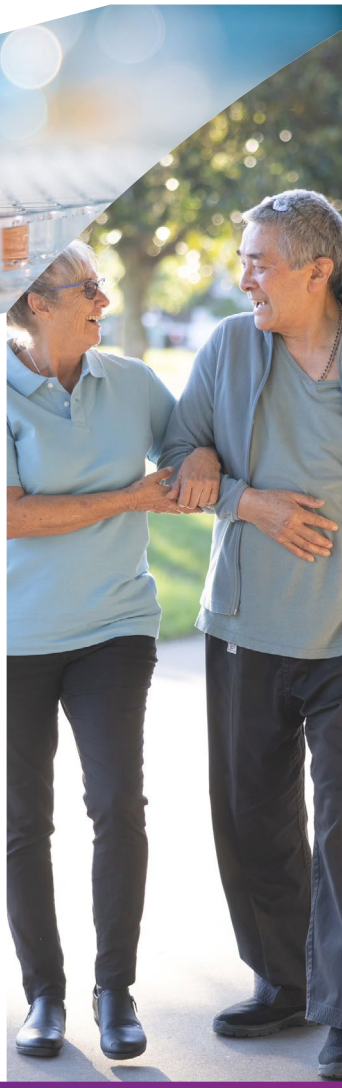
Description	2020–21 cost $'000 (excluding GST)
Total external legal services expenditure	22,244
Total internal legal services expenditure	17,922

Celebrating 100 YEARS OF HEALTH 1921 - 2021

Royal Flying Doctor Service - A child suffering from suspected appendicitis is brought in by Dr Len Dawson of the RFDS to Charleville Hospital, Queensland, for surgery. NAA: A1200, L21271 (1956).

Celebrating 100 YEARS OF HEALTH 1921 - 2021

Dr WG Laver at the Department of Microbiology, co-discoverer of a method of producing a non toxic influenza vaccine. NAA: B941, RESEARCH/HEALTH/15 (1968).



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Financial Statements

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Chief Financial Officer's Report

David Hicks

Departmental operating result

The Department recorded a consolidated 2020–21 comprehensive loss of $42.1 million. When unfunded depreciation is removed, the Department recorded a net cash operating surplus of $11.2 million.

During 2020–21, revenue from government increased by 19.0% to $802.9 million ($674.0 million in 2019–20). Revenue from other sources, including fees charged to industry by the Therapeutic Goods Administration (TGA) and the Australian Industrial Chemicals Introduction Scheme, increased by 5.7% to $220.5 million ($208.6 million in 2019–20).

During 2020–21, departmental operating expenses increased by 14.0% to $1,057.2 million ($923.5 million in 2019–20). Employee expenses increased by $49.3 million to $559.2 million, primarily to support the coordination of the national health response to the COVID-19 pandemic, a number of COVID-19 aged care activities, the modernisation of the aged care systems in response to the Royal Commission into Aged Care Quality and Safety, and the rollout of the Government's COVID-19 vaccination programs. Supplier expenses also increased by $64.2 million to $369.4 million, incorporating an increase in contractor services to support the COVID-19 response, including the work conducted by the TGA to process an increased number of significant applications, as well as information technology expense to drive the Digital Workspace Program, support for aged care initiatives, COVID-19 activities and TGA projects such as the Unique Device Identifier and Desktop Transformation Program. There was also an increase in contracted services as a result of the COVID-19 vaccine rollout, including logistics support.

Departmental assets and liabilities

The Department's total assets remained steady at $1,047.9 million ($1,051.6 million in 2019–20). Land and buildings decreased by $67.3 million to $550.1 million as a result of depreciation of the Department's Right-of-Use assets associated with property leases. This decrease was offset by an increase in internally developed software, including My Aged Care.

The Department's total liabilities also remained steady at $856.9 million ($870.9 million in 2019–20), the slight reduction being primarily related to the unwinding of property lease liabilities.

Administered income

Total 2020–21 administered income was $46.3 billion, compared to $41.8 billion in the prior year. Major items include:

- special accounts revenue, which comprises revenue appropriated via special account to facilitate payments in relation to the Medicare Guarantee Fund ($41.4 billion) and the Medical Research Future Fund ($0.6 billion)
- recoveries, including $3.5 billion recovered under cost sharing arrangements with pharmaceutical companies.

Administered expenses

During 2020–21, the Department administered expenses on behalf of the Commonwealth of $82.9 billion, an increase of 12.9% compared to expenses in the prior year of $73.4 billion. The overall increase primarily reflected a sustained increase in activity to support the Commonwealth's response to the COVID-19 pandemic, including:

- Personal benefits expense increased by 10.9% to $53.9 billion ($48.6 billion in 2019–20). This is primarily related to the Medicare Benefits Scheme and the Pharmaceutical Benefits Scheme (which fund access to medical

Figure 1: Breakdown of administered expenditure

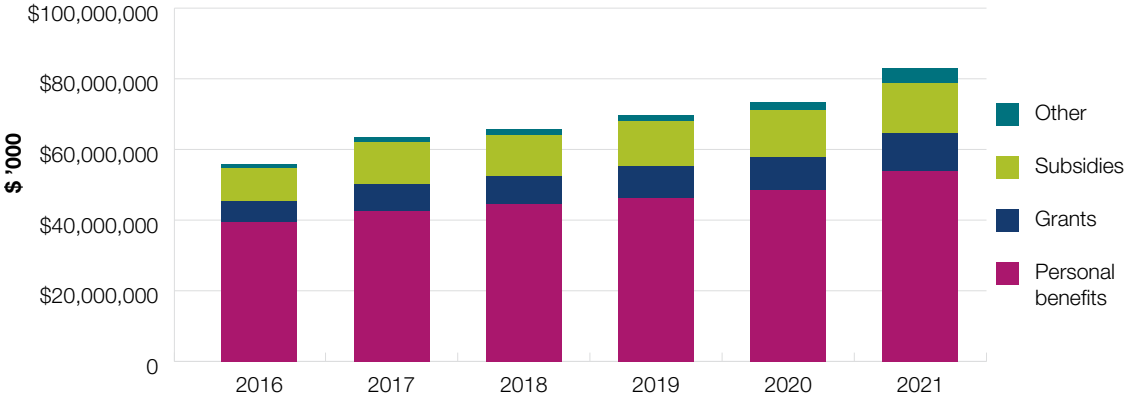
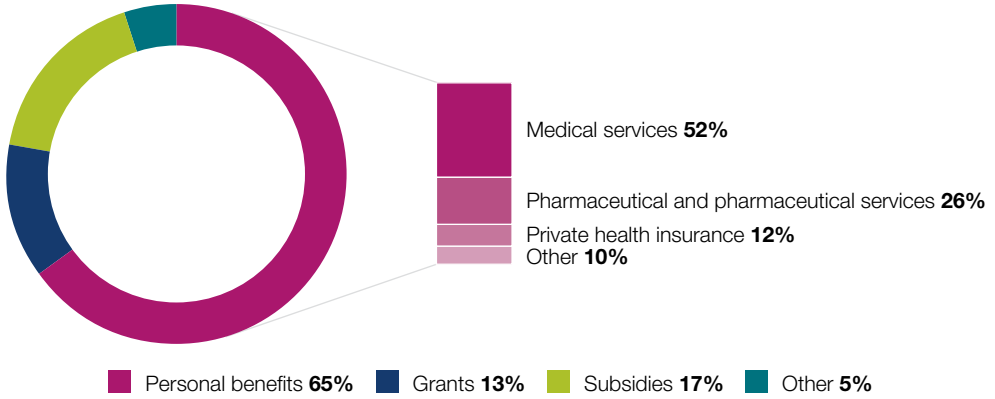


Figure 2: Administered expenditure by category



services and medicines), private health insurance rebates, and home care packages for senior Australians.

- Subsidies expense increased by 5.2% to $14.1 billion ($13.4 billion in 2019–20). This is primarily related to residential aged care places for senior Australians.
- Grants expense increased by 17.4% to $10.8 billion ($9.2 billion in 2019–20). This is primarily related to the COVID-19 health response, including in primary care and aged care.

Additionally, the Department recognised a one-off $1.4 billion impairment to the balance of non-financial assets. This is primarily related to the re-valuation of National Medical Stockpile inventory under Australian Accounting Standard requirements ($1.0 billion), and the discontinuation of the COVID-19 vaccine agreement with the University of Queensland.

Key administered expenditure is illustrated in Figures 1 and 2.

Administered assets and liabilities

Total administered assets reduced slightly to $6.0 billion, from $6.4 billion in the prior year. This movement is primarily driven by a reduction in accrued recoveries revenue, with an improvement in timeliness of invoicing for high cost drug recoveries, partially offset by growth in the National Medical Stockpile.

Total administered liabilities increased to $3.7 billion, from $3.0 billion in 2020–21. This increase was largely driven by an increase in personal benefits payable through Services Australia.

David Hicks

Chief Financial Officer
September 2021

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 2020–21 financial statements, the Department applied professional judgement to ensure that the financial statements fairly present the financial position, financial performance, and cash flows of the Department.

The Department has aligned the format of its financial statements in 2020–21 to the primary reporting information management aid (PRIMA) issued by the Department of Finance, however additional disclosures have been included where, in the opinion of the Chief Financial Officer, these disclosures add value for the reader.

The Department's quality assurance framework applied to the financial statements includes independent advice from the Audit and Risk Committee to the Secretary on the preparation and review of the financial statements. This advice is underpinned by a comprehensive program of work supporting the preparation of the financial statements and is overseen by the Financial Statements Sub-Committee.

The financial statements are audited by the Australian National Audit Office.

Readers of the financial statements will be assisted by the colour coding incorporated in the statements, notes and narrative. Grey shaded items are items that the Department administers on behalf of the Government, unshaded items are Departmental in nature and accounting policy has a blue background.

Part 4.2: 2020–21 Financial Statements

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Department of Health

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

Opinion

In my opinion, the financial statements of the Department of Health (the Entity) for the year ended 30 June 2021:

(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 2021 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 2021 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to 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.

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Key audit matter	How the audit addressed the matter
Accuracy of personal benefits and subsidies *Refer to Note 2.1B 'Personal benefits' and Note 2.1C 'Subsidies – aged care''* I focused on personal benefits and subsidies 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 incorrect information resulting in invalid payments and • significant expenses in the financial statements. During 2020–21 financial year, the Entity recognised personal benefits expenses of $53,888,881,000 and $13,934,701,000 of aged care subsidies expenses.	I applied the following audit procedures to address this key audit matter: • tested the design and 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; • assessed the quality assurance and compliance processes within Health that support the integrity of payments; and • assessed, for a sample of payments, 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 5.4B 'Personal benefits provisions' and Note 5.4A 'Subsidies provisions* I considered this area a key audit matter due to the significant actuarial assumptions and judgements involved in estimating the personal benefits and subsidies provisions. The significant judgements relate to the amount and timing of future claims, estimating the period over which these provisions are expected to be settled by 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 2021, the personal benefits provisions were $1,111,753,000 and subsidies provisions were $508,000,000	I applied the following audit procedures to address this key audit matter: • testing the accuracy and completeness of data used to calculate the provisions, including assessing that appropriate quality assurance processes are undertaken by the Entity prior to providing the data to the actuary; • assessed the appropriateness and reasonableness of the valuation model; and • assessed the appropriateness and accuracy of the key parameters used in the model. This includes the level and seasonality of data relating to past claims to develop an estimate for outstanding claims.

Key audit matter	How the audit addressed the matter
Existence and completeness of inventories *Refer to Note 5.2B Inventories Held for Distribution* The Entity had a balance of $1,405,219,000 in inventories as at 30 June 2021 which reflects the National Medical Stockpile. I considered 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 operating effectiveness of key controls related to the recording of purchase and deployment transactions for inventory items; and • observed and re-performed a sample of the Entity's stocktaking activities at a selection of locations.

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
10 September 2021

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 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 will be able to pay its debts as and when they fall due.

Signed: 

Dr Brendan Murphy
Secretary

Date: 9th September 2021

Signed: 

David Hicks
Chief Financial Officer

Date: 9 SEP 2021

Statement of Comprehensive Income

for the period ended 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**559,211**	509,937	505,125
Suppliers	1.1B	**369,412**	305,164	383,027
Depreciation and amortisation	3.2A	**113,123**	99,352	115,704
Finance costs	1.1C	**6,479**	7,094	4,027
Write-down and impairment of other assets	1.1D	**8,668**	1,082	-
Impairment loss on financial instruments		**327**	811	-
Other expenses	1.1E	**-**	47	2,500
Total expenses		**1,057,220**	923,487	1,010,383
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	**200,859**	191,087	210,332
Rental income	1.2B	**6,650**	5,916	-
Other revenue	1.2C	**13,028**	11,591	3,699
Total own-source revenue		**220,537**	208,594	214,031
Gains				
Other gains		**-**	-	870
Total gains		**-**	-	870
Total own-source income		**220,537**	208,594	214,901
Net cost of services		**(836,683)**	(714,893)	(795,482)
Revenue from government	1.2D	**802,930**	673,963	749,206
Deficit attributable to the Australian Government		**(33,753)**	(40,930)	(46,276)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		**(8,365)**	(396)	-
Total other comprehensive income		**(8,365)**	(396)	-
Total comprehensive loss attributable to the Australian Government		**(42,118)**	(41,326)	(46,276)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	**139,541**	122,124	119,028
Trade and other receivables	3.1B	**101,258**	97,969	92,334
Other financial assets	3.1C	**14,797**	10,382	10,380
Total financial assets		**255,596**	230,475	221,742
Non-financial assets[1]				
Land and buildings	3.2A	**550,083**	617,404	602,895
Plant and equipment	3.2A	**6,516**	6,289	8,507
Computer software	3.2A	**200,980**	179,069	222,617
Other non-financial assets	3.2B	**34,705**	18,400	16,234
Total non-financial assets		**792,284**	821,162	850,253
Total assets		**1,047,880**	1,051,637	1,071,995
LIABILITIES				
Payables				
Suppliers	3.3A	**112,528**	103,006	72,169
Employees	3.3B	**15,045**	9,536	13,761
Other payables		**11**	11	30,914
Total payables		**127,584**	112,553	116,844
Interest bearing liabilities				
Leases	3.4A	**537,743**	579,421	586,466
Total interest bearing liabilities		**537,743**	579,421	586,466
Provisions				
Employee provisions	4.1A	**180,518**	170,976	173,372
Other provisions	3.5A	**11,080**	7,980	7,912
Total provisions		**191,598**	178,956	181,284
Total liabilities		**856,925**	870,930	884,594
Net assets		**190,955**	180,707	187,401
EQUITY				
Contributed equity		**461,722**	409,356	462,146
Reserves		**28,985**	37,350	37,531
Accumulated deficit		**(299,752)**	(265,999)	(312,276)
Total equity		**190,955**	180,707	187,401

The above statement should be read in conjunction with the accompanying notes.

1. Right-of-use assets are included in the following line items: land and buildings, & plant and equipment

Statement of Changes in Equity
for the period ended 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget $'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		**409,356**	302,795	409,356
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		**38,360**	53,741	38,738
Departmental capital budget		**14,052**	15,377	14,052
Restructuring	8.2A	**(46)**	37,443	-
Total transactions with owners		**52,366**	106,561	52,790
Closing balance as at 30 June		**461,722**	409,356	462,146
ACCUMULATED DEFICIT				
Opening balance				
Balance carried forward from previous period		**(265,999)**	(256,976)	(266,000)
Adjustment on initial application of AASB 15/AASB 1058		**-**	41,359	-
Adjustment on initial application of AASB 16		**-**	(9,452)	-
Adjusted opening balance		**(265,999)**	(225,069)	(266,000)
Comprehensive income				
Deficit for the period		**(33,753)**	(40,930)	(46,276)
Total comprehensive income		**(33,753)**	(40,930)	(46,276)
Closing balance as at 30 June		**(299,752)**	(265,999)	(312,276)
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		**37,350**	37,746	37,350
Comprehensive income				
Other comprehensive income		**(8,365)**	(396)	181
Total comprehensive income		**(8,365)**	(396)	181
Closing balance as at 30 June		**28,985**	37,350	37,531
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		**180,707**	83,565	180,706
Adjustment on initial application of AASB 15/AASB 1058		**-**	41,359	-
Adjustment on initial application of AASB 16		**-**	(9,452)	-
Adjusted opening balance		**180,707**	115,472	180,706
Comprehensive income				
Deficit for the period		**(33,753)**	(40,930)	(46,276)
Other comprehensive income		**(8,365)**	(396)	181
Total comprehensive income		**(42,118)**	(41,326)	(46,095)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		**38,360**	53,741	38,738
Departmental capital budget		**14,052**	15,377	14,052
Restructuring		**(46)**	37,443	-
Total transactions with owners		**52,366**	106,561	52,790
Closing balance as at 30 June		**190,955**	180,707	187,401

The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the period ended 30 June 2021

Accounting Policy

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Cash Flow Statement

for the period ended 30 June 2021

	Notes	2021 $'000	2020 $'000	Budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations[1]		**948,199**	846,627	884,028
Sale of goods and rendering of services		**218,198**	199,578	210,039
GST received		**47,410**	37,161	20,071
Other		**6,559**	6,663	3,699
Total cash received		**1,220,366**	1,090,029	1,117,837
Cash used				
Employees		**545,410**	499,242	498,504
Suppliers		**378,999**	329,926	381,084
GST paid		**48,181**	38,473	20,071
Section 74 receipts transferred to OPA[1]		**159,134**	139,517	125,731
Interest payments on lease liabilities		**6,479**	7,094	4,027
Other		**-**	47	4,572
Total cash used		**1,138,203**	1,014,299	1,033,989
Net cash from operating activities		**82,163**	75,730	83,848
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		**76,945**	62,797	92,873
Total cash used		**76,945**	62,797	92,873
Net cash used by investing activities		**(76,945)**	(62,797)	(92,873)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Equity injection		**48,693**	38,587	38,738
Appropriations - Departmental capital budget		**12,954**	14,394	14,052
Total cash received		**61,647**	52,981	52,790
Cash used				
Principal payments of lease liabilities		**49,448**	48,163	46,861
Total cash used		**49,448**	48,163	46,861
Net cash from financing activities		**12,199**	4,818	5,929
Net increase/(decrease) in cash held		**17,417**	17,751	(3,096)
Cash and cash equivalents at the beginning of the reporting period		**122,124**	104,373	122,124
Cash and cash equivalents at the end of the reporting period	3.1A	**139,541**	122,124	119,028

The above statement should be read in conjunction with the accompanying notes.

1. The comparative figures for 'Appropriations' and 'Section 74 receipts transferred to OPA' have been adjusted to include the value of additional receipts received by the Department during 2019-20 under section 74 of the Public Governance, Performance and Accountability Act not previously recognised, and receipts from 2018-19 incorrectly recognised in 2019-20.

Administered Schedule of Comprehensive Income

for the period ended 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Grants	2.1A	**10,774,974**	9,248,696	11,514,424
Personal benefits	2.1B	**53,888,881**	48,554,853	53,535,656
Subsidies	2.1C	**14,080,186**	13,357,030	13,766,784
Suppliers	2.1D	**2,061,589**	1,521,554	2,620,656
Payments to corporate Commonwealth entities	2.1E	**566,938**	619,043	554,666
Impairment of financial instruments	2.1F	**82,111**	38,858	-
Impairment of non-financial assets	2.1G	**1,424,502**	15,293	4,812
Depreciation and amortisation	5.2A	**1,988**	-	-
Other expenses	2.1H	**17,074**	31,786	7,133
Total expenses		**82,898,243**	73,387,113	82,004,131
Income				
Revenue				
Revenue from contracts with customers	2.2A	**27,856**	22,428	24,842
Special accounts revenue	2.2B	**42,021,101**	38,358,511	41,596,637
Recoveries	2.2C	**3,935,419**	3,118,808	3,417,501
Other revenue	2.2D	**335,810**	303,387	120,639
Total revenue		**46,320,186**	41,803,134	45,159,619
Total income		**46,320,186**	41,803,134	45,159,619
Net cost of services		**(36,578,057)**	(31,583,979)	(36,844,512)
Deficit		**(36,578,057)**	(31,583,979)	(36,844,512)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in administered investment reserves		**(2,452)**	33,225	-
Total comprehensive loss		**(36,580,509)**	(31,550,754)	(36,844,512)

The above schedule should be read in conjunction with the accompanying notes.

Administered Schedule of Assets and Liabilities

as at 30 June 2021

	Notes	2021 $'000	2020 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	5.1A	**1,910,383**	1,519,725	1,495,543
Accrued recoveries revenue	5.1B	**203,670**	1,439,475	565,166
Trade and other receivables	5.1C	**794,948**	839,185	486,674
Investments in portfolio entities	5.1D	**513,998**	494,598	572,478
Other investments	5.1E	**105,112**	76,253	-
Total financial assets		**3,528,111**	4,369,236	3,119,861
Non-financial assets				
Plant and equipment	5.2A	**6,567**	-	-
Inventories	5.2B	**1,405,219**	907,259	1,991,194
Other non-financial assets	5.2C	**1,065,936**	1,150,641	1,150,641
Total non-financial assets		**2,477,722**	2,057,900	3,141,835
Total assets administered on behalf of Government		**6,005,833**	6,427,136	6,261,696
LIABILITIES				
Payables				
Suppliers	5.3A	**188,417**	50,675	50,819
Subsidies	5.3B	**76,217**	71,832	78,048
Personal benefits	5.3C	**1,597,798**	1,140,186	1,510,122
Grants	5.3D	**178,798**	346,058	352,383
Total payables		**2,041,230**	1,608,751	1,991,372
Provisions				
Subsidies	5.4A	**508,000**	458,000	458,000
Personal benefits	5.4B	**1,111,753**	972,351	972,351
Total provisions		**1,619,753**	1,430,351	1,430,351
Total liabilities administered on behalf of Government		**3,660,983**	3,039,102	3,421,723
Net assets		**2,344,850**	3,388,034	2,839,973

The above schedule should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule

	Notes	2021 $'000	2020 $'000
Opening assets less liabilities as at 1 July		**3,388,034**	496,021
Adjustment on initial application of AASB 15/AASB 1058		**-**	(1,499)
Adjusted opening assets less liabilities		**3,388,034**	494,522
Net cost of services			
Income		**46,320,186**	41,803,134
Expenses			
Payments to entities other than corporate Commonwealth entities		**(82,331,305)**	(72,768,069)
Payments to corporate Commonwealth entities		**(566,938)**	(619,044)
Other comprehensive income			
Revaluations transferred to/(from) reserves		**(2,452)**	33,225
Transfers (to)/from the Australian Government			
Appropriation transfers from Official Public Account (OPA)			
Administered assets and liabilities appropriations			
Payments to entities other than corporate Commonwealth entities		**794,585**	2,133,000
Payments to corporate Commonwealth entities		**17,086**	23,845
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		**13,573,879**	10,309,828
Payments to corporate Commonwealth entities		**566,938**	619,302
Special appropriations (limited)			
Refund of receipts (section 77 of the PGPA Act)		**2,000**	1,972
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		**26,109,302**	24,662,023
Net GST appropriations		**2,158**	3,006
Appropriation transfers to OPA			
Transfers to OPA		**(5,528,623)**	(3,308,710)
Closing assets less liabilities as at 30 June		**2,344,850**	3,388,034

The above schedule should be read in conjunction with the accompanying notes.

Accounting Policy

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Administered Cash Flow Statement

for the period ended 30 June 2021

	Notes	2021 $'000	2020 $'000
OPERATING ACTIVITIES			
Cash received			
Recoveries		**5,173,418**	2,868,303
GST received		**974,482**	764,883
Special accounts receipts		**42,021,101**	38,358,511
Other		**143,293**	421,676
Total cash received		**48,312,294**	42,413,373
Cash used			
Grants		**11,896,447**	10,126,590
Subsidies		**14,034,014**	13,369,986
Personal benefits		**53,151,548**	48,526,312
Suppliers		**3,779,222**	3,469,216
Payments to corporate Commonwealth entities		**566,938**	619,302
Total cash used		**83,428,169**	76,111,406
Net cash used by operating activities		**(35,115,875)**	(33,698,033)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		**26,461**	29,362
Total cash received		**26,461**	29,362
Cash used			
Advances and loans made		**6,542**	7,401
Equity injections to corporate Commonwealth entities		**19,400**	23,845
Investments		**33,625**	19,128
Total cash used		**59,567**	50,374
Net cash used by investing activities		**(33,106)**	(21,012)
Net decrease in cash held		**(35,148,981)**	(33,719,045)
Cash and cash equivalents at the beginning of the reporting period		**1,519,725**	794,505
Cash from Official Public Account			
Appropriations		**40,252,119**	35,593,125
Special Accounts		**14,554**	9,108
Capital appropriations		**813,985**	2,156,845
Administered GST appropriations		**961,376**	794,066
Total cash from Official Public Account		**42,042,034**	38,553,144
Cash to Official Public Account			
Special Accounts		**14,554**	9,108
Return of GST appropriations to the Official Public Account		**959,216**	791,061
Other		**5,528,625**	3,308,710
Total cash to Official Public Account		**6,502,395**	4,108,879
Cash and cash equivalents at the end of the reporting period	5.1A	**1,910,383**	1,519,725

This schedule should be read in conjunction with the accompanying notes.

Overview

Objectives of 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 financial year 2020-2021 the Department was structured to meet the following outcomes:

Outcome 1: Health System Policy, Design and Implementation
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 programmes is dependent on Government policy and on continuing funding by Parliament for the Department's administration and programs.

The Department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department on behalf of the Government, of items controlled or incurred by the Government.

The Department is responsible for the following administered activities on behalf of the Government:

a) payment of subsidies for residential, aged care and community programs;
b) payment of personal benefits for Medicare and pharmaceutical services as well as for affordability and choice of health care initiatives; and
c) payment of grants, with the majority of these made to not-for-profit organisations.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements and notes have been prepared in accordance with:
a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply to the reporting period.

The financial statements and notes have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets held at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Items of a similar nature, together with disclosure of the relevant accounting policy, are grouped together in the notes to the financial statements.

The Department's financial statements include the financial records of the departmental special accounts, the Therapeutic Goods Administration (TGA), the Office of the Gene Technology Regulator (OGTR) and the Australian Industrial Chemicals Introduction Scheme (AICIS).

All transactions between the departmental ledgers have been eliminated from the departmental financial statements

Comparative figures have been adjusted, where required, to conform to changes in presentation of the financial statements in the current year.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements
The Department adopted all new, revised and amending standards and interpretations that were issued by the AASB prior to the sign-off date and are applicable to the current reporting period. The adoption of these standards and interpretations did not have a material effect, and are not expected to have a future material effect on the Department's financial statements.

Standard / Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements.
AASB 1059 Service Concession Arrangements: Grantors	AASB 1059 became effective from 1 July 2020. The new standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from a grantor's perspective. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.

During the period, the Department adopted AASB 1059 *Service Concession Arrangements: Grantors* which did not materially change any of the transactions, balances and disclosures included in the financial statements.

No accounting standard has been adopted earlier than the application date as stated in the standard.

Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Breach of Section 83 of the Constitution

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law.

The Department has primary responsibility for administering legislation related to health care. In 2020-21 payments totalling about $68 billion were authorised against Special Appropriations, including special accounts, by the Department in accordance with a range of complex legislation. Most of the payments are administered by Services Australia 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 legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated. It is likely that any section 83 breaches that have occured would represent only a very small portion of payments, both in number and in value, and the Department is committed to implementing measures to ensure the risk of unintentional breaches of section 83 is as low as possible.

The Department has developed an approach for assessing the alignment of payment processes with legislation. During 2020-21 the Department:

a) included consideration of processes to minimise the risk of section 83 breaches as part of any review of legislation or administrative processes;
b) received assurance from Services Australia that action had been undertaken to detect and prevent any potential breaches of section 83;
c) obtained legal advice, as appropriate, to resolve questions of potential non-compliance; and
d) identified legislative/procedural changes to reduce the risk of non-compliance in the future.

Special Appropriations

The Department administers 12 pieces of legislation, as disclosed in Note 6.1C, with Special Appropriations involving statutory requirements for payments. Of this legislation, some payments may have either actual or potential breaches of section 83 of the Constitution and the Department will continue to review these.

Special Accounts

As at 30 June 2021, the Department has eight Special Accounts, as disclosed in Note 6.2. Six are assessed as being 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 processes are in place to minimise the risk of breaches of section 83. In addition, the Department will continue ongoing reviews of special accounts payments by internal audit as part of its rolling compliance program, paying particular attention to emerging issues being identified within the Commonwealth.

Events After the Reporting Period

Departmental

TGA special account annual charges 2020-21

Sponsors of certain products on the Australian Register of Therapeutic Goods during the 2020-21 year have until 15 September 2021 to apply for an exemption from the annual charges for the year. An estimate of the value of the exemptions has been incorporated in 2020-21 revenues.

Administered

Expiring inventory

$9.7m of administered inventory held in the National Medical Stockpile will pass its expiry date during the period July to October 2021 (2020: $2.0m)

Financial Performance

This section analyses the financial performance of the Department for the year ended 2021.

1.1 Expenses

	2021 $'000	2020 $'000
1.1A: Employee benefits		
Wages and salaries	**405,620**	359,009
Superannuation		
Defined contribution plans	**43,722**	35,979
Defined benefit plans	**35,116**	36,240
Leave and other entitlements	**69,627**	75,487
Separation and redundancies	**5,126**	3,222
Total employee benefits	**559,211**	509,937
1.1B: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**132,015**	101,632
IT services	**120,971**	96,862
Services delivered under contract or others	**49,190**	37,818
Property	**11,192**	15,617
Travel	**1,684**	7,905
Training and other staff related expenses	**5,360**	3,767
Legal	**12,873**	8,318
Committees	**3,714**	3,957
Other	**26,918**	23,426
Total goods and services supplied or rendered	**363,917**	299,302
Goods supplied	**38,110**	39,043
Services rendered	**325,807**	260,259
Total goods and services supplied or rendered	**363,917**	299,302
Other suppliers		
Workers compensation expenses	**4,585**	4,283
Short-term leases	**95**	544
Low value leases	**697**	835
Variable lease payments	**118**	199
Total other suppliers	**5,495**	5,862
Total suppliers	**369,412**	305,164

The Department has no short-term lease commitments as at 30 June 2021 (2020: $0.2m)

The above lease disclosures should be read in conjunction with the accompanying notes 1.2B, 3.2A and 3.4A.

Accounting Policy

Short-term leases and leases of low value assets

The Department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low value assets (less than $10,000). The Department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021 $'000	2020 $'000
1.1C: Finance costs		
Interest on lease liabilities	**6,479**	7,094
Total finance costs	**6,479**	7,094

The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

1.1D: Write-down and impairment of other assets		
Impairment of property, plant and equipment	**1,470**	138
Impairment of intangible assets	**7,198**	944
Total write-down and impairment of other assets	**8,668**	1,082
1.1E: Other expenses		
Payments made on behalf of Portfolio entities	**-**	47
Total other expenses	**-**	47

1.2 Own-Source Revenue and gains

	2021 $'000	2020 $'000
Own-Source Revenue		
1.2A: Revenue from contracts with customers		
Sale of goods	**2,022**	2,504
Rendering of services	**198,837**	188,583
Total revenue from contracts with customers	**200,859**	191,087
Disaggregation of revenue from contracts with customers		
Activity / service line:		
Annual charges / licence fees	**98,278**	90,955
Application fees	**29,999**	28,595
Evaluation / assessment fees	**47,618**	47,981
Service delivery	**24,964**	23,556
	200,859	191,087
Timing of transfer of goods and services:		
Over time	**160,919**	156,777
Point in time	**39,940**	34,310
	200,859	191,087

Accounting Policy

Revenue

Revenue from the sale of goods and rendering of services is recognised when control has been 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 would not be entitled to perform are accounted for in accordance with AASB 15. For those activities where the charge relates to a period of 12 months or less, the expedients as they apply to short-term licences have been applied.

Revenue items not meeting the requirements of AASB 15 have been considered under AASB 1058. These transactions include those where the Department acquires or receives an asset (including cash) in exchange for consideration that is significantly less than fair value. Examples include cash grants and levies and fees received by the Department to further their objectives. Recognition occurs when the Department becomes entitled to the asset.

The principal activities from which the Department generates its revenue relate to:

a) The cost recovery activities of the Therapeutic Goods Administration (TGA). These cover the registration and listing of medicines and inclusion of medical devices, including in vitro diagnostic (IVD) devices, and biologicals onto the Australian Register of Therapeutic Goods (ARTG) and the ongoing maintenance and surveillance of them;

b) Regulatory activities associated with the scientific assessment of new and existing industrial chemicals, monitoring and enforcement of statutory obligations under the *Industrial Chemicals Act 2019*, maintenance of the Australian Inventory of Chemical Substances, and implementing Australia's obligations under international arrangements relevant to industrial chemicals;

c) 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

d) The recovery of costs by the Department for the provision of corporate services provided to portfolio agencies.

The transaction price is the total amount of consideration to which the Department expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

On 1 July 2015 the TGA introduced the annual charges exemption scheme to provide relief from annual charges until a product on the ARTG commences generating turnover. Under this scheme, which is detailed in the regulations covering therapeutic goods, some of the charges in respect of 2020-21 may not be known until the end of the declaration period on 15 September 2021. 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.

	2021	2020
	$'000	$'000
1.2B: Rental income		
Subleasing right-of-use assets	**6,650**	5,916
Total rental income	**6,650**	5,916

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 3.2A and 3.4A

1.2C: Other revenue		
Listing fees	**4,618**	4,286
Resources received free of charge		
Remuneration of auditors	**880**	880
Legal services for COVID-19 vaccines	**200**	-
Employee secondments	**6,235**	819
Recovery of costs	**1,022**	3,413
Other revenue	**73**	2,193
Total other revenue	**13,028**	11,591

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2D: Revenue from government		
Appropriations		
Departmental appropriations	**802,930**	673,963
Total revenue from government	**802,930**	673,963

Accounting Policy

Revenue from government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue from government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Income and Expenses Administered on Behalf of Government

This section analyses the activities the Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

2.1 Administered - Expenses

	2021 $'000	2020 $'000
2.1A: Grants		
Public sector		
Australian Government entities (related parties)	**860,506**	797,623
Private sector		
Profit and Not-for-profit organisations	**9,885,977**	8,450,275
Overseas	**28,491**	798
Total grants	**10,774,974**	9,248,696

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.

2.1B: Personal benefits		
Direct		
Private health insurance	**6,321,402**	6,076,357
Indirect		
Medical services	**27,970,641**	25,118,230
Pharmaceuticals and pharmaceutical services	**14,101,820**	12,706,695
Primary care practice incentives	**426,824**	454,086
Hearing services	**579,435**	522,751
Targeted assistance	**156,871**	158,093
Aged care	**4,283,353**	3,438,085
Other	**48,535**	80,555
Total personal benefits	**53,888,881**	48,554,853

Accounting Policy

Personal benefits are the current transfers for the benefit of individuals or households, directly or indirectly, that do not require any economic benefit to flow back to Government. The Department administers a number of personal benefits programs on behalf of Government that provide a range of health care entitlements to individuals. These include, but are not limited to:

a) pharmaceutical benefits (the primary means through which the Australian Government ensures Australians have timely access to pharmaceuticals, including COVID-19 vaccines);

b) medical benefits (provide high quality and clinically relevant medical and associated services through Medicare);

c) private health insurance rebate (helps make private health insurance more affordable, provides greater choice and accessibility to private health care options, and reduces pressure on the public health system);

d) primary care practice incentives (support activities that encourage continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients);

e) targeted assistance (support the provision of relevant pharmaceuticals, aids and appliances);

f) hearing services (reduce the incidence and consequences of avoidable hearing loss in the community by providing access to high quality hearing services and devices); and

g) home support and care (provide coordinated home support and care packages tailored to meet individuals' specific care needs).

Personal benefits are assessed, determined and paid by Services Australia in accordance with provisions of the relevant legislation under delegation from the Department. All personal benefits liabilities are expected to be settled within 12 months of the balance date. In the majority of cases the above payments are initially based on the information provided by customers and providers. Both the Department and Services Australia have established review mechanisms to identify overpayments made under the various schemes. The recognition of receivables and recovery actions take place once the overpayments are identified.

	2021 $'000	2020 $'000
2.1C: Subsidies		
Subsidies in connection with		
Aged care	**13,934,701**	13,226,862
Medical indemnity	**145,485**	120,904
Other	**-**	9,264
Total subsidies	**14,080,186**	13,357,030
2.1D: Suppliers		
Goods and services supplied or rendered		
Consultants	**41,217**	46,234
Contract for services	**1,686,268**	1,245,647
Travel	**5,125**	1,789
Inventory consumed	**225,318**	130,349
Communications and publications	**33,298**	67,462
Committee related expenses	**1,538**	3,109
Other	**68,825**	26,964
Total goods and services supplied or rendered	**2,061,589**	1,521,554
Goods supplied	**332,692**	224,804
Services rendered	**1,728,897**	1,296,750
Total goods and services supplied or rendered	**2,061,589**	1,521,554
2.1E: Payments to corporate Commonwealth entities		
Australian Institute of Health and Welfare	**32,178**	35,037
Foods Standards Australia New Zealand	**16,964**	16,890
Sport Australia (formerly the Australian Sports Commission)	**322,404**	388,503
Australian Digital Health Agency	**195,392**	178,613
Total payments to corporate Commonwealth entities	**566,938**	619,043

Accounting Policy
Payments to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans to the relevant portfolio entity. The appropriation to the Department is disclosed in Note 6.1A.

2.1F: Impairment of financial instruments		
Impairment on trade and other receivables	**82,111**	38,858
Total impairment on financial instruments	**82,111**	38,858

	2021 $'000	2020 $'000
2.1G: Impairment of non-financial assets		
Impairment due to the write-down of inventory[1]	**1,018,297**	-
Impairment due to the write-off of inventory	**96,508**	15,293
Impairment due to the write-off of prepayments	**309,697**	-
Total write-down and impairment of non-financial assets	**1,424,502**	15,293

[1.] AASB 102 requires the Department to measure the value of inventory at the lower of cost or current replacement cost.

2.1H: Other expenses		
Payments to special accounts	**14,554**	9,108
Other	**2,520**	22,678
Total other expenses	**17,074**	31,786

2.2 Administered - Income

	2021 $'000	2020 $'000
Revenue		
2.2A: Revenue from contracts with customers		
Rendering of services	**27,856**	22,428
Total revenue from contracts with customers	**27,856**	22,428
Disaggregation of revenue from contracts with customers		
Activity / Service line		
Evaluation / assessment fees	**2,552**	15,590
Application fees	**21,317**	5,031
Listing fee / annual charge	**1,738**	1,807
Recovery of costs	**2,249**	-
	27,856	22,428
Timing of transfer of goods and services		
Over time	**18,658**	19,075
Point in time	**9,198**	3,353
	27,856	22,428
2.2B: Special accounts revenue		
Medicare Guarantee Fund (Health) special account	**41,448,516**	37,961,055
Medical Research Future Fund special account	**572,585**	392,703
Other special accounts	**-**	4,753
Total special account revenue	**42,021,101**	38,358,511
2.2C: Recoveries		
Medical and pharmaceutical benefits and health rebate schemes	**38,170**	39,635
PBS drug recoveries	**3,479,790**	2,785,025
Aged care recoveries, cross-billings and budget neutrality adjustments	**417,403**	293,031
Other	**56**	1,117
Total recoveries	**3,935,419**	3,118,808
2.2D: Other revenue		
Levies	**5,404**	25,700
Interest from loans	**7,686**	11,960
Sale of goods	**26,400**	-
Recovery of unspent grant funding	**118,883**	114,946
Debts due to the Commonwealth	**98,624**	55,712
Other	**78,813**	95,069
Total other revenue	**335,810**	303,387

Accounting Policy

All administered revenues are revenues related to the course of ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Special accounts revenue is recognised when the Department gains control of the relevant amounts.

Recoveries are recognised on an accrual basis and relate to:

a) recoveries under the Medical Benefits, Pharmaceutical Benefits and health rebate schemes after settlement of personal injury claims;

b) recoveries for services provided under the National Disability Insurance Scheme and for young people in residential care; and

c) rebates associated with PBS drug recoveries.

Financial Position

This section analyses the Department's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

3.1 Financial Assets

	2021 $'000	2020 $'000
3.1A: Cash and cash equivalents		
Cash in special accounts	**135,241**	117,915
Cash on hand or on deposit	**4,300**	4,209
Total cash and cash equivalents	**139,541**	122,124

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

a) cash on hand;

b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and

c) cash in special accounts, which includes amounts that are banked in the Australian Government's Official Public Account or held in a bank account.

3.1B: Trade and other receivables		
Goods and services receivable		
Goods and services	**17,769**	19,642
GST receivable from the Australian Taxation Office	**5,933**	5,163
Other	**500**	628
Total goods and services receivable	**24,202**	25,433
Appropriations receivable		
Appropriations receivable	**57,212**	73,771
Total appropriations receivable	**57,212**	73,771
Other receivables		
Receivable from Government	**21,143**	-
Total other receivables	**21,143**	-
Total trade and other receivables (gross)	**102,557**	99,204
Less impairment loss allowance	**(1,299)**	(1,235)
Total trade and other receivables (net)	**101,258**	97,969

All trade and other receivables are expected to be settled within 12 months of the balance date.

Credit terms for goods and services were: the Department - within 30 days (2020: 30 days), the TGA - within 28 days (2020: 28 days).

Accounting Policy

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Appropriations receivable are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangements. Appropriations receivable are recognised at their nominal amounts.

AASB 9 replaces the 'incurred loss' model previously used under AASB 139 with an 'expected credit loss' (ECL) model. This impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income.

Trade and other receivable assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ECL.

	2021 $'000	2020 $'000
3.1C: Other financial assets		
Contract assets	**14,797**	10,382
Total other financial assets	**14,797**	10,382

All other financial assets are expected to be settled within 12 months of the balance date.

3.2 Non-Financial Assets

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2021

	Land and buildings $'000	Plant and equipment $'000	Computer Software[1] $'000	Total $'000
As at 1 July 2020				
Gross book value	696,273	8,952	364,222	1,069,447
Accumulated depreciation, amortisation and impairment	(78,869)	(2,663)	(185,153)	(266,685)
Total as at 1 July 2020	617,404	6,289	179,069	802,762
Additions				
Purchase	7,989	1,379	-	9,368
Internally developed	-	-	69,547	69,547
Right-of-use assets	6,709	23	-	6,732
Revaluations recognised in net cost of services	(4,475)	(361)	-	(4,836)
Impairments recognised in net cost of services	(1,465)	(4)	(7,198)	(8,667)
Reversal of impairments recognised in net cost of services	-	41	-	41
Depreciation and amortisation	(13,148)	(963)	(40,114)	(54,225)
Depreciation on right-of-use assets	(58,798)	(100)	-	(58,898)
Other movements	-	-	(117)	(117)
Reclassification	-	207	(207)	-
Other movements of right-of-use assets	(4,133)	5	-	(4,128)
Total as at 30 June 2021	550,083	6,516	200,980	757,579

	Land and buildings $'000	Plant and equipment $'000	Computer Software $'000	Total $'000
Total as at 30 June 2021 represented by				
Gross book value	668,161	7,219	414,970	1,090,350
Accumulated depreciation, amortisation and impairment	(118,078)	(703)	(213,990)	(332,771)
Total as at 30 June 2021	550,083	6,516	200,980	757,579
Carrying amount of right-of-use assets	511,833	121	-	511,954

1. The carrying amount of computer software included $200.2m of internally generated software and $0.7m of purchased software.

Accounting Policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for information technology equipment purchases costing less than $500 (TGA: $2,000), leasehold improvements costing less than $50,000 (TGA: $10,000), and all other purchases costing less than $2,000, which are expensed in the year of acquisition (other than when they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Department where there exists an obligation to restore the property to prescribed conditions. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for restoration recognised.

Leased Right-of-Use (ROU) assets

Leased ROU assets are capitalised at the commencement of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by the Department as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

In 2019-20, on initial application of AASB 16, the Department 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 was undertaken for any ROU asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in the Department's financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

An independent valuation of all property, plant and equipment (PP&E) was carried out by Jones Lang LaSalle (JLL) as at 31 March 2021 to assess the fair value at this date. 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. JLL were also engaged to conduct an asset materiality review of the net book value of PP&E at 30 June 2021, in order to assess whether there were any factors that were expected to impact the fair value of Health's PP&E in that period. JLL have advised that no material impact on balances is applicable as at 30 June 2021.

When required, revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of Asset Revaluation Reserve except to the extent that it reversed a previous revaluation decrement of the same class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease, including any applicable lease options available.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are made in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:
a) buildings on freehold land: 20 to 25 years (2020: 20 to 25 years)
b) leasehold improvements: The lower of the lease term or the estimated useful life
c) plant and equipment: 3 to 20 years (2020: 3 to 20 years)
d) right-of-use assets: 2 to 15 years (2020: 2 to 15 years)

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value is taken to be its depreciated replacement cost.

Impairment

All assets were assessed for impairment as at 30 June 2021. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Department's intangibles comprise internally developed software (for internal use) and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The Department recognises internally developed software costing more than $100,000 and purchased software costing more than $500 (TGA: $100,000).

Software is amortised on a straight-line basis over its anticipated useful life.

The useful lives of the Department's software are:

a) internally developed software: 2 to 10 years (2020: 2 to 10 years)
b) purchased software: 2 to 7 years (2020: 2 to 7 years)

All software assets were assessed for indications of impairment as at 30 June 2021.

	2021 **$'000**	2020 $'000
3.2B: Other non-financial assets		
Prepayments	**27,879**	15,237
Investment in sublease	**6,826**	3,163
Total other non-financial assets	**34,705**	18,400
Other non-financial assets expected to be recovered		
No more than 12 months	**29,985**	16,155
More than 12 months	**4,720**	2,245
Total other non-financial assets	**34,705**	18,400

No indicators of impairment were found for other non-financial assets.

3.3 Payables

	2021 $'000	2020 $'000
3.3A: Suppliers		
Trade creditors and accruals	**73,769**	70,099
Contract liabilities	**38,759**	32,907
Total suppliers	**112,528**	103,006

All supplier payables are expected to be settled within 12 months of the balance date.

The payment terms for goods and services were 30 days from the receipt of a correctly rendered invoice (2020: 30 days)

3.3B: Employees		
Wages and salaries	**10,201**	7,782
Superannuation	**4,844**	754
Separations and redundancies	**-**	1,000
Total employees	**15,045**	9,536

All employee payables are expected to be settled within 12 months of the balance date.

3.4 Interest Bearing Liabilities

	2021 $'000	2020 $'000
3.4A: Leases		
Lease liabilities	**537,743**	579,421
Total leases	**537,743**	579,421

Total cash outflow for leases for 2021 was $0.1m (2020: $0.1m).

Lease liabilities expected to be settled		
No more than 12 months	**22,771**	44,763
More than 12 months	**514,972**	534,658
Total leases	**537,743**	579,421
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**52,815**	50,469
Between 1 to 5 years	**224,851**	236,940
More than 5 years	**303,749**	343,159
Total undiscounted leases	**581,415**	630,568
Discount	**(43,672)**	(51,147)
Total leases	**537,743**	579,421

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B and 3.2A.

Accounting Policy

For all new contracts entered into, the Department considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3.5 Other Provisions

3.5A: Other provisions

	Provision for restoration $'000	Total $'000
As at 1 July 2020	**7,980**	**7,980**
Additional provisions made	**3,431**	**3,431**
Amounts used	**(331)**	**(331)**
Total as at 30 June 2021	**11,080**	**11,080**

All other provisions are expected to be settled more than 12 months from the balance date.

The Department currently has 11 (2020: 8) agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

Accounting Policy
Provision for Restoration Obligation
Where the Department has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

3.6 Therapeutic Goods Administration

The Therapeutic Goods Administration (TGA) contributes to Outcome 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 6.2: Special accounts.

Therapeutic goods are regulated to ensure that medicinal products and medical devices in Australia meet standards of safety, quality and efficacy at least equal to that of comparable countries. These products and devices should be made available in a timely manner and the regulatory impact on business kept to a minimum. This is achieved through a risk management approach to pre-market evaluation and approval of therapeutic products intended for supply in Australia, licensing of manufacturers and post market surveillance.

The TGA receives payment for evaluation services in advance of service delivery, which can extend across financial years. The TGA estimates the stage of service completion and recognises the matching revenue. Revenue reported for 2020-21 includes an estimate for annual charges.

	2021	2020
	$'000	$'000
3.6A: Therapeutic Goods Administration		
TGA Comprehensive Income		
Expenses		
Employee benefits	**88,082**	86,728
Contractors and consultants	**34,842**	25,772
Corporate services	**41,660**	41,660
Other	**7,912**	7,406
Depreciation and amortisation	**9,973**	7,995
Write-down and impairment of assets	**-**	1,599
Total expenses	**182,469**	171,160
Revenues		
Sale of goods and rendering of services	**170,982**	168,044
Other revenues and gains	**42**	-
Total own-source revenue	**171,024**	168,044
Revenue from Government	**13,761**	8,534
Surplus on continuing operations	**2,316**	5,418
TGA Financial Position		
Assets		
Financial assets	**113,995**	103,152
Non-financial assets	**29,367**	30,319
Total assets	**143,362**	133,471
Liabilities		
Payables	**50,448**	42,764
Provisions	**36,773**	31,487
Total liabilities	**87,221**	74,251
Net assets	**56,141**	59,220
Equity		
Contributed equity	**2,029**	2,029
Asset revaluation reserve	**4,113**	9,508
Retained surplus	**49,999**	47,683
Total equity	**56,141**	59,220

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

4.1 Employee Provisions

	2021 $'000	2020 $'000
4.1A: Employee provisions		
Leave	**180,084**	170,885
Separations and redundancies	**434**	91
Total employee provisions	**180,518**	170,976
Employee provisions expected to be settled		
No more than 12 months	**49,547**	24,643
More than 12 months	**130,971**	146,333
Total employee provisions	**180,518**	170,976

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 the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination. The liability for long service leave and annual leave expected to be settled outside of 12 months of the balance date has been determined by reference to the work of an actuary as at May 2019. 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.

The CSS and PSS are defined benefits schemes for the Australian Government. The PSSap and other compliant superannuation funds are defined contribution schemes. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Department makes employer contributions to the employees' superannuation schemes at rates determined by the actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contributions plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the number of days between the last pay period in the financial year and 30 June.

4.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Department, directly or indirectly. The Department has determined the key management personnel to be the Secretary, the Chief Medical Officer (CMO) and all Deputy Secretaries and equivalents. Key management personnel also include officers who have acted as the Secretary, CMO or Deputy Secretary and equivalents, and have exercised significant authority in planning, directing and controlling the activities of the Department. Key management personnel remuneration is reported in the table below:

	2021	2020
	$'000	$'000
Short-term employee benefits	**3,740**	3,677
Post-employment benefits	**574**	519
Other long-term employee benefits	**110**	117
Total key management personnel remuneration expenses[1]	**4,424**	4,313

The total number of key management personnel that are included in the above table is 14 (2020: 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.

4.3 Related Party Disclosures

Related party relationships

The Department is an Australian Government controlled entity. Related parties to the Department are Key Management Personnel including the Portfolio Minister and Executive Government, and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate, Medicare bulk billing provider payments, pharmaceutical benefits or a zero real interest loan for aged care providers. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

a) the payment of grants or loans;
b) purchases of goods or services;
c) asset purchases, sales transfers or leases;
d) debts forgiven; and
e) guarantees.

Giving consideration to relationships with related entities and transactions entered into during the reporting period by the Department, it has been determined that there are no related party transactions to be separately disclosed.

Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result which the Department does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

5.1 Administered - Financial Assets

	2021 $'000	2020 $'000
5.1A: Cash and cash equivalents		
Cash in special accounts	**1,849,021**	1,510,298
Cash on hand or on deposit	**61,362**	9,427
Total cash and cash equivalents	**1,910,383**	1,519,725
5.1B: Accrued recoveries revenue		
Personal benefits		
Pharmaceutical benefits	**155,500**	1,386,349
Aged care	**2,042**	15,064
Medicare benefits	**9,316**	9,375
Other personal benefits	**484**	573
Subsidies		
Medical indemnity	**2,352**	2,351
Aged care	**33,927**	25,714
Other subsidies	**49**	49
Total accrued recoveries revenue	**203,670**	1,439,475

All accrued recoveries are expected to be settled within 12 months of the balance date.

5.1C: Trade and other receivables		
Goods and services		
Goods and services receivables	**536,302**	537,132
GST receivable from the Australian Taxation	**66,819**	79,925
Contract assets	**7,350**	196
Total goods and services receivables	**610,471**	617,253
Advances and loans		
Aged care facilities		
Nominal value	**271,760**	291,679
Less: Unexpired discount	**(28,849)**	(34,161)
Total advances and loans	**242,911**	257,518
Total trade and other receivables (gross)	**853,382**	874,771
Less impairment loss allowance	**(58,434)**	(35,586)
Total trade and other receivables (net)	**794,948**	839,185
Trade and other receivables (net) expected to be recovered		
No more than 12 months	**578,050**	604,916
More than 12 months	**216,898**	234,269
Total trade and other receivables (net)	**794,948**	839,185

Credit terms for goods and services were within 30 days (2020: 30 days).

Accounting Policy

Loans were made to approved providers under the Aged Care Act 1997 for an estimated period of 12 years. No security is generally required. Principal is repaid in full at maturity. Interest rates are linked to the Consumer Price Index. Interest payments are due on the 21st day of each calendar month.

	2021 $'000	2020 $'000
5.1D: Investments in portfolio entities		
Australian Institute of Health and Welfare	**37,982**	33,536
Food Standards Australia New Zealand	**10,328**	7,683
Australian Commission on Safety and Quality in Health Care	**4,883**	4,155
Sport Australia (formerly the Australian Sports Commission)	**299,185**	302,721
Australian Sports Foundation Ltd	**9,009**	4,467
Independent Hospital Pricing Authority	**15,836**	13,542
Australian Digital Health Agency	**136,775**	128,494
Total investments in portfolio entities	**513,998**	494,598

All investments are expected to be settled more than 12 months from the balance date.

The principal activities of each of the Department's administered investments in portfolio entities were as follows:

a) The Australian Institute of Health and Welfare informs community discussion and decision-making through national leadership and collaboration in developing and providing health and welfare statistics and information.

b) Foods Standards Australia New Zealand protects and informs consumers through the development of effective food standards, in a way that helps stimulate and support growth and innovation in the food industry.

c) The Australian Commission on Safety and Quality in Health Care works to lead and coordinate national improvements in safety and quality in health care across Australia.

d) Sport Australia (formerly the Australian Sports Commission) manages, develops and invests in sport at all levels. It works closely with a range of national organisations, state and local governments, schools and community organisations to ensure sport is well run and accessible.

e) The Australian Sports Foundation Ltd assists sporting, community, educational and other government organisations to raise funds for the development of sports infrastructure.

f) The Independent Hospitals 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.

g) The Australian Digital Health Agency has responsibility for the strategic management and governance for the national digital health strategy and the design, delivery and operations of the national digital healthcare system.

5.1E: Other investments		
Biomedical Translation Fund - Brandon Capital Partners	**44,400**	26,057
Biomedical Translation Fund - OneVentures Management	**33,181**	25,623
Biomedical Translation Fund - BioScience Managers	**27,531**	24,573
Total other investments	**105,112**	76,253

All other investments are expected to be settled more than 12 months for the balance date.

The Biomedical Translation Fund (BTF) is an equity co-investment venture capital program announced in the National Innovation and Science Agenda to support the development of biomedical ventures in Australia. The BTF Program will help translate biomedical discoveries into high growth potential companies that are improving long term health benefits and national economic outcomes. It is delivered by the Department of Industry, Science, 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 2021. Fair value has been taken to be the Australian Government's proportional interest in the value of the net assets of each licensed investment fund based on the latest available audited trust accounts increased by the value of new investments acquired during the reporting period.

5.2 Administered - Non-Financial Assets

5.2A: Reconciliation of the opening and closing balances of plant and equipment

Reconciliation of the opening and closing balances of plant and equipment for 2021

	Plant and equipment $'000	Total $'000
As at 1 July 2020		
Gross book value	-	-
Accumulated depreciation, amortisation and impairment	-	-
Total as at 1 July 2020	-	-
Other movements		
Reclassifications[1]	8,555	8,555
Depreciation and amortisation	(1,988)	(1,988)
Total as at 30 June 2021	6,567	6,567

	Plant and equipment $'000	Total $'000
Total as at 30 June 2021 represented by		
Gross book value	8,555	8,555
Accumulated depreciation, amortisation and impairment	(1,988)	(1,988)
Total as at 30 June 2021	6,567	6,567

[1.] During 2020-21 $8.6m worth of National Medical Stockpile inventory was reclassified as plant and equipment on account of this equipment being distributed under a lease agreement.

5.2 Administered - Non-Financial Assets

	2021 $'000	2020 $'000
5.2B: Inventories		
Inventories held for distribution		
National Medical Stockpile (NMS) and COVID-19 vaccines & consumables		
Opening balance	**907,259**	117,139
Add: Purchases	**2,123,197**	930,515
Add: Stock received free of charge	**994**	5,214
Less: Deployments	**(474,380)**	(130,349)
Less: Grants to overseas	**(28,491)**	-
Less: Transfer to plant & equipment	**(8,555)**	-
Less: Write down & impairment	**(1,114,805)**	(15,293)
Add: Other adjustments	**-**	33
Total Inventories held for distribution	**1,405,219**	907,259
Other non-financial assets expected to be recovered		
No more than 12 months	**241,659**	802,150
More than 12 months	**1,163,560**	105,109
Total other non-financial assets	**1,405,219**	907,259

During 2021, $1,604.3m of inventory held for distribution was recognised as an expense (2020: $145.6m).

5.2C: Other non-financial assets		
NMS and COVID-19 vaccines & consumables prepayments	**955,936**	1,150,641
Other prepayments	**110,000**	-
Total other non-financial assets	**1,065,936**	1,150,641
Other non-financial assets expected to be recovered		
No more than 12 months	**941,347**	1,150,641
More than 12 months	**124,589**	-
Total other non-financial assets	**1,065,936**	1,150,641

Accounting Policy

The Department's administered inventories relate to:

a) The National Medical Stockpile (the NMS). The NMS is a strategic reserve of medicines, vaccines, antidotes and protective equipment available for use as part of the national response to a public health emergency. It is intended to augment state and territory government reserves of key medical items in a health emergency, which could arise from terrorist activities or natural causes. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

b) COVID-19 vaccines and consumables. The Commonwealth has entered into multiple agreements to acquire doses of COVID-19 vaccines. Vaccines and consumables are held for distribution prior to being deployed to administration sites.

Costs in bringing each item to its present location and condition include purchase costs plus any other reasonably attributable costs, such as overseas shipping and handling and import duties, less any bulk order discounts and rebates received from suppliers.

Inventory is held at cost and adjusted where applicable for loss of service potential. Health considers the current replacement cost is the most appropriate basis for loss of service potential for inventories.

Inventories that are damaged or have passed their use-by dates are written off on the basis that the service potential is nil.

Inventories acquired at no or nominal cost are measured at current replacement cost at the date of acquisition. Any difference between acquisition costs and the value of these inventories is recognised as revenue.

Inventories are measured at weighted average cost, adjusted for obsolescence, other than vaccine stock which is measured using the costs specific for those items.

In determining impairment losses recognised in connection with the Department's inventories, management have applied assumptions and judgment in determining the current cost estimate (CCE). The CCE is used as the basis for measuring impairment losses where the weighted average cost of inventories exceeds the CCE. The CCE is determined based on observable market evidence including prices for comparable products and other market trends impacting supply.

Inventory prepayments represent the value of inventory paid for but not yet delivered by the supplier or accepted by the Department.

5.3 Administered - Payables

	2021 $'000	2020 $'000
5.3A: Suppliers		
Trade creditors and accruals	**181,463**	46,240
Contract liabilities	**6,954**	4,435
Total suppliers	**188,417**	50,675

All suppliers are expected to be settled within 12 months of the balance date.

The payment terms for goods and services are 30 days from the receipt of a correctly rendered invoice (2020: 30 days)

5.3B: Subsidies		
Aged care	**69,696**	66,570
Medical indemnity	**6,521**	5,005
Other	**-**	257
Total subsidies	**76,217**	71,832

All subsidies are expected to be settled within 12 months of the balance date.

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.

5.3C: Personal benefits		
Direct personal benefits		
Private health insurance	**505,962**	489,519
Indirect personal benefits		
Medical services	**540,817**	470,930
Pharmaceuticals and pharmaceutical services	**70,720**	14,331
Aged care	**393,591**	72,853
Other	**86,708**	92,553
Total personal benefits	**1,597,798**	1,140,186

All personal benefits are expected to be settled within 12 months of the balance date.

5.3D: Grants		
Australian Government entities (related entities)	**469**	5,235
Profit and non-profit organisations	**178,329**	340,823
Total grants	**178,798**	346,058

All grants are expected to be settled within 12 months of the balance date.

5.4 Administered - Other Provisions

5.4A: Subsidies

	Balance as at 30 June 2020	Claims paid	Schedule of Administered items impact	Balance as at 30 June 2021
	$'000	$'000	$'000	$'000
Medical Indemnity Liabilities				
Incurred but not reported scheme	**12,000**	**(955)**	**(2,045)**	**9,000**
High cost claims scheme	**327,000**	**(72,980)**	**113,980**	**368,000**
Run-off cover scheme	**119,000**	**(12,798)**	**24,798**	**131,000**
Total	**458,000**	**(86,733)**	**136,733**	**508,000**

	2021	2020
	$'000	$'000
Subsidies liabilities expected to be settled		
No more than 12 months	**97,291**	88,399
More than 12 months	**410,709**	369,601
Total subsidies liabilities	**508,000**	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:

a) Incurred But Not Reported Scheme (IBNRS);
b) High Cost Claims Scheme (HCCS);
c) Exceptional Claims Scheme (ECS);
d) Run-Off Cover Scheme (ROCS);
e) Premium Support Scheme (PSS);
f) Midwife Professional Indemnity (Commonwealth Contribution) Scheme (MPIS); and
g) 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 payments was recognised for IBNRS, HSSC, and ROCS. No provision was recognised for ECS, MPIS or MPIRCS as, to date, no payment has been made against these schemes and they could not be reliably measured and are reported as a contingent liability in Note 7.1B. No provision was recognised for the PSS as the nature and timing of payments associated with the scheme are based on a relatively predictable pattern of annual payments that must be settled within 12 months of the end of the premium period.

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 2021, the AGA has relied on the projections from the actuary of each of the MIIs, but has adjusted the IBNRS component on comparison with the projections from its own ROCS internal model. Given that the majority of the claims anticipated under this scheme have not yet been made, the AGA noted a relatively high level of uncertainty in the estimate.

HCCS
Under HCCS, the Government pays 50% of the cost of claims made to all MIIs that exceed a specified threshold, up to the limit of the practitioner's insurance. The threshold to be applied depends on the date of the notification of the claim as follows:

a) from 1 January 2003 to 21 October 2003 - $2m;
b) from 22 October 2003 to 31 December 2003 - $0.5m; and
c) on or after 1 January 2004 - $0.3m.

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:

a) it is not possible to precisely model the claims process, and random variations in both past and future claims have or will have adverse consequences on the model;
b) there can be a long delay between incident occurrences, to notification and settlement, making the projection of timing very uncertain;
c) the nature and cause of injury is difficult to determine and prove;
d) the claims experience can be very sensitive to the surrounding factors such as technology, legislation, attitudes and the economy; and
e) in general, these schemes have a small number of large claims which account for a substantial part of the overall cost. This is associated with large expected random variation. It follows that a wide range of results can be obtained with equal statistical significance which differs materially in the context of a schedule of assets and liabilities. This is a common situation with liabilities of this nature.

The experience of the medical indemnity claims cycle indicates that claims and subsequent payments can take a number of years to mature and settle. The Department used a 0.8% per annum discount rate in the calculation of the estimate for the current year. This discount rate was derived from the Commonwealth bonds yield curve based on the average observed liability duration of five years for the medical indemnity payments. A discount rate of 0.4% was used last year, which was derived using the same method.

A sensitivity analysis was undertaken by moving the discount rate either up or down to the nearest full percentage point. Increasing the discount rate to 2.0% would result in a discounted liability estimate which is about 9.0% ($43.0m) less than the base estimate. On the other hand, decreasing the discount rate to 0.0% would result in a liability estimate which is about 1.7% ($9.0m) higher than the base estimate.

	2020-21			2019-20
	discounted 0.0% $m	discounted 0.8%[1] $m	discounted 2.0% $m	discounted 0.4% $m
Incurred But Not Reported Scheme	10	9	9	12
High Cost Claims Scheme	381	382	349	327
Run-Off Cover Scheme	140	131	121	119
Total	**531**	**522**	**479**	**458**

1. 0.8% was used as the basis of the estimation in 2020-21.

	2021 $'000	2020 $'000
5.4B: Personal benefits		
Outstanding claims		
Medical services	**821,568**	741,896
Pharmaceuticals and pharmaceutical services	**290,185**	230,455
Total personal benefits	**1,111,753**	972,351

All personal benefits are expected to be settled within 12 months of the balance date.

Accounting Policy

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 weighs recent payment experience more heavily and is therefore self-adjusting for emerging trends.

Funding

This section identifies the Department's funding structure.

6.1 Appropriations

6.1A: Annual appropriations ('recoverable GST exclusive')

Annual Appropriations for 2021

	Annual Appropriation[1] $'000	Adjustments to appropriation[2] $'000	Total appropriation $'000	Appropriation applied in 2021 (current and prior years) $'000	Variance[3] $'000
Departmental					
Ordinary annual services	**785,117**	**155,804**	**940,921**	**947,542**	**(6,621)**
Capital Budget[4]	**14,052**	**(46)**	**14,006**	**12,954**	**1,052**
Other services					
Equity Injections	**40,034**	**-**	**40,034**	**48,693**	**(8,659)**
Total departmental	**839,203**	**155,758**	**994,961**	**1,009,189**	**(14,228)**
Administered					
Ordinary annual services					
Administered items	**14,058,626**	**812,478**	**14,871,104**	**13,576,019**	**1,295,085**
Payments to corporate Commonwealth entities	**566,938**	**-**	**566,938**	**566,938**	**-**
Other services					
Administered assets and liabilities	**672,037**	**384,060**	**1,056,097**	**794,585**	**261,512**
Payments to corporate Commonwealth entities	**17,086**	**-**	**17,086**	**17,086**	**-**
Total administered	**15,314,687**	**1,196,538**	**16,511,225**	**14,954,628**	**1,556,597**

1. There were no amounts withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in any of the 2021 departmental appropriations. Amounts totalling $957.2m were withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in relation to administered appropriations.

2. Departmental: adjustments to appropriations for ordinary annual services are a net result of PGPA Act Section 74 receipts of $159.1m and PGPA Act Section 75 transfer to Sport Integrity Australia of $3.3m; adjustments to the capital budget appropriations $0.05m relate entirely to a PGPA Act Section 75 transfer to Sport Integrity of Australia.

Administered: adjustments to appropriations for ordinary annual services are a net result of an Advance to the Finance Minister of $808.8m, appropriation repayments of $8.1m, and PGPA Act Section 75 transfer to Sport Integrity Australia of $4.4m; adjustments to the administered assets and liabilities appropriations relate entirely to an Advance to the Finance Minister of $384.1m, of which an amount of $358.9m was subsequently withheld under Section 51 of the PGPA Act.

[3.] The net variance of $5.6m for Departmental ordinary annual services and capital budget primarily represents the timing difference of payments to suppliers and employees. The variance of $8.7m for Departmental equity primarily represents that Health also spent rolled over prior year equity injection during 2020-21. The variances in Administered ordinary annual services and Administered assets and liabilities reflects the use of prior years retained funds in the current financial year.

[4.] Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

[5.] The following entities spend money from the Consolidated Revenue Fund (CRF) on behalf of this entity: Services Australia and Department of Industry, Science, Energy and Resources.

Annual Appropriations for 2020

	Annual Appropriation[1] $'000	Adjustments to appropriation[2] $'000	Total appropriation $'000	Appropriation applied in 2020 $'000	Variance[3] $'000
Departmental					
Ordinary annual services	705,022	137,341	842,363	843,461	(1,098)
Capital Budget[4]	15,377	-	15,377	14,394	983
Other services	-	-	-	-	
Equity Injections	53,741	-	53,741	38,587	15,154
Total departmental	774,140	137,341	911,481	896,442	15,039
Administered					
Ordinary annual services					
Administered items	10,725,396	39,070	10,764,466	10,309,941	454,525
Payments to corporate Commonwealth entities	619,257	-	619,257	619,302	(45)
Other services					
Administered assets and liabilities	848,892	1,880,000	2,728,892	2,133,000	595,892
Payments to corporate Commonwealth entities	22,275	-	22,275	23,845	(1,570)
Total administered	12,215,820	1,919,070	14,134,890	13,086,088	1,048,802

1. No amounts were withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in 2020 departmental appropriations. In administered ordinary annual services appropriations $293.3m was quarantined for administrative purposes. This does not represent loss of control, therefore the quarantined appropriations were included in the unspent annual appropriations balances below.

2. Departmental: adjustments to appropriations for ordinary annual services are a net result of PGPA Act Section 74 receipts of $129.1m and PGPA Act Section 75 transfer to the Aged Care Quality and Safety Commission of $2.2m. Administered: adjustments to appropriations for ordinary annual services are a net result of PGPA Act Section 75 transfer from the Department of Infrastructure, Transport, Cities and Regional Development of $53.1m and transfer to the Department of the Treasury of $14.2m; adjustments to the administered assets and liabilities appropriations relate entirely to Advances to the Finance Minister.

3. The variances of $1.1m for departmental ordinary annual services and $1.0m for the departmental capital budget primarily represent the timing difference of payments to suppliers and employees. The variance of $15.2m for departmental equity primarily relates to delayed commencement of projects funded by the 2020 appropriations. The administered ordinary annual services variance of $454.5m relates to the utilisation of retained funding from 2019 during 2020. The administered other services assets and liabilities variance of $595.9m relates to the unspent National Medical Stockpile funding.

4. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

[5.] The following entities spend money from the Consolidated Revenue Fund (CRF) on behalf of this entity: Services Australia and Department of Industry, Science, Energy and Resources.

[6.] The comparative figures for 'Adjustments to appropriations' and 'Appropriation applied in 2020' have been adjusted to include the value of additional receipts received by the Department during 2019-20 under section 74 of the Public Governance, Performance and Accountability Act not previously recognised, and receipts from 2018-19 incorrectly recognised in 2019-20.

6.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2021 $'000	2020 $'000
Departmental		
Appropriation Act (No. 2) 2018-2019 [1]	**1,674**	5,373
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	**-**	4,209
Appropriation Act (No. 2) 2019-2020	**-**	2,958
Appropriation Act (No. 4) 2019-2020	**3,785**	21,541
Supply Act (No. 1) 2020-2021	**23,549**	**-**
Supply Act (No. 1) 2020-2021 - Departmental Capital Budget	**1,332**	**-**
Appropriation Act (No. 1) 2020-2021	**6,830**	**-**
Appropriation Act (No. 1) 2020-2021 - Departmental Capital Budget	**2,545**	**-**
Appropriation Act (No. 1) 2020-2021 - Cash at bank	**4,300**	**-**
Appropriation Act (No. 2) 2020-2021	**15,754**	**-**
Appropriation Act (No. 3) 2020-2021	**3,417**	**-**
Total departmental	**63,186**	77,980
Administered		
Appropriation Act (No. 1) 2017-2018	**-**	288,628
Appropriation Act (No. 3) 2017-2018	**-**	66,094
Appropriation Act (No. 5) 2017-2018	**-**	14,060
Appropriation Act (No. 1) 2018-2019	**134,335**	134,335
Appropriation Act (No. 3) 2018-2019	**257,346**	257,346
Appropriation Act (No. 4) 2018-2019	**33,310**	71,636
Supply Act (No. 1) 2019-2020	**-**	1,967
Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020	**20,595**	301,140
Appropriation (Coronavirus Economic Response Package) Act (No. 2) 2019-2020	**-**	537,465
Appropriation Act (No. 1) 2019-2020	**171,713**	630,231
Appropriation Act (No. 2) 2019-2020	**-**	2,420
Appropriation Act (No. 4) 2019-2020	**83,922**	83,922
Supply Act (No. 1) 2020-2021	**21,415**	-
Supply Act (No. 2) 2020-2021	**71,556**	-
Appropriation Act (No. 1) 2020-2021	**499,823**	-
Appropriation Act (No. 2) 2020-2021	**423,193**	-
Appropriation Act (No. 3) 2020-2021	**424,906**	-
Total administered	**2,142,114**	2,389,244

[1] $1.674m carried over as Appropriation Act (No. 2) 2018-2019 will lapse on 1 July 2021.

6.1C: Special appropriations ('recoverable GST exclusive')

	Appropriation applied	
	2021	2020
Authority	**$'000**	$'000
Aged Care (Accommodation Payment Security) Act 2006	**2,375**	57,228
Aged Care Act 1997	**17,769,103**	16,579,782
Health Insurance Act 1973	**-**	18,937
National Health Act 1953	**1,698,146**	1,596,311
Medical Indemnity Act 2002	**17,552**	94,443
Private Health Insurance Act 2007	**6,304,959**	6,053,667
Dental Benefits Act 2008	**315,981**	282,934
Public Governance, Performance and Accountability Act 2013 s.77	**2,000**	1,972
Total special appropriations applied	**26,110,116**	24,685,274

Services Australia drew money from the Consolidated Revenue Fund on behalf of the Department against the following special appropriations:

a) *Aged Care Act 1997;*
b) *Health Insurance Act 1973;*
c) *National Health Act 1953;*
d) *Medical Indemnity Act 2002;*
e) *Dental Benefits Act 2008;* and
f) *Private Health Insurance Act 2007*

6.1D: Disclosures by agent in relation to annual and special appropriations ('recoverable GST exclusive')

	2021	2020
	$'000	$'000
Department of Social Services		
Total receipts	**69,544**	60,927
Total payments	**(69,544)**	(60,927)

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 2021 and 2020.

6.2 Special Accounts

	Services for Other Entities and Trust Moneys Account[1]		Australian Immunisation Register Account[2]		Sport and Recreation Account[3]	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Balance brought forward from previous period	**28,881**	22,040	**4,388**	3,363	**533**	284
Increases	**-**	-	**-**	-	**-**	-
Appropriation credited to special account	**9,153**	10,577	**5,921**	7,146	**-**	-
Other increases	**11,866**	11,724	**3,511**	4,440	**-**	359
Total increases	**21,019**	22,301	**9,432**	11,586	**-**	359
Available for payments	**49,900**	44,341	**13,820**	14,949	**533**	643
Decreases						
Departmental	**17,747**	15,460	**-**	-	**-**	-
Total departmental	**17,747**	15,460	**-**	-	**-**	-
Administered	**-**	-	**8,863**	10,561	**221**	110
Total administered	**-**	-	**8,863**	10,561	**221**	110
Total decreases	**17,747**	15,460	**8,863**	10,561	**221**	110
Total balance carried to the next period	**32,153**	28,881	**4,958**	4,388	**312**	533
Balance represented by:						
Cash held in entity bank accounts	**2,374**	8	**4,958**	4,388	**-**	-
Cash held in the Official Public Account	**29,779**	28,873	**-**	-	**312**	533
Total balance carried to the next period	**32,153**	28,881	**4,958**	4,388	**312**	533

1. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act*; section 78
Purpose:
a) to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;
b) to disburse amounts in connection with services performed on behalf of other government bodies that are not non-Corporate Commonwealth entities;
c) to repay amounts where an Act or other law requires or permits the repayment of an amount received; and
d) to reduce the balance of the special account (and therefore the available appropriation for the special account) without making a real or notional payment.

2. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act*; 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. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act*; 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.

	Therapeutic Goods Administration Account[4]		Gene Technology Account[5]		Industrial Chemicals Special Account[6]	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Balance brought forward from previous period	**89,692**	76,501	**8,907**	8,759	**19,316**	18,068
Increases	**-**	-	**-**	-	**-**	-
Appropriation credited to special account	**13,761**	8,534	**7,870**	8,057	**234**	339
Other increases	**176,533**	155,101	**182**	150	**23,288**	17,891
Total increases	**190,294**	163,635	**8,052**	8,207	**23,522**	18,230
Available for payments	**279,986**	240,136	**16,959**	16,966	**42,838**	36,298
Decreases						
Departmental	**178,135**	150,444	**8,222**	8,059	**18,185**	16,982
Total departmental	**178,135**	150,444	**8,222**	8,059	**18,185**	16,982
Administered	**-**	-	**-**	-	**-**	-
Total administered	**-**	-	**-**	-	**-**	-
Total decreases	**178,135**	150,444	**8,222**	8,059	**18,185**	16,982
Total balance carried to the next period	**101,851**	89,692	**8,737**	8,907	**24,653**	19,316
Balance represented by:						
Cash held in entity bank accounts	**1,667**	661	**2,846**	3,016	**620**	483
Cash held in the Official Public Account	**100,184**	89,031	**5,891**	5,891	**24,033**	18,833
Total balance carried to the next period	**101,851**	89,692	**8,737**	8,907	**24,653**	19,316

4. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Therapeutic Goods Act 1989*
Purpose (as per section 45 of the *Therapeutic Goods Act 1989)* :
a) to make payments to further the objects of the Act; and
b) to enable the Commonwealth to participate in the international harmonisation of regulatory controls on therapeutic goods and other related activities.

5. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Gene Technology Act 2000*
Purpose:
for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the Gene Technology Regulator.

6. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Industrial Chemicals Act 2019*
Purpose:
for the receipt of all moneys and payment of all expenditures and disbursements related to all operations of the Australian Industrial Chemicals Introduction Scheme.

	Medical Research Future Fund Account[7]		Medicare Guarantee Account[8]	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Balance brought forward from previous period	**85,579**	13,759	**1,419,621**	736,158
Increases	**-**	-	**-**	-
Appropriation credited to special account	**572,585**	392,703	**41,448,516**	37,961,055
Other increases	**-**	-	**-**	-
Total increases	**572,585**	392,703	**41,448,516**	37,961,055
Available for payments	**658,164**	406,462	**42,868,137**	38,697,213
Decreases				
Departmental	**-**	-	**-**	-
Total departmental	**-**	-	**-**	-
Administered - -	**593,569**	320,883	**41,088,809**	37,277,592
Total administered	**593,569**	320,883	**41,088,809**	37,277,592
Total decreases	**593,569**	320,883	**41,088,809**	37,277,592
Total balance carried to the next period	**64,595**	85,579	**1,779,328**	1,419,621
Balance represented by:				
Cash held in entity bank accounts	**-**	-	**-**	-
Cash held in the Official Public Account	**64,595**	85,579	**1,779,328**	1,419,621
Total balance carried to the next period	**64,595**	85,579	**1,779,328**	1,419,621

7. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Medical Research and Future Fund Act 2015*
Purpose:
to provide grants of financial assistance to support medical research and medical innovation.

8. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 80
Establishing Instrument: *Medical Guarantee Act 2017*
Purpose:
to secure the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme.

6.3 Regulatory Charging Summary

	2021 $'000	2020 $'000
Amounts applied		
Departmental		
Annual appropriations	**32,095**	27,219
Special appropriations (including special accounts)	**192,722**	184,559
Own source revenue	**4,736**	4,791
Administered		
Annual appropriations	**5,526**	6,043
Total amounts applied	**235,079**	222,612
Expenses		
Departmental	**220,897**	214,349
Administered	**11,771**	10,097
Total expenses	**232,668**	224,446
External Revenue		
Departmental	**197,458**	189,350
Administered	**32,260**	27,148
Total external revenue	**229,718**	216,499
Amounts written off		
Departmental	**4**	4
Administered	**-**	-
Total amounts written off	**4**	4

Regulatory charging activities:

The **Therapeutic Goods Administration** (TGA) undertakes cost recovered activities to evaluate the safety, quality and efficacy of medicines, medical devices and biologicals available for supply in, or export from Australia.

Australian Industrial Chemicals Introduction Scheme (AICIS). Charges are levied for registration, assessment and regulation of the importation and manufacture of industrial chemicals in Australia.

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.

Listing of medicines on the Pharmaceutical Benefits Scheme for approval by the **Pharmaceutical Benefits Advisory Committee** and designated vaccines on the National Immunisation Program for approval by the **Australian Technical Advisory Group on Immunisation** are subject to regulatory charges.

Medicinal cannabis. Fees and charges for the regulation of the cultivation and manufacture of Australian produced medicinal cannabis products.

Registration and approval of private hospitals under the **Private Health Insurance 2nd Tier Private Hospital Default Benefits** program are subject to regulatory charges.

Pharmacy approvals. Pharmacists seeking to provide Pharmaceutical Benefits Scheme medicines by establishing a new pharmacy or relocating an existing pharmacy are charged a fee for service to recover the cost of approving these applications.

Administered revenue only is recorded for the **Private Health Insurance Ombudsman Levy**.

Cost Recovery Implementation Statements for the above activities are available at:

www.tga.gov.au/sites/default/files/cost-recovery-implementation-statement.pdf

www.industrialchemicals.gov.au/news-and-notices/cost-recovery-implementation-statement-cris-2021-22

www.health.gov.au/resources/collections/cost-recovery-implementation-statement-cris

www.health.gov.au/resources/publications/national-joint-replacement-registry-cost-recovery-implementation-statement

www.pbs.gov.au/info/industry/listing/elements/fees-and-charges

www.odc.gov.au/cost-recovery-implementation-statement-cris-regulation-medicinal-cannabis-2020-21

www.health.gov.au/resources/publications/cost-recovery-implementation-statement-for-second-tier-default-benefits-1

https://www1.health.gov.au/internet/main/publishing.nsf/Content/pharmaceutical-benefits-scheme-approved-supplier-application-fees

6.4 Net Cash Appropriation Arrangements

	2021 $'000	2020 $'000
Total comprehensive loss - as per the Statement of Comprehensive Income	**(42,118)**	(41,326)
Plus : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	**54,225**	42,638
Plus : depreciation of right-of-use assets	**58,898**	56,714
Less : Cost recovered depreciation	**(11,915)**	(9,074)
Less : lease principal repayments	**(47,927)**	(43,522)
Net Cash Operating Surplus	**11,163**	5,430

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.

Managing uncertainties

This section analyses how the Department manages financial risks within its operating environment.

7.1 Contingent Assets and Liabilities

Quantifiable Contingencies

Quantifiable contingent assets: The Department had no departmental quantifiable contingent assets as at 30 June 2021 (2020: $Nil).

Quantifiable contingent liabilities: The Department had no departmental contingent liabilities in respect of claims for damages/costs as at 30 June 2021 (2020: $Nil) nor contingent liabilities in respect of claims for payments as at 30 June 2021 (2020: $Nil).

Unquantifiable Contingencies

At 30 June 2021, 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 contigencies as at 30 June 2021 (2020: $Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not certain, and contingent liabilities are disclosed when settlement is greater than remote.

The Department applies Accounting Standard AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* in determining disclosure of contingent assets and liabilities.

7.1B: Administered - contingent assets and liabilities

	Indemnities		Claims for damages or costs		Aged Care Accommodation Bond Guarantee Scheme		Total	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Contingent assets								
Balance from previous period	**-**	**-**	**17,900**	10,600	**-**	**-**	**17,900**	10,600
New contingent assets recognised	**-**	**-**	**500**	1,200	**-**	**-**	**500**	1,200
Re-measurement	**-**	**-**	**-**	6,500	**-**	**-**	**-**	6,500
Assets realised	**-**	**-**	**-**	-	**-**	**-**	**-**	-
Assets expired	**-**	**-**	**(400)**	(400)	**-**	**-**	**(400)**	(400)
Rights expired	**-**	**-**	**-**	-	**-**	**-**	**-**	-
Total contingent assets	**-**	-	**18,000**	17,900	**-**	-	**18,000**	17,900
Contingent liabilities								
Balance from previous period	**76,300**	**67,300**	**17,921**	10,644	**3,250**	**-**	**97,471**	77,944
New contingent liabilities recognised	**-**	**-**	**730**	1,222	**-**	**3,250**	**730**	4,472
Re-measurement	**4,000**	**9,000**	**-**	6,500	**-**	**-**	**4,000**	-
Liabilities realised	**-**	**-**	**(400)**	-	**-**	**-**	**(400)**	-
Obligations expired	**(16,300)**	**-**	**(222)**	(445)	**(3,250)**	**-**	**(19,772)**	(445)
Total contingent liabilities	**64,000**	76,300	**18,029**	17,921	**-**	3,250	**82,029**	97,471
Net contingent assets/(liabilities)							**(64,029)**	(79,571)

Quantifiable Administered Contingencies

The above table contains contingent liabilities in respect to:

a) Indemnities: $64.0m (2020: $76.3m). The amount represents an estimate of the Department's liability in respect of medical indemnity payments under the High Cost Claims Scheme relating to indemnities granted to a service provider in respect of early termination of subcontracting arrangements.

b) Claims for costs: The table reports a contingent liability in respect of claims for costs of up to $18.0m (2020: $17.9m).

c) Aged Care Accommodation Bond Guarantee Scheme: $nil (2020: $3.3m). The 2020 balance represented an estimate of the Department's liability based on the potential for the Guarantee Scheme to be activated. This particular obligation as expired.

Unquantifiable Administered Contingent Assets

At 30 June 2021, the Department has a number of items for which it was not possible to estimate the amounts of any eventual payments that may be received in relation to these claims. These items are outlined below but were not included in the above table.

Legal action seeking compensation

The Department is engaged in legal action against certain pharmaceutical companies seeking compensation for savings it claims were denied to the Commonwealth because interim injunctions granted to these companies in unsuccessful patent litigation delayed generic versions of drugs being listed on the Pharmaceutical Benefits Scheme, and thereby delayed statutory and price disclosure related to price reductions for these drugs.

Public Hospital Funding
The Auditor-General Report No. 26 2018-19 (ANAO Audit Report) *Australian Government Funding of Public Hospital Services - Risk Management, Data Monitoring and Reporting Arrangements* identified the potential for duplicate payments for the same public hospital service through funding under the Medicare Benefits Schedule and through public hospital funding under the National Health Reform Agreement. The Department has agreed to identify and prevent potential duplicate payments, including Medicare Benefits Schedule payments, by the Australian Government for public hospital services, and identify and recover past duplicate payments to the maximum extent permitted by law.

Unquantifiable Administered Contingent Liabilities
At 30 June 2021, the Department has a number of items for which it was not possible to estimate the amounts of any eventual payments that may be required in relation to these claims. These items are outlined below but were not included in the above table.

Aged Care Accommodation Bond Guarantee Scheme
A Guarantee Scheme has been established through the *Aged Care (Accommodation Payment Security) Act 2006* and *Aged Care (Accommodation Payment Security) Levy Act 2006*. Under the Guarantee Scheme, if a provider becomes insolvent or bankrupt and is unable to repay outstanding accommodation payment balances to aged care residents, the Australian Government will repay the balances owing to each resident. In return, the residents' rights to pursue the defaulting provider for recovery of the accommodation payment funds transfers to the Government. In the event the Government cannot recover the full amount from the defaulting provider, it may levy all providers holding accommodation payment balances to recoup the shortfall. It is not possible to quantify the Australian Government's contingent liability in the event the Guarantee Scheme is activated. The Department has implemented risk mitigation strategies which should reduce the risk of default and thereby activation of the Guarantee Scheme.

From the latest available information, the maximum contingent liability, in the unlikely event that all providers defaulted, is $32.3 billion. Since the Guarantee Scheme was introduced, it has been activated 13 times requiring payment of $100.8m. The Guarantee Scheme was not activated during the 2020-21 financial year (2020: $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 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 2021 no claims have been made (2020: $Nil)

Medical Indemnity
Services Australia delivers the Exceptional Claims Scheme (ECS) for doctors and the duplicate scheme for allied health professionals on behalf of the Australian Government. Under these schemes, the Australian Government reimburses medical indemnity insurers for 100% of the cost of private practice claims that are above the limit of their medical indemnity insurance contract, which is typically $20m. To be covered by the ECS, practitioners must have medical indemnity insurance cover to at least a threshold of $15m for claims arising from incidents notified between 1 January and 30 June 2003, and $20m for claims notified from 1 July 2003. As the Allied Health ECS commenced on 1 July 2020, only incidents on or from this date will be eligible.

At 30 June 2021, the Department had received no notification of any incidents that would give rise to claims under the ECS. However, the nature of these claims is such that there is usually an extended period between the date of the medical incident and notification to the insurer. For the period ended 30 June 2021 no claims have been made or notified (2020: $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 2021 no claims have been made (2020: $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 2021 no claims have been made (2020: $Nil).

Lifeblood (formerly Australian Red Cross Blood Service)
Under certain conditions the Australian Government, States and Territories jointly provide indemnity to Lifeblood through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of life.

Deeds of Agreement between the Australian Red Cross Society and the National Blood Authority in relation to the operation of Lifeblood and the development of principal manufacturing sites in Sydney and Melbourne include certain indemnities and a limitation of liability in favour of Lifeblood. These indemnities cover defined sets of potential business, product and employee risks and liabilities. Certain indemnities for specific risk events that operate within the terms of the Deed of Agreement are capped and must meet specified pre-conditions.

Indemnities and limitation of liability only operate in the event of the expiry and non-renewal, or the early termination of the Deed, and only within a certain scope. They are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

For the period ended 30 June 2021 no claims have been made (2020: $Nil).

Vaccines
Under certain conditions the Australian Government has provided an indemnity for the supply of certain vaccines to the suppliers of the vaccines. The contracts under which contingent liability is recognised will expire across a range of dates to 2036. However, until replacement stock is sourced the contigent liability for use of the vaccine currently held remains with the Commonwealth. For the period ended 30 June 2021 no claims have been made (2020: $Nil).

Significant Remote Contingencies
The Australian Government has provided indemnities to the suppliers of potential COVID-19 vaccine candidates, for which the Australian Government has entered into Advance Purchasing Agreements, covering certain liabilities that could result from the use of the vaccine. This comprises the University of Oxford vaccine candidate, which is sponsored by AstraZeneca, the Pfizer vaccine candidate, and the Novavax vaccine candidate.

The Australian Government has also entered into the Gavi led COVAX Facility and has made an upfront payment towards Australia's purchase of future COVID-19 vaccine doses through the Facility, part of which will be returned through a risk sharing arrangement should vaccine candidates not be successful.

The Australian Government has also entered into risk sharing arrangements with the Pfizer and Novavax candidates to limit financial exposure to the Commonwealth.

7.2 Financial Instruments

	2021 $'000	2020 $'000
7.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**139,541**	122,124
Goods and services receivable	**18,269**	20,270
Less: Impairment allowance	**(1,299)**	(1,235)
Total financial assets at amortised cost	**156,511**	141,159
Total financial assets	**156,511**	141,159
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**73,769**	70,099
Contract liabilities	**38,759**	32,907
Employee payables	**15,045**	9,536
Lease liabilities	**537,743**	579,421
Total financial liabilities measured at amortised cost	**665,316**	691,963
Total financial liabilities	**665,316**	691,963

Accounting Policy

Financial assets at amortised cost

Financial assets included in this category must meet two criteria:

a) the financial asset is held in order to collect the contractual cash flows; and

b) the cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest rate method.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period. 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 the estimated 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 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 2020. The Department's incremental borrowing rate is the rate at which a similar borrowing cost could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied in 2021 was 1.14% (2020: 1.29%).

7.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment	**(327)**	(811)
Net losses on financial assets at amortised cost	**(327)**	(811)
Net losses on financial assets	**(327)**	(811)

7.3 Administered - Financial Instruments

	2021 $'000	2020 $'000
7.3A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**1,910,383**	1,519,725
Accrued recoveries revenue	**203,670**	1,439,475
Goods and services receivables	**536,302**	537,132
Advances and loans	**242,911**	257,518
Less: Impairment allowance	**(58,434)**	(35,586)
Total financial assets at amortised cost	**2,834,832**	3,718,264
Financial assets at fair value through other comprehensive income		
Investments in portfolio agencies	**513,998**	494,598
Other investments	**105,112**	76,253
Total financial assets at fair value through other comprehensive	**619,110**	570,851
Total financial assets	**3,453,942**	4,289,115
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**181,463**	46,240
Contract liabilities	**6,954**	4,435
Subsidies payable	**76,217**	71,832
Grants payable	**178,798**	346,058
Total financial liabilities measured at amortised cost	**443,432**	468,565
Total financial liabilities	**443,432**	468,565
7.3B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**7,686**	11,960
Impairment	**(82,111)**	(38,858)
Net losses on financial assets at amortised cost	**(74,425)**	(26,898)
Net losses on financial assets	**(74,425)**	(26,898)

7.4 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. Assets not held at fair value include intangibles, assets under construction and Right-of-Use (ROU) assets.

The Department reviews its valuation model each year via a desktop exercise with a formal revaluation undertaken every three years, with the most recent comprehensive revaluation undertaken in 2021. If during the conduct of the desktop valuation, indicators of a particular asset class change materially, that class is subject to specific valuation in the reporting period. Both the comprehensive revaluation and the desktop review were undertaken by Jones Lang La Salle (JLL).

The categories of fair value measurement are:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement date.
b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
c) Level 3: unobservable inputs.

Departmental assets are held at fair value and are measured at category Levels 2 or 3 with no fair values measured at category Level 1.

Leasehold improvements are predominantly measured at category Level 3 and the valuation methodology used is Depreciated Replacement Cost (DRC). Under DRC the estimated cost to replace the asset is calculated, with reference to new replacement price per square metre, and then adjusted to take into account its consumed economic benefit (accumulated depreciation). The consumed economic benefit has been determined based on the professional judgement of JLL with regard to physical, economic and external obsolescence factors. For all leasehold improvement assets, the consumed economic benefit is determined based on the term of the associated lease.

Property, plant and equipment is measured at either category Level 2 or 3. The valuation methodology is either market approach or DRC, based on replacement cost for a new equivalent asset. The significant unobservable inputs used in the fair value measurement of PPE assets are the market demand and JLL's professional judgement.

Other information

8.1 Current/non-current distinction for assets and liabilities

	2021 $'000	2020 $'000
8.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**139,541**	122,124
Trade and other receivables	**101,258**	97,969
Other financial assets	**14,797**	10,382
Other non-financial assets	**81,816**	16,155
Total no more than 12 months	**337,412**	246,630
More than 12 months		
Land and buildings	**537,088**	617,404
Plant and equipment	**5,542**	6,289
Computer software	**163,118**	179,069
Other non-financial assets	**4,720**	2,245
Total more than 12 months	**710,468**	805,007
Total assets	**1,047,880**	1,051,637
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**112,528**	103,006
Employees	**15,045**	9,536
Other payables	**11**	11
Leases	**22,771**	44,763
Employee provisions	**49,547**	24,643
Total no more than 12 months	**199,902**	181,959
More than 12 months		
Leases	**514,972**	534,658
Employee provisions	**130,971**	146,333
Other provisions	**11,080**	7,980
Total more than 12 months	**657,023**	688,971
Total liabilities	**856,925**	870,930

	2021 $'000	2020 $'000
8.1B: Administered - current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**1,910,383**	1,519,725
Accrued recoveries revenue	**203,670**	1,439,475
Trade and other receivables	**578,050**	604,916
Inventories	**241,659**	802,150
Other non-financial assets	**941,347**	1,150,641
Total no more than 12 months	**3,875,109**	5,516,907
More than 12 months		
Trade and other receivables	**216,898**	234,269
Investment in portfolio entities	**513,998**	494,598
Other investments	**105,112**	76,253
Plant and equipment	**6,567**	-
Inventories	**1,163,560**	105,109
Other non-financial assets	**124,589**	-
Total more than 12 months	**2,130,724**	910,229
Total assets	**6,005,833**	6,427,136
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers payable	**188,417**	50,675
Subsidies payable	**76,217**	71,832
Personal benefits payable	**1,597,798**	1,140,186
Grants payable	**178,798**	346,058
Subsidies provision	**97,291**	88,399
Personal benefits provision	**1,111,753**	972,351
Total no more than 12 months	**3,250,274**	2,669,501
More than 12 months		
Subsidies provision	**410,709**	369,601
Total more than 12 months	**410,709**	369,601
Total liabilities	**3,660,983**	3,039,102

8.2 Restructuring

8.2A: Restructuring

	2021	2020
		Aged Care, Department of Social Services
	$'000	$'000
FUNCTIONS ASSUMED		
Assets recognised		
Intangibles	-	35,278
Total assets recognised	-	35,278
Net assets recognised	-	35,278

	2021	2020
	Sport and Recreation, Sport Integrity Australia[1]	Aged Care Complaints Commissioner, Aged Care Quality and Safety Commissioner
	$'000	$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Appropriation Receivable	612	-
Total assets relinquished	612	-
Liabilities relinquished		
Employee provisions	566	2,166
Total liabilities relinquished	566	2,166
Net (assets)/liabilities relinquished	46	(2,166)

1. Transfer of prior year appropriation for the transfer of employee entitlement provisions and DCB was relinquished to Sport Integrity Australia during 2020-21 following establishment on 1 July 2020.

8.3 Budget Variance Commentary

8.3A: Budget variance commentary

Explanations of Major Variances to Budget

The table below provides explanations for the major variances between the Department's original budget estimates, as published in the 2020-21 Portfolio Budget Statements, and the actual financial performance and position for the year. The information presented below should be read in the context of the following:

1. Variance commentary has been included when the variance is greater than 10% of the original estimate and it has been considered important for a reader's understanding or is relevant to the assessment of the discharge of accountability and for analysis of the Department's performance. Variances below this threshold are not included unless considered significant by their nature.
2. Variances attributable to factors which would not reasonably have been identifiable at the time of Budget preparation, such as impairment of assets or impacts of Australian Government Bond Rates, have not been included in the explanations unless they have been considered important for a reader's understanding of the Department's performance.
3. Variances relating to cash flow are a result of the factors explained for variances related to net cost of services, or assets and liabilities.
4. The original budget was prepared before the 2020 final budget outcome was known. As a consequence, the opening balance of the statement of financial position was estimated and in some cases variances between the 2021 final outcome and the budget estimates can in part be attributable to unanticipated movements in prior year-end balances.
5. The Budget is not audited.

Departmental budget variances

Variance explanation	Impacted line items
Total net cost of services had a variance primarily as a result of additional funding provided to the Department during the financial year to support the Government's response to the COVID-19 pandemic. Additional funding was provided to support the following key activities: (a) Coordination of the national health response to the COVID-19 pandemic; (b) Support additional COVID19 related Aged Care activities; (c) Modernise Aged Care systems; and (d) Roll-out of the Government's COVID-19 vaccination program	Employee benefits
There was no major variance for total assets in 2020-21.	
While overall there was no major variance for total liabilities the following item has been noted:	
(a) Variances for supplier payables and other payables offset each other and reflect an adjustment to the placement of the value of contract liabilities (as per AASB 15) within the Department's 2020-21 financial statements.	Suppliers payable, Other payables

Administered budget variances

Variance explanation	Impacted line items
While overall there was no major variance for the net cost of services the following items have been noted:	
(a) The department received additional funding in 2020-21 as part of the Government's response to the COVID-19 pandemic to support access to health care services and to reduce the risk of community transmission of COVID-19.	Personal benefits and subsidies expenses
(b) The write-down and impairment of non-financial assets reflects the following:	Write-down and impairment of non-financial assets
(i) AASB 102 Inventory requires the Department to measure the value of inventory at 30 June 2021 at the lower of cost or current replacement value. To support this requirement the Department undertook a review of current market conditions (at 30 June) and assessed that an adjustment was required to the current value assigned to some items of Personal Protective Equipment (PPE) within the National Medical Stockpile (NMS). The adjustment reflects the changing market dynamic from 2019-20 to current day. These essential supplies were being obtained at the height of the COVID-19 pandemic during which there was a global focus on immediately securing PPE and significant supply chain disruption resulting in elevated prices. The ANAO in its review of the NMS COVID-19 procurements, noted that the average unit price paid was aligned with prevailing market prices where these were known (COVID-19 Procurements and Deployments of the NMS). Following increased production globally, and stockpiling by many jurisdictions, prices for PPE have significantly reduced and while there may be short-term escalation associated with localised supply issues, these prices are unlikely to match the price of products paid in early 2020 to secure these critical supplies for the NMS.	
(ii) The impairment of expenditure related to the development of a COVID-19 vaccine by CSL and the University of Queensland, following a decision not to proceed to stage 2 trials as a result of the adverse outcomes associated with stage 1 safety trials.	
(c) The estimate of deployments of items of PPE from NMS was completed at the height of the pandemic in an ever changing environment and modelled to ensure that the NMS was positioned to support a potential worse case scenario in Australia. While deployments of PPE have been undertaken throughout the year to ensure the response to COVID-19 activities was appropriately supported, Australia's relative success in reducing the impact of COVID-19 has led to overall deployments being less than initially estimated.	Supplier expenses
While overall there was no major variance for total assets the following items have been noted:	
(a) The balance of held within cash and cash equivalent can fluctuate significantly from month to month based on constantly changing operational requirements, making it difficult to estimate with any degree of certainty. The majority of these monies are held in special accounts to provide grants of financial assistance to support medical research and medical innovation and to secure the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme.	Cash and cash equivalents
(b) The recovery of benefit payments is linked to a number of demand driven programs, which by their very nature can be difficult to estimate. In addition, from February 2021 home care providers are now being paid in arrears reducing the impact of overpayments.	Accrued recoveries revenue
(c) There has been an increase in the current financial year related to the recoveries for High Capacity disposables for Pharmaceutical Benefits. This item can fluctuate widely depending on the demand for the relevant PBS items.	Trade and other receivables

(d) The Department has continued its strategic approach to the purchase of Personal Protective Equipment and COVID-19 vaccines as required to support the Government's response to the COVID-19 pandemic. The majority of inventory holdings are expected to be deployed during 2021-22.	Inventory
While overall there was no major variance for total liabilities the following items have been noted:	
(a) There has been an increase in year-end payables in line with the additional funding provided in 2020-21, and the strategic purchase of items for the National Medical Stockpile to support COVID-19 activities.	Suppliers payable
(b) Personal benefits relate to a range of programs administered by the Department, including Medical Benefits, Pharmaceutical Benefits, Private Health Insurance, Hearing Services, and Community Care. Additional funding has been provided to the Department to continue the Government's commitment to strengthen the Medicare system, invest in new medicine listings on the PBS scheme, improve access to medicines, boost the aged care funding and protect the community from COVID-19.	Personal benefits payable, personal benefits provision

Celebrating 100 YEARS OF HEALTH 1921 - 2021

Workers line up to be examined aboard a Mobile X-ray Unit. NAA: A1200, L11260 (1948).

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Appendix 1: Workforce Statistics

The following tables show workforce statistics for the Department of Health for 2020–21. This includes Indigenous staff numbers, staff numbers by classification, distribution of staff by state and territory, as well as a range of other information relating to workplace arrangements, remuneration and salary structures.

For information on the Department's workforce composition and human resource policies, refer Part 3.4: People.

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Table 1: Ongoing employees at 30 June 2021

State/territory	Male			Female			Non-binary			30 June 2021 total	30 June 2020 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Australian Capital Territory	1,034	60	1,094	2,050	620	2,670	5	1	6	3,770	3,447
New South Wales	87	2	89	120	37	157	-	-	-	246	253
Northern Territory	2	1	3	6	-	6	-	-	-	9	8
Queensland	36	-	36	65	28	93	-	-	-	129	116
South Australia	15	-	15	30	8	38	-	-	-	53	51
Tasmania	13	4	17	16	7	23	-	-	-	40	43
Victoria	60	6	66	75	23	98	-	-	-	164	144
Western Australia	11	1	12	15	12	27	-	-	-	39	39
Total	**1,258**	**74**	**1,332**	**2,377**	**735**	**3,112**	**5**	**1**	**6**	**4,450**	**4,101**

Table 2: Non-ongoing employees at 30 June 2021

State/territory	Male			Female			Non-binary			30 June 2021 total	30 June 2020 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Australian Capital Territory	63	17	80	145	39	184	-	2	2	266	162
New South Wales	8	2	10	14	2	16	-	-	-	26	12
Northern Territory	-	-	-	-	-	-	-	-	-	-	-
Queensland	1	1	2	4	-	4	-	-	-	6	7
South Australia	1	1	2	1	-	1	-	-	-	3	2
Tasmania	2	-	2	2	1	3	-	-	-	5	2
Victoria	-	1	1	-	1	1	-	-	-	2	7
Western Australia	1	1	2	-	-	-	-	-	-	2	3
Total	**76**	**23**	**99**	**166**	**43**	**209**	**-**	**2**	**2**	**310**	**195**

Table 3: Ongoing staff numbers by classification at 30 June 2021[1]

Classification	Male			Female			Non-binary			30 June 2021 total	30 June 2020 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
SES 3[2]	4	-	4	4	-	4	-	-	-	8	8
SES 2	17	-	17	20	-	20	-	-	-	37	34
SES 1	56	-	56	88	6	94	-	-	-	150	119
Holder of Public Office	1	-	1	2	-	2	-	-	-	3	3
EL2[3]	212	1	213	384	61	445	-	-	-	658	557
EL1	412	29	441	708	255	963	3	-	3	1,407	1,278
APS6	276	19	295	587	224	811	1	1	2	1,108	1,077
APS5	119	7	126	295	91	386	-	-	-	512	477
APS4	58	5	63	136	39	175	1	-	1	239	264
APS3	7	2	9	23	7	30	-	-	-	39	46
APS2	5	2	7	7	2	9	-	-	-	16	14
APS1	5	3	8	-	2	2	-	-	-	10	11
Health Entry Level Broadband	30	-	30	50	-	50	-	-	-	80	46
Legal 2	8	-	8	14	5	19	-	-	-	27	30
Legal 1	9	1	10	29	11	40	-	-	-	50	42
Chief Medical Officer	1	-	1	-	-	-	-	-	-	1	1
Medical Officer 6	1	-	1	-	-	-	-	-	-	1	2
Medical Officer 5	11	-	11	6	2	8	-	-	-	19	17

Table 3: Ongoing staff numbers by classification at 30 June 2021[1] (continued)

Classification	Male			Female			Non-binary			30 June 2021 total	30 June 2020 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Medical Officer 4	16	-	16	8	7	15	-	-	-	31	24
Medical Officer 3	7	5	12	12	22	34	-	-	-	46	39
Medical Officer 2	-	-	-	1	-	1	-	-	-	1	3
Public Affairs 3	1	-	1	3	1	4	-	-	-	5	6
Public Affairs 2	-	-	-	-	-	-	-	-	-	-	1
Senior Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Principal Research Scientist	1	-	1	-	-	-	-	-	-	1	1
Other[4]	1	-	1	-	-	-	-	-	-	1	1
Total	**1,258**	**74**	**1,332**	**2,377**	**735**	**3,112**	**5**	**1**	**6**	**4,450**	**4,101**

Notes:

[1] Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2021.

[2] SES are defined as Senior Executive Service staff.

[3] EL are defined as Executive Level staff.

[4] 'Other' includes Secretary.

Table 4: Non-ongoing staff numbers by classification at 30 June 2021[1]

Classification	Male			Female			Non-binary			30 June 2021 total	30 June 2020 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	2
SES 1	1	-	1	-	-	-	-	-	-	1	-
Holder of Public Office	2	-	2	2	-	2	-	-	-	4	4
EL2	6	2	8	4	5	9	-	-	-	17	8
EL1	16	8	24	25	5	30	-	-	-	54	31
APS6	20	2	22	51	17	68	-	-	-	90	48
APS5	12	1	13	27	3	30	-	-	-	43	36
APS4	12	1	13	41	2	43	-	-	-	56	28
APS3	4	2	6	4	1	5	-	-	-	11	2
APS2	-	-	-	1	7	8	-	2	2	10	10
APS1	-	-	-	-	-	-	-	-	-	-	2
Health Entry Level Broadband	-	-	-	-	-	-	-	-	-	-	-
Legal 2	-	-	-	-	-	-	-	-	-	-	-
Legal 1	1	-	1	6	1	7	-	-	-	8	9
Chief Medical Officer	-	-	-	-	-	-	-	-	-	-	-
Medical Officer 6	-	1	1	1	1	2	-	-	-	3	1
Medical Officer 5	1	2	3	1	-	1	-	-	-	4	4

Table 4: Non-ongoing staff numbers by classification at 30 June 2021[1] (continued)

Classification	Male			Female			Non-binary			30 June 2021 total	30 June 2020 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total Non-binary		
Medical Officer 4	-	1	1	2	1	3	-	-	-	4	5
Medical Officer 3	-	3	3	-	-	-	-	-	-	3	3
Medical Officer 2	-	-	-	-	-	-	-	-	-	-	1
Public Affairs 3	-	-	-	-	-	-	-	-	-	-	1
Public Affairs 2	-	-	-	-	-	-	-	-	-	-	-
Senior Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Principal Research Scientist	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	**76**	**23**	**99**	**166**	**43**	**209**	**-**	**2**	**2**	**310**	**195**

Notes:

[1] Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2021.

Table 5: Distribution of all staff by state and territory at 30 June 2021

State/territory	Ongoing	Non-ongoing	Total
Australian Capital Territory	3,770	266	4,036
New South Wales	246	26	272
Northern Territory	9	-	9
Queensland	129	6	135
South Australia	53	3	56
Tasmania	40	5	45
Victoria	164	2	166
Western Australia	39	2	41
Total	**4,450**	**310**	**4,760**

Table 6: Comparison of Indigenous staff by employment status between 30 June 2020 and 30 June 2021

Employment status	Indigenous staff	
	30 June 2021	30 June 2020
Ongoing	119	101
Non-ongoing	1	3
Total	120	104
Percentage of Indigenous staff in the Department	**2.5%**	**2.4%**

Table 7: Number of SES staff covered by Individual Agreements

Nominal classification	Number of SES staff with Individual Agreements		Total
	Female	Male	
SES 3	4	3	7
SES 2	16	16	32
SES 1	60	35	95
Chief Medical Officer	-	1	1
Medical Officer 6	1	2	3
Medical Officer 5	7	14	21
Total	**88**	**71**	**159**

Table 8: Key management personnel (KMP) length of term at 30 June 2021

During the 2020–21 financial year, the Department had 14 executives who met the definition of KMP.

Name	Position title	Term as KMP
Dr Brendan Murphy	Secretary	Full year
Caroline Edwards	Associate Secretary	Full year
Professor Paul Kelly	Chief Medical Officer	Full year
Adjunct Professor John Skerritt	Deputy Secretary	Full year
Michael Lye	Deputy Secretary	Full year
Charles Wann	Chief Operating Officer	Full year
Tania Rishniw	Deputy Secretary	Full year
Penny Shakespeare	Deputy Secretary	Full year
Lisa Studdert	Deputy Secretary	Part year (1 July to 2 August 2020)
Dr Margot McCarthy	Special Advisor	Full year
Lieutenant General John Frewen	Coordinator General, Operation COVID Shield	Part year (7 June to 30 June 2021)
Teena Blewitt	Deputy Secretary (acting)	Part year (7 June to 30 June 2021)
Sharon Appleyard	Deputy Secretary (acting)	Part year (1 July to 9 August 2020)
Adriana Platona	Deputy Secretary (acting)	Part year (21 December 2020 to 15 January 2021)

Table 9: Information about remuneration for key management personnel (KMP)[1]

In the notes to the financial statements (Note 4.2 key management personnel remuneration), the Department disclosed $4.42 million in KMP expenses during 2020–21. In accordance with the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), this information is disaggregated as follows:

		Short term benefits $			Post-employment benefits $	Other long term benefits $		Termination benefits $	Total remuneration $
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long term benefits		
Dr Brendan Murphy	Secretary	787,393	-	10,079	29,224	6,657	-	-	833,353
Caroline Edwards	Associate Secretary	406,341	-	32,136	77,495	22,168	-	-	538,140
Professor Paul Kelly	Chief Medical Officer	417,143	-	33,621	65,422	11,362	-	-	527,548
Adj Prof. John Skerritt	Deputy Secretary	391,579	-	30,901	69,216	11,617	-	-	503,313
Michael Lye	Deputy Secretary	406,794	-	2,763	74,263	11,835	-	-	495,655
Charles Wann	Chief Operating Officer	303,346	-	33,664	49,398	11,782	-	-	398,190
Tania Rishniw	Deputy Secretary	299,544	-	33,664	50,410	9,568	-	-	393,186
Penny Shakespeare	Deputy Secretary	281,986	-	33,664	59,967	9,567	-	-	385,184
Lisa Studdert	Deputy Secretary	5,386	-	3,554	3,633	782	-	-	13,355
Dr Margot McCarthy	Special Advisor	75,188	-	32,668	72,720	11,985	-	-	192,561
Lieutenant General John Frewen[2]	Coordinator General, Operation COVID Shield	28,706	-	254	9,770	953	-	-	39,683
Teena Blewitt	Deputy Secretary (acting)	25,353	-	191	3,744	550	-	-	29,838
Sharon Appleyard	Deputy Secretary (acting)	34,249	-	3,294	4,698	906	-	-	43,147
Adriana Platona	Deputy Secretary (acting)	24,525	-	2,274	3,680	587	-	-	31,066

Notes:

1 Includes employees who have acted in a KMP position in excess of 4 weeks and who have exercised significant authority in planning, directing and controlling the activities of the Department.

2 Employed by Department of Defence and seconded to Health free of charge.

Table 10: Information about remuneration for SES staff

		Short term benefits $			Post-employment benefits $	Other long term benefits $		Termination benefits $	Total remuneration $
Total remuneration bands $	Number of SES staff[1]	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[2]	Average other long term benefits	Average termination benefits[3]	Average total remuneration[4]
0 - 220,000	43	88,484	-	10,550	16,754	2,664	-	3,893	122,345
220,001 - 245,000	28	168,200	-	24,474	32,033	4,504	-	6,986	236,197
245,001 - 270,000	37	189,600	-	26,781	35,911	4,983	-	-	257,275
270,001 - 295,000	24	205,939	-	20,636	37,316	5,657	-	12,078	281,626
295,001 - 320,000	23	232,930	-	27,159	40,820	7,155	-	-	308,064
320,001 - 345,000	14	262,394	-	21,717	42,292	6,104	-	-	332,507
345,001 - 370,000	2	278,897	-	29,677	43,313	7,374	-	-	359,261
370,001 - 395,000	2	294,990	-	28,680	50,584	7,743	-	-	381,997
395,001 - 420,000	2	350,451	-	16,220	35,756	6,104	-	-	408,531
420,001 - 445,000	1	317,080	-	29,677	67,412	9,734	-	-	423,903

Notes:

[1] Any employee who held a substantive SES or equivalent position during 2020–21 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 3 SES or equivalent employees during 2020–21.

[4] The table includes the part year impact of SES staff who either commenced or separated during the year, including 3 SES staff 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]
230,001 - 245,000	17	179,118	-	20,092	30,639	4,867	-	-	234,716
245,001 - 270,000	8	165,543	-	20,181	29,897	6,551	-	33,239	255,411
270,001 - 295,000	-	-	-	-	-	-	-	-	-
295,001 - 320,000	-	-	-	-	-	-	-	-	-
320,001 - 345,000	1	284,938	-	7,394	30,720	4,025	-	-	327,077
345,001 - 370,000	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 2 employees who ceased during 2020–21.

3 The table includes the part year impact of some employees who have temporarily filled a SES position during 2020–21.

Table 12: Salary ranges by classification level

Classification	Minimum salary $	Maximum salary $
SES 3	317,750	398,030
SES 2	227,311	281,432
SES 1	175,354	216,487
EL2	124,752	147,700
EL1	104,562	119,255
APS6	85,088	95,993
APS5	76,009	82,200
APS4	70,914	74,929
APS3	62,592	69,377
APS2	54,162	59,105
APS1	46,343	52,046
Other[1]	27,807	42,173

Notes:

[1] 'Other' Includes staff ranging from under 18 years of age to 20 years of age.

Table 13: Non-SES staff covered by Individual Flexibility Arrangements and the Enterprise Agreement (EA) at 30 June 2021

Number of staff covered by the:		Total
EA	EA and an approved Individual Flexibility Arrangement	
4,556	61	4,617

Table 14: Non-salary benefits

Non-SES staff
Access to engage in private medical practice for Medical Officers
Access to Individual Flexibility Arrangements
Access to negotiated discount registration/membership fees to join a fitness or health club
Access to paid leave at half pay
Access to remote locality conditions
Access to the Employee Assistance Program
Additional cultural and ceremonial Aboriginal and Torres Strait Islander employee's leave
Australian Defence Force Reserve, full-time service or cadet leave
Annual close down and early stand down at Easter and Christmas Eve
Annual leave
Annual free onsite influenza vaccinations for staff
Bereavement and compassionate leave
Breastfeeding facilities and family care rooms
Cash-out of annual leave
Community service leave
Financial assistance to access financial advice for staff 54 years and older
Financial assistance to access financial advice for staff involved in a redundancy process
Flexible working locations and home-based work including, where appropriate, access to laptop computers, dial-in facilities, and mobile phones
Flextime (not all non-SES employees) and time in lieu
Hepatitis B vaccinations for staff who are required to come into regular contact with members of the community classified as at increased risk with regard to hepatitis B
Miscellaneous leave with or without pay
Parental leave – includes maternity, adoption and partner leave
Personal/carers leave
Provision of eyesight testing and reimbursement of prescribed eyewear costs specifically for use with screen-based equipment
Public Transport Loan Scheme
Purchased and extended purchased leave
Recognition of travel time
Relocation assistance
Reflection room
Study assistance
Support for professional and personal development
SES staff
All the above benefits except flextime and access to Individual Flexibility Arrangements
Airport lounge membership
Car parking
Individual determinations made under section 24(1) of the *Public Service Act 1999*
IT Reimbursement Scheme

Table 15: Health Entry Level Broadband

Local title	Classification	Salary ranges at 30 June 2021 $
Health Entry Level (T, I, A, or G)[1]	APS4	74,929
		72,864
		70,914
	APS3	69,377
		66,231
		64,363
		62,592
	APS2	59,105
		57,462
		55,787
		54,162
	APS1	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, and (G) = Graduates.

Table 16: Professional 1 salary structure

Local title	Classification	Salary ranges at 30 June 2021 $
Professional 1	APS5	82,200
	APS5	78,076
	APS4	72,865
	APS4[1]	70,915
	APS3[2]	66,231
	APS3	64,363

Notes:

[1] Salary on commencement for a professional with a 4 year degree (or higher).

[2] Salary on commencement for a professional with a 3 year degree.

Table 17: Medical Officer salary structure

Local title	Salary ranges at 30 June 2021 $
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	Classification	Salary ranges at 30 June 2021 $
Legal 2	EL2	152,871
		146,236
		141,509
Legal 1	EL1	129,392
		119,117
		109,113
	APS6	93,890
		89,215
		85,088
	APS5	78,755
	APS4	73,832

Table 19: Public Affairs salary structure

Local title	Classification	Salary ranges at 30 June 2021 $
Senior Public Affairs 2	EL2	153,610
		147,639
Senior Public Affairs 1	EL2	140,610
Public Affairs 3	EL1	128,199
		121,981
		114,567
Public Affairs 2	APS6	96,091
		89,215
		85,088
	APS5	82,200
		78,076
	APS4	74,929
	APS4[1]	70,915

Notes:

[1] This level is generally reserved for staff with less than 2 years' experience.

Table 20: Research Scientist salary structure

Local title	Classification	Salary ranges at 30 June 2021 $
Senior Principal Research Scientist	EL2	187,580
		168,735
Principal Research Scientist	EL2	165,425
		160,298
		153,756
		149,701
		144,150
Senior Research Scientist	EL2	150,212
		140,610
		136,067
		124,752
Research Scientist	EL1	112,360
		104,562
	APS6	89,380
		84,712
		82,409

Appendix 2: Processes Leading to PBAC Consideration – Annual Report for 2020–21

Introduction

This is the 12th annual report to the Parliament on processes that lead to the Pharmaceutical Benefits Advisory Committee's (PBAC's) consideration of applications (and associated recommendations) to list items on the Pharmaceutical Benefits Scheme (PBS).

This annual report has been prepared pursuant to subsection 99YBC(5) of the *National Health Act 1953* (the Act), under which it is required that:

> *The Secretary must, as soon as practicable after June 30 in each year, prepare and give to the Minister a report on processes leading up to 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 and Aged Care (the Minister). The PBAC holds 3 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 3 sub-committees to assist with analysis and advice in these areas. They are:

- **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.
- **Nutritional Products Working Party (NPWP)**, which advises the PBAC on matters relating to the effectiveness and use of therapeutic foods and nutritional products.

Role of the PBAC

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[101]

The PBAC provides applicants with documents relevant to their submissions in an orderly, timely and transparent fashion. This is achieved through the well established practice of providing applicants with documents relevant to their submissions 6 weeks before the applicable PBAC meeting. These documents are referred to as commentaries.

The PBAC Secretariat receives applicants' pre sub-committee response(s) 5 weeks before the relevant PBAC meeting. Following the meeting of PBAC subcommittees, the PBAC Secretariat provides relevant subcommittee papers to applicants 2 weeks before the relevant PBAC meeting. Sponsors then provide their responses to the PBAC Secretariat one week before the PBAC meeting.

Following the PBAC meeting, the PBAC Secretariat provides summary advice on the outcomes of PBAC consideration to the relevant sponsor half a week after the meeting, with detailed advice provided 3 weeks (positive recommendations) and 5 weeks (all other outcomes) after the relevant PBAC meeting.

Where requested, the PBAC Secretariat, the PBAC and its 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.

[101] 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.

b) Extent to which responsible persons comment on their commentaries

During 2020–21, the PBAC held 3 ordinary meetings (as is usual practice) and considered 87 major submissions. For the:

- **July 2020 PBAC meeting**, 25 applicants lodged major submissions. A total of 25 sponsors responded to their commentaries.
- **November 2020 PBAC meeting**, 30 applicants lodged major submissions. A total of 30 sponsors responded to their commentaries, but one submission was held over after the PBAC ESC meeting until the following round. Hence, 29 major submissions were considered at this PBAC meeting.
- **March 2021 PBAC meeting**, 34 applicants lodged major submissions. A total of 34 sponsors responded to their commentaries. The submission that was held over from the November 2020 meeting was withdrawn. One other submission was held over to a future meeting, therefore, 33 major submissions were considered at this PBAC meeting.

Of the 89 major submissions lodged for consideration by the PBAC in 2020–21, 89 applicants exercised their right to respond to their commentaries. Due to hold overs/withdrawals, 87 major submissions were considered by the PBAC in 2020–21.

c) Number of responsible persons seeking a review of PBAC recommendations

During the 2020–21 financial year, there were no requests to the PBAC for an Independent Review.

Number and category of applications for each PBAC meeting in 2020–21[102]

July 2020 PBAC Meeting

Category	Number
Major	25
Minor	35
Other	11

November 2020 PBAC Meeting

Category	Number
Major	29
Minor	21
Other	0

March 2021 PBAC Meeting

Category	Number
Major	33
Minor	15
Other	3

[102] The categories for applications are prescribed by the National Health (Pharmaceuticals and Vaccines—Cost Recovery) Regulations 2009. Further information on the categories of submissions are available at: www.legislation.gov.au/Details/F2021C00761

Number and category of withdrawn applications for each PBAC meeting in 2020–21

July 2020 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	0	N/A
Minor	1	Determined by applicant, reason not available

November 2020 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	1	Determined by applicant, reason not available
Minor	0	N/A

March 2021 PBAC Meeting

Category	Number	Reasons for withdrawal
Major	1	Determined by applicant, reason not available
Minor	0	N/A

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 2020–21 responded to their commentary.

July 2020 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before the PBAC
25	25	6

November 2020 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before the PBAC
30	30	9

March 2021 PBAC Meeting

Number of major submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before the PBAC
34	34	18

Number of pre-submission meetings held in 2020–21

Pre-submission meetings per month	Meetings held
2020	
July	4
August	5
September	1
October	2
November	5
December	3
2021	
January	2
February	2
March	1
April	3
May	8
June	3
Total	**39**

Appendix 3: Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2020–21

About the Australian Industrial Chemicals Introduction Scheme (AICIS)

Reforms to the regulation of industrial chemicals resulted in AICIS replacing the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) on 1 July 2020. The Office of Chemical Safety (OCS) within the Department of Health administers AICIS.

The *Industrial Chemicals Act 2019* (IC Act) establishes a new risk proportionate regulatory scheme that promotes safer innovation by encouraging the introduction of lower risk chemicals, while maintaining Australia's robust human health and environmental protection standards. The scheme aids in the protection of the Australian people and the environment from risks associated with the introduction (import or manufacture) and use of industrial chemicals.

Figure 1. AICIS functions

Highlights

In its first year of operation, AICIS exceeded Health Portfolio Budget Statements (PB Statements) targets and recorded higher numbers of registrants than under the former scheme.

July 2020 marked the commencement of Australia's ban on the use of new animal test data for chemicals with an end use in cosmetics. Over 597 pre-introduction reports (PIRs) and 3 certificate applications were received with an end use in cosmetics, all of which demonstrated compliance with the ban, using no new animal test data.

New contemporary compliance powers under AICIS were used to manage the case of an unregistered person importing an industrial chemical known to cause a range of harmful human health effects. The OCS also used new compliance powers to seize and destroy several unauthorised industrial chemicals.

The AICIS public website[103] was launched on 1 July 2020. The website's design, menu and functionalities were based on user research, with content reflecting the new legislation.

The Australian Inventory of Industrial Chemicals (the Inventory)[104] now lists chemicals with an industrial use. The first chemical listed on the Inventory that was assessed under AICIS demonstrates new features under the IC Act; a defined scope of assessment and a link to the assessment statement.

Access to several services have been moved online via the AICIS Business Services Portal. Industry stakeholders can benefit from improved transparency through personalised dashboards.

Additional highlights in 2020–21 include:

- Over 98% of industrial chemical risk assessments and evaluations were completed within statutory timeframes, exceeding the target set in the 2020–21 Health PB Statements performance measure (refer Outcome 5: Regulation, Safety and Protection, page 108 of this Annual Report).
- 1,348 new businesses were registered with AICIS, 931 as a direct result of compliance monitoring activities.
- The number of registrants (7,921 registered introducers) exceeded those under NICNAS (7,850 registered introducers).
- Industry uptake of the reported introduction category was high, with 782 PIRs received, reducing time to market and costs for introducers of low risk chemicals.
- The seizure of 4 unauthorised industrial chemicals.
- Evaluation statements assessing the human health and environmental impacts of 813 unique chemicals listed on the Inventory were published for public comment.

Registration

Introducers must be registered before they can place industrial chemicals on the Australian market. Registration costs consist of a low, flat fee and a charge (levy) that varies according to the value of relevant industrial chemicals introduced in the previous financial year. We use the revenue from registration to conduct post-market evaluations of industrial chemicals, monitor compliance and manage contraventions of our laws, and provide scheme support and communication activities. The Register of Industrial Chemical Introducers[105] is published on the AICIS website.

There are 8 levels of registration. Level 1 registrants (46% of registrants introducing less than $50,000 of relevant industrial chemicals per financial year) pay the flat fee, but do not pay a charge (Figure 2). In 2020–21, 7,921 introducers were registered with AICIS compared to 7,850 in the final year of NICNAS. 1,348 introducers that registered in 2020–21 were new registrants (Figure 3).

[103] Available at: www.industrialchemicals.gov.au
[104] Available at: www.industrialchemicals.gov.au/search-inventory
[105] Available at: www.industrialchemicals.gov.au/search-registered-businesses/business-index-listing

Figure 2. Number of registrants by registration level for 2020–21

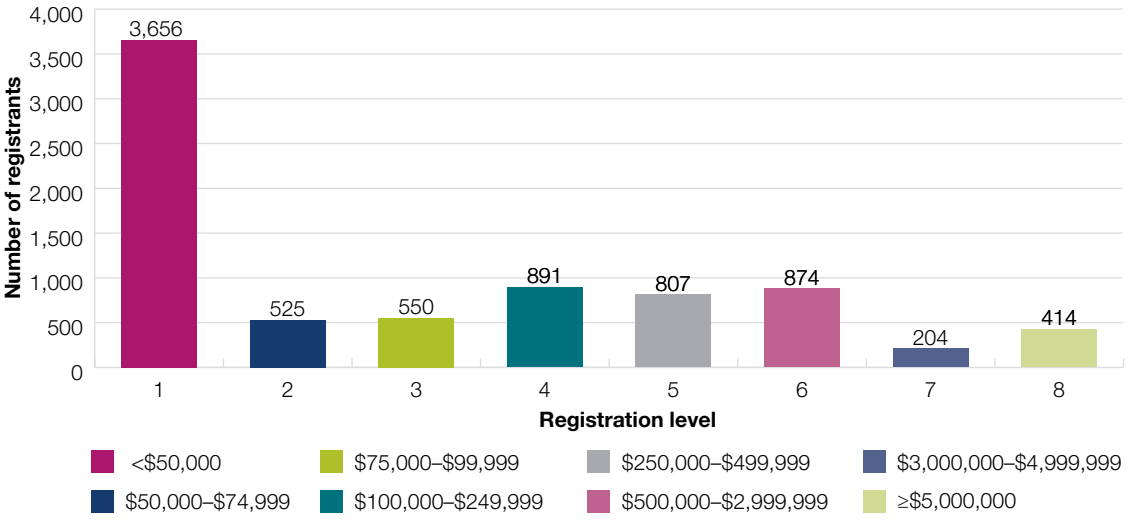
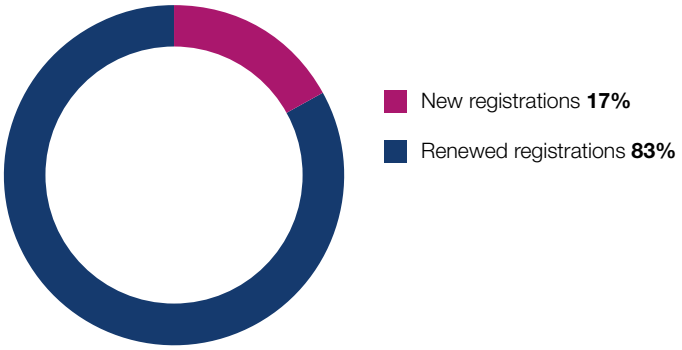


Figure 3. New registrants vs registration renewals for 2020–21



Source: AICIS internal data

Key registration statistics during 2020–21

- 7,921 registered businesses
- 6,573 (83%) businesses were renewed registrants from 2019–20
- 1,348 (17%) businesses were new registrants
- 424 businesses did not renew their registration in 2020–21.

Inventory management

The Inventory provides chemical identity information and regulatory obligations and restrictions relating to the importation and manufacture of listed industrial chemicals.

Chemicals listed on the Inventory can be introduced as 'listed introductions' by registered introducers who must comply with any regulatory obligations and restrictions stipulated in a chemical's terms of listing. Terms of listing may include a defined scope of assessment, conditions of introduction or use, specific information requirements, or any other legal obligations. In 2020–21, 1,154 notifications of new information for chemicals with specific information requirements were submitted. Following screening, 2 chemical evaluations were initiated.

Chemicals not listed on the Inventory are currently not available for industrial use in Australia unless they are authorised under one of the following introduction categories: exempted, reported, assessed or authorised introductions.

Chemicals are listed on the Inventory 5 years after an assessment certificate has been issued, unless the certificate holder applies for early listing. Listings in 2020–21 included both transitioned chemicals (applications submitted under NICNAS that were incomplete at the commencement of AICIS), and chemicals assessed under AICIS. During 2020–21, 100 chemicals were added to the Inventory 5 years after the issue of an assessment certificate, and a further 20 added following an application for early listing.

Chemicals can be listed on the Inventory with confidential business information (CBI) protected. Applications for protection of CBI are subject to a statutory test that balances commercial prejudice and public interest. Confidential listings are subject to review every 5 years. In 2020–21, 34 applications for protection of CBI were received, of which 20 were approved.

Key inventory statistics during 2020–21

- At 30 June 2021, 39,393 chemicals were listed on the Inventory
- 94 chemicals were confidentially listed
- Minor variations were made to 132 chemicals on the Inventory
- Inventory listings were varied for 38 chemicals following revocation of CBI approval at their 5 yearly review
- 3,203 requests were received from bona fide introducers for searches of confidentially listed chemicals on the Inventory.

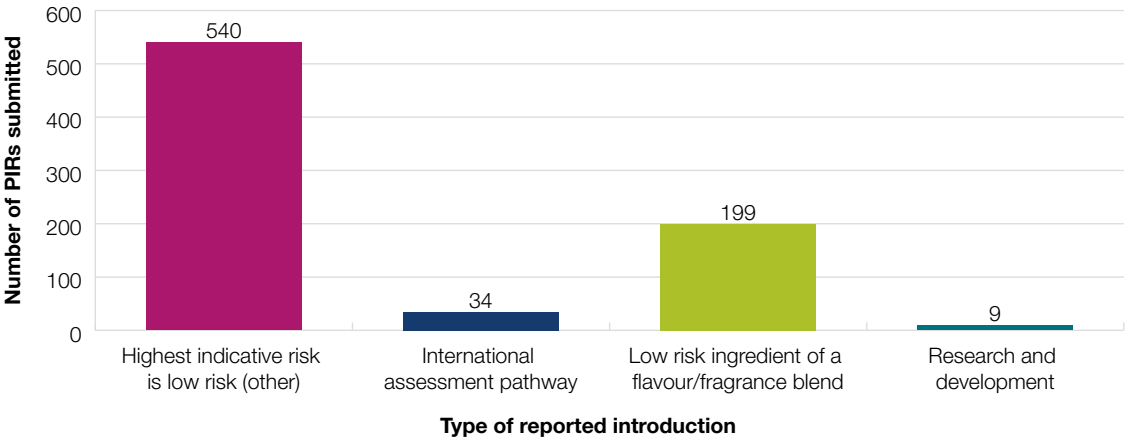
Compliance monitoring

The AICIS compliance strategy employs a risk-based approach to compliance monitoring of regulated entities. Compliance monitoring and enforcement activities are proportionate to risk, with an initial focus on education and awareness raising to assist introducers' understanding of their regulatory obligations under the IC Act.

During 2020–21, 627 reviews of registration level were undertaken, resulting in 594 registrants adjusting their registration level.

For chemicals categorised as reported introductions, introducers are required to submit a once-off PIR prior to introducing the chemical. In 2020–21, 782 PIRs were submitted (Figure 4), with 100% of these reports subject to high throughput screening to select reports for further analysis. A total of 17% of submitted PIRs were further screened for potential miscategorisation, based on the information provided in the reports such as chemical identity and exposure/hazard information. Additional information to support categorisation was requested for 5% of submitted PIRs. Overall, the monitoring activity identified that 4% of the PIRs submitted did not meet the criteria for a reported introduction or the type of reported introduction. In addition, in 10% of submitted PIRs, introducers were contacted with specific guidance on their compliance obligations or advised of changes required. Screening of PIRs submitted in 2020–21 will continue into 2021–22.

Figure 4. Submitted PIRs by type of reported introduction



Impact of the new reported introduction category for low risk introductions

The reported introduction category allows for a streamlined pathway to market for low risk introductions, with minimal impact on time to market. Once a PIR is submitted, an introducer can commence importing or manufacturing their chemical. The category criteria are risk-based, taking into account both the hazard of the chemical and the exposure arising from its introduction and use, as well as whether the risk of the introduction has already been assessed overseas by a trusted international assessment body. Examples of introductions in 2020–21 that required pre-market assessment under NICNAS, but were able to take advantage of this quicker and cheaper pathway, include:

- High volume introduction of a polymer for use in industrial adhesives for flooring, which had been assessed by a trusted international assessment body for the same use.
- High volume and high concentration introduction of a polymer for use as a leave-in hair conditioning treatment, which had information to support a determination of low hazard, and therefore low risk.
- Low concentration introduction of a chemical for use in coatings at less than 1%, with enough supporting hazard information to demonstrate low risk at the concentration and volumes used.

For chemicals categorised as exempted introductions, introducers must submit a once-off post-introduction declaration (PID). The first PIDs under AICIS are due by 30 November 2021, and cover the period 1 July 2020 to 31 August 2021. These declarations will provide information on chemicals categorised as exempted introductions in the following 3 categories: polymers of low concern, low concern biopolymers, and chemicals that are categorised as very low risk for human health and the environment.

Anyone seeking to import or export certain banned or severely restricted chemicals subject to the prior informed consent (PIC) procedure of the Rotterdam Convention must apply for and receive authorisation from the Executive Director. In 2020–21, one annual import authorisation and 6 annual export authorisations were granted. AICIS monitored imports and exports relating to all active authorisations to ensure the terms of these authorisations were met. AICIS undertook an additional 27 monitoring activities to ensure all relevant shipments were subject to an AICIS authorisation.

Impact of the new enforcement powers

The IC Act and the *Regulatory Powers (Standard Provisions) Act 2014* provide a suite of contemporary tools to facilitate a proportionate approach to manage any non-compliance and maintain the integrity of the regulatory scheme. In 2020–21, the new powers were used to manage the case of an unregistered person importing an industrial chemical known to cause a range of harmful human health effects. The unregistered introducer was issued with a 12 penalty unit infringement notice and the chemical was seized and destroyed by AICIS authorised inspectors, with the assistance of the Australian Border Force.

Key compliance statistics during 2020–21

- 931 introducers registered with AICIS as a direct result of compliance monitoring activities
- 165 referrals of non-compliance received from within the organisation, industry, community and other government agencies
- 100% of referrals of non-compliance screened and prioritised
- 259 compliance cases resolved
- 12 unauthorised chemicals identified through listed introduction compliance monitoring activities
- 4 seizures of unlawfully imported industrial chemicals.

Assessment and evaluation of industrial chemicals

Chemicals not listed on the Inventory that are either categorised as assessed introductions or have a medium to high indicative risk to human health and/or the environment must be assessed or authorised under AICIS prior to introduction. In 2020–21, assessments included both applications transitioned from NICNAS and applications received under AICIS. Under the new scheme, there are 5 types of assessment certificates: health and environmental focus, health focus, environmental focus, very low to low risk, and comparable hazard assessments. Of the applications received in 2020–21, one certificate was issued for a very low to low risk application, and one for a health and environmental focus application. In addition, 3 commercial evaluation authorisations were issued and 2 authorisations were varied.

Applications submitted prior to the commencement of AICIS were completed in accordance with the *Industrial Chemicals (Consequential Amendments and Transitional Provisions) Act 2019*. A total of 2 early introduction permits and 48 certificates were issued. One transitioned secondary notification assessment was published as an evaluation report.

Chemicals already available for an industrial use in Australia can be evaluated under AICIS. This includes chemicals that are listed on the Inventory under a current certificate, categorised as assessed, reported or exempted introductions, and excluded from other parts of the IC Act. Evaluations for human health and the environment were conducted in 2020–21 for 813 chemicals. AICIS continued to target chemicals on the Inventory for evaluation based on criteria agreed by industry stakeholders, which delivered a risk proportionate and efficient approach to evaluations. To date, the OCS has assessed or evaluated 18,563 chemicals on the Inventory. These assessments and evaluations produce information to support the risk management of chemicals, where required.

Key assessment and evaluation statistics during 2020–21

- 57 certificates, authorisations and permits were issued or varied in 2020–21
- 813 chemicals were evaluated (via 18 evaluations)
- 5 applications to add certificate holders and 2 applications to remove certificate holders were completed
- 12 applications to add persons covered by an assessment certificate were completed.

Use of new animal test data for introduction of chemicals used in cosmetics

The IC Act sets out the legislative component of Australia's ban on the use of new animal test data for cosmetics. New animal test data are any data obtained from tests conducted on a cephalopod[106] or any live vertebrate animal, other than a human being, on or after 1 July 2020. If an industrial chemical is being introduced solely for use in cosmetics, the IC Act prohibits the use of new animal test data for either determining its introduction category, or for making applications under the Act. If an industrial chemical is being introduced for multiple end uses including for cosmetics, then restrictions apply such that the introducer is required to seek pre-approval from the AICIS Executive Director to use new animal test data. There are limited exceptions to these prohibitions and restrictions to continue protecting human health and the environment, and to align as far as possible with comparable international restrictions on the use of animal test data.

In 2020–21, there were:

- 597 PIRs submitted for introductions with an end use in cosmetics. Zero of these used new animal test data to determine the category of introduction.
- 3 applications for certificates for introductions with an end use in cosmetics. Zero of these used new animal test data to support their application.

Capability building

AICIS continued to build capability across the organisation through:

- Conducting internal staff training on the use of the AICIS Information Technology (IT) System.
- Hosting regular forums on a diverse range of scientific and non-scientific topics featuring national and international experts, regulators, community groups, academia and industry.
- Development of guidance/training material on addressing scientific uncertainties in risk assessment of chemicals, appropriate use of public information in assessments, and new assessment methodologies.
- Providing input into and reviewing regulatory approaches and methodologies developed by the various working parties of the Organisation for Economic Co-operation and Development (OECD), for their acceptance in regulatory decision making.
- Provision of library services to all staff. In 2020–21, 141 requests for journal articles and literature searches were processed, contributing to the overall enhancement of scientific skills and accuracy of assessments.
- Continuing to enhance the OCS Learning Centre, a cloud-based system allowing staff to undertake self-directed computer-based learning, with courses on regulatory toxicology and chemistry for toxicology.

[106] A cephalopod is any member of the molluscan class Cephalopoda, such as squid, octopus or cuttlefish.

Digital transformation

AICIS IT System

The efficient and effective management of information is supported by the new AICIS IT System that enables information necessary for the operation of AICIS to be received, stored and retrieved. The AICIS IT System delivers an advanced and stable system, enabling digital interactions between OCS staff and chemical introducers or applicants and their representatives.

A Privacy Threshold Assessment and Privacy Impact Assessment were undertaken on the AICIS IT System to assess its compliance with the *Privacy Act 1988* and the Australian Privacy Principles[107].

In 2020–21, several IT functionalities were made available to stakeholders through the AICIS Business Services Portal, enabling businesses to:

- register or renew their registration online
- submit pre-introduction reports
- apply for:
  - assessment certificates
  - commercial evaluation authorisations
  - protection of chemical name as CBI
  - protection of end use as CBI
  - flagging and protection of other information as CBI
  - protection of an Inventory listing as CBI
  - early listing of a chemical on the Inventory
  - searching confidentially listed chemicals on the Inventory
  - continued protection of CBI
  - vary terms of an Inventory listing, an assessment certificate, or a commercial evaluation authorisation
  - import/export authorisations of chemicals subject to the PIC procedures of the Rotterdam Convention
  - pre-approval to use new animal test data in an assessment certificate application or determine a chemical's introduction category
  - add or remove certificate/authorisation holder, and add or remove person covered by a certificate.

The AICIS IT System provides more transparency to industry stakeholders who can view the status of their application and payments through a personalised dashboard available through the AICIS Business Services Portal.

The AICIS Business Services Portal is connected to:

- Microsoft Dynamics Customer Relationship Management (CRM), a platform used in a number of business areas within the Department of Health.
- International Uniform Chemical Information Database (IUCLID), a database used to record, store, maintain and exchange chemical information using internationally harmonised structured data on OECD Harmonised Templates (OHTs). IUCLID is used by AICIS to enable applicants to meet their regulatory information requirements, and for the OCS to conduct risk assessments.

AICIS continued active engagement and collaboration with the OECD IUCLID Management Group and the European Chemicals Agency (ECHA) to customise IUCLID, enabling submission of assessment certificate applications through this database. Submission of data through IUCLID's OHTs benefits both introducers, who can use the same application package across several regulatory jurisdictions.

[107] Available at: www.oaic.gov.au/privacy/australian-privacy-principles/

Website

The AICIS public website was launched on 1 July 2020. The website's design, menu and functionalities were based on user research, as well as components and patterns from the Department of Health's design system. Content on the AICIS website reflects the new legislation and aims to engage people through use of plain language and familiar expressions.

Work continued during the year to improve web content and functionality to help users navigate the new scheme. Key achievements included:

- 2 updates to the Categorisation Guide to clarify regulatory requirements, including a new step to simplify the process for new introducers
- 2 step by step guides to submitting PIRs for the types 'internationally assessed' and 'highest indicative risk is low risk'
- a new comprehensive glossary for users that defines terms and provides links to related information
- 4 easy to understand infographic explainers, which cover topics such as antibacterial products, importing cosmetics and 'What is the Inventory'
- improved site search functionality, to surface more relevant results upfront
- the ability to search for registered businesses using their AICIS registration number
- new webform that allows introducers to submit information on many chemicals in a single form to meet their specific information requirement obligations
- a total of 63 news items, 37 inventory notices and 20 regulatory notices were published on the website throughout the year.

Stakeholder engagement

During 2020–21, AICIS continued to actively engage with government entities, the chemical industry, community groups and academia through a range of mechanisms. Twelve editions of the interactive stakeholder newsletter were issued, containing information on new online forms, guidance materials and consultation opportunities.

The AICIS Strategic Consultative Committee (SCC), with representatives drawn from peak industry and civil society groups, continued as the primary stakeholder consultation mechanism. Two meetings of the SCC were held in 2020–21.

A committee of risk managers, whose roles include implementing AICIS risk management recommendations within their respective regulatory frameworks, will be established in 2021–22.

International engagement

Under the IC Act, the promotion of international harmonisation of regulatory controls or standards for industrial chemicals is a function of the Executive Director.

The OCS continued to collaborate with international counterparts on regulatory and scientific matters via regular teleconferences and participation in international working groups and conferences. The OECD Chemicals Committee and its key subsidiary committees are the principal mechanisms through which the OCS engages multilaterally. The OCS also participates in the Asia-Pacific Economic Cooperation's (APEC) Chemical Dialogue, which includes Australia's key regional trading partners and other international associations.

Formal bilateral cooperative arrangements/memoranda of understanding are in place with counterparts in Europe, USA, Canada, South Korea, and New Zealand. The OCS liaised with ECHA, Health Canada and the US Environmental Protection Agency (EPA) on revising the current agreements to reflect changes required under the IC Act.

The OCS maintained regular dialogue with each of these agencies on emerging topics of interest, such as the ban on animal testing for cosmetics and risk assessment methodologies. Liaison continued between the OCS and ECHA, Health Canada, Environment and Climate Change Canada, the New Zealand EPA, the Israeli Ministry of Environmental Protection, and the Japanese Ministry of Economy, Trade and Industry on issues related to technical cooperation and sharing of chemical information to facilitate international harmonisation.

The OCS continued to provide technical input to whole of government international activities, including 17 requests from the Department of Foreign Affairs and Trade (DFAT) for input on various Free Trade Agreements.

Financial performance

A new pricing model was introduced on 1 July 2020 when AICIS replaced NICNAS and, accordingly, financial comparatives between the 2 years should be read in this context.

In 2020–21, revenue recovered from the regulated industry was $23.2 million and total expenses were $19.4 million. Revenue reflected AICIS charging arrangements set out in the 2020–21 Cost Recovery Implementation Standard as agreed by the Australian Government. The total revenue stems from higher than forecast total number of registrants, including a higher than anticipated number of high level introducers (more than $5 million), and contribution from prior year registration level upgrades. The recognition of assessment revenues is in accordance with Australian Accounting Standard AASB 15 Revenue from Contracts with Customers (as amended). Net revenue from other sources was $0.2 million.

The AICIS final net result for 2020–21 was a surplus of $4.1 million, which will be maintained in the Industrial Chemicals Special Account. This surplus will be used to grow the reserves for both the operational contingency and the capital accumulation funds maintained in the Special Account.

Table 1. Comparison of AICIS (2020–21) and NICNAS (2019–20) financial results

	2020–21 (AICIS) $'000	2019–20 (NICNAS) $'000
Industry cost recovered revenue	23,233	18,288
Other revenue	234	460
Total revenue	23,467	18,748
Total expenses	19,369	16,954
Operating surplus/(deficit)	4,098	1,794

Acknowledgements

The Executive Director of AICIS is an independent statutory office holder grateful for the assistance of staff from the OCS 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 Executive Director of AICIS 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 on behalf of OCS under a Service Level Agreement.

Contact details

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AICIS website: www.industrialchemicals.gov.au
Email address: info@industrialchemicals.gov.au

Appendix 4: Australian National Preventive Health Agency Financial Statements

Essential functions of the Australian National Preventive Health Agency (ANPHA) transferred to the Department of Health from 1 July 2014.

The Secretary of the Department of Health, pursuant to subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014, is responsible for producing the financial statements for ANPHA, as would have been required by the accountable authority under the *Public Governance, Performance and Accountability Act 2013*.

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Australian National Preventive Health Agency

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

Opinion

In my opinion, the financial statements of the Australian National Preventive Health Agency (the Entity) for the year ended 30 June 2021:

(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 2021 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 2021 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.

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Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Rahul Tejani

Executive Director

Delegate of the Auditor-General

Canberra

10 September 2021

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 2021.

In our opinion, the attached financial statements for the period 1 July 2020 to 30 June 2021:

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 …….

Dr Brendan Murphy
Secretary
Department of Health

9 September 2021

Signed …….

David Hicks CPA
Chief Financial Officer
Department of Health

9 September 2021

Australian National Preventive Health Agency

Statement of Comprehensive Income
for the period ended 30 June 2021

	2021 $	2020 $
Net Cost of Services		
Expenses		
Expenses incurred[1]	**14,741**	14,741
Total expenses	**14,741**	14,741
Revenue		
Resources received free of charge[1]	**14,741**	14,741
Total own-source income	**14,741**	14,741
Net cost of services	**-**	-
Surplus attributable to the Australian Government	**-**	-

The above statements should be read in conjunction with the accompanying notes.

[1] Expenses incurred and revenue recognised relate to the costs associated with preparation and audit of the financial statements in line with the requirements of AASB 1058 *Income for Not-for-Profit Entities*.

Australian National Preventive Health Agency

Administered Schedule of Assets and Liabilities
as at 30 June 2021

	2021 $	2020 $
Assets		
Financial assets		
Cash in special accounts	**12,382,827**	12,382,827
Total assets administered on behalf of Government	**12,382,827**	12,382,827
Net assets	**12,382,827**	12,382,827

Administered Reconciliation Schedule
as at 30 June 2021

	2021 $	2020 $
Net Administered assets as at 30 June	**12,382,827**	12,382,827

The above schedules should be read in conjunction with the accompanying notes.

Note 1 Overview

Abolition of the Australian National Preventive Health Agency

In the 2014-15 Budget papers the Australian Government announced as part of its Smaller Government initiative that it would abolish the Australian National Preventive Health Agency (ANPHA) and integrate its ongoing functions into the Department of Health.

The *Australian National Preventive Health Agency (Abolition) Bill 2014* (the Bill) was introduced to Parliament on 15 May 2014 by the Australian Government. The Bill was passed by the House of Representatives on 3 June 2014 but was negatived by the Senate on its second reading on 25 November 2014. There is currently no bill before Parliament to abolish ANPHA.

As at 30 June 2021, ANPHA had no debts and no employees.

The Secretary of the Department of Finance, pursuant to subsection 17A(3) of the Public Governance, Performance and Accountability Rule 2014 instructed the Secretary of the Department of Health to produce the financial statements for ANPHA as would have been required by the accountable authority.

ANPHA is an Australian Government Agency and does not have a separate legal identity to the Australian Government.

Objectives of the Australian National Preventive Health Agency

ANPHA is listed as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and its role and functions are set out in the *Australian National Preventive Health Agency Act 2010.*

The Australian Government established ANPHA on 1 January 2011 to provide a new national capacity to drive preventive health policy and programs.

ANPHA was structured to meet one outcome:

A reduction in the prevalence of preventable disease, including through research and evaluation to build the evidence base for future action, and by managing lifestyle education campaigns and developing partnerships with non-government sectors.

ANPHA activities that contributed toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ANPHA in its own right. Administered activities involve the management or oversight by ANPHA, on behalf of the Government, of items controlled or incurred by the Government.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and

b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. ANPHA has no unrecognised departmental or administered liabilities or assets.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

Cash

ANPHA no longer holds any cash independently. Cash holdings, recognised at its nominal amount are cash in special accounts, this balance is held in the Official Public Account.

Related Party Relationships

ANPHA is an Australian Government controlled entity. Related parties to ANPHA are the Portfolio Minister and Executive Government, and other Australian Government entities.

ANPHA had no related party transactions to report during 2020-21 or in the comparative year.

New Australian Accounting Standards

No accounting standard has been adopted earlier than the application date as stated in the standard. No new standards, revised standards, interpretations and amending standards that were issued by the Australian Accounting Standards Board prior to the sign-off date, are expected to have a material financial impact on the ANPHA for future reporting periods.

Taxation

ANPHA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Events after the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Administered

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Reporting of Administered Activities

ANPHA had no Administered activities to report during the reporting year or in the comparative year.

Note 2 Special accounts

The Australian National Preventive Health Agency special account (administered)[1,2,3]

	2021	2020
	$	$
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.

Introduction

The NST provides a cost-effective, efficient, transparent and independent forum for resolving nationally focused sporting disputes through arbitration, mediation, conciliation and case appraisal.

As a critical element of the Government's sport integrity strategy – Safeguarding the Integrity of Sport – the NST is also a key component of the National Sport Plan, Sport 2030.

About the NST

Vision, mission and values

The NST's **vision** is to promote and protect the integrity and fairness of Australian sport as the national sporting community's forum of choice for consistent resolution of disputes.

The NST's **mission** is to provide an effective, efficient, independent, transparent and specialist tribunal for the fair hearing and resolution of sporting disputes.

The NST's **values** are to:

- remain independent
- act with integrity and impartiality
- deliver quality justice and outcomes
- be accessible
- respect individuals.

Established by statute

The powers and functions of the NST are set out in the *National Sports Tribunal Act 2019* (the Act), with operations supported by a framework of legislative instruments. These include the National Sports Tribunal Rule 2020, National Sports Tribunal Practice and Procedure Determination 2020, *National Sports Tribunal Act 2019*—Specification of Sporting Body Instrument 2021, and the *National Sports Tribunal Act 2019*—Principles for Allocating a Member to a Dispute Instrument 2019.

Powers

The NST is vested with powers that can be exercised to gather evidence and information to ensure the tribunal is properly informed. This was a key recommendation of the Government Response to the Review of Australia's Sport Integrity Arrangements (the Wood Review), and sets the NST apart from foreign and international equivalents.

In arbitration, NST Members can order a witness to appear before them to give evidence, and/or to produce documents, objects or other non-documentary evidence, as well as the broad power to inform themselves about relevant matters independently of the submissions made by parties.

Equipping the NST with powers to compel evidence from third parties provides for superior dispute resolution capability. This is particularly important in cases that are reliant on intelligence-based evidence. Penalties are important in deterring third parties, who may be reluctant to provide information or produce documents or things, from failing to comply with a notice issued by the NST.

Structure and function

The NST has 3 divisions:

- Anti-Doping Division – deals with breaches of the anti-doping rules of a sport.
- General Division – deals with other disputes under the rules of a sport (including, for example, disputes that might arise under a sport's Member Protection Policy or Selection Policy).
- Appeals Division – deals with appeals from the Anti-Doping or General Divisions, as well as appeals from decisions made by 'in-house' sport tribunals.

The NST can resolve disputes through:

- arbitration
- mediation
- conciliation
- case appraisal.

NST Members

NST Members, appointed under the Act by the Minister for Sport, include legal and medical professionals working in sport, along with top sport administrators and former athletes.

NST Members have a diverse range of skills and experience. Most are legally qualified, and these Tribunal Members:

- conduct arbitrations, mediations, conciliations or case appraisals
- preside as Chair when a dispute has more than one Tribunal Member hearing it.

National Sports Tribunal Members as at 30 June 2021[108]		
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

[108] To view the most up to date NST Members, visit: www.nationalsportstribunal.gov.au/resources/national-sports-tribunal-members

Chief Executive Officer (CEO) and NST Registry

The NST's CEO, Mr John Boultbee AM, is a lawyer and sport administrator with over 20 years' experience as a judge of the Court of Arbitration for Sport.

Mr Boultbee previously served as Director of the Australian Institute of Sport, including during the Sydney Olympics; Head of National Teams, Football Federation Australia; and High Performance Director, Volleyball Australia. He received a Member of the Order of Australia for services to rowing as an administrator.

The NST Registry within the Department of Health provides timely, efficient and effective case management and administrative support. The NST Registry also manages a broad range of activities and projects to support the establishment of the NST as the forum of choice for dispute resolution in sport.

Highlights – 2020–21 in review

Virtual service delivery

Initially, it was anticipated the NST would conduct most hearings in person, with NST Members geographically spread across the country and NST Registry staff able to travel to the most convenient location for parties. However, as a result of the COVID-19 pandemic, all cases were conducted virtually in 2020–21.

The pivot to exclusively using online video conferencing platforms has proven successful, and it is likely that virtual hearings will become an important part of how the NST operates in the future. In particular, the option of virtual hearings makes the NST much more accessible, keeping costs low and affording the NST greater flexibility in circumstances where parties to a dispute and/or NST Members are not located in the same jurisdiction.

Extension of the pilot phase

To counter the impact of the COVID-19 pandemic since the commencement of the NST, the Australian Government extended the NST pilot by 12 months to 18 March 2023, demonstrating the Government's commitment to establishing the NST as the forum of choice within Australia, and giving sports greater confidence to embed the NST within their policies.

The extension will provide additional time to collect data to support the evaluation, which has been underway since the beginning of 2020. The evaluation aims to:

- assess the design and implementation of the NST to identify lessons and opportunities for improvement
- assess the extent to which we achieved the expected outcomes
- 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.

NST Legal Assistance Panel

The NST Legal Assistance Panel (NSTLAP) was established in 2020–21 to connect parties and legal practitioners for the provision of free (or significantly discounted) legal support. Details of practitioners are provided to parties who have declared financial hardship circumstances, and anyone else who requests the list.

There are more than 30 practitioners currently on the list, and some parties to matters in the NST have already utilised the assistance.

Supporting organisations to adopt the NST jurisdiction

A significant issue faced during the first year of operation has been facilitating access to the NST for sporting bodies and individuals who may be in dispute. As an arbitration tribunal, the NST jurisdiction to deal with a dispute is dependent on the agreement of the parties to that dispute.

The key to the success of the NST is for the jurisdiction to be explicitly recognised in the rules of national sporting organisations (NSOs), so that the agreement required to enliven our jurisdiction exists by virtue of membership before a dispute has arisen.

The NST Registry is providing significant assistance to sports in amending their various rules and by-laws to provide for dispute resolution mechanisms recognising the NST.

Continuous improvement – process and procedure, and communication with parties

As part of a continuous improvement project, the NST has reviewed lessons learned over the first year of operation and identified opportunities for improvement in the service design and delivery.

Part of this enhancement involves improving accessibility for parties to understand and receive services, particularly those without legal representation. This will be done through simpler application processes and forms, revised language in email communications, additional guidance material on the NST website to assist applicants navigating the hearing process, and increased transparency of eligibility to apply through the website publication of NSOs who have embedded the NST into their policies.

The improvement process is ongoing, with feedback sought from all parties participating in matters before the NST, in addition to further targeted market testing of key stakeholder groups to assess efficacy of changes made and additional areas for enhancement.

Continuous improvement – updated legislative framework

Some outcomes from the continuous improvement project have informed the need to amend aspects of the broader NST legislative framework, including the National Sports Tribunal Rule 2020 (NST Rule) and the National Sports Tribunal Practice and Procedure Determination 2020 (the Determination).

These involve the extension of the NST pilot, expansion of the NST jurisdiction to accurately reflect issues facing NSOs previously ineligible to be brought to the NST, clarity on the approach to accept disputes below the national level, and simpler arrangements for application fees and documentation provision.

The intended changes have been carefully crafted in response to feedback from external stakeholders and experiences of the NST Registry, and proposed to the NST Advisory Group for their advice before formal drafting. Amendments to the NST Rule and the Determination will occur after the relevant parliamentary processes are complete in late 2021.

Supporting sporting organisations

Supporting sports through crises

The NST has undertaken an extensive program of engagement with sports to improve their existing dispute resolution policy arrangements, working closely in particular with sports in crisis to provide support, advice and policy development in managing complex and high profile issues.

This included the partnership with Gymnastics Australia and Sport Integrity Australia in developing a Supplementary Complaints Management Policy to complement the Australian Human Rights Commission's Independent Review of gymnastics. The NST also collaborated with Hockey Australia and Sport Integrity Australia to set up an independent framework for managing complaints arising from the inquiry into their women's national team program.

Working with peak bodies

The Australian Olympic Committee (AOC), Commonwealth Games Australia (CGA) and Paralympics Australia (PA) all have indicated support for the adoption of the NST for the resolution of selection appeals for their member sports (for the AOC, this will take place after the Tokyo 2021 Olympic Games).

Ongoing work with the AOC, CGA and PA will provide effective and independent dispute resolution for selection and nomination disputes, as well as other disputes that may arise in the context of these major events, including the Birmingham 2022 Commonwealth Games, while also supporting the broader adoption of such policies by their member sporting organisations.

Sport Integrity Australia's Anti-Doping Policy

The NST is embedded as the default first instance anti-doping hearing body and default appeal hearing body within Sport Integrity Australia's new Anti-Doping Policy. This has been adopted by around 90 sports, and negotiations with larger professional sports may lead to more policies that include the option for referral to the NST within the context of existing, well established internal tribunals.

This reflects the update to the World Anti-Doping Code, which came into effect from 1 January 2021 and highlights the importance of independence when hearing anti-doping matters.

National Integrity Framework

The new National Integrity Framework (NIF), developed by Sport Integrity Australia in collaboration with the NST, is a suite of policies that set out broad expectations for the conduct of all participants in sport. Included in the NIF are the complaints, disputes and discipline policy, and member protection policy, which outline the NST as the default and mandated dispute resolution mechanism.

Sport Integrity Australia are working closely with NSOs to adopt this framework, which will provide automatic referral of eligible matters through the NIF into the NST for resolution. This was designed to reduce administrative burden on NSOs, as well as provide better perceived and actual outcomes from a process independent of the NSO itself. To support the position of the NIF within the overall policy landscape, there will also be additional policies drafted to deal with matters outside the scope of the NIF. These governance rules, by-laws and policies will provide a consistent structure for sporting participants that is clear, consistent, robust and streamlined.

Additional Dispute Resolution Policy templates

For issues that arise outside of the existing NIF, work is underway to design a scheme of best practice foundation policies addressing the additional baseline critical requirements of Australian NSOs, and which NSOs can adopt and build on to tailor the framework to the specific needs of their sport.

The NST has convened a working group (comprised principally of NSO representatives) to co-design these complementary foundation policies, with a view to deliver the templates to all NSOs later in 2021, with follow-up assistance from the NST for specialisation and adoption.

Selection Appeals Policy template

A template Selection Appeals Policy has been developed and circulated to NSOs, which allows for first instance and final selection appeals to be referred to the NST. Some NSOs have already adopted this policy, or the relevant referral parts, into their rules, with the added flexibility to include sport-specific experts to advise NST Members in their decision. This supports the approach of peak bodies to embed the NST in selection and nomination disputes that affect their major events.

Statistics

From commencement (19 March 2020 – 30 June 2021)

Number of enquiries (not validated)	**40**
National level	10
State level	8
Club level	14
Unknown	8
Number of cases (validated)	**22**
Agreement from all parties	15
Referred by sport rules	7
Number of NST decisions appealed	**0**
Number of complaints	**0**

Cases – division and type of matter

- General - Disciplinary **5**
- General - Bullying/Harassment **5**
- General - Selection/Eligibility **6**
- General - Intra-sport **2**
- General - Other **2**
- Anti-Doping - First Instance **1**
- Appeals - Other **1**

Cases – resolution method

- Arbitration **10**
- Conciliation **4**
- Mediation **7**
- Case Appraisal **1**

NST Members – gender balance (19 March 2020 – 30 June 2021)

	Male	Female	Total
Number of Members	22	17	39
Number of Members allocated to hear a matter	11	7	18

Average case lengths

Resolution method (number of cases to hearing)	Average case length (days)
Case appraisal (1)	58
Mediation (3)	60
Conciliation (3)	29
Arbitration – appeal (1)	15
Arbitration – general (2)	104
Arbitration – anti-doping (1)	104

Fees – charged and waived

	Number of cases	Total cost
Fees charged	**10**	
Full application and service fees paid	1	$3,400
One party service fee paid (other party granted financial hardship status)*	1	$1,200
Application fee paid (matter resolved or withdrawn, no further fees)	8	$4,500 ($500 – 6 cases for arbitration) ($750 – 2 cases for mediation)
Fees waived	**11**	
COVID-19 special fee arrangement	9	
Anti-doping matter	1	
Financial hardship (application and service fee)*	1 (1 party)	$1,950

* Relates to same matter

Decisions published[109]

Total	14 entries
Determination – arbitration	**4 entries**
Published in full	3
Names redacted	1
No determination – arbitration terminated	**1 entry**
Related matters of similar nature captured under 1 entry	4
Case summaries – alternative dispute resolution	**9 entries**

Stakeholder engagement

Since its establishment in March 2020, the NST has transitioned from an educational and promotional engagement strategy including broad communication to stakeholders outlining the new services available, to a more targeted strategy supporting the enhancement of NSO policies and assistance in response to situations of crisis.

In addition, the growing profile of the NST has provided more opportunities for engagement with domestic and international organisations through presentations and working groups.

National sporting organisations (NSOs)

Significant time has been spent with NSOs to assist in adapting their dispute resolution policies to ensure effective engagement of the NST in the context of their participants and competitions. The NST has ensured NSOs are kept up to date with the development of NST services since commencement, with email communications referring to published determinations and provision of template policies for adoption.

In addition, in response to high profile integrity matters or as a follow-up to a matter heard before the NST, direct contact has ensured tailored assistance is available as desired.

NST Advisory Group

The National Sports Tribunal Advisory Group (NSTAG) was formed in 2019 to provide strategic advice and guidance on the establishment of the NST, and remains a valuable source of advice. Including experts from across the sporting, legal and medical fields, it has been most recently involved in the revision of the NST Rule and Determination, in particular reflecting on the outcomes of the first year of NST operation, and the most appropriate changes to the legislative framework that will support NSOs to adopt the NST jurisdiction.

The experience of these members from project design to delivery remains a valuable reference as the NST continues to refine the services and scope throughout the pilot period.

[109] Published on the National Sports Tribunal website, at: www.nationalsportstribunal.gov.au

International working groups

The NST has remained an active participant in international dispute resolution activities, engaging with equivalent national sporting tribunals and contributing to a number of reports by the Ad Hoc Working Party of experts in Sport Disputes Resolution. This group was formed in May 2020 to consider the impact of COVID-19 on dispute resolution in sport, with members from across the world reporting on the rapidly changing arrangements for responding to integrity threats during the pandemic, as well as developing guidance on managing virtual and flexible arrangements. Noting the very recent arrival of the NST, there was much interest in the background and vision for the NST from those involved in well established hearing bodies.

Strong relationships formed with international sport dispute experts through these activities remains a valuable resource for the NST to remain current with best practice service delivery in a changing dispute resolution landscape.

External presentations

The NST has been invited to present at a number of domestic and international conferences, providing details of the first 12 months to a range of audiences, including state and territory level integrity officers, dispute resolution specialists, established and up-and-coming sport lawyers, tertiary law students, elite level athletes and anti-doping educators.

These presentations have also developed over time, with initial interest in the background and design of the NST being replaced by a greater focus on the matters heard so far, and how lessons learned from the first year of operation will be used to refine the scope and services.

While travel restrictions have limited the amount of in-person engagements, the conversion to virtual presentations has broadened the reach and capacity of the NST message to stakeholders across the country.

Message from the NST CEO – John Boultbee

Our first year of operation has seen great assistance to the new agency from the Department of Health, as well as from the other Commonwealth sport agencies, including Sport Australia, the Australian Institute of Sport and Sport Integrity Australia. We have also been greatly helped by professional associations, in particular the Australia and New Zealand Sports Law Association (ANZSLA) and the Resolution Institute. These bodies have assisted the NST in ensuring potential parties in dispute know about our existence and our availability to assist. We thank them for their support.

Additionally we have been greatly assisted by the NST Advisory Group, and the NST Appointments Committee in our first year.

Members have also contributed their experience and knowledge to the development of the NST, as well as the careful attention they have given to the matters that they hear or mediate, and we are grateful for that. The quality of the decisions is the best measure of our success.

Lastly, the small but eager and efficient registry staff have dealt with parties who have come to us with great care and consideration, as well as managing the various policy and administrative tasks they have faced, and I am personally very thankful to them.

Appendix 6: Annual Report 2019–20 – Errors and Omissions

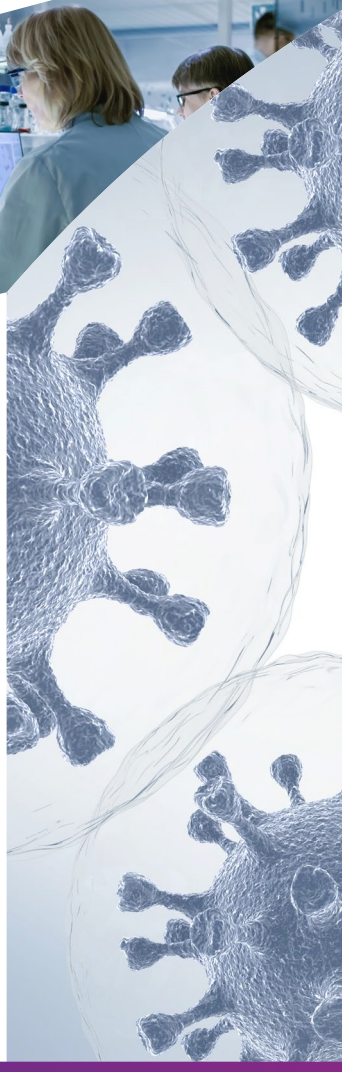
Errors printed in the *Annual Report 2019–20* are listed below:

Page 266 – Table 3: Ongoing staff numbers by classification at 30 June 2020

The total number under the heading 'Female full-time' incorrectly read: 2,005.
This number is not the correct total of female full-time staff as at 30 June 2020.
The correct number should read: 2,113.

Celebrating 100 YEARS OF HEALTH 1921 - 2021

A Tutor Sister and class at the Community Hospital, Canberra, Australian Capital Territory. NAA: A1200, L21639 (1956).



Navigation Aids

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List of Requirements

The list below outlines compliance with key annual performance reporting information, as required in section 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014.

PGPA Rule Reference	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 338
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	Page 330
17AJ(d)		List of requirements.	Mandatory	Page 324
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 24
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	Page 152
17AE(1)(a)(iii)		A description of the outcomes and programs administered by the entity.	Mandatory	Page 25
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	Page 24
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 148
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Page 148
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	Page 22
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

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(c)	**Report on the performance of the entity**			
	Annual Performance Statements			**Part 2**
17AD(c)(i); 16F		Annual Performance Statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	Page 27
17AD(c)(ii)	**Report on financial performance**			**Part 2.2 & 4**
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	Page 190
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	Page 136
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 190
17AD(d)	**Management and Accountability**			
	Corporate governance			**Part 3.1**
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	Page 146
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Page 147
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 147
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 147
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Page 140
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, mandatory	Not applicable

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	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 143
17AG(2A)(b)		The name of each member of the entity's audit committee.	Mandatory	Page 143
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Page 143
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Page 143
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	Page 143
	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 180
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 184
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 183
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 & Appendix 1**
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	Page 155
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; (d) statistics on staff location.	Mandatory	Page 156 & 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; Statistics on employees who identify as Indigenous.	Mandatory	Page 156 & Appendix 1

PGPA Rule Reference	Part of Report	Description	Requirement	Location
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 157 & Appendix 1
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory	Page 277 & 282
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	Page 282
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	Page 283
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 169
	Purchasing			**Part 3.5**
17AG(6)		An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	Page 170
	Reportable consultancy contracts			**Part 3.5**
17AG(7)(a)		A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Page 171
17AG(7)(b)		A statement that *"During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]."*	Mandatory	Page 171
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 171
17AG(7)(d)		A statement that *"Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website."*	Mandatory	Page 171

PGPA Rule Reference	Part of Report	Description	Requirement	Location
	Reportable non-consultancy contracts			**Part 3.5**
17AG(7A)(a)		A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	Page 172
17AG(7A)(b)		A statement that *"Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website."*	Mandatory	Page 172
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts**			**Part 3.5**
17AGA		Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	Page 171 & 172
	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 172
	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 172
	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 170
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Page 170

PGPA Rule Reference	Part of Report	Description	Requirement	Location
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."*	If applicable, mandatory	Page 170
	Financial statements			**Part 4**
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Page 193
	Executive remuneration			**Part 3.4 & Appendix 1**
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory	Page 158 & 279
17AD(f)	**Other mandatory information**			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that; *"During 2020–21, the Department of Health conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at www.health.gov.au and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."*	If applicable, mandatory	Page 173
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 2020 to 30 June 2021 is available at www.grants.gov.au"*	If applicable, mandatory	Page 173
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Page 162
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 182
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	Page 321
17AH(2)		Information required by other legislation	Mandatory	Part 3.6 & Appendices

Acronyms and Abbreviations

ACAT	Aged Care Assessment Teams
ACCC	Australian Competition and Consumer Commission
ABS	Australian Bureau of Statistics
AHPPC	Australian Health Protection Principal Committee
AICIS	Australian Industrial Chemicals Introduction Scheme
AIHW	Australian Institute of Health and Welfare
AMR	Antimicrobial resistance
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ATAGI	Australian Technical Advisory Group on Immunisation
AURA	Antimicrobial Use and Resistance in Australia Surveillance System
AUSMAT	Australian Medical Assistance Teams
BBV	Blood borne virus(es)
BPSD	Behavioural and Psychological Symptoms of Dementia
CD Plan	Emergency Response Plan for Communicable Diseases
CDBS	Child Dental Benefits Schedule
CEO	Chief Executive Officer
CGM	Continuous glucose monitoring
CGRG	Commonwealth Grant Rules and Guidelines
CHHP	Community Health and Hospitals Program
CHSP	Commonwealth Home Support Programme
CMO	Chief Medical Officer
COO	Chief Operating Officer
CPP	Chronic plaque psoriasis
CSO	Community Service Obligation
DBMAS	Dementia Behaviour Management Advisory Service
EA	Enterprise Agreement
EAP	Employee Assistance Program
EEGO	Energy Efficiency in Government Operations
EL	Executive Level
ESD	Ecologically sustainable development
FASD	Fetal alcohol spectrum disorder
FTE	Full-time equivalent
GMO(s)	Genetically modified organism(s)
GP(s)	General practitioner(s)
GPRCs	GP-led respiratory clinics

HCP(s)	Home Care Package(s)
HIV	Human immunodeficiency virus
HPAB	Health Peak and Advisory Bodies
HPV	Human papillomavirus
HR	Human resources
ICC	International Cricket Council
IFA	Individual Flexibility Arrangement
IHR	International Health Regulations
IPPR	Independent Panel for Pandemic Preparedness and Response
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 Regulation
MRFF	Medical Research Future Fund
NBCSP	National Bowel Cancer Screening Program
NCSP	National Cervical Screening Program
NDIS	National Disability Insurance Scheme
NDSS	National Diabetes Services Scheme
NFP	National Focal Point
NHRA	National Health Reform Agreement
NHS	National Health Survey
NICNAS	National Industrial Chemicals Notification and Assessment Scheme
NIP	National Immunisation Program
NIC	National Incident Centre
NMS	National Medical Stockpile
NPEV	National Partnership on Essential Vaccines
NSO(s)	National sporting organisations
NST	National Sports Tribunal
NTS	National Tobacco Strategy
OCS	Office of Chemical Safety
OECD	Organisation for Economic Co-operation and Development
OGTR	Office of the Gene Technology Regulator
OHMAP	One Health Master Action Plan
PAC	Program Assurance Committee
PBAC	Pharmaceutical Benefits Advisory Committee
PBS	Pharmaceutical Benefits Scheme
PPE	Personal protective equipment
PGPA	Public Governance, Performance and Accountability
PHN(s)	Primary Health Network(s)
PIP	Practice Incentives Program

RACF	Residential aged care facilities
RAS	Regional Assessment Services
RAP	Reconciliation Action Plan
SBRT	Severe Behaviour Response Teams
SES	Senior Executive Service
SMEs	Small and medium enterprises
STI(s)	Sexually transmissible infection(s)
TGA	Therapeutic Goods Administration
VOC	Vaccine Operations Centre
WHO	World Health Organization
WHS	Work health and safety

Glossary

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 healthcare professionals who look after them.
Australian Health Ministers' Advisory Council (AHMAC)	AHMAC is the advisory and support body to the Council of Australian Governments' 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).
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 long lasting and persistent in their symptoms or development. Although these features also apply to some communicable diseases (infections), chronic diseases is usually confined to non-communicable diseases.
Closing the Gap	Council of Australian Governments' Closing the Gap initiatives, designed to close the gap in health equality between Indigenous and non-Indigenous Australians.
Communicable disease	An infectious disease transmissible (as from person to person) by direct contact with an infected individual or the individual's discharges, or by indirect means. Communicable (infectious) diseases include sexually transmitted diseases, vector-borne diseases, vaccine-preventable diseases and antimicrobial resistant bacteria.

Coronavirus	Coronaviruses form a large family of viruses that can cause a range of illnesses. These include the common cold, as well as more serious diseases like SARS (severe acute respiratory syndrome), MERS (Middle East respiratory syndrome), and the more recent coronavirus disease 2019. See **COVID-19**.
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**.
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 healthcare organisations, practitioners, patients and consumers to improve the health status of patients.
Fetal alcohol spectrum disorder (FASD)	Refers to a range of problems caused by exposure of a fetus to alcohol during pregnancy.
Financial year	The 12 month period from 1 July to 30 June.
G20	G20 is the premier international forum for global economic cooperation. The G20 members account for 85% of the world economy, 75% 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.
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 self-care.
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).
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**.
Incidence	The number of new cases (of an illness or event, and so on) occurring during a given period. Compare with **prevalence**.
Indemnity insurance	A form of professional indemnity cover that provides surety to medical practitioners, midwives and their patients in the event of an adverse outcome arising from medical negligence.
Influenza (flu)	Caused by the influenza virus, which is easily spread from person to person and is not the same as the common cold. The flu is a serious disease as it can lead to bronchitis, croup, pneumonia, ear infections, heart and other organ damage, brain inflammation and brain damage, and death.
Jurisdictions	In the Commonwealth of Australia, these include the 6 states, the Commonwealth Government and the 2 territories.
Measles	A highly contagious infection, usually in children, that causes flu-like symptoms, fever, a typical rash and sometimes serious secondary problems such as brain damage. Preventable by vaccine.
Medical Research Future Fund (MRFF)	The MRFF delivers better and more advanced health care and medical technology for Australians. It provides support to researches to discover the next penicillin, pacemaker, cervical cancer vaccine or cochlear ear.
Medicare	A national, Government-funded scheme that subsidises the cost of personal medical services for all Australians and aims to help them afford medical care. The Medicare Benefits Schedule (MBS) is the listing of the Medicare services subsidised by the Government. The schedule is part of the wider MBS.

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 Diabetes Services Scheme (NDSS)	The NDSS is an initiative of the Australian Government administered by Diabetes Australia. It aims to enhance the capacity of people with diabetes to understand and self-manage their life with diabetes, and access services, support and subsidised diabetes products.
National Disability Insurance Scheme (NDIS)	Australia's national scheme providing individualised packages of support to eligible people with disability.
Organisation for Economic Co-operation and Development (OECD)	An organisation of 35 countries (mostly developed and some emerging, such as Mexico, Chile and Turkey), including Australia. The OECD's aim is to promote policies that will improve the economic and social wellbeing of people around the world.
Outcomes	Outcomes are the Government's intended results, benefits or consequences for the Australian community. The Government requires entities, such as the Department, to use Outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an Outcomes basis. The Department's current Outcomes are listed on page 25.
Pathology	The study and diagnosis of disease through the examination of organs, tissues, cells and bodily fluids.
Pharmaceutical Benefits Advisory Committee (PBAC)	The 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 Pharmaceutical Benefits Scheme. No new medicine can be listed unless the committee makes a positive recommendation.
Pharmaceutical Benefits Scheme (PBS)	A national, Government-funded scheme that subsidises the cost of a wide range of pharmaceutical drugs for all Australians to help them afford standard medications. The PBS lists all the medicinal products available under the PBS and explains the uses for which they can be subsidised.
Portfolio Budget Statements (PB Statements)	Statements prepared by portfolios to explain the Budget appropriations in terms of Outcomes and programs.
Prevalence	The number or proportion (of cases, instances, and so forth) in a population at a given time. In relation to cancer, prevalence refers to the number of people alive who had been diagnosed with cancer in a prescribed period (usually one, 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 3 times a year.
Public health	Activities aimed at benefitting 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 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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