Australian Government

Department of Health

Department of Health
Annual Report
2021–22

health.gov.au

Welcome to the Department of Health Annual Report 2021–22

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 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.

The COVID-19 pandemic continues to present the greatest test of our health system since the Department was established over 100 years ago, a system fundamental in supporting the Australian community to manage the health impacts of the pandemic. In 2021–22, the Department has continued work to ensure all areas of the health sector are prepared, informed, and engaged in the ongoing national response, supporting outstanding collaboration between governments, public and private health systems, and industry.

The Department's Annual Report 2021–22 provides a transparent account to the public and Parliament of the activities undertaken by the Department throughout the financial year. We report against our planned performance expectations, as outlined in the *Health Portfolio Budget Statements 2021–22* and *Health Corporate Plan 2021–22*, providing readers with financial and performance information about the work undertaken to achieve our vision of better health and wellbeing for all Australians, now and for future generations.

$38 million invested by the Biomedical Translation Fund to fund biomedical research[1]

Between 13 March 2020 and 16 March 2022, **over 100 million telehealth services were delivered** to around 17 million Australians[2]

National Suicide Prevention Office established on 10 September 2021[3]

2 new COVID-19 oral treatments available on the PBS[4]

$4 million funding provided to battle **motor neurone disease**[5]

Hosting rights for the 2032 Olympic and Paralympic Games awarded to Brisbane, Queensland[6]

Around 1,407 CHSP providers delivered a range of entry-level **support services to over 818,000 older Australians**[7]

At an average rate of 40% participation, the National Bowel Cancer Screening program is estimated to **save up to 59,000 lives between 2015 and 2040**[8]

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

Acknowledgement of Country

We proudly acknowledge the Traditional Owners and Custodians of Country throughout Australia and pay respect to those who have preserved and cared for the lands on which we live, work, and benefit from each day.

We recognise the inherent strengths and knowledge Aboriginal and Torres Strait Islander peoples provide to the health and aged care system and thank them for their existing and ongoing contributions to the wider community. We extend this gratitude to all health and aged care workers who contribute to improving health and wellbeing outcomes with, and for, First Nations peoples and communities.

We also recognise and respect Aboriginal and Torres Strait Islander peoples' continuing connections and relationships to the lands, waters, culture, and community, and pay respect to all Elders past, present, and emerging.

Artist interpretation of the Department of Health and Aged Care, our reconciliation journey, and our 100th anniversary. Artwork is titled '100 Years of Health' by contemporary Kalkadoon artist Chern'ee Sutton.

Department of Health
Annual Report 2021–22

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This Annual Report is available online at: www.health.gov.au/resources/publications/department-of-health-annual-report-2021-22

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

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Letter of Transmittal

Australian Government

Department of Health and Aged Care

Secretary

The Hon Mark Butler MP
Minister for Health and Aged Care

Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present the Department of Health Annual Report 2021–22 for the year ended 30 June 2022. 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 2021–22)
- *Industrial Chemicals Act 2019* (Appendix 3 – Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2021–22)
- 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 for 2021–22)
- *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

Professor Brendan Murphy AC
3 October 2022

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Secretary's Review

Professor Brendan Murphy AC

Welcome to the 2021–22 Annual Report. While the Department faced ongoing challenges to Australia's health system, we continued to deliver on government priorities while managing emerging issues in a high tempo operating environment.

2020–25 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. It 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 facilitate an estimated $149.7 billion in funding for public hospital services, including those delivered through emergency departments, hospitals, and community health settings. This includes amounts paid to states and territories under the National Partnership on COVID-19 Response.

In 2021–22, the Department continued to work with state and territory health departments to implement systemic reforms under the NHRA, with NHRA Long-term Health Reforms Roadmap being endorsed by all Australian health ministers in September 2021. While the COVID-19 pandemic diverted resources toward immediate pandemic related health care needs, it also helped accelerate reform. A key strength of the Department's COVID-19 response was building partnerships that enabled rapid problem solving and experimentation. COVID-19 stimulated the adoption of flexible models of care that crossed traditional boundaries between professions, and also between the hospitals, primary care, aged care, and disability care sectors. These advanced the NHRA objectives of delivering integrated, patient-centred, high value health care that is equitable, efficient, and sustainable.

The Commonwealth supported early trials in all jurisdictions through the Health Innovation Fund. The Department also commenced active work with states and territories to improve the use of data and explore innovative health care models that build on COVID-19 learnings that may be embedded into more flexible, ongoing funding and system arrangements.

Primary Health Care Reform

In March 2022, the Primary Health Care 10 Year Plan was released. The Department worked in partnership with the Primary Health Reform Steering Group to consult with over 480 stakeholder and advocacy organisations, researchers, state and territory governments, and people with lived experience of the health system. The final plan was informed by the Primary Health Reform Steering Group's final recommendations, plus formal submissions from over 200 organisations and individuals.

The Department commenced supporting the establishment of the Strengthening Medicare Taskforce, to be chaired by the Minister for Health and Aged Care, to provide recommendations on the highest priority investments in primary care under the $750 million Strengthening Medicare Fund. Building on the consultation and collaboration established through developing the Primary Health Care 10 Year Plan, the Taskforce will discuss patient access to general practice, including after hours, general practitioner led multidisciplinary team care, greater patient affordability, better prevention and management of ongoing and chronic health conditions, and decreased pressure on hospitals.

In recognition of the ongoing challenges accessing face to face primary care services, permanent telehealth items were introduced to the MBS from 1 January 2022. When used appropriately, telehealth can improve equitable and timely access to quality health care. This includes potential improvements for population groups who typically experience barriers due to distance, mobility, and cost, including older patients, rural and remote Australians, First Nations people, and people with disability. Increased investment in telehealth services also improves productivity and access for the Australian community.

COVID-19 pandemic

The National COVID-19 Vaccine Taskforce has been responsible for leading the delivery of the National COVID-19 Vaccination Program in partnership with states, territories, health providers, and the broader health sector.

At 30 June 2022, more than 61 million COVID-19 vaccine doses had been administered in Australia under the National COVID-19 Vaccination Program, and more than 40 million doses had been donated by Australia to international partners, including more than 23 million doses through direct donations to South East Asia and the Pacific, and more than 16 million through UNICEF[1]. Over 10,000 vaccination sites across Australia were administering COVID-19 vaccines, up from over 5,000 in 2020–21.

Australia has the fifth highest vaccination rate amongst countries in the Organisation for Economic Co-operation and Development. At 30 June 2022, over 95% of the Australian population aged 16 years and older had received 2 doses of a COVID-19 vaccine, and over 70% had received a third dose. In addition, more than 58% of the eligible population aged 65 years or older had received a fourth dose. Almost 80% of adolescents aged 12 to 15 had received at least 2 doses of the vaccine, and over 52% of children aged 5 to 11 had received at least one dose.

[1] United Nations International Children's Emergency Fund.

The Government continued to invest in a range of COVID-19 treatment options to ensure Australia has sufficient supply of treatments to manage different stages of the disease. This includes 2 oral antiviral treatments, Lagevrio® (molnupiravir) and Paxlovid® (nirmatrelvir and ritonavir), which were listed on the Pharmaceutical Benefits Scheme (PBS) on 1 March 2022 and 1 May 2022 respectively. As at 30 June 2022, approximately 71,000 prescriptions for Lagevrio and Paxlovid had been dispensed. These treatments can be used by patients with mild to moderate COVID-19 who have a high risk of developing severe disease. The PBS listing makes these treatments available for the current PBS co-payment amounts of $6.80 for concession card holders, and $42.50 for everyone else. It also enables eligible patients to get a prescription from their doctor or nurse practitioner to access the medicine from their local pharmacy, instead of going to hospital.

The National Partnership on COVID-19 Response continued to play a critical role in supporting Australia's public health and hospital response to COVID-19. The Commonwealth provided more than $5.1 billion in funding to states and territories in 2021–22, which was used to support COVID-19 testing, increase health workforce and hospital capacity, and administer vaccinations. The National Partnership on COVID-19 Response supported the substantial use of rapid antigen tests for COVID-19 by states and territories, including large scale school-based and childcare screening programs, and testing hospital visitors.

Medicare Benefits Schedule (MBS) Continuous Review

The MBS Review Taskforce, which ran from 2015 to 2020, is the most comprehensive MBS Review since Medicare's inception in 1984. The Taskforce reviewed more than 5,700 items on the MBS for clinical efficacy and relevance, providing over 60 reports to government outlining almost 1,400 recommendations to modernise the MBS, align it with contemporary clinical practice, improve patient outcomes, and support high value care.

The Taskforce published its Final Report in December 2020, and the MBS Continuous Review was established in response to recommendation 20 (establish a continuous review mechanism). The MBS Continuous Review's purpose is to evaluate existing MBS items and engage with the health sector to ensure the MBS remains contemporary, responsive, and supports improved patient experiences and outcomes.

In September 2021, the MBS Review Advisory Committee (MRAC) was established as an independent clinician and consumer led non-statutory committee to support the work of the MBS Continuous Review. The MRAC is led by Conjoint Professor Anne Duggan (Chair) and Ms Jo Watson (Deputy Chair), and is comprised of multidisciplinary and skills-based members with clinical, health system and research expertise, as well as allied health, nursing, and consumer representatives.

The MBS Continuous Review and the MRAC have commenced reviewing the MBS to provide advice to government using consultative processes. The MRAC will focus on matters requiring independent clinical, consumer and health system expertise that are not suitable for health technology assessment through the Medical Services Advisory Committee.

Reforms implemented as a result of the MBS Review Taskforce and MBS Continuous Review will ensure Australians continue to receive the care needed as the population ages, costs increase, and the complexity of illness and treatment grows.

Mental health support and suicide prevention

Addressing the mental health needs of the Australian community continued to be a high priority in 2021–22. The mental health impacts of the COVID-19 pandemic, and the New South Wales and Queensland floods, have been profound, and those effects will continue to be seen in the years to come.

In 2021–22, the Department continued to deliver a range of mental health and suicide prevention initiatives, with an estimated expenditure across the Commonwealth of $6.5 billion. The Department also continued to respond to recommendations from the Productivity Commission's Inquiry into Mental Health and the National Suicide Prevention Adviser's Final Report as part of broader reforms to the mental health sector.

Key achievements in 2021–22 included:

- Finalising a National Mental Health and Suicide Prevention Agreement (National Agreement) with state and territory governments, which sets out a partnership approach for improving the mental health of all Australians. The National Agreement includes bilateral schedules with individual states and territories to co-fund mental health and suicide prevention reforms from 2021–22 to 2025–26, totalling $1.8 billion.
- Investing $35.9 million to ensure communities affected by the New South Wales and Queensland floods could continue to access vital primary health services and additional mental health support. This included fast tracking the establishment of an interim Head to Health Centre in Lismore, New South Wales, with doors opening in March 2022, within just 4 weeks of the flood event. Construction of a permanent centre will commence in 2022–23. In addition, a Primary Health Precinct was established within 3 weeks of the flood event, quickly providing the community with access to general practitioners, pharmacists, allied health providers, mental health service providers, and dentists.
- A further $95.1 million investment in response to the mental health impacts of the COVID-19 pandemic, and to connect people to care through packages of support for New South Wales, Victoria, and the Australian Capital Territory. This included extending the doubling of Medicare-subsidised sessions from 10 to 20 sessions until 31 December 2022, and expanding eligibility to include aged care residents.
- 15 additional headspace services opened, taking the total number of services to 150 nationally, ensuring young people across Australia can access the mental health support they need.
- Expanding the network of Head to Health adult mental health centres, with a commitment from jurisdictions to co-fund further centres and satellite centres under the National Agreement. A total of 8 Commonwealth-funded centres commenced operation, and construction of 4 centres and 12 satellites commenced. In addition, the 14 existing Head to Health pop up clinics established in Victoria in response to the COVID-19 pandemic continued operations, and 10 additional Head to Health pop-up clinics in New South Wales, and one in the Australian Capital Territory commenced operation in September and October 2021 respectively.

Implementation of the Government's Aged Care Reform Agenda

The Final Report of the Royal Commission into Aged Care Quality and Safety was tabled on 1 March 2021. Since then, the Department has made significant progress in reforming the aged care system to ensure older Australians are at the centre of the aged care system and receiving high quality care.

Key achievements in 2021–22 include:

- The number of people awaiting allocation of a Home Care Package in the Home Care National Priority System reduced by around 38%, supported by the release of an additional 40,000 Home Care Packages.
- Over 99% of people in residential aged care facilities benefitted from the introduction of a Basic Daily Fee supplement, which supports aged care providers to deliver better care and services to residents, with a focus on improved nutrition through an additional $10 per day, per resident.
- The Aged Care Access Incentive was boosted, which supported over 2.4 million face to face general practitioner services for older Australians living in permanent residential aged care facilities.
- Residents of aged care facilities have received the full effect of greater protections through the Serious Incident Response Scheme, which helps prevent and reduce incidents of abuse and neglect.
- The new National Aged Care Advisory Council and the Council of Elders were established in November and December 2021 respectively, to help ensure aged care reforms meet the needs and expectations of older Australians, their families and loved ones, carers, and the Australian community.

Looking ahead, the Department will work to support the Government's reform agenda, which includes a 5 point plan for aged care that continues to address critical findings of the Royal Commission. The 5 point plan focuses on registered nurses being on site 24 hours a day, 7 days a week, a pay rise for aged care workers, more carers with more time to care, better food for residents, and greater transparency and accountability of funding to support care.

The Department continues to support aged care providers through COVID-19 outbreaks, including with targeted resources, funding, and advice. Since the pandemic commenced, the National Medical Stockpile has provided residential aged care facilities with over 284 million items of personal protective equipment, and over 56 million rapid antigen test kits. COVID-19 oral antiviral treatments were also delivered to all residential aged care facilities ahead of their listing on the PBS to ensure older Australians have rapid access to life saving treatment when they need it. In addition, over 117,000 shifts have been facilitated by the Department through the COVID-19 Aged Care Surge Workforce Program to provide aged care facilities with staffing support during outbreaks. Since February 2022, the Australian Defence Force has also been supporting aged care with additional assistance. The Department continues to process reimbursement of eligible expenses through several COVID-19 grant programs.

National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan

The National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–2031 (Workforce Plan) was released in March 2022. The Workforce Plan represents priorities identified by First Nations people, and includes strategies and actions to increase the participation of First Nations people in the national health workforce.

Looking ahead

Following the change of Government in May 2022, the Department worked closely with incoming ministers to ensure a smooth transition. Details on how the Department will deliver the new Government's priorities and address challenges are available in the *Department of Health and Aged Care Corporate Plan 2022–23*.

From 1 July 2022, the Department of Health was renamed the Department of Health and Aged Care. The change of name reflects the importance of aged care to the Australian community, and the high priority the Government places on aged care reform.

As a Department, we continue to advise the Government on policies and programs that support an affordable, quality health and aged care system which will deliver better health, ageing, and sport outcomes for all Australians.

We also continue to work with a wide range of stakeholders to ensure Australia's health system remains one of the best in the world, supporting better health and wellbeing for all Australians, now and for future generations.

Vale Dr Margot McCarthy

With great sadness, we farewelled our dear friend and colleague Dr Margot McCarthy in February 2022 after a long and courageous battle with cancer. During her illness, Margot continued to work in the Department as part of the Executive team, lead the Australian Public Service Academy, and personally mentor many staff members.

Margot's 32 year career as a public servant included senior positions in the Department of Defence, Prime Minister and Cabinet (PM&C), and Social Services. In February 2013, Margot was appointed as an Associate Secretary to lead PM&C's National Security and International Policy Group, where she worked across government to advise successive Prime Ministers on national security matters, and worked on the National Ice Taskforce. This experience, along with Margot's personal interest in aged care, prompted her to seek out the role of Deputy Secretary for Aged Care, and Margot joined the Department in November 2015 when responsibility for Ageing and Aged Care returned to Health from the Department of Social Services.

Margot will be remembered as one of the wisest and kindest people that many of us have had the privilege to work with.

Professor Brendan Murphy AC

Secretary
September 2022

Chief Medical Officer's Report

Professor Paul Kelly

2021–22 has been another extremely challenging year for Australia and the Department, facing additional health emergency outbreaks, while concurrently continuing to manage the evolving COVID-19 pandemic.

COVID-19 pandemic

The Australian Health Protection Principal Committee (AHPPC), which I chair, is the key advisory committee for health emergencies, and whose membership includes all state and territory Chief Health Officers. During 2021–22, the AHPPC met 175 times, providing expert medical advice to inform Australia's response to the pandemic and 2 other emerging infectious diseases, Japanese encephalitis virus (JEV) and the monkeypox (MPX) virus.

During 2021–22, the National Incident Centre (NIC) remained activated to facilitate Australia's response to the COVID-19 pandemic.

The NIC distributed critical public health information, responded to nationwide outbreaks, and coordinated, acquired, and distributed data to support both domestic and international contact tracing investigations. The NIC provided ongoing support to states and territories, including assisting the facilitation of changes to border rules and restrictions, and coordinating response operations relating to the identification of the COVID-19 Omicron variant.

In 2021–22, the National Medical Stockpile (NMS) provided personal protective equipment, anti-viral treatments, and rapid antigen tests to a range of sectors, including residential aged care facilities, disability service providers, general practitioner respiratory clinics, Aboriginal Community Controlled Health Services, general practitioners, vaccinating pharmacists, and the Royal Flying Doctor Service to support rural, remote and First Nations communities.

In addition to supporting the COVID-19 response in 2021–22, the NMS continued to play a significant role as Australia's strategic reserve of essential medicines for use in national health emergencies. This included maintaining the NMS at anticipated levels and supporting jurisdictions' response to the recent outbreaks of JEV and MPX in Australia.

The Aboriginal and Torres Strait Islander Advisory Group on COVID-19 was established in March 2020 to provide culturally appropriate advice to the Department, including for Aboriginal and Torres Strait Islander health services and communities about COVID-19.

The group is co-chaired by Dr Dawn Casey, Deputy CEO of the National Aboriginal Community Controlled Health Organisation (NACCHO), and the Department's Dr Lucas de Toca. During 2021–22, the Advisory Group continued to work constructively to ensure that First Nations communities were informed and protected against COVID-19.

The COVID-19 pandemic continues to highlight the need for software systems which enable timely data capture, management, and reporting of communicable diseases. In June 2022, the Department implemented the major functions of the National Interoperable Notifiable Disease Surveillance System by developing cloud capability to allow for future expansion and viability of the system, enhanced data extraction and reporting functionality, and processing with a modern, more efficient technology solution. This critical surveillance system will support outbreak response across Australia for nationally notifiable diseases and allow more timely reporting to meet both national and international requirements.

Over the last 2 and a half years, Australia has endured numerous public health emergencies. While well established arrangements are in place to respond quickly and effectively, there is potential to boost Australia's response capacity, strengthen prevention, improve communication, and enhance national coordination and collaboration across all levels of government.

A key focus for the Department in 2022–23 will be to lead the design of an Australian Centre for Disease Control, tasked with ensuring ongoing pandemic preparedness, leading a federal response to future infectious disease outbreaks, and working to prevent non-communicable (chronic) and communicable (infectious) diseases.

Immunisation

Protecting the Australian community against influenza remains an important public health measure, and each influenza season presents its own unique challenges. Prior to the onset of the COVID-19 pandemic in 2020, influenza accounted for the most notifications of vaccine preventable diseases in Australia each year.

Preventive measures relating to COVID-19, such as mandatory mask wearing, social distancing, limiting mass gatherings, and handwashing, helped to greatly reduce the opportunities for transmission and the number of influenza cases in 2020 and 2021. In the international context, requirements for negative COVID-19 pre-departure tests and additional on arrival information reduced the risk of COVID-19 positive travellers entering the Australian community. These measures, alongside a staged reopening of Australia's borders to international travellers, have supported a proportionate transition to living with COVID-19.

However, the easing of COVID-19 restrictions in 2022 across all Australian jurisdictions also created an environment for increased influenza transmission and a resurgence in influenza cases during the 2022 winter season. An added challenge in 2022 was decreased protective immunity due to the relative absence of circulating influenza viruses within the Australian community over the past 2 years.

To mitigate this risk, the Department launched several national communication campaigns to raise awareness of increased susceptibility to influenza and its associated complications, and the importance of getting vaccinated, particularly for those most vulnerable, including a targeted campaign to encourage parents to vaccinate their young children.

In 2022, more than 17.7 million doses of the influenza vaccine were available nationally, including 9.7 million free doses through the National Immunisation Program for those most at risk. Over 10 million vaccines were administered, a record high for Australia.

In addition to influenza, there is an increased risk of other vaccine preventable diseases such as measles infection due to the reinstatement of international travel, combined with an increase in measles outbreaks internationally. This outbreak is due largely to disruption of vaccination programs caused by the COVID-19 pandemic, which could result in more measles cases in the Australian community.

Japanese encephalitis virus (JEV)

JEV is a mosquito-borne viral disease. In most cases, human infections are asymptomatic, but on rare occasions JEV can result in serious illness or death. While JEV was endemic in many regions of Asia prior to 2022, previously clinical JEV had only rarely occurred in humans in Australia, with only 15 cases notified in the past 10 years, with all but one of these cases having acquired their infection overseas.

On 4 March 2022, JEV was declared a Communicable Disease Incident of National Significance to enable a nationally coordinated response following the detection of a human case of JEV in Queensland, and an outbreak of JEV in pigs at 14 piggeries across 4 states. The Department, in collaboration with the Department of Agriculture, Fisheries and Forestry (previously the Department of Agriculture, Water and the Environment), as well as state and territory entities, adopted a OneHealth response to JEV to minimise the impact on both human and animal health through the coordination of health policy, interventions, and public messaging.

A national Communicable Diseases Network of Australia JEV working group was established to support the response, comprising communicable disease, vaccine, and arbovirus experts, as well as the development of a joint National Japanese Encephalitis Outbreak Response Plan and JEV Vaccine Distribution Strategy.

The Department has delivered $58.18 million to respond to the JEV outbreak. This included:

- $28.18 million to purchase additional JEV vaccines, which are being held and deployed by the NMS and have been made available to states and territories to vaccinate those at greatest risk of contracting JEV.
- $25.0 million to support mosquito surveillance and control activities, dedicated research and surveillance, and testing capacity. This will provide greater understanding of the spread of JEV and identify areas of future risk to allow implementation of control measures to limit further transmission and inform targeted vaccination approaches.
- $5.0 million for public health communication to ensure people are aware of the risks and how to prevent infection. This includes precautions against getting bitten by mosquitoes and understanding signs and symptoms of infection.

Monkeypox (MPX)

In early May 2022, the United Kingdom reported an unusual case of MPX in a person who had not travelled to an endemic area. This was the first case reported in what is now a large international outbreak. At 30 June 2022, more than 3,500 cases had been confirmed in 50 countries, the majority of which had never previously reported cases, including Australia.

The current MPX outbreak differs from the more classic MPX presentations in endemic regions of Africa in that it appears to spread from human to human through close intimate contact, with the majority of cases (approximately 99%) identified in gay, bisexual, and other men who have sex with men (GBMSM). However, anyone who shares close physical contact can contract MPX.

At 30 June 2022, 11 (confirmed and probable) cases of MPX had been reported in Australia. Most infections within Australia have been acquired overseas, however a small number of cases are believed to have been acquired locally.

The Department has closely monitored the global situation and, following confirmation of the first case in Australia in May 2022, activated the NIC to coordinate an enhanced national response. On 26 July 2022, MPX was declared a Communicable Disease Incident of National Significance. This followed the World Health Organization declaring the global situation regarding MPX a Public Health Emergency of International Concern on 23 July 2022.

The NIC worked closely with state and territory governments through the AHPPC and its sub-committees to coordinate the development of a range of national documents and guidelines, including case definitions, communication strategy, the interim MPX series of national guidelines, infection prevention control guidelines, and case and contact management guidelines. In addition, MPX infection has been temporarily listed on the National Notifiable Disease List for 6 months to enable timely reporting and analysis of Australian cases.

Vaccines and treatments for smallpox are likely to be effective against MPX. In addition to existing vaccine and treatment stock, Australia secured supplies of a new third generation vaccine to ensure the safety and wellbeing of vulnerable people. The Australian Technical Advisory Group on Immunisation (ATAGI) provided clinical treatment guidelines on the use of the smallpox vaccine and treatments for MPX, as well as recommendations for groups to receive the vaccination.

Community led initiatives are critical for outbreak management, and the Department is working closely with peak bodies and health organisations who represent the GBMSM community who are at greatest risk of MPX, including the Australian Federation of AIDS Organisations, the Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine, the National Association of People with HIV Australia, and the Australian Sex Workers Association to improve awareness and encourage people at risk, as well as health professionals, to be aware of the signs of MPX.

Climate change action

Climate change has already had, and will continue to have, detrimental effects on human health in Australia. AHPPC has identified climate change as a health protection priority, and work is continuing to identify priority areas for action and engage relevant experts.

Identified health impacts of climate change include heat stress, the spread of vector-borne diseases due to changed environmental factors such as drought, increased incidences of flooding and warmer temperatures in southern latitudes, climate sensitive air pollution, threats to mental health, food and water insecurity, and spill-over effects on health services from global impacts of climate change, including trade, conflict, and migration. The Department also continues to work with state and territory health departments to ensure Australia is well placed to respond to the health impacts of climate change by contributing to work being progressed through the AHPPC and its standing committees.

The Australian Government has reaffirmed its commitment to taking action to address the health impacts of climate change. On 29 June 2022, the Assistant Minister for Health and Aged Care, The Hon Ged Kearney MP, announced the Government would make climate change a national health priority, and committed to developing Australia's first National Strategy on Climate Change and Health to address the health impacts of climate change.

Continued response to the National Dust Disease Taskforce's final report

The Department continued to work closely with the Department of Employment and Workplace Relations (previously the Department of Education, Skills and Employment), Safe Work Australia, medical bodies, worker representative groups, and industry on addressing the recommendations from the National Dust Disease Taskforce (the Taskforce).

On 23 February 2022, the Government released the National Guidance for doctors assessing workers exposed to respirable crystalline silica dust, with specific reference to the occupational respiratory diseases associated with engineered stone (the National Guidance). The National Guidance is designed to help general practitioners (GPs) and medical practitioners identify and assess people at risk of respiratory disease caused by inhaling respirable crystalline silica dust, such as silicosis. Understanding the early indicators of respiratory diseases like silicosis will assist medical practitioners to identify and implement effective measures to improve health outcomes.

On 4 April 2022, the All of Governments' Response to the Final Report of the National Dust Disease Taskforce (the Response) was released. The Response sets out governments' approach to addressing the final recommendations of the Taskforce. The Response was endorsed by all states and territories, noting that effective implementation of recommendations will require a cohesive set of actions by all stakeholders.

The Response builds on the actions already commenced in response to the Taskforce interim advice report, including the development of a national occupational respiratory disease registry and a national silicosis prevention strategy, which is anticipated to be published in early 2023.

To support the Department in responding to the work of the Taskforce and contribute to the actions indicated in the Response, the 2022–23 Budget also includes an additional $11 million to improve the awareness and treatment of dust diseases. The 'prioritising improved supports for workers affected by dust related diseases' health funding package will also provide funding for future grant opportunities to ensure enhanced focus on prevention activities, upskilling and improving the expertise and knowledge of medical professionals, strengthening the evidence base, and building research capability.

Vaping/e-cigarettes

In recent years, concerns have grown about the increased marketing, availability, accessibility, and recreational use of vapourised nicotine/e-cigarettes, called vaping, by children and adolescents. Evidence shows vaping to be a likely pathway for nicotine dependence and future smoking.

E-cigarette users are also exposed to a range of chemicals and toxins that have the potential to cause adverse health effects. Protecting young people and other members of the Australian community from harms associated with the marketing and use of e-cigarettes remains a significant public health challenge.

The Department continued to work closely with a range of stakeholders to address the harms posed by the marketing and use of e-cigarettes. The Department has funded several evidence-based reviews and monitoring and surveillance activities, supported increased education and public awareness, and is working with states and territories to develop a comprehensive approach to enforcement.

On 21 December 2020, following extensive public consultation, and consistent with the existing ban on nicotine e-cigarettes in all states and territories, the Therapeutic Goods Administration (TGA) announced a decision on the scheduling of nicotine in the Poisons Standard. Since 1 October 2021, consumers wishing to import nicotine have required a doctor's prescription to legally access nicotine vaping products. Child resistant closures for liquid nicotine have also become mandatory.

While there remains limited evidence of efficacy of e-cigarettes as an aid to smoking cessation, over 30,000 Australian GPs may prescribe nicotine vaping products, allowing consumers to import such items under the personal importation scheme administered by the TGA. These GPs can also register to become 'authorised prescribers', allowing them to issue prescriptions for e-cigarettes for dispensing at a local pharmacy.

The Government implemented regulatory changes to enable Australian pharmacies to stock unregistered nicotine vaping products in their dispensaries, noting there are no nicotine vaping products registered in the Australian Register of Therapeutic Goods (ARTG). As state and territory laws also govern such holdings, the TGA worked with local authorities to harmonise their arrangements with the Commonwealth approach.

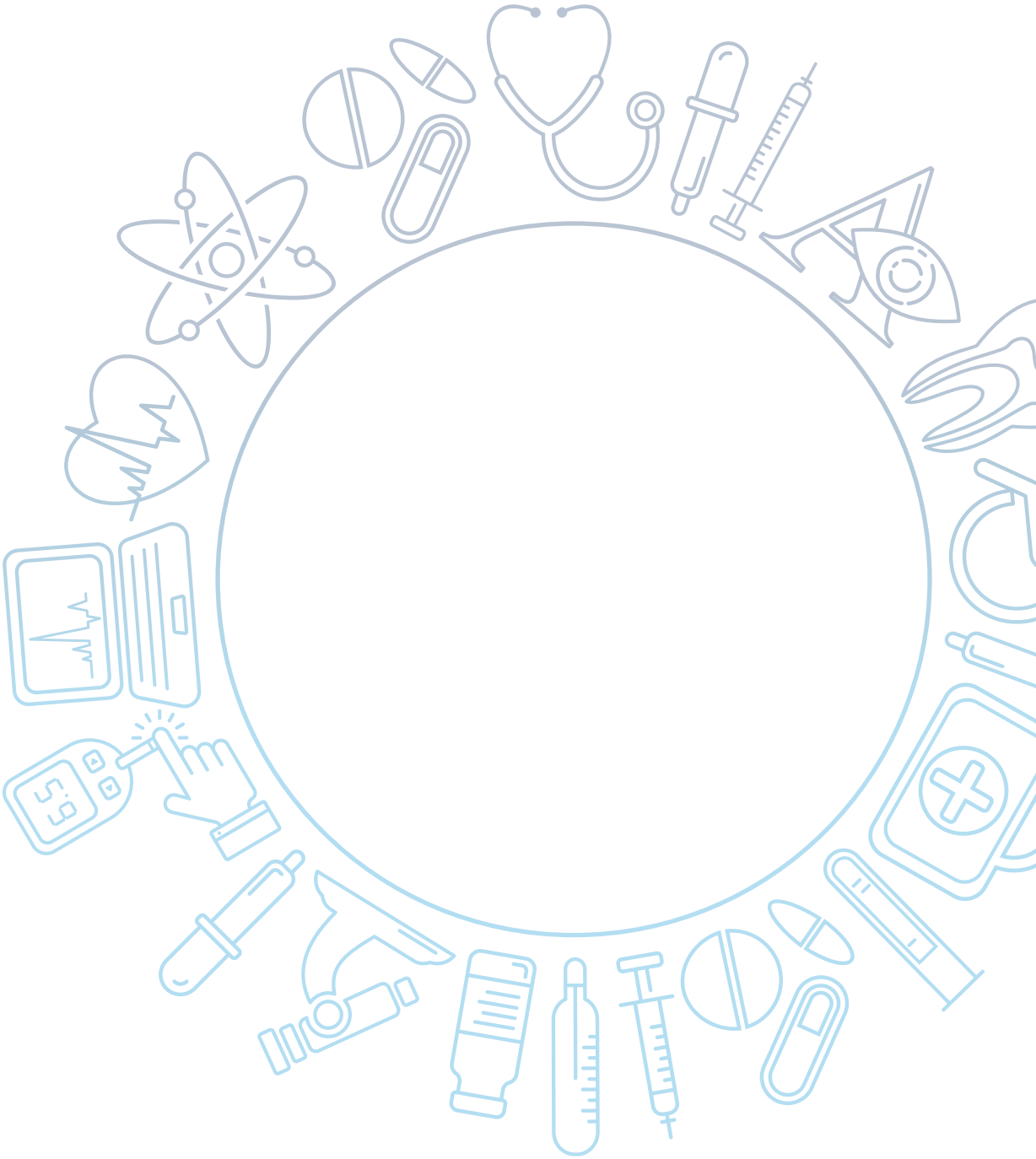
Strict conditions apply to the way in which pharmacies may advertise these goods, and the TGA issued a mandatory product standard setting out minimum safety and quality requirements for all unregistered nicotine vaping products.

It is important to note that the TGA does not assess the safety, quality, and efficacy of these unregulated nicotine vaping products as a smoking cessation aid. This contrasts with many nicotine replacement therapies (e.g. nicotine patches, gum, lozenges, mouth sprays and inhalators) that are registered in the ARTG following rigorous assessment.

In general, the Commonwealth regulates the import, export, manufacture, advertising, and some supplies of therapeutic goods. Work with other government authorities, including the Australian Competition and Consumer Commission, the Australian Border Force, and the Australian Federal Police on nicotine vaping matters has helped to ensure a consistent and cohesive approach among Commonwealth regulators towards vaping policy and strategy.

Professor Paul Kelly

Chief Medical Officer
September 2022



Chief Operating Officer's Report

Charles Wann

In another incredibly busy year, despite evolving challenges and increased work volumes, the Corporate Operations Group (Corporate) has continued to provide strong support to the Department to deliver improved outcomes for the Australian community.

COVID-19 pandemic

The Department's main priority in 2021–22 was contributing to the Government's response to the COVID-19 pandemic, including the vaccine rollout. Corporate provided various essential functions, enabling the Department's work, and in 2022–23 will support the Department as it transitions from emergency measures to sustainable operations in the long term.

To support the COVID-19 vaccine rollout, the Department developed a COVID-19 Vaccine Administration System (CVAS), enabling the more than 11,000 physical locations where vaccines are distributed, including general practice clinics, pharmacies, Commonwealth entities, states, territories, and other industry bodies, to manage the ordering and logistics of COVID-19 vaccines. In addition, a Vaccine Incident Management System (VIMS) was also developed, allowing the Department to respond to over 100,000 public enquiries related to COVID-19 via phone and email. As a high percentage of the Australian population are now vaccinated, the Department is focused on transitioning the CVAS and VIMS into a sustainable support model that provides ongoing COVID-19 vaccine and booster administration support for all Australians.

Corporate provided legal advice on a range of complex issues, including legal advice to support the establishment of the new mRNA manufacturing facility in Australia, ongoing administration of the COVID-19 Vaccine Claims Scheme, and advice regarding the relaxation and end of emergency measures made under the *Biosecurity Act 2015*. Fraud and Corruption Risk Assessments were developed, with advice and guidance material provided to support the ongoing management of scams and procurement fraud risks associated with the COVID-19 pandemic.

The Department's Contact Centre continued to experience high volumes of enquiries in 2021–22, including from vaccine sites and the public seeking COVID-19 specific vaccine support. The Contact Centre received 424,153 enquiries, a 50% increase from the 281,912 enquiries seen in 2020–21. The Contact Centre also enabled working from home capability for their staff for the first time, which saw an increased ability to support business continuity.

Corporate supported the Department to establish and implement travel and accommodation arrangements, enabling the rapid deployment of aged care workforce surge support across Australia to assist eligible aged care providers whose staff had been furloughed due to a case or outbreak of COVID-19.

Throughout 2021–22, the Department's website continued to be an important channel to support information needs and provide up to date information on COVID-19, recording a total of 116,926,454 million page visits and 16,181,188 million document downloads. The number of pages published on the website increased from 11,700 to over 33,000 in 2021–22, with COVID-19 content translated into 108 languages and dialects to increase accessibility.

The Department undertook a range of innovative partnerships and targeted communications for business and local government, youth, parents, older Australians, and people in rural and regional areas. This level of stakeholder support will continue beyond the pandemic to cover broader health topics and ensure all health messages become more accessible than ever.

The volume of ministerial correspondence increased as a result of the COVID-19 pandemic. In 2021–22, the Department received 22,673 pieces of correspondence, up from 14,912 pieces pre-pandemic. To manage the increase, the Department engaged additional resources to ensure Health portfolio ministers could continue responding to correspondence efficiently.

Aged care reform

The aged care system is undergoing major reform to the way it operates. In 2021–22, the Department continued working with the Australian Government and the aged care sector to implement significant programs of reform work by addressing recommendations in the Royal Commission into Aged Care Quality and Safety's Final Report (the Final Report).

In response to recommendation 26 of the Final Report (Improved public awareness of aged care), the Department established a Communication and Change Branch within Corporate in mid 2021 to support the delivery of aged care reform. The Branch supports the Department's Ageing and Aged Care Group to design and implement communication, engagement, and change activities for over 80 reform projects.

To ensure older Australians are front and centre of the reform, and stakeholders are prepared for change, the Branch connects the Ageing and Aged Care Group to approximately 40 reference groups. Reference groups consist of a combination of consumer and provider peak body representatives, advocates for older Australians, aged care workers and providers, and people who work directly with older Australians from diverse backgrounds and experiences.

The Branch also launched the Ageing and Aged Care Engagement Hub in August 2021. The Hub is a central place for aged care reform information, engagement activities, and news, and is a gateway for consultation about changes to aged care. Updates are progressively published on the Hub, including how feedback from stakeholders and older Australians is informing changes to aged care policy.

Thousands of people have provided feedback about the reforms via surveys, discussion papers, focus groups, interviews, and reform webinars. The Department is communicating with older Australians about the reforms that will have an impact on the way they access aged care, including star ratings, home care, access, navigation, and accommodation design.

In August 2021, over 1,000 people from the public and aged care sector told the Department through an online survey and 35 focus groups about the standards they expect in aged care, with a review of this feedback scheduled for completion by December 2022.

In addition to communication and engagement activities, the Branch provides change management expertise to support the Department and aged care providers to understand and prepare for the changes needed so older Australians receive the care and support they deserve.

A program of assurance has commenced to support the Aged Care Transformation Program. It is designed to provide confidence that reforms will achieve the desired outcomes and realise its benefits within an acceptable level of risk, and within relevant financial, time, and environmental constraints. Assurance reviews are underway and focusing on several reform activities, the outcomes of which will be incorporated into the delivery of reforms throughout 2022–23.

Within the technology space, the Department created a new Digital Transformation and Delivery Division tasked with supporting the realisation of a consolidated, sustainable, automated, and better connected Aged Care ecosystem. Since its inception, the Division has focused on maturing its internal capabilities, rapidly expanding its skilled workforce, and investing in modern, flexible technology solutions capable of facilitating large-scale and dynamic delivery. There has also been a focus on establishing relationships across government, working with other agencies such as Services Australia, Australian Digital Health Agency, Australian Commission on Safety and Quality in Health Care, and the Digital Transformation Agency to coordinate messaging and outcomes for aged care stakeholders, and support and leverage whole of government initiatives wherever possible. The Division has prioritised relationships with the broader aged care sector, ensuring a proactive and reliable conversation through a series of public engagement initiatives, including Digital Transformation Tech Talk webinars, a guest speaker series, a public presence on the Department's website, and a Digital Transformation Sector Partners group, which includes volunteers working collaboratively with the Department on co-design activities.

In 2021–22, the Division expanded current systems to deliver on major policy reforms, including development of the Australian National Aged Care Classification (AN-ACC) program. Other major priorities include building foundational solutions for a Business to Government Platform, a client Customer Relationship Management Platform, and a Government Provider Management System.

These tools will assist government to monitor and report on aged care quality and safety through improved data tracking, will deliver streamlined and better connected user experiences, and will set the groundwork for future sector-wide digital transformation.

Diversity and inclusion

The Department is committed to being inclusive, culturally aware, and responsive to the needs of individuals. Program initiatives continued to be implemented to broaden diversity in the workplace and support a wide range of diversity dimensions. In driving First Nations and cultural diversity, the Department has implemented a Closing the Gap Steering Committee, which will drive action against the Closing the Gap Action Plan. In addition, the Innovate Reconciliation Action Plan 2021–23 was launched in December 2021 to build reconciliation by meaningful action by strengthening current initiatives, developing new innovative strategies, and embedding reconciliation in day to day business.

The Department respects and celebrates diversity and inclusion, and is committed to measuring its progress in pursuing greater inclusivity. In June 2022, the Department achieved Silver Employer tier status for the first time in the 2021–22 Australian Workplace Equality Index, which is the national benchmark for LGBTQ+ workplace inclusion in Australia. This achievement highlights the Department's sustained commitment to workplace inclusion for people of diverse sexual orientations and genders.

In December 2021, the Department was named an Inclusive Employer by the Diversity Council of Australia, based on the Inclusion@Work Index Survey. Over 1,000 staff participated in the survey, which measures and tracks progress in creating a diverse and inclusive organisation.

For more information on diversity and inclusion, see Part 3.4: People, page 125.

New Ways of Working and remote working

The New Ways of Working (NWOW) Program is now in its third year, continuing the Department's journey to create more flexible, accessible, and healthy work environments that empower 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 2021–22, the program delivered NWOW environments for the Department's office in Perth, Western Australia, one floor of the Department's central office building in Canberra, Australian Capital Territory (ACT), and finalised construction of a new office building and purpose-built laboratory facilities in Canberra, ACT for the Therapeutic Goods Administration and Office of Drug Control. The new physical work environments in Perth and Canberra offer a range of workspaces underpinned by enhanced technology to enable staff to perform at their best while supporting different work activities and diverse work styles.

The Department's offices in Melbourne, Victoria and Brisbane, Queensland, and 3 Divisions within the Ageing and Aged Care Group in the Canberra central office, transitioned to adopt NWOW within their existing physical environment. This enabled staff to make best use of existing spaces while supporting flexible working arrangements.

In 2022–23, momentum will continue by transforming workspaces into NWOW environments for staff across 2 floors in the Canberra central office, the Melbourne office, and the Sydney office.

To support effective mobility within the NWOW Program and remote working arrangements, IT capacity has been improved in a phased approach, including additional hardware, increased bandwidth, and network capacity. This includes deployment of laptops to all staff, with an average of 4,295 people connecting remotely per day, live chat IT Service Desk support enabled, and WebEx strongly utilised across the Department for team collaboration, online video meetings, virtual training, and webinars.

APS Staff Survey

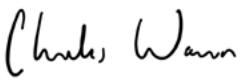
The 2022 Staff Survey showed the Department had continued to build on the positive results from the previous year, with strong, broad improvement on most questions from 2021, and almost all above the APS average.

The areas which saw significant improvement were staff consultation and change management, staff perception of wellbeing, including access to flexible work arrangements, and staff reporting they feel inspired to do their best work. There has also been significant improvement in the Department's innovation results, with staff reporting the Department supports them to think of new or better ways of doing things. Results for leadership lifted again off a high base.

Over the coming year, the Department will continue to focus on building strong leadership and positive culture. Key areas will include investing further in change management capability, fostering innovation, and supporting managers and employees to embed new ways of working. This will ensure the Department continues to build on the significant improvements made in 2022.

Financial Results

In 2021–22, the Department administered 20 programs across 4 outcomes. Administered expenses totalled $91.6 billion, and were comprised primarily of payments for personal benefits of $59.4 billion (65% of the total), including those for medical services, pharmaceutical services, and private health insurance rebates. Subsidies, predominantly for aged care, amounted to $14.9 billion (16% of the total). Grants expenditure was $11.9 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 159.



Charles Wann

Chief Operating Officer
September 2022

1

Part 1: About the Department

Part 1.1: Health Portfolio

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

The Hon Mark Butler MP

Minister for Health and Aged Care
Deputy Leader of the House

The Hon Mark Butler MP holds overarching responsibility for the Health portfolio. He is assisted by the Hon Anika Wells MP on Outcomes 3 and 4, the Hon Ged Kearney MP on Outcome 1, the Hon Emma McBride MP on Program 1.2, and Senator the Hon Malarndirri McCarthy on Program 1.3.

Departmental Outcomes:

Outcome 1: Health Policy, Access and Support
Outcome 2: Individual Health Benefits
Outcome 3: Ageing and Aged Care
Outcome 4: Sport and Recreation

Portfolio Entities/Statutory Office Holders:

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

The Hon Anika Wells MP

Minister for Aged Care
Minister for Sport

The Hon Anika Wells MP has responsibility for the following:

Departmental Outcomes:

Outcome 3: Ageing and Aged Care
Outcome 4: Sport and Recreation

Portfolio Entities/Statutory Office Holders:

Aged Care Pricing Commissioner
Aged Care Quality and Safety Commission
Aged Care Quality and Safety Commissioner
Australian Sports Commission (Sport Australia)
Australian Sports Foundation
National Sports Tribunal
Sport Integrity Australia

The Hon Ged Kearney MP

Assistant Minister for Health and Aged Care

The Hon Ged Kearney MP has responsibility for the following:

Departmental Outcomes:

Outcome 1: Health Policy, Access and Support

Portfolio Entities/ Statutory Office Holders:

Australian Industrial Chemicals Introduction Scheme

Australian Radiation Protection and Nuclear Safety Agency

Food Standards Australia New Zealand

Gene Technology Regulator

National Blood Authority

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

The Hon Emma McBride MP

Assistant Minister for Mental Health and Suicide Prevention

Assistant Minister for Rural and Regional Health

The Hon Emma McBride MP has responsibility for the following:

Departmental Programs:

Outcome 1, Program 1.2: Mental Health

Portfolio Entities/ Statutory Office Holders:

National Mental Health Commission

National Rural Health Commissioner

Senator the Hon Malarndirri McCarthy

Assistant Minister for Indigenous Australians

Assistant Minister for Indigenous Health

Senator the Hon Malarndirri McCarthy has responsibility for the following:

Departmental Programs:

Outcome 1, Program 1.3: Aboriginal and Torres Strait Islander Health

1.2: Portfolio Structure

As at 30 June 2022, the Health portfolio consisted of:

Department of State

Department of Health
Secretary:
Professor Brendan Murphy AC

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:
Rob Heferen

Australian Radiation Protection and Nuclear Safety Agency
Chief Executive Officer:
Dr Gillian Hirth

Australian Sports Commission (Sport Australia)
Chief Executive Officer:
Kieren Perkins OAM

Australian Sports Foundation Limited
Chief Executive Officer:
Patrick Walker

Cancer Australia
Chief Executive Officer:
Professor Dorothy Keefe PSM

Food Standards Australia New Zealand
Chief Executive Officer:
Dr Sandra Cuthbert

Independent Hospital Pricing Authority
A/g Chief Executive Officer:
Joanne Fitzgerald

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
A/g Director:
Professor Antonio Di Dio

Sport Integrity Australia
Chief Executive Officer:
David Sharpe APM OAM

Statutory Office Holders

A/g Aged Care Pricing Commissioner
David Weiss

Aged Care Quality and Safety Commissioner
Janet Anderson PSM

Australian Industrial Chemicals Introduction Scheme
Executive Director:
Graeme Barden

Gene Technology Regulator
Dr Raj Bhula

National Health Funding Pool Administrator
Michael Lambert

National Rural Health Commissioner
Professor Ruth Stewart

National Sports Tribunal CEO
John Boultbee AM

Part 1.3: Departmental Overview

The Department of Health is a Department of State. In 2021–22, we operated under the *Public Service Act 1999* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Our History

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

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

The Department has continued to evolve, and has undergone a number of changes in name, function and structure through the years. However, the Department's focus is still on improved health and wellbeing for all Australians, now and into the future.

Our Vision

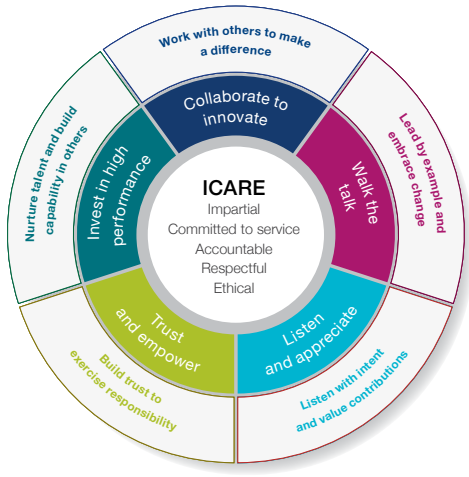
Better health and wellbeing for all Australians, now and for future generations.

Our Purpose

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

Our Values and Behaviours

The Australian Public Service (APS) Values[2] (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 revisited during the year to ensure staff are familiar with the expected behaviours.



Our Commitment

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.

[2] The APS Values include the APS Employment Principles and the APS Code of Conduct contained in the *Public Service Act 1999*.

Part 1.4: Department-Specific Outcomes

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

Listed below are the outcomes relevant to the Department, and the programs managed under each outcome in 2021–22.

Outcome 1: Health Policy, Access and Support

1.1: Health Research, Coordination and Access

1.2: Mental Health

1.3: Aboriginal and Torres Strait Islander Health

1.4: Health Workforce

1.5: Preventive Health and Chronic Disease Support

1.6: Primary Health Care Quality and Coordination

1.7: Primary Care Practice Incentives and Medical Indemnity

1.8: Health Protection, Emergency Response and Regulation

1.9: Immunisation

Outcome 2: Individual Health Benefits

2.1: Medical Benefits

2.2: Hearing Services

2.3: Pharmaceutical Benefits

2.4: Private Health Insurance

2.5: Dental Services

2.6: Health Benefit Compliance

2.7: Assistance through Aids and Appliances

Outcome 3: Ageing and Aged Care

3.1: Access and Information

3.2: Aged Care Services

3.3: Aged Care Quality

Outcome 4: Sport and Recreation

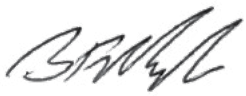
4.1: Sport and Recreation

2

Part 2: Annual Performance Statements

Part 2.1: 2021–22 Annual Performance Statements

As the accountable authority of the Department of Health, I present the Department of Health 2021–22 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.



Professor Brendan Murphy AC
Secretary
3 October 2022

Introduction

As required under the PGPA Act, this report contains the Department of Health's Annual Performance Statements for 2021–22. The Annual Performance Statements detail results achieved against planned performance criteria set out in the *Health Portfolio Budget Statements 2021–22*, *Health Portfolio Additional Estimates Statements 2021–22*, and the Department's *Corporate Plan 2021–22*.

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 2021–22
- results and discussion against each performance criteria.

* The Department's detailed review of performance measures for compliance with the requirements of PGPA Rule 2014 section 16EA has identified some measures for which the quality assurance over some data sources either was not in place or could be improved. The Department is working to improve its data quality assurance arrangements as part of a holistic focus on improving its performance reporting arrangements. The impact of the quality assurance improvements required does not diminish the accuracy of reporting on the entity's performance outlined within these Annual Performance Statements.

Results Key

● **Met**

≥98% of the target for 2021–22 has been achieved.

◖ **Substantially met**

75–97.9% of the target for 2021–22 has been achieved.

○ **Not met**

<75% of the target for 2021–22 has been achieved.

— **Data not available**

Data is not yet available to report for the 2021–22 financial year.

N/A **N/A**

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

Note: Where a target comprises a number of sub-targets, these are aggregated, and each sub-target is weighted equally in determining the overall result.

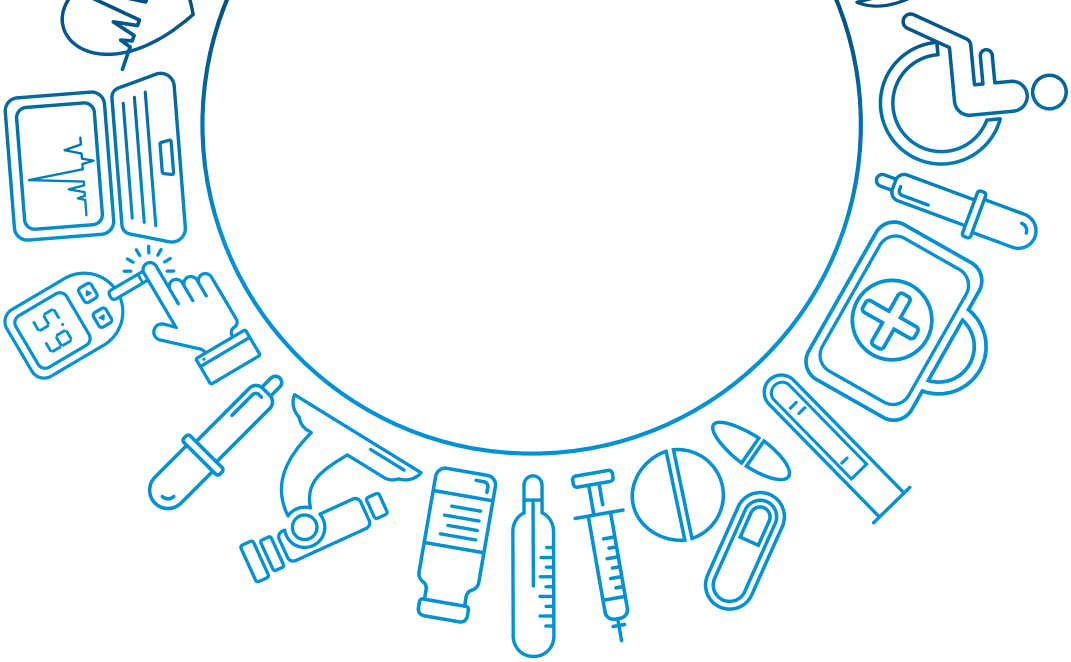
2021–22 departmental results overview

	Summary of results against performance criteria			
Outcome	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Outcome 1: Health Policy, Access and Support	10	3	–	3
Outcome 2: Individual Health Benefits	5	3	–	1
Outcome 3: Ageing and Aged Care	3	3	–	–
Outcome 4: Sport and Recreation	1	–	–	1
Total	**19**	**9**	**0**	**5**

In 2021–22, the Department met 19 out of 33 performance targets across our outcomes.

The Department continued to achieve against our measures, with a total of 28 targets either met or substantially met in 2021–22. The percentage of targets either met or substantially met in 2021–22 is 84.8%, which is slightly below the 2020–21 percentage of 85.7%. However, the number of targets not met has reduced, with zero targets not met in 2021–22 compared to 2 in 2020–21. The number of targets where data was not available has remained stable at 5 in both 2020–21 and 2021–22.

The Department will continue to work toward achieving the targets set out each year in our Portfolio Budget Statements and Corporate Plan.



Outcome 1

Health Policy, Access and Support

Better equip Australia to meet current and future health needs of all Australians through the delivery of evidence-based health policies; improved access to comprehensive and coordinated health care; ensuring sustainable funding for health services, research and technologies; and protecting the health and safety of the Australian community

Highlights

National Mental Health and Suicide Prevention Agreement	The National Mental Health and Suicide Prevention Agreement came into effect on 8 March 2022. The Department, in collaboration with states and territories, seeks to deliver a more preventive, comprehensive, coordinated, compassionate, and person-centred mental health and suicide prevention system. *Program 1.2*
Endorsement of the National Medical Workforce Strategy (NMWS)	The NMWS, endorsed by Health Ministers in December 2021, will guide long term collaborative medical workforce planning across Australia. *Program 1.4*
Supporting our COVID-19 response	The Therapeutic Goods Administration (TGA) provisionally approved 2 new COVID-19 vaccines, bringing the total number of COVID-19 vaccines provisionally approved in Australia to 5. The TGA also granted another 10 provisional approvals to these vaccines, extending their use to other age groups and allowing them to be used as booster doses, and provisionally approved 8 COVID-19 treatments. *Program 1.8*

$54.4 million allocated in 2021–22 to the **Coronavirus Research Response**

National Eating Disorder Research and Translation Centre established

25 medicinal cannabis inspections completed

National Aboriginal and Torres Strait Islander Health Plan 2021–31 published

Programs contributing to Outcome 1

	Summary of results against performance criteria			
Program	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Program 1.1: Health Research, Coordination and Access	2	–	–	–
Program 1.2: Mental Health	–	1	–	–
Program 1.3: Aboriginal and Torres Strait Islander Health	1	–	–	1
Program 1.4: Health Workforce	–	1	–	–
Program 1.5: Preventive Health and Chronic Disease Support	–	–	–	1
Program 1.6: Primary Health Care Quality and Coordination	1	–	–	–
Program 1.7: Primary Care Practice Incentives and Medical Indemnity	2	–	–	–
Program 1.8: Health Protection, Emergency Response and Regulation	4	–	–	1
Program 1.9: Immunisation	–	1	–	–
Total	**10**	**3**	**–**	**3**

Program 1.1: Health Research, Coordination and Access

Program Objective

Collaborate with state and territory governments, the broader healthcare sector and engage internationally to improve access to high quality, comprehensive and coordinated health care to support better health outcomes for all Australians through nationally consistent approaches, sustainable public hospital funding, digital health, supporting health infrastructure, international standards and best practice, and world class health and medical research.

The Department met all performance targets related to this program.

The Department delivered the 2021–22 components of the Medical Research Future Fund (MRFF) 10 Year Investment Plan by announcing investments, offering grant opportunities, and executing grant agreements.

The MRFF was established to provide long term sustainable funding for health and medical research. Funding disbursed from the MRFF aims to improve the health and wellbeing of Australians across a range of priority areas, with the potential to transform future health practice and policy. The MRFF continues to benefit the Australian community and global efforts in response to health emergencies, including the COVID-19 pandemic.

In 2021–22, the MRFF allocated $54.4 million for research under the Coronavirus Research Response. Projects benefitted all Australians by improving clinical care, supporting management of outbreaks, and generating knowledge of the immune system's response to COVID-19 to support development of new vaccines and treatments.

Continuing the Department's ongoing efforts to improve the safety and quality of public hospital services, more consistent definitions of avoidable readmissions to public hospitals were implemented in line with the 2020–25 National Health Reform Agreement.

All Australian governments have committed to reforms under the National Health Reform Agreement Addendum, which includes a focus on avoidable hospital readmissions. These reforms aim to integrate safety and quality into the pricing and funding of Australian public hospitals in a way that improves patient outcomes, delivers an incentive to provide the right care in the right place at the right time, decreases avoidable demand for public hospital services, and signals to the health system the need to reduce instances of preventable poor quality patient care, while supporting improvements in data quality and information available to inform clinicians' practice.

Fund transformative health and medical research that improves lives, contributes to health system sustainability, and drives innovation. Source: *Health Portfolio Budget Statements 2021–22*, p.68 and *Health Corporate Plan 2021–22*, p.24	
2021–22 Target	**2021–22 Result**
Deliver the 2021–22 components of the Medical Research Future Fund (MRFF) 10 Year Investment Plan by announcing investments, offering grant opportunities and executing grant agreements, consistent with the MRFF Act.	In 2021–22, a total of 38 grant opportunities opened under the MRFF 10 Year Investment Plan. Funding was fully disbursed for 16 of the 38 grant opportunities by 30 June 2022. Funding was awarded and announced for a total of 237 grants commencing in 2021–22, with a combined value of $612.2 million. This figure includes disbursements from grant opportunities that opened in 2020–21 and 2021–22. All grant awards and announcements are consistent with the *Medical Research Future Fund Act 2015*.
	Result: Met

MRFF grant opportunities open throughout the year and disbursements typically commence within the following 12 month period. In 2021–22, outcomes were finalised for the remaining 6 of 36 grant opportunities that opened in 2020–21, and 16 of 38 grant opportunities that opened in 2021–22. The remaining 22 of 36 grant opportunities that opened in 2021–22 are scheduled for disbursement in 2022–23.

The $612.2 million invested in medical research was distributed under each of the 4 MRFF themes of patients, researchers, research missions, and research translation. Of this, $54.4 million was allocated to the Coronavirus Research Response, and the remaining medical research funds were distributed as follows:

- Patients: $176.3 million, including research into rare cancers and diseases, chronic health conditions, mental illness, Indigenous health and wellbeing, international clinical trial collaborations, and acute care.
- Researchers: $76.5 million, including innovative and clinician-led research.
- Research Missions: $155.4 million, including research into cardiovascular health, stem cell therapies, Indigenous health, genomics, traumatic brain injury, and dementia, ageing and aged care research.
- Research Translation: $204.1 million, including research into primary health care, clinical use of immunoglobulins, rural, regional and remote clinical trial enabling infrastructure, and research data infrastructure.

Further up to date information on MRFF granting activities, including a full list of all grants awarded, can be found on the MRFF website[3].

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

Biomedical Translation Fund and its investments into Global Kinetics, BiVACOR, and Avita Medical

The $500 million Biomedical Translation Fund is a for-profit venture fund that combines Commonwealth and private capital funds for investment by licensed private sector fund managers to fast track medical innovations with commercial potential. A Commonwealth contribution of $250 million has been matched by private capital to form the Biomedical Translation Fund.

By investing to develop and commercialise medical innovations, the Biomedical Translation Fund is:

- translating cutting edge research into products and services that can improve the long term health of Australians
- supporting companies commercialising biomedical research and discoveries to grow the economy and create skilled employment opportunities.

Funding has been used to support the development and commercialisation of a range of innovative biomedical research and discoveries, from new treatments for food allergies, autoimmune diseases, and women's health, to smart and robotic medical devices, artificial hearts, and vaccines.

Drawing on the expertise from the fund managers in identifying high potential companies, finding gaps in the market, and growing concepts, the Biomedical Translation Fund helps move drug, device and therapy innovations along the research and development pipeline to turn them into products that benefit patients, the health system, and the economy.

In 2021–22, the Biomedical Translation Fund made investments totalling $38 million in 5 companies conducting biomedical research. Since its inception, commitments from the Biomedical Translation Fund have been made into 27 investee companies totalling $306.89 million. The following are examples of some of the projects undertaken by 3 companies funded by the Biomedical Translation Fund.

Investment into Global Kinetics

Global Kinetics is a market leader in mobile health technology for Parkinson's disease. Their lead product is the Parkinson's KinetiGraph (PKG™), which provides an objective, quantitative rating of motor performance to enable effective management of the debilitating motor complications of Parkinson's disease.

There is no known cure for Parkinson's, and it is often difficult to manage with medications due to fluctuating symptoms that were previously only measured subjectively. With the information collected by the PKG™ system, health professionals can identify signs that their Parkinson's patients require a change in medications or manage other interventions that can prevent the disease worsening.

In this way, the PKG™ system confirms successful interventions have worked, and helps to guide therapy optimisation and suggest when alternative therapies should be considered, improving the quality of life for Parkinson's patients. The PKG™ system is clinically validated and approved in Australia, the United States, and European Union.

Support from the Biomedical Translation Fund, totalling $31 million, helped improve Global Kinetics' commercialisation model and gain access to expert advice and assistance to launch its products into the global market.

Investment into BiVACOR

BiVACOR is a medical device company developing a mechanical total artificial heart (TAH). Implantation of a TAH is considered a treatment option for patients with end stage heart failure who need support while on a heart transplant waiting list, or who do not qualify for a transplant. Patients with severe heart failure have a bleak outlook, with the best option being a heart transplant.

The limited number of donor hearts means that only a small number of patients around the world receive transplants each year, despite thousands more being eligible for transplants and some dying while waiting for a donor organ.

In due course, the BiVACOR TAH may replace the need for transplantation.

With only one moving part and a flow-balancing system that automatically adapts to changes in a patient's physiology, the BiVACOR TAH much closer mimics the heart's natural function than other TAHs on the market and in development, which also tend to be temporary solutions until a transplant can be obtained.

BiVACOR is currently verifying the safety and effectiveness of the final version of the device in animal studies, and is on track to initiate its first human implant in early 2023 as part of the pathway to bringing this product into the clinic.

Support from the Biomedical Translation Fund, totalling $19 million, helped propel the TAH technology toward clinical trials and support its commercialisation.

Investment into Avita Medical

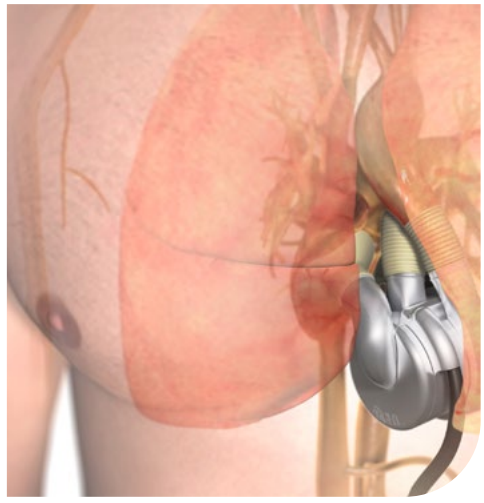
Avita Medical is a regenerative medicine company focused on the development and commercialisation of innovative therapies, such as its ReCell® System, for acute and chronic wound care and other skin regenerative needs. The innovative technology utilises the patient's own skin and the rapid generation (around 30 minutes) of a regenerative epithelial[4] solution that enables swift patient treatment.

The 'spray-on skin', as the technology was famously coined, was developed in Perth, Western Australia by Fiona Woods and used to treat victims of the 2002 Bali bombings. Avita Medical has spent many years commercialising the technology and is navigating the regulatory process, having received approval in the United States in 2018 and being the first burns care product approved in the United States market in 20 years.

The traditional standard of care for burns and other skin conditions involves skin grafts, which can be an onerous, expensive, and painful procedure. Skin grafts remove large sections of skin and often require extended hospital stays and return visits. As such, Avita Medical's technology is a potential game changer in the regenerative space. The advantage of the ReCell® System is life changing for patients through having smaller, less painful skin graft donor sites and avoiding the scarring that many burn victims suffer, and benefits the health system by significantly reducing treatment costs.

While the ReCell® System was initially aimed at burns, it also has wider applications in other clinical indications, such as soft tissue reconstruction and vitiligo.

Support from the Biomedical Translation Fund, totalling $6.5 million, helped develop a new pivotal trial design and lead Avita Medical through the complex regulatory process, and helped to position them for sustained success.



[4] Epithelial tissues are a type of thin body tissue that forms the covering on all internal and external surfaces of the body, and lines body cavities and hollow structures.

The rate of avoidable readmissions to public hospitals reduces over time. Source: *Health Portfolio Budget Statements 2021–22*, p.68 and *Health Corporate Plan 2021–22*, p.24	
2021–22 Target	**2021–22 Result**
Implement more consistent definitions of avoidable readmissions, as per clauses A169-A171 of the 2020–25 National Health Reform Agreement.	More consistent definitions of avoidable readmissions were implemented as per clauses A169-A171 of the 2020–25 National Health Reform Agreement. For the first time, the National Efficient Price Determination included a mechanism for pricing services that are considered an avoidable readmission.
	Result: Met

The National Efficient Price Determination, which determines the amount of funding the Government provides to public hospitals under the National Health Reform Agreement, now includes a mechanism that provides a financial incentive for public hospitals to reduce the number of avoidable readmissions that were caused by substandard patient care. This safety and quality measure adds to existing mechanisms that provide financial incentives for public hospitals to reduce the number of Hospital Acquired Complications that occur.

Ongoing work will be completed in future years by the Department, the Independent Hospital Pricing Authority, and the Australian Commission on Safety and Quality in Health Care to maintain and update the definition of avoidable readmissions.

The effect of the introduction of the definition and pricing of avoidable readmissions will be examined in 2023 to measure the improvement to safety and quality in the provision of public hospital services. Baseline data is expected to be published in the 2022–23 Annual Report.

Program 1.2: Mental Health

Program Objective

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

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

During 2021–22, the Department continued prioritising the mental health and suicide prevention system through negotiation and implementation of the National Mental Health and Suicide Prevention Agreement (the National Agreement), and establishment of the National Suicide Prevention Office (NSPO) within the National Mental Health Commission.

The National Agreement sets out the shared intention of the Commonwealth, state and territory governments to collaborate on systemic, whole of government reform. Establishment of the NSPO is a significant step toward improving the lives of Australians experiencing suicidal distress. Both the National Agreement and the NSPO seek to deliver a more preventive, comprehensive, coordinated, compassionate and person-centred mental health and suicide prevention system.

Through the National Agreement, governments aim to:

- improve the mental health and wellbeing of the Australian population, with a focus on improving outcomes for priority populations
- reduce suicide, suicidal distress, and self-harm through a whole of government approach to coordinated prevention, early intervention, treatment, aftercare and postvention supports
- provide a balanced and integrated mental health and suicide prevention system for all communities and groups
- improve physical health and life expectancy for people living with mental health conditions, and for those experiencing suicidal distress
- improve quality, safety and capacity in the Australian mental health and suicide prevention system.

The National Agreement also recognises collaboration is required across sectors, jurisdictions and governments to deliver responses that effectively meet the mental health and suicide prevention needs of different population groups.

Implementation of the National Agreement and bilateral schedules requires consideration and support of a range of priority populations groups, including First Nations people, LGBTQIA+SB people, culturally and linguistically diverse communities, and refugees.

In 2021–22, the Department worked to continue expanding and enhancing the national headspace network to support greater access to holistic primary care for young people aged 12 to 25 who are experiencing, or at risk of, mild to moderate mental illness. These measures will also support workforce attraction and retention to ensure the headspace network is appropriately resourced. Additionally, adults continued to benefit from access to free, community based mental health support with the establishment of new Head to Health adult mental health centres.

In April 2022, the National Eating Disorder Research and Translation Centre was established. Research generated at the National Eating Disorder Research and Translation Centre will inform innovative approaches to care by improving prevention, early intervention, treatment, and recovery rates, ultimately improving the quality of life for people affected by eating disorders, their families, and supports.

The National Mental Health Workforce Strategy was progressed in 2021–22, with endorsement anticipated for late 2022. All Australians will benefit from a sustainable, skilled, and well-distributed mental health workforce that is able to meet the needs of consumers, carers, families, and communities.

Improve mental health outcomes for all Australians and combat suicide. Source: *Health Portfolio Additional Estimates Statements 2021–22*, p.43[5]	
2021–22 Target	**2021–22 Result**
National Mental Health and Suicide Prevention Agreement agreed by November 2021. National Suicide Prevention Office established. Continue the phased expansion and enhancement of the national headspace network, with 11 new services (10 centres and one satellite) to be established and 5 satellites to be upgraded to centres by 2025–26. Establish 8 new Head to Health adult mental health centres and continue the establishment of the existing 8 centres announced in the 2019–20 Budget. Establish 15 satellite adult mental health services. National Eating Disorder Research Centre established. National Mental Health Workforce Strategy endorsed.	In-principle endorsement of the National Mental Health and Suicide Prevention Agreement (the National Agreement) was reached in December 2021, subject to stakeholder engagement. The National Agreement came into effect on 8 March 2022. The Department, along with the National Mental Health Commission, established the National Suicide Prevention Office (NSPO) on 10 September 2021. The phased expansion and enhancement of the national headspace network progressed as intended. Establishment of the first tranche of new services (3 centres and one satellite service) and upgrade of 5 satellites services to centres commenced in 2021–22. A total of 4 new, fully Commonwealth-funded Head to Health adult mental health centres commenced establishment in 2021–22. All 8 centres announced in the 2019–20 Budget commenced operation. A total of 12 new satellite adult mental health services commenced establishment, and 14 existing satellite adult mental health services in Victoria continued operation. The National Eating Disorder Research and Translation Centre was established in April 2022. National Mental Health Workforce Strategy endorsement is in progress, with full endorsement anticipated in late 2022.
	Result: Substantially met

The National Agreement has been signed by the Commonwealth and all states and territories, and is published on the Federal Financial Relations website[6]. It sets out the shared intention of the Commonwealth and state and territory governments to work in partnership to improve the mental health of all Australians and ensure the sustainability and enhancement of the Australian mental health and suicide prevention system.

The National Agreement responds to the recommendations of the Productivity Commission Inquiry into Mental Health and the National Suicide Prevention Adviser's Final Advice. Bilateral schedules with all states and territories form part of the National Agreement and define funding for specific initiatives at the state level.

The NSPO is a critical national driver of the work toward zero suicides by ensuring a whole of government approach that is informed by lived experience and creates opportunities to respond early and effectively to mental health distress. The Government announced the establishment of the NSPO on 10 September 2021, with staff first commencing work in November 2021. The NSPO is in the process of undertaking further staff recruitment, as well as engaging in foundational work and initial planning to support its key deliverables.

The phased expansion and enhancement of the national headspace network will be gradually achieved by 2025–26. In 2021–22, 3 centres and one satellite commenced establishment, and 5 satellite services commenced the upgrade process. The remaining 7 new centres will be established in future tranches.

As a result of the timing of bilateral negotiations with states and territories as part of the National Agreement, only 4 of the planned 8 new Head to Health adult mental health centres were established in 2021–22, with 6 new centres planned for establishment in 2022–23. As some centres required co-funding by state and territory governments, the funding profile and establishment timeframes needed to be mutually agreed with state and territory governments and were outside the direct control of the Department.

[5] Amendments were made to the headspace network target of this measure in the *Health Portfolio Additional Estimates* (PAES) *2021–22*, superseding the target as published in the *Health Portfolio Budget Statements 2021–22* and *Health Corporate Plan 2021–22*. For further information on the target amendment, refer p.43 of the 2021–22 PAES.

[6] Available at: www.federalfinancialrelations.gov.au/agreements/mental-health-suicide-prevention-agreement

However, with 4 centres commencing establishment in 2021–22 and 6 centres planned for 2022–23, more centres will be established overall than the original 2021–22 target. All 8 centres announced in the 2019–20 Budget are operational and delivering services.

As a further result of bilateral negotiations as part of the National Agreement, the number of satellite adult mental health services under establishment or operation exceeded the total of 15 planned services, with 26 services either commencing establishment or continuing operation in 2021–22. Further new satellite centres are expected to commence service delivery by mid-2023.

In response to the Australian Eating Disorder Research & Translation Strategy 2021–31, the University of Sydney (InsideOut Institute) established the National Eating Disorder Research and Translation Centre in April 2022. The Centre will improve access to high quality mental health care for Australians with an eating disorder, and encourage eating disorder researchers and health care providers to collaborate and network.

The Department has progressed the development of a National Mental Health Workforce Strategy (the Strategy), informed by the advice of an independent Taskforce, targeted research, and public consultation. The Strategy identifies practical approaches to attract, train, maximise, support, and retain the workforce required to meet the demands of the mental health system, now and into the future. In March 2022, the former Minister for Health and Aged Care endorsed the final Strategy and wrote to state and territory health ministers seeking their endorsement. The Department is working with the new Government, and state and territory governments, to ratify the Strategy and progress priority workforce initiatives.

All Australians will benefit from a sustainable, well skilled workforce that is able to meet the needs of consumers, carers, families and communities.

National Mental Health and Suicide Prevention Agreement

In 2021–22, the Department finalised the National Mental Health and Suicide Prevention Agreement (the National Agreement) which is a new intergovernmental agreement between the Commonwealth and all states and territories. The National Agreement is an important landmark in responding to the recommendations of the Productivity Commission Inquiry into Mental Health, the National Suicide Prevention Adviser's Final Advice, and the findings of the House of Representatives Select Committee on Mental Health and Suicide Prevention.

The National Agreement represents a new way of working with states and territories by setting out a shared intention to work in partnership to improve the mental health of all Australians. The National Agreement commits governments to a range of priority reform areas.

The National Agreement is supported by individual bilateral schedules between the Commonwealth and states and territories. The bilateral schedules will see $1.8 billion invested in the mental health and suicide prevention system over 2021–22 to 2025–26 ($817 million in Commonwealth funding, $965 million in state/territory funding).

The National Agreement seeks to improve the mental health and wellbeing of the Australian population, with a focus on outcomes for priority population groups and other social determinants of mental health and suicide prevention. Additionally, the National Agreement will deliver a number of benefits to the community, including:

- delivering person-centred system design changes informed by evidence and outcomes that matter to people
- focusing on outcomes that matter to people, particularly priority populations
- improving quality, safety, and capacity in the system
- increasing accountability across the system, to improve the mental health and wellbeing of Australians
- increasing the accessibility and availability of services.

'The National Agreement will significantly deepen Commonwealth and state and territory partnerships through clearer roles and responsibilities, stronger integration, data sharing, and evaluation of services.'

– Dr Ruth Vine, Deputy Chief Medical Officer, Mental Health.

Program 1.3: Aboriginal and Torres Strait Islander Health

Program Objective

Drive improved health outcomes for Aboriginal and Torres Strait Islander people.

There was one performance measure for which data sets were unavailable at the time of publication. Where data sets were available, the Department met the target.

In 2021–22, the Department worked in partnership with First Nations people, communities, and organisations to publish the National Aboriginal and Torres Strait Islander Health Plan 2021–31 (Health Plan), and the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–31 (Workforce Plan).

The Department will continue to partner with First Nations health sector representatives and other relevant stakeholders to implement governance arrangements for both the Health Plan and Workforce Plan, in recognition that improved outcomes will only be achieved if First Nations people are leading the decisions that impact their health and wellbeing.

The Health Plan has a strong focus on transforming mainstream health to ensure it is culturally safe, responsive, and free from racism.

The Workforce Plan will expand access to culturally safe care in communities and improve the health outcomes of First Nations people. It will also increase economic prosperity by having First Nations people in well paid, secure employment.

The Department continued to work toward increasing the proportion of Aboriginal and Torres Strait Islander babies born with a healthy birthweight by increasing investment in First Nations maternal and infant health programs. A healthy birthweight is a building block for lifelong health. Babies born with a healthy birthweight have better chances of immediate survival, and good health as children through to adulthood.

Finalise and commence the implementation of the National Aboriginal and Torres Strait Islander Health Plan 2021–31 (Health Plan) and National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–31 (Workforce Plan). Source: *Health Portfolio Budget Statements 2021–22*, p.72 and *Health Corporate Plan 2021–22*, p.30	
2021–22 Target	**2021–22 Result**
Commence implementation of the refreshed Health Plan and Workforce Plan in partnership with Aboriginal and Torres Strait Islander people, communities and organisations.	In partnership with First Nations people, communities and organisations, the Health Plan[7] was published in December 2021, with the Workforce Plan[8] published in March 2022. The Department continued to build on its commitment to genuine partnership, and is working with First Nations health sector representatives and other relevant stakeholders to develop implementation and accountability arrangements to support the Health Plan, and develop a monitoring and evaluation framework to support the Workforce Plan.
	Result: Met

The Health Plan is the overarching national policy for Aboriginal and Torres Strait Islander health and wellbeing over the next 10 years. It was developed in genuine partnership with First Nations people, and has been endorsed by the health sector, the Commonwealth Government, and all states and territories.

The Department has commenced work with First Nations health sector representatives and other relevant stakeholders to develop an implementation plan and accountability framework for the Health Plan, and strives to progress this work by December 2022. This will ensure momentum and progress toward closing the gap is maintained.

Developed in genuine partnership and approved by the health sector, the Commonwealth and state and territory governments, the Workforce Plan sets an ambitious yet achievable target to have First Nations people represent 3.43% of the national health workforce by 2031, which is the projected proportion of First Nations people in Australia's working age population in 2031.

The Department will continue to work in partnership with First Nations people and health workforce representatives to implement the Workforce Plan and deliver the actions needed to achieve equal representation across the health system workforce.

[7] Available at: www.health.gov.au/resources/publications/national-aboriginal-and-torres-strait-islander-health-plan-2021-2031

[8] Available at: www.health.gov.au/resources/publications/national-aboriginal-and-torres-strait-islander-health-workforce-strategic-framework-and-implementation-plan-2021-2031

The Partnership approach for the development of the National Aboriginal and Torres Strait Islander Health Plan 2021–2031

In December 2021, the National Aboriginal and Torres Strait Islander Health Plan 2021–2031 (Health Plan) was published.

In alignment with the National Agreement on Closing the Gap, the Health Plan is a clear example of how to ensure First Nations people are at the centre of all decision-making processes, and a demonstration of what can be achieved through a genuine partnership approach.

The Health Plan affirms that Aboriginal and Torres Strait Islander health is everyone's business. It sets the policy direction for Aboriginal and Torres Strait Islander health and wellbeing over the next 10 years, with a particular focus on the accountability of governments and mainstream health services.

The Health Plan is the result of a true co-design process. Through all stages of development, the Australian Government worked in close partnership with First Nations health leaders through the Implementation Plan Advisory Group and the Health Plan Working Group (HPWG).

The HPWG, co-chaired by the Department and the National Health Leadership Forum, began by developing a Health Plan Framework that reflected Aboriginal and Torres Strait Islander holistic understandings of health and wellbeing. To embed the voices of First Nations communities, this was informed by the large-scale 'My Life My Lead' consultation process[9].

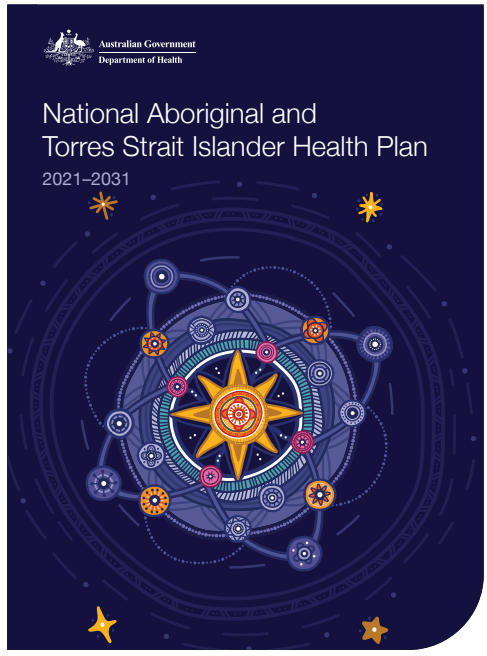
Each draft of the Health Plan document was revised by the HPWG to ensure it clearly reflected the priorities and perspectives of First Nations people. This partnership approach, led by First Nations health experts, and reinforced by strong engagement from jurisdictional governments and mainstream health bodies, created a cohesive and unified foundation for the Health Plan to drive better health outcomes now and into the future.

'We have worked in true partnership with government to develop this Health Plan, and we have ensured that it reinforces the importance of strengths-based and rights-based approaches that embed the cultural determinants and the social determinants of health. These approaches reflect our holistic ways of knowing and being that have continued unbroken for over 60,000 years.'

– Ms Donna Murray, CEO, Indigenous Allied Health Australia.

'It's been a pleasure to work in genuine partnership with the Department of Health and other members of the advisory committee to jointly develop this strategy. This approach ensured that Aboriginal and Torres Strait Islander voices led the way and reflects the needs and aspirations of our people.'

– Ms Pat Turner AM, CEO, National Aboriginal Community Controlled Health Organisation.



[9] Available at: www.health.gov.au/resources/publications/my-life-my-lead-report-on-the-national-consultations

By 2031, increase the proportion of Aboriginal and Torres Strait Islander babies with a healthy birthweight to 91%. Source: *Health Portfolio Budget Statements 2021–22*, p.73 and *Health Corporate Plan 2021–22*, p.30					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
89.3%	Data not available[10]	N/A[11]	N/A	N/A	N/A
	Result: Data not available —				

National data is not yet available for the 2021–22 financial year, therefore it is unclear whether the target for this measure has been met. The most recent available data shows that in 2019, 89.5% of Aboriginal and Torres Strait Islander babies born nationally were of a healthy birthweight. At a national level, the low birthweight rate for Aboriginal and Torres Strait Islander babies (9.2% in 2019) did not change significantly between 2013 and 2019.

Target 2 of the National Agreement to Close the Gap, to reach 91% healthy birthweight by 2031, will not be achieved unless significant changes are made to address the determinants of healthy birthweight. The most influential factors contributing to low birthweight amongst Aboriginal and Torres Strait Islander babies are:

- maternal smoking during pregnancy
- a mother being underweight pre-pregnancy, with a body mass index of less than 18.5
- lack of antenatal care in the first trimester (before 14 weeks).

While addressing the underlying drivers of low birthweight is a combined effort across multiple portfolios and all Australian governments, the Department has increased investment in Aboriginal and Torres Strait Islander maternal and infant health programs to help support babies to be born healthy and strong. Investment includes:

- $31.2 million over 4 years to grow the health workforce and redesign maternity services to reach more pregnant women.
- $12.8 million over 4 years to expand the Australian Nurse-Family Partnership Program to 2 additional sites, resulting in a total of 15 sites.

[10] This data is reported under Target 2 of the National Agreement on Closing the Gap, available at: www.closingthegap.gov.au/national-agreement/targets. Data updates are made by the Productivity Commission and typically use prior year data, which is usually only available 1 to 2 years after the relevant year. Once available, results will be published in future annual reports.

[11] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Program 1.4: Health Workforce

Program Objective

Ensure Australia has the workforce necessary to improve the health and wellbeing of all Australians. Improve the quality, distribution and planning of the Australian health workforce to better meet the needs of the community and deliver a sustainable, well distributed health workforce.

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

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

In 2021–22, the Department invested in retaining, teaching, training, incentivising, and supporting health professionals, with a key focus on building the regional, rural, and remote health workforce.

Through continued implementation of the Stronger Rural Health Strategy, coupled with the $123.0 million health workforce reform 2021–22 Budget package, regional and rural Australians will continue to benefit from improved access to health services.

The Department's work in delivering a package of reforms that support effective health workforce distribution in Australia has maintained the momentum of the Strategy, and will streamline and better connect programs and support for health practitioners.

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

a. Full time equivalent (FTE) vocationally registered Primary Care General Practitioners (GPs) per 100,000 population.[12]

b. FTE non-vocationally registered primary care GPs per 100,000 population.[13]

c. FTE non-general practice medical specialists per 100,000 population.[14]

d. FTE primary and community nurses per 100,000 population.[15]

e. FTE primary and community allied health practitioners per 100,000 population.[16]

f. Proportion of GP training undertaken in areas outside major cities.[17]

Source: *Health Portfolio Budget Statements 2021–22,* p.75 and *Health Corporate Plan 2021–22* p.33

2021–22 Target		2021–22 Result		2020–21		2019–20[18]		2018–19		2017–18	
MM1[19]	**MM2-7[13]**	**MM1**	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**	**MM1**	**MM2-7**
a. 115.6	98.6	118.8	103.4	109.9	90.7	N/A	N/A	N/A	N/A	N/A	N/A
b. 5.9	13.2	4.8	8.4	7.4	16.4	N/A	N/A	N/A	N/A	N/A	N/A
c. 188.0	90.5	182.2	85.4	183.9	84.5	N/A	N/A	N/A	N/A	N/A	N/A
d. 155.1	209.8	184.1	226.2	150.0	204.7	N/A	N/A	N/A	N/A	N/A	N/A
e. 404.1	298.2	437.6	386.9	373.8	273.4	N/A	N/A	N/A	N/A	N/A	N/A
f. N/A	>50%	N/A	50.8%	N/A	51%	N/A	N/A	N/A	N/A	N/A	N/A
		Result: Substantially met									

In 2021–22, the Department continued to implement the Stronger Rural Health Strategy (the Strategy), which gives doctors more opportunities to train and practice in rural and remote Australia. The Strategy also provides nurses and allied health professionals a greater role in the delivery of multidisciplinary, team-based primary care.

The Department supports the Government in improving access to health services in regional, rural, and remote Australia, building on the Strategy through a range of reforms and improved investment.

A $123 million investment in specific rural health workforce initiatives, announced in the 2021–22 Budget, is being implemented by the Department and will provide a basis to deliver the Government's health workforce election commitments. These include improving access to health services in rural and remote areas, and providing increased opportunities for a rewarding career in the health workforce for locals while supporting rural communities, who will benefit from increased delivery of health services and a more stable, locally trained workforce.

The introduction of the National Medical Workforce Strategy (NMWS), endorsed by Health Ministers in December 2021, will guide long term collaborative medical workforce planning across Australia. The NMWS will be a key driver of reform and will identify achievable, practical actions to build a sustainable, highly trained medical workforce. A key focus of the NMWS is the need to enable more opportunities to train and practise across regional and rural Australia.

[12] Medical Benefits Scheme claims data 2013–14 to 2019–20 (date of processing).
[13] Ibid.
[14] National Health Workforce Datasets (NHWDS), Medical Practitioners, 2013–2019.
[15] NHWDS, Nurses and Midwives, 2013–2019.
[16] NHWDS, Allied Health, 2013–2019.
[17] Australian General Practice Training Program 2020 training year data (as at 15 February 2021) and Rural Vocational Training Scheme data (as at 31 December 2020 and assuming one headcount = one FTE).
[18] This was a new performance measure in 2020–21, therefore results are not available for financial years prior to 2020–21.
[19] Modified Monash Model. Available at: www.health.gov.au/health-topics/rural-health-workforce/classifications/mmm.

Program 1.5: Preventive Health and Chronic Disease Support

Program Objective

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

Data sets were unavailable for the performance target related to this program.

In 2021–22, the National Preventive Health Strategy 2021–2030 (NPHS) was launched, outlining Australia's long term approach to prevention over the next 10 years. The NPHS was designed to improve the health and wellbeing of Australians during all stages of life, with a focus on reducing smoking prevalence, harmful alcohol consumption, and illicit drug use in the population.

The NPHS sets a number of targets relevant to this program. These include:

- Reduce smoking prevalence in the general population to 5% or less for adults, and to 27% or less for First Nations people, by 2030. While smoking rates have declined over the long term, there is still significant effort required to meet the 2030 targets.
- At least a 10% reduction in harmful alcohol consumption by Australians aged over 14 years by 2025, and at least a 15% reduction by 2030.
- Less than 10% of young people aged 14 to 17 years consuming alcohol by 2030.
- Decrease the prevalence of illicit drug use in those aged over 14 years by at least 15% by 2030.

The Department continued to implement tobacco control activities in 2021–22, benefitting individual health and the community through preventing the uptake of smoking, supporting people to successfully quit smoking, and protecting people from second-hand smoke inhalation.

Continuing downward trends in harmful alcohol consumption have been recorded since 2004. Programs and activities delivered by the Department under the National Alcohol Strategy 2019–2028 were monitored in 2021–22, and will continue to be monitored into the future to ensure their continued effectiveness in reducing the risks associated with harmful levels of alcohol consumption.

The Department's work toward reducing the prevalence of illicit drug use will continue to benefit individuals, their families, and communities by minimising impacts on the related health, social, cultural, and economic harms arising from their use.

The Department continued to promote the importance of undergoing screening for bowel, breast, and cervical cancers during 2021–22, with early detection a key factor in reducing morbidity and mortality rates.

At an average rate of 40.0% participation, the National Bowel Cancer Screening Program (NBCSP) is estimated to save 59,000 lives between 2015 and 2040. Increasing these participation rates to 60.0% could save over 83,800 lives over that same period.

The Breastscreen Australia Program continued to deliver essential services throughout 2021–22, and the effectiveness of the program since its establishment has been proven through the decrease in breast cancer mortality rates per 100,000 women, from 74 in 1991 to 41 in 2019.[20]

Additionally, Australian research has predicted that if vaccination coverage and cervical cancer screening participation levels are maintained, Australia is likely to eliminate cervical cancer as a public health problem by 2035.

[20] Australian Institute of Health and Welfare (AIHW), 2020. BreastScreen Australia monitoring report 2020. Cat. no. CAN 135. Canberra: AIHW.

Improve overall health and wellbeing of Australians by achieving preventive health targets.

a. National daily smoking prevalence.

b. Level of harmful alcohol consumption.

c. Prevalence of recent illicit drug use.

d. Increase the level of cancer screening participation over 5 years (i.e 2025–26) in line with the Minister for Health's commitment.

i. National Bowel Cancer Screening Program (towards 53%).

ii. National Cervical Screening Program (towards 64%).

iii. BreastScreen Australia Program (towards 65%).

Source: *Health Portfolio Budget Statements 2021–22*, p.77 and *Health Corporate Plan 2021–22*, p.36

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
a. ≤13.8%[21]	10.7%[24]	Data not available	Data not available	Data not available	13.8%
b. ≤32.0%[22]	Data not available[25]	N/A	N/A	N/A	N/A
c. ≤16.4%[23]	Data not available[26]	N/A	N/A	N/A	N/A
Jan 2021 – Dec 2022 Target	**Jan 2021 – Dec 2022 Result**	**Jan 2020 – Dec 2021**	**Jan 2019 – Dec 2020**	**Jan 2018 – Dec 2019**	**Jan 2017 – Dec 2018**
d. i. 43.8%	Data not available[27]	Data not available	Data not available	43.5%	42.4%
ii. 46.5%	Data not available[28]	Data not available	Data not available	46.5%	53.0%
iii. 54.3%	Data not available[29]	Data not available	Data not available	55.0%	55.0%
	Result: Data not available —				

Tobacco smoking remains the largest preventable cause of death and disease in Australia. Smoking is estimated to kill almost 20,500 Australians each year (13.0% of all deaths), and was responsible for 8.6% of the total burden of disease in Australia in 2018.[30] It is associated with an increased risk of health conditions including heart disease, diabetes, stroke, cancer, kidney disease, eye disease, and respiratory conditions such as asthma, emphysema, and bronchitis.

The most recent smoking data was collected during the COVID-19 pandemic, which had significant impacts on response rates and sample representativeness. Accordingly, comparisons to previous year smoking datasets are not recommended.

[21] Baseline figure used from the most recent data in the Australian Bureau of Statistics (ABS) National Household Survey in 2017–18.

[22] Baseline figure used from the most recent data in the 2019 National Drug Strategy Household Survey and analysis conducted by the AIHW in mapping data to updated alcohol guidelines.

[23] Baseline figure from the most recent national data in the 2019 National Drug Strategy Household Survey.

[24] ABS Smoker Status Australia 2020–21 dataset. ABS have advised that comparisons to previous datasets are not recommended due to changes in data collection methodology during COVID-19.
Available from: www.abs.gov.au/statistics/health/health-conditions-and-risks/smoking/2020-21

[25] Data not available due to data collection only occurring every 3 years by AIHW, with the latest data available in 2019. Results for 2022 will be available in late 2023, and will be published at:
www.aihw.gov.au/about-our-data/our-data-collections/national-drug-strategy-household-survey

[26] Ibid.

[27] Due to the time between an invitation being sent, test results and collection of data from the National Bowel Cancer Screening Register, participation rates (actual) are only available until January 2018 to December 2019. Participation rates for January 2021 to December 2022 are expected to be available in June 2024.

[28] The National Cervical Screening Program was renewed on 1 December 2017, when it changed from 2 yearly pap testing to a 5 yearly human papillomavirus (HPV) test. Five years of program datasets are required in order to fully assess participation under the renewed program. Participation rates for the 5 year period 2020–2024 will not be available until 2025.

[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 2022 are not yet available.

[30] AIHW Australian Burden of Disease Study 2018, available at:
www.aihw.gov.au/reports-data/health-conditions-disability-deaths/burden-of-disease/overview

Work with states and territories to finalise the next National Tobacco Strategy (NTS) 2022–2030 continued during 2021–22, with the draft NTS open for public consultation from 10 February to 24 March 2022. The NTS 2022–2030 is expected to be finalised in late 2022, subject to endorsement by Commonwealth, state and territory governments.

Additionally, during 2021–22 a new national best practice support service for nicotine and smoking cessation launched for health professionals, and several smoking and nicotine cessation resources for health professionals were updated.[31] A comprehensive research program to inform future National Tobacco Campaign activity also commenced in early 2022.

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

- tobacco excise and excise-equivalent customs duty
- plain packaging of tobacco products
- graphic health warnings on tobacco products
- prohibiting tobacco advertising and promotion
- providing education to support smoking cessation and prevention measures to minimise the illicit tobacco trade.

The Department's National Alcohol Strategy 2019–2028 aims to prevent and reduce alcohol related harms among individuals, families, and communities. Since 2004, there has been a consistent downward trend in levels of harmful alcohol consumption. At its peak in 2004, harmful alcohol consumption among people aged 14 and above was recorded at 39.2%. The most recent available data has shown a continuation of this downward trend, from 33.2% in 2016 to 32.0% in 2019.

In 2021, a national awareness campaign, Every Moment Matters, was launched on the risks of drinking alcohol during pregnancy, while planning a pregnancy, and breastfeeding. The campaign informs and supports women to make healthy choices regarding the risks and harms of alcohol, including fetal alcohol spectrum disorder (FASD), when planning for or during a pregnancy, and when breastfeeding.

Recent illicit drug use among people aged 14 and above has seen an upward trend from 2007 at 13.4%, to 15.6% in 2016 and 16.4% in 2019, largely driven by cannabis and cocaine use. However, downward trends have been seen in the use of other illicit drugs, such as methamphetamine (from 3.4% to 1.3% between 2001 and 2019) and non-medical use of pharmaceuticals (from 4.8% to 4.2% between 2016 and 2019). Ongoing monitoring of this measure is required to ensure the programs and activities delivered under the National Drug Strategy are effective in reducing the associated risks and harms of illicit drug use.

Based on data for the most recent full cycle reporting period, an estimated 43.5% of eligible people participated in the National Bowel Cancer Screening Program between 1 January 2018 and 31 December 2019. Data for the next full cycle reporting period of between 1 January 2019 and 31 December 2020 is not yet available.

The renewed Cervical Cancer Screening Program requires 5 years of data in order to fully assess participation, with the earliest results to be available in 2025. While program data is not currently available, in the 3 year period between 2018 and 2020, around 3.8 million women aged 25 to 74 had a HPV test as part of the program, which is estimated to be 55.7% of the target population.

Participation in BreastScreen Australia is measured over 2 calendar years to align with the recommended screening interval of every 2 years. The most recent monitoring report from the Australian Institute of Health and Welfare on participation in the BreastScreen Australia Program found that in 2018–19, around 1.9 million women participated, equating to 55.0% of eligible women aged between 50 and 74 years old. BreastScreen services were briefly suspended in March 2020 due to the COVID-19 pandemic, and some services are still operating at reduced capacity. The rate at which BreastScreen services could resume has likely been impacted by various jurisdictional social distancing and infection control guidelines and requirements. The Department continues to monitor the impact of the pandemic on participation trends.

[31] Further information available at: www.quitcentre.org.au

Program 1.6: Primary Health Care Quality and Coordination

Program Objective

Strengthen primary health care by delivering funding to frontline primary healthcare services and improving the access, delivery, quality and coordination of those services. This will help improve health outcomes for patients, particularly people with chronic and/or mental health conditions, and assist in reducing unnecessary hospital visits and admissions.

The Department met the performance target related to this program.

The Department continued to support Primary Health Networks (PHNs) in 2021–22, improving the efficiency, effectiveness and coordination of health services at the local level. The Department funds PHNs to assess the health needs of Australia's regions and commissions tailored health services to address identified needs across priority areas. PHNs work collaboratively with health professionals in their region to build health workforce capacity and ensure the delivery of high quality care.

The work of PHNs is guided by 7 priority areas, including mental health, Aboriginal and Torres Strait Islander health, population health, digital health, health workforce, aged care, and alcohol and other drugs. PHN performance is regularly reviewed by the Department against a set of indicators, including potentially preventable hospitalisations. Working toward a decline in rates of potentially preventable hospitalisations will assist in relieving the pressure on Australia's public hospitals.

The delivery of general practitioner led respiratory clinics continued throughout 2021–22, supporting the COVID-19 pandemic response in providing free, full clinical assessment of patients with respiratory symptoms, and testing/treatment for COVID-19.

The number of PHN regions in which the rate of potentially preventable hospitalisations is declining, based on the latest available Australian Institute of Health and Welfare (AIHW) longitudinal data.

Source: *Health Portfolio Budget Statements 2021–22,* p.78 and *Health Corporate Plan 2021–22,* p.38

2021–22 Target[32]	2021–22 Result	2020–21	2019–20	2018–19	
25	29[33]	N/A[34]	N/A	N/A	N/A
	Result: Met				

PHNs are independent organisations funded through the Department. They assess the health needs of their region and commission tailored health services to address these needs across 7 priority areas. To ensure PHNs meet their obligations, the Department assesses their performance against a performance and quality framework.

Based on the latest available longitudinal data from AIHW, reductions in potentially preventable hospitalisations were reported by more than 90% of the 31 PHN regions across Australia in 2019–20, declining on average around 6% from 2018–19.

[32] Based on 2020–21 data.

[33] Due to delays in receiving hospitals data from states and territories, there is currently a 2 year lag when receiving results. 2019–20 data, which is the latest available AIHW longitudinal data, has been used to report on the performance target related to this program for 2021–22.

[34] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Program 1.7: Primary Care Practice Incentives and Medical Indemnity

Program Objective

Provide incentive payments to eligible general practitioners through the Practice Incentives Program (PIP) to support continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients. Promote the ongoing stability, affordability and availability of medical indemnity insurance to enable stable fees for patients and allow the medical workforce to focus on delivering high quality services.

The Department met all performance targets related to this program.

The Department maintained Australia's access to quality general practitioner care in 2021–22 through the provision of the Practice Incentives Program's Quality Improvement (PIP QI) Incentive. The PIP QI Incentive is a payment to general practices who undertake quality improvement activities and share data with their Primary Health Network (PHN). It aims to embed general practice quality improvement activities that support broader primary care reforms, and helps general practitioners to focus on improved quality of care for their patients, leading to better health outcomes for communities.

The Department continued to ensure medical professionals had access to stable and affordable medical indemnity insurance during 2021–22, providing patients in turn with stable fees as well as greater choice when engaging medical services.

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

Source: *Health Portfolio Budget Statements 2021–22*, p.79 and *Health Corporate Plan 2021–22*, p.40

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
≥89.0%	91.8%	87.7%[35]	85.5%	85.3%	85.2%
	Result: Met				

PIP QI Incentive data is the basis for the quality improvement measures that aim to support general practices and primary health organisations to improve patient care, and plan for community health needs across Australia.

In the final quarter of 2021–22, there were 6,401 accredited general practices participating in the PIP. A total of 5,879 of these practices were eligible for a PIP QI payment as they submitted data to their PHN to facilitate quality improvement activities. These figures are effective as at 30 April 2022, as the PIP payment quarters do not align with the standard financial quarters.

[35] This was a new performance measure in 2020–21. Results from years prior to 2020–21 relate to the former measure *'Access to accredited general practitioner care maintained through percentage of general practitioner patient care services provided by Practice Incentives Program practices'*.

Percentage of medical professionals who can access medical indemnity insurance without the application of a risk surcharge or a refusal of cover. Source: *Health Portfolio Budget Statements 2021–22,* p.80 and *Health Corporate Plan 2021–22,* p.41					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
95.0%	95.0%	N/A[36]	N/A	N/A	N/A
	Result: Met				

The low number of refusals and risk surcharge applications applied to premiums, as demonstrated in the reports provided by insurers, indicates the changes to legislate universal cover obligations on insurers are successful in ensuring accessible and affordable medical indemnity cover.

95.0% is an appropriate target based on estimates that manage the balance between the likelihood of 100% of practitioners being compliant and not deemed a risk to an insurer, and the right of insurers to appropriately manage their risk. It is reasonable for an insurer to refuse cover where the risk is deemed to be too high.

The number of refusals to provide professional indemnity cover and the application of risk surcharges for medical practitioners are made public annually on the Department's website.[37]

[36] This is a new performance measure for 2021–22, therefore results are not available for previous years.
[37] Available at: www1.health.gov.au/internet/main/publishing.nsf/Content/health–medicalindemnity–pubs.htm

Program 1.8: Health Protection, Emergency Response and Regulation

Program Objective

Protect the health of the Australian community through national leadership and capacity building to detect, prevent, prepare for, and respond to threats to public health and safety, including those arising from communicable diseases, natural disasters, acts of terrorism and other incidents that may lead to morbidity and mortality, and significant burden on the health system. Protect human health and the environment through regulatory oversight of: therapeutic goods; controlled drugs; genetically modified organisms (GMOs); and industrial chemicals.

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

The Department ensures the protection of Australia's health and environment through regulatory oversight of therapeutic goods, controlled drugs, genetically modified organisms (GMOs), and industrial chemicals. In 2021–22, the Therapeutic Goods Administration (TGA) continued to ensure all therapeutic goods available on the Australian market were safe, of high quality, and effective for their intended use under the *Therapeutic Goods Act 1989*.

During 2021–22, the TGA successfully evaluated a number of COVID-19 vaccines and treatments within statutory timeframes, assisting in the public health response to the COVID-19 pandemic. The TGA's evaluations ensured Australians could trust results from their COVID-19 self-tests, point-of-care test kits and laboratory conducted tests. Completing assessments in line with legislative timeframes throughout 2021–22 enabled the availability of a greater range of new medicines and medical devices for Australians to access and utilise.

The Office of Drug Control (ODC) provides assurance to the community through conducting inspections to confirm the cultivation and production of medicinal cannabis is safe and in line with requirements under the *Narcotics Drug Act 1967*. The ODC works with industry members to regulate the quality control of cannabis, security of sites, and ensures the safe disposal and destruction of cannabis to avoid diversion to the illicit market.

Throughout 2021–22, the Gene Technology Regulatory Scheme (the Scheme) continued to ensure medical, agricultural, and other research involving GMOs was conducted in accordance with best practice, and in a manner that protected human health and safety, and the environment. The Scheme facilitates and regulates the safe conduct of medical research, field trials of GMO crops, and completes high level scientific risk assessments. The Scheme also provides the community with ongoing access to safe GMOs and products produced from GMOs.

The Office of Chemical Safety (OCS) administers the Australian Industrial Chemicals Introduction Scheme (AICIS). Under AICIS, OCS completed 93 assessments and evaluations, addressing 3,781 industrial chemicals in 2021–22 and exceeding targets for statutory timeframes. Timely completion of chemical evaluations and risk assessments facilitates the safe use of industrial chemicals by providing regulatory certainty for industry placing industrial chemicals on the Australian market, facilitating risk reduction through timely regulator intervention by Commonwealth, state, and territory risk managers, and making information on the safe use of chemicals available to all relevant stakeholders.

The Office of Health Protection and Response continues to play an important role in protecting Australians from public health threats, particularly continuing to coordinate the national response to the COVID-19 pandemic via the operation of the National Incident Centre, the National Medical Stockpile, National Notifiable Diseases Surveillance System, and the Australian Health Protection Committee and its sub-committees.

Percentage of therapeutic goods evaluations that meet statutory timeframes. Source: *Health Portfolio Budget Statements 2021–22*, p.82 and *Health Corporate Plan 2021–22*, p.44					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
100%	99.78%	N/A[38]	N/A	N/A	N/A
	Result: Met				

The therapeutic goods evaluation process provides assurance to consumers and leads to community confidence that therapeutic goods approved for use in Australia have been assessed against stringent standards.

There was 99.78% compliance on all major application types in 2021–22. In achieving this result, the TGA continued to prioritise COVID-19 vaccine and treatment applications, collaborating with international regulators and sponsors to accept rolling data submissions during 2021–22 to expedite 19 COVID-19 applications. In this time, the TGA approved the following applications, all within statutory timeframes.

COVID-19 vaccines:

- 2 Type A – new COVID-19 vaccines:
  - one Moderna (SPIKEVAX) application for ages 12 years and older
  - one Novavax (NUVAXOVID) application for ages 18 years and older.
- 3 Type C – extension of indication for COVID-19 vaccines to include younger age groups:
  - 2 Pfizer (COMIRNATY) applications for ages 5 to 11 years and 12 to 15 years
  - one Moderna (SPIKEVAX) application for ages 6 to 11 years.
- 6 Type F – booster for COVID-19 vaccines:
  - 3 Pfizer (COMIRNATY) applications for ages 12 to 15 years, 16 to 17 years, and 18 years and older
  - one Moderna (SPIKEVAX) application for 18 years and older
  - one AstraZeneca (VAXZEVRIA) application for 18 years and older
  - one Novavax (NUVAXOVID) application for 18 years and older.

COVID-19 treatments:

- 6 Type A – new COVID-19 therapeutics:
  - 4 monoclonal antibodies: sotrovimab (XEVUDY), casirivimb + imdevimab (RONAPREVE), regdanvimab (REGKIRONA) and tixagevimab + cilgavimab (EVUSHELD)
  - 2 oral antivirals: molnupiravir (LAGEVRIO) and nirmatrelvir + ritonavir (PAXLOVID).
- 2 Type C – extension of indication for COVID-19 therapeutics:
  - one oral antiviral: remdesivir (VEKLURY)
  - one monoclonal antibody: tocilizumab (ACTEMRA).

The TGA also prioritised applications for COVID-19 self-tests, point-of-care test kits and laboratory (PCR) tests, and this extended the timeframes for some other applications. However, all statutory timeframes for medical devices were met.

[38] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Monitoring COVID-19 vaccine safety – a rapid response to an escalating need

During 2021–22, in response to the COVID-19 vaccine rollout, the Therapeutic Goods Administration (TGA) carried out the most intense vaccine safety monitoring program ever conducted in Australia.

Prior to the introduction of COVID-19 vaccines, the TGA had well established and robust processes in place to detect and investigate new safety issues relating to medicines and vaccines, many of which have been dramatically enhanced for COVID-19 vaccines.

Following introduction of the COVID-19 vaccine rollout, there was a 6-fold increase in the number of total adverse event reports received for medicines and vaccines (145,000 in the first 12 months of the vaccine rollout from 22 February 2021, up from 25,000 in the year prior) and a 170-fold increase in the number of vaccine reports received directly from consumers (32,000 reports for COVID-19 vaccines). The TGA proactively engaged additional staff with expertise in vaccine safety, as well as skills in entering and analysing adverse event reports, and redeployed existing staff into specialist teams to match the increase.

As a result of this monitoring, the TGA completed over 80 post-market COVID-19 vaccine safety investigations and evaluations, focused on a total of 55 potential safety signals emerging both within Australia and overseas. To date, regulatory outcomes for COVID-19 vaccines include 30 actions to include new safety information in the vaccine product information documents. Examples include thrombosis with thrombocytopenia, Guillain-Barré syndrome, myocarditis and pericarditis.

COVID-19 also affected the demand for a range of medicines, risking disruption to supplies and supply chains. The TGA bolstered its Medicines Shortages team to help maintain continuity of access for Australians to a range of vital medicines.

The Department remains committed to being open and transparent about new safety information regarding COVID-19 vaccines. As of 30 June 2022, the TGA published 69 weekly issues of a comprehensive report on the outcomes of the ongoing monitoring and safety investigations of COVID-19 vaccines.[39]

The time between the TGA's receipt of an adverse event report and inclusion in the publicly searchable Database of Adverse Event Notifications (DAEN)[40] also reduced from 3 months to 2 weeks. In June 2022, in response to user feedback, further enhancement of the DAEN occurred, introducing a new version that provides data visualisation and the ability for users to download and interact with the data.

The new DAEN – Medicines database has significantly improved the user experience for anyone accessing adverse event data about not only COVID-19 vaccines, but all registered medicines. It is an important resource that will benefit both the medical community and general population well beyond the pandemic.

'I would like to underscore the importance of the TGA's Vaccine Safety weekly report. Long established research in risk communication has repeatedly demonstrated that public perceptions of, and responses to, health risks is chiefly influenced by levels of trust in institutions and in government, and that openness, honesty and transparency are key factors in sustaining public trust.

The Vaccine Safety weekly report is a crucial means for providing transparent and timely information about vaccine related adverse effects and other vaccine related safety concerns. This report is a key mechanism both for enabling the public to make sense of vaccine related safety concerns and for sustaining public trust by providing a record of transparency on safety issues.'

– Associate Professor Claire Hooker, Faculty of Medicine and Health, University of Sydney.

[39] Available at: www.tga.gov.au/news/covid-19-vaccine-safety-reports
[40] Available at: www.tga.gov.au/database-adverse-event-notifications-daen

Number of completed medicinal cannabis inspections. Source: *Health Portfolio Budget Statements 2021–22*, p.82 and *Health Corporate Plan 2021–22*, p.44					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
15	25	N/A[41]	N/A	N/A	N/A
	Result: Met				

In 2021–22, the ODC completed 25 medicinal cannabis inspections, which comprised a total of 15 inspections and 10 desktop compliance campaigns with licence holders.

The 15 inspections included 7 conducted onsite, with the remaining 8 conducted as desktop inspections.[42]

The desktop compliance campaigns were conducted with 10 licence holders and aimed at being a proactive measure to help licence holders stay compliant and/or prevent further non-compliance, security threats, or other deliberate non-compliance.

a. Percentage of GMO licence decisions made within statutory timeframes. **b. Percentage of reported non-compliance with the conditions of GMO approvals assessed.** Source: *Health Portfolio Budget Statements 2021–22*, p.83 and *Health Corporate Plan 2021–22*, p.45					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
a. 100% b. 100%	100% 100%	N/A[43] N/A	N/A N/A	N/A N/A	N/A N/A
	Result: Met				

The Office of the Gene Technology Regulator (OGTR) 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 2021–22:

- 4 agricultural licences, including one licence for the commercial release of a genetically modified (GM) crop, and 3 licences for trials of GM crops.
- 10 clinical trial licences:
  - 2 licences for the trial of GM cancer treatments
  - 5 licences for gene therapy trials
  - 3 licences for GM vaccine trials.
- 4 laboratory-based research licences.
- 2 manufacturing licences.

Additionally, the OGTR received and assessed 48 reports relating to licences, notifiable low risk dealings or certifications.

Inspectors assess all reports received, and each report is assessed for risks to human health and the environment. Assessments consider the circumstances of the report in accordance with the *Gene Technology Act 2000*, and Gene Technology Regulations and Guidelines. For any non-compliance identified, inspectors will consider the compliance history of entities involved, whether the non-compliance has been rectified or can easily be rectified, and whether the non-compliance resulted in harm to human health or the environment.

The OGTR takes a cooperative compliance approach, with an emphasis on education, engagement and awareness-raising. When assessing non-compliance, the aim is to bring the entity back into compliance and work with them to ensure they remain compliant.

[41] This is a new performance measure for 2021–22, therefore results are not available for previous years.
[42] A desktop inspection is conducted remotely and may include video or photographic evidence, as well as interviews with the licence holder.
[43] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Industrial chemical risk assessments and evaluations completed within statutory timeframes. Source: *Health Portfolio Budget Statements 2021–22*, p.83 and *Health Corporate Plan 2021–22*, p.45					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
≥95%	96.8%	98.2%	99.5%	98.7%	99.0%
	Result: Met				

During 2021–22, the Department completed a total of 93 assessments and evaluations addressing 3,781 industrial chemicals, with 90 of these completed within statutory timeframes.

Assessment quality was maintained through internal peer review and feedback from applicants, introducers[44] and other stakeholders prior to finalising all reports.

Publication of completed assessments and evaluations on the Australian Industrial Chemicals Introduction Scheme website assists Commonwealth, state, and territory governments with implementing risk management controls, and facilitates their safe use by workers and the public.

Percentage of recommendations from the World Health Organization's Joint External Evaluation[45] of Australia's implementation of International Health Regulations Core Capacities addressed. Source: *Health Portfolio Budget Statements 2021–22*, p.83 and *Health Corporate Plan 2021–22*, p.46					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	
TBC[46]	Data not available[47]	N/A[48]	N/A	N/A	N/A

Due to the effects of the ongoing COVID-19 pandemic response, reporting against Australia's National Action Plan for Health Security, incorporating the Joint External Evaluation (JEE) recommendations has not occurred in 2021–22. The JEE recommendations are being reconsidered for their ongoing appropriateness and relevance in light of the lessons learnt throughout the pandemic.

[44] A business that imports industrial chemicals into Australia or locally manufactures industrial chemicals.

[45] A joint external evaluation (JEE) assesses a country's capacity to prevent, detect and rapidly respond to public health risks, whether occurring naturally or due to deliberate or accidental events, and identifies opportunities for enhanced preparedness and response.

[46] The JEE in 2017 was strongly positive and work commenced immediately on implementation of the recommendations, however the response to the COVID-19 pandemic has accelerated implementation of some, and overtaken other, recommendations. Further consultation and validation of the recommendations, including with the World Health Organization, is required before a baseline and targets can be confirmed.

[47] Twice yearly reporting against the JEE recommendations has not been undertaken due to the prioritisation of the COVID-19 pandemic response, and the recommendations needing reconsideration within the pandemic context.

[48] This is a new performance measure for 2021–22, therefore results are not available for previous years.

One Health approach to the Japanese encephalitis virus outbreak response

On 4 March 2022, the Japanese encephalitis virus (JEV) outbreak in Australia was declared a Communicable Disease Incident of National Significance after the first human case was confirmed on 3 March 2022.

JEV spreads to humans through bites from mosquitoes that have fed on infected animal hosts, such as pigs. JEV infection in humans is most commonly asymptomatic, but on rare occasions infection can result in severe disease and death.

Previously, clinical JEV had only rarely occurred in humans in mainland Australia, with only 15 cases notified in the past 10 years, with all but one of these cases acquiring their infection overseas. The entry pathway of the virus into southern Australia is unknown.

The outbreak has been collaboratively managed by both the Department of Health and the Department of Agriculture, Fisheries and Forestry, including state and territory governments and relevant experts through committees such as the Communicable Disease Network Australia across both human and animal industry portfolios. This was done by adopting a One Health approach that recognises the relationship between the health of people, animals, and the environment, and has involved a rapid response that includes:

- the purchase of additional JEV vaccines for people defined as at risk
- enhanced mosquito surveillance and control activities
- development of communication materials outlining how individuals can protect themselves from mosquitoes
- animal host detection and management
- ensuring laboratory capacity to test for and diagnose JEV.

The One Health response initially targeted people at highest risk, including those who may be directly exposed or come into close proximity with mosquitoes and pigs, and people who have a high level of occupational exposure, such as those who work at a piggery or abattoir, environmental health officers, and laboratory workers. People who participate in regular freshwater activities should also be aware of the steps they can take to minimise exposure to mosquito bites and potential JEV infection.

A strong and nationally consistent response has been central to minimising the impact of JEV within Australia. Protection of the community has been enhanced through the collaborative and rapid implementation of response measures, including vaccination of those at highest risk, rapid testing and diagnosis, mosquito surveillance, and host animal management.

As the outbreak is widespread and present in animal populations such as feral pigs and waterbirds, the virus will likely become endemic within Australia following this outbreak. Response planning for future outbreaks is underway, including activities aimed to predict geographical areas of risk, inform future response activities, and improve Australia's preparedness to manage any future risk from JEV.

Program 1.9: Immunisation

Program Objective

Reduce the incidence of vaccine preventable diseases to protect individuals, and increase national immunisation coverage rates to protect the Australian community.

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

The Department worked with states and territories to continue delivering programs under the National Partnership on Essential Vaccines (NPEV) throughout 2021–22. Vaccination remains the safest method for disease protection and achieving herd immunity. Herd immunity occurs when there are enough people vaccinated against disease to prevent it spreading from person to person, offering indirect protection to unvaccinated people, including children too young to be vaccinated, or people who cannot be vaccinated for a range of valid medical reasons.

Australia's national aspirational vaccination coverage rate remained at 95.00% for children at 5 years of age, ensuring enough herd immunity would be provided to stop the spread of measles and other vaccine-preventable diseases.

First Nations people have higher rates of some vaccine-preventable diseases than non-Indigenous people, and are an important population group for receiving vaccinations. In 2021–22, the Department continued to focus on closing this inequitable gap in immunisation rates, including addressing both structural and attitudinal barriers.

Immunisation coverage rates:

a. For children at 5 years of age are increased and maintained at the protective rate of 95%.

b. For Aboriginal and Torres Strait Islander children 12–15 months of age are increased to close the gap.

c. For adults at increased risk of vaccine preventable diseases due to age or underlying medical conditions.

Source: *Health Portfolio Budget Statements 2021–22*, p.84 and *Health Corporate Plan 2021–22*, p.48

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
a. ≥95.00%	94.54%	95.18%	94.77%	94.90%	94.40%
b. ≥94.00%	91.53%	93.36%	93.40%	92.40%	92.50%
c. Identify data source and baseline coverage rates.[49]	Data not available[50]	N/A[51]	N/A	N/A	N/A
	Result: Substantially met				

After exceeding Australia's aspirational target in childhood immunisation coverage rates of 95.00% in 2020–21, with 95.18% of children at 5 years of age fully immunised, the percentage decreased to 94.54% in 2021–22. The slight decrease reflects barriers in the community, due largely to the challenges associated with the COVID-19 pandemic.

While the result did not fully reach the aspirational target of 95.00% in 2021–22, Australia's immunisation coverage rate for children at 5 years of age remains very high. The Department continues to work with states and territories to achieve this target through delivery of the program administered under the NPEV.

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

Immunisation coverage rates of Aboriginal and Torres Strait Islander children at age 12 to 15 months fell to 91.53% in 2021–22, down from 93.36% in 2020–21. This decrease can also be attributed to barriers in the community, due largely to the challenges associated with the COVID-19 pandemic.

In response to this result, a targeted campaign to improve uptake and timeliness of routine childhood immunisations among Aboriginal and Torres Strait Islander children was implemented in 2021–22 to help improve immunisation rates in the community.

The Australian Immunisation Register Multi-Agency Data Integration Project, which is being established, will enable the baseline data for performance measure c. to be constructed. This data is anticipated to become available by the end of 2022, with baselines to be established in the next performance cycle.

[49] Amendments to the *Australian Immunisation Register Act 2015* make it mandatory to report COVID-19 vaccinations to the Australian Immunisation Register from 20 February 2021, and influenza vaccinations from 1 March 2021. Accordingly, 2021–22 will set a baseline from which future targets will be defined.

[50] This was a new performance target developed for use from 2021–22 onward. Future targets will be determined using a baseline figure, which will be set in 2022 and based on 2021–22 data in the Australian Immunisation Register and utilising the Multi-Agency Data Integration Project. 2021–22 results will be published at: www.health.gov.au/health-topics/immunisation/childhood-immunisation-coverage

[51] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Outcome 1 - Expenses and Resources

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 1.1: Health Research, Coordination and Access[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	431,041	440,243	9,202
to Services for Other Entities and Trust Moneys Special Account	-	(8,733)	(8,733)
Special accounts			
Services for Other Entities and Trust Moneys Special Account	9,819	11,783	1,964
Expense adjustment[2]	-	1,596	1,596
Medical Research Future Fund	455,000	454,895	(105)
Special appropriations			
National Health Act 1953 - blood fractionation products and blood related products to National Blood Authority	920,466	926,865	6,399
Public Governance, Performance and Accountability Act 2013 s77 - repayments	4,000	5,454	1,454
Other Services Appropriation Act (No. 2)	-	4,754	4,754
Departmental expenses			
Departmental appropriation[3]	113,399	115,003	1,604
Expenses not requiring appropriation in the budget year[4]	7,521	7,218	(303)
Total for Program 1.1	**1,941,246**	**1,959,078**	**17,832**
Program 1.2: Mental Health[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,228,274	1,155,163	(73,111)
Departmental expenses			
Departmental appropriation[3]	42,057	42,956	899
Expenses not requiring appropriation in the budget year[4]	3,168	3,920	752
Total for Program 1.2	**1,273,499**	**1,202,039**	**(71,460)**
Program 1.3: Aboriginal and Torres Strait Islander Health[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	975,616	973,031	(2,585)
Departmental expenses			
Departmental appropriation[3]	24,142	23,765	(377)
Expenses not requiring appropriation in the budget year[4]	3,635	2,706	(929)
Total for Program 1.3	**1,003,393**	**999,503**	**(3,890)**

Outcome 1 - Expenses and Resources (continued)

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 1.4: Health Workforce			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,516,332	1,503,031	(13,301)
Departmental expenses			
Departmental appropriation[3]	38,322	41,557	3,235
Expenses not requiring appropriation in the budget year[4]	3,932	5,710	1,778
Total for Program 1.4	**1,558,586**	**1,550,298**	**(8,288)**
Program 1.5: Preventive Health and Chronic Disease Support[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	504,568	463,162	(41,406)
Departmental expenses			
Departmental appropriation[3]	36,713	38,588	1,875
Expenses not requiring appropriation in the budget year[4]	2,950	3,859	909
Total for Program 1.5	**544,231**	**505,609**	**(38,622)**
Program 1.6: Primary Health Care Quality and Coordination			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,185,714	1,064,692	(121,022)
Departmental expenses			
Departmental appropriation[3]	41,312	47,621	6,309
Expenses not requiring appropriation in the budget year[4]	3,050	4,093	1,043
Total for Program 1.6	**1,230,076**	**1,116,407**	**(113,669)**
Program 1.7: Primary Care Practice Incentives and Medical Indemnity			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	644,481	592,804	(71,677)
Special appropriations			
Medical Indemnity Act 2002	97,027	45,485	(51,542)
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	3,287	6,200	2,913
Departmental expenses			
Departmental appropriation[3]	6,399	5,523	(876)
Expenses not requiring appropriation in the budget year[4]	372	470	98
Total for Program 1.7	**771,566**	**650,482**	**(121,084)**

Outcome 1 - Expenses and Resources (continued)

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 1.8: Health Protection, Emergency Response and Regulation[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	4,221,174	4,478,315	257,141
Non cash expenses[5]	1,532,138	1,342,279	(189,859)
Special appropriations			
National Health Act 1953			
- *COVID-19 Vaccines and Treatments*	3,769,994	821,036	(2,948,958)
Departmental expenses			
Departmental appropriation[2]	215,061	198,015	(17,046)
to Special Accounts	(24,656)	(24,656)	-
Expenses not requiring appropriation in the budget year[4]	14,161	20,690	6,529
Special Accounts			
OGTR[6]	8,545	8,247	(298)
Industrial Chemicals Special Account	22,896	17,351	(5,545)
TGA[7]	193,147	213,215	20,068
Expense adjustment[7]	(2,691)	(4,123)	(1,432)
Total for Program 1.8	**9,949,769**	**7,070,368**	**(2,879,401)**
Program 1.9: Immunisation[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	32,855	25,131	(7,724)
to Australian Immunisation Special Account	(7,133)	(7,362)	(229)
Special Accounts			
Australian Immunisation Register Special Account (s78 PGPA Act)	9,819	7,909	(1,910)
Expense adjustment[7]	-	(393)	(393)
Special appropriations			
National Health Act 1953 - essential vaccines	442,058	401,637	(40,421)
Departmental expenses			
Departmental appropriation[3]	6,633	7,357	724
Expenses not requiring appropriation in the budget year[4]	531	735	204
Total for Program 1.9	**484,763**	**435,014**	**(49,749)**

Outcome 1 - Expenses and Resources (continued)

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	10,760,055	10,695,573	(64,482)
to Special Accounts	(7,133)	(16,096)	(8,963)
Special appropriations	5,236,832	2,206,677	(3,030,155)
Special Accounts	474,638	475,789	1,151
Non cash expenses[5]	1,532,138	1,342,279	(189,859)
Other Services Appropriation Act (No. 2)	-	4,754	4,754
Departmental expenses			
Departmental appropriation[3]	524,038	520,386	(3,652)
to Special Accounts	(24,656)	(24,656)	-
Expenses not requiring appropriation in the budget year[4]	39,320	49,401	10,081
Special Accounts	221,897	234,690	12,793
Total expenses for Outcome 1	**18,757,129**	**15,254,107**	**(3,281,125)**

Average staffing level (number)	**2,767**	**2,796**	**29**

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

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

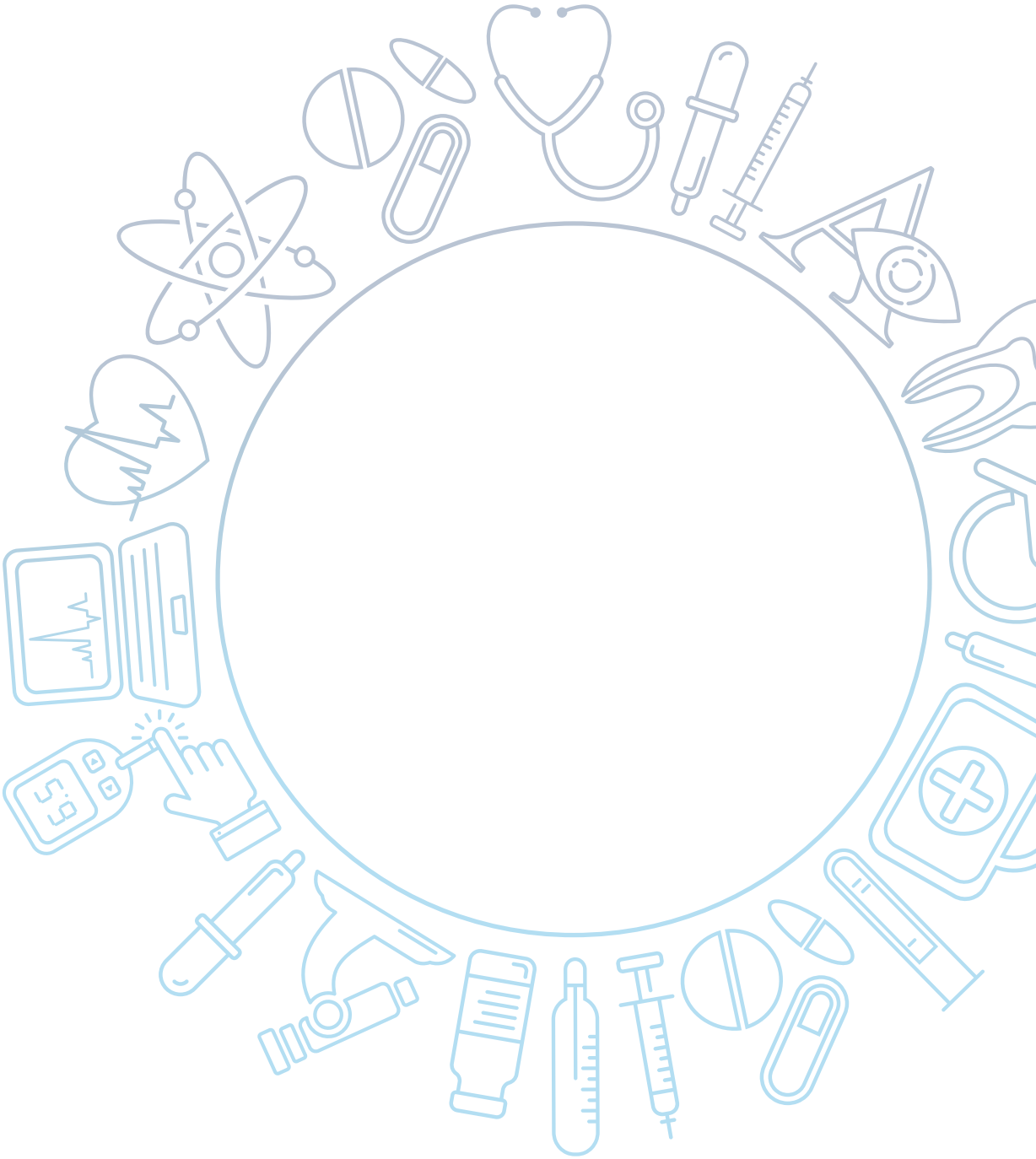
3 Departmental appropriation combines 'Ordinary annual services Appropriation Act (No. 1)' and 'Revenue from independent sources (s74)'.

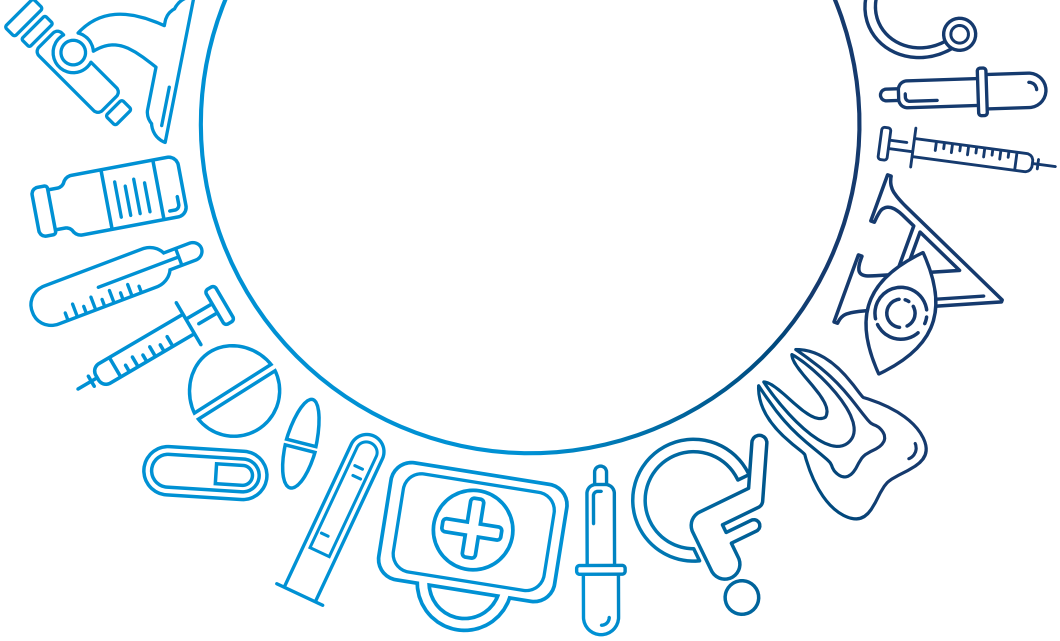
4 Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and resources received free of charge.

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

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

7 Therapeutic Goods Administration (TGA) Special Account.





Outcome 2

Individual Health Benefits

Ensuring improved access for all Australians to cost-effective and affordable medicines, medical, dental and hearing services; improved choice in healthcare services, through guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting targeted assistance strategies and private health insurance

Highlights

	Support for Australians through Medicare	24.2 million Australians (inclusive of some overseas visitors) accessed at least one Medicare Benefits Schedule service in 2021–22. *Program 2.1*
	Life Saving Drugs Program (LSDP) applications	All patient applications for the LSDP were processed within 30 calendar days in 2021–22, benefitting 501 patients nationwide to receive their life saving medications as quickly as possible. *Program 2.3*
	National Diabetes Services Scheme (NDSS) registrations	As at 30 June 2022, 1,629,645 people with type 1, type 2, gestational diabetes and 'other' diabetes were registered with the NDSS. This included 175,476 women registered on the gestational diabetes mellitus reminder system. *Program 2.7*

38 new patient applications processed for the **Life Saving Drugs Program**

94.2% of Australians accessed Medicare Benefits Schedule services in 2021–22

The Department continued to support **Australia's National Oral Health plan through the Child Dental Benefits Schedule**

Approximately **14 million Australians are covered by private health insurance**

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: Medical Benefits	1	1	–	–
Program 2.2: Hearing Services	–	1	–	–
Program 2.3: Pharmaceutical Benefits	2	–	–	–
Program 2.4: Private Health Insurance	1	–	–	–
Program 2.5: Dental Services	–	1	–	–
Program 2.6: Health Benefit Compliance	1	–	–	–
Program 2.7: Assistance through Aids and Appliances	–	–	–	1
Total	**5**	**3**	**–**	**1**

Program 2.1: Medical Benefits

Program Objective

Deliver a modern, sustainable Medicare program that supports all Australians to access high quality and cost-effective professional services. Work with consumers, health professionals, private health insurers, and states and territories to continue strengthening Medicare and progressing the Long Term National Health Plan to improve health outcomes for patients.

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

The Medicare Benefits Schedule (MBS) continued to provide Australians with access to affordable and clinically relevant medical services through Medicare, with 24.2 million Australians (inclusive of some overseas visitors) accessing at least one MBS service in 2021–22.

The Department continued to implement recommendations made by the MBS Review Taskforce to improve Medicare services for all Australians. The Review is the most comprehensive undertaken since Medicare's inception in 1984, focusing on ensuring MBS items meet the goals of affordable and universal access, best practice healthcare, and value for both the individual patient and the health system. Reforms implemented will continue to provide Australians the care needed as the population ages, costs increase, and complexity of illness and treatment grows.

Further implementation of the recommendations in the MBS Review Taskforce final report[52] will cement the MBS's role as an essential component of Medicare, providing modern, safe and value for money healthcare to all Australians, now and into the future.

Percentage of Australians accessing Medicare Benefits Schedule services.

Source: *Health Portfolio Budget Statements 2021–22*, p.91 and *Health Corporate Plan 2021–22*, p.52

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
90%	94.2%	N/A[53]	N/A	N/A	N/A
	Result: Met				

Medicare is Australia's universal health insurance scheme. It guarantees all Australians (and some overseas visitors) access to a wide range of health and hospital services at low or no cost.

The MBS is the principal way that most Australians access health care in Australia. Through the MBS, the Government either fully or partially subsidises the cost of a wide range of health services.

A number of factors contributed to exceeding this performance measure in 2021–22, including:

- The broader health system supported most Australians to access necessary services listed on the MBS when they were required.
- Additional support was provided by enabling COVID-19 specific MBS services and telehealth consultations.
- A high proportion of services were bulk-billed, with no cost to patients.

[52] Available at: www.health.gov.au/sites/default/files/documents/2020/12/medicare-benefits-schedule-review-taskforce-final-report-an-mbs-for-the-21st-century-recommendations-learnings-and-ideas-for-the-future.pdf

[53] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Percentage of Government agreed Medicare Benefits Schedule Taskforce recommendations that have been implemented. Source: *Health Portfolio Budget Statements 2021–22*, p.91 and *Health Corporate Plan 2021–22*, p.52					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
80%	76.0%	N/A[54]	N/A	N/A	N/A
	Result: Substantially met				

As at 30 June 2022, the Government has accepted 916 of the 1,396 MBS Taskforce recommendations. The Department has implemented 698[55] of these recommendations and referred 34 to the Medical Services Advisory Committee for review. The remaining 184 recommendations are scheduled for implementation between July 2022 and July 2023, of which 36 (the unmet 4% of the target) will be implemented on 1 July 2022.

Following stakeholder feedback in July 2021, the Government agreed that future implementation timelines would be extended to ensure stakeholders had sufficient time and capacity to incorporate MBS changes into their business practices. This included extending the expected implementation of recommendations agreed to in the 2021–22 Budget.

Recent implemented changes to the MBS include:

- improving patient access and safety to gynaecology services
- aligning varicose vein treatment to contemporary clinical practice
- introducing new items for allied health practitioners who participate in case conferencing
- supporting medical practitioners in providing the safest and most effective pain management services.

Ongoing implementation and progress against this measure is subject to government approval and consideration of implementation timing and priorities.

[54] This is a new performance measure for 2021–22, therefore results are not available for previous years.

[55] This measure captures the level of implementation against government accepted recommendations (916), rather than overall number of Taskforce recommendations (1,396), to ensure implementation keeps pace with government rate of progress.

Program 2.2: Hearing Services

Program Objective

Provide hearing services, including devices, to eligible people to help manage their hearing loss and improve engagement with the community. Continue support for hearing research, with a focus on ways to reduce the impact of hearing loss and the incidence and consequence of avoidable hearing loss.

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

In 2021–22, the Department continued managing and administering the Hearing Services Program by providing eligible Australians with access to high quality hearing services and devices to reduce the incidence and consequences of avoidable hearing loss in the community.

Rehabilitation services are also available to eligible Australians through the Hearing Services Program. In addition to clients receiving hearing assessments, device fittings and reviews, some appointments cover communication training to improve clients' capacity to communicate and participate in social situations, which can have a positive impact on education and employment opportunities. Education is also provided on the impact of hearing loss and hearing loss prevention.

a. Number of active vouchered clients[56] who receive hearing services.

b. Number of active Community Service Obligations (CSO) clients who receive hearing services.

Source: *Health Portfolio Budget Statements 2021–22*, p.92 and *Health Corporate Plan 2021–22*, p.54

2021–22 Target	2021–22 Result	2020–21[57]	2019–20	2018–19	2017–18
a. 821,070 b. 74,819	811,991 72,245	Total (a + b): 885,461	Total (a + b): 821,731	Total (a + b): 796,000	Total (a + b): 733,400
	Result: Substantially met				

Through the Hearing Services Program, the Department is 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.

On 1 July 2021, changes were made to the Voucher Program to extend a client's voucher from 3 to 5 years. While this did not impact the number of eligible clients, it has impacted the type and number of services available to clients during 2021–22, and contributed to a reduction in the number of clients accessing services in 2021–22.

The impact of the COVID-19 pandemic resulted in a reduction in the number of vouchered and CSO clients accessing services in 2021–22. A number of other factors contributed to fewer CSO clients accessing hearing services in 2021–22. These included:

- Funding provided by the Department to Hearing Australia under the Hearing Assessment Program – Early Ears (HAP-EE) Program reduced the referral of some young clients to CSO, as HAP-EE focuses on hearing loss in zero to 6 year olds, while CSO eligibility includes zero to 26 year olds.
- COVID-19 restrictions impacted service delivery to some remote First Nations communities.

[56] Active clients refers to the number of current voucher holders under the Hearing Services Program that have accessed one or more program services during the year.

[57] This performance measure was updated in the *Health Portfolio Budget Statements 2021–22* to separate vouchered and CSO client numbers. Results for financial years prior to 2021–22 include a combined number of vouchered and CSO clients.

Program 2.3: Pharmaceutical Benefits

Program Objective

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

The Department met all performance targets related to this program.

During 2021–22, the Department continued listing new medicines on the PBS that have been recommended by the independent, expert Pharmaceutical Benefits Advisory Committee (PBAC). The PBS provides access to necessary and life saving medicines at an affordable price, with the aim to improve health outcomes for Australians with a wide range of medical conditions.

The Department continued to process patient applications for the LSDP within 30 calendar days in 2021–22, benefitting 501 patients nationwide and ensuring they received their life saving medications as quickly as possible.

Percentage of new medicines that are recommended by the Pharmaceutical Benefits Advisory Committee (PBAC) are listed on the Pharmaceutical Benefits Scheme (PBS) within 6 months of in-principle agreement to listing arrangements, where a listing proposal is provided by the sponsor at the earliest opportunity following a PBAC recommendation.

Source: *Health Corporate Plan 2021–22*, p.57 and *Health Portfolio Additional Estimates Statements 2021–22*, p.50

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
≥80%	100%	100%	100%	100%	88%
	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, where a listing proposal was provided by the sponsor at the earliest opportunity following a PBAC recommendation.

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 PBAC recommendation are often complex and may, in limited circumstances, require further PBAC consideration.

Processing time of applications for access to the Life Saving Drugs Program following receipt of a complete application. Source: *Health Portfolio Budget statements 2021–22*, p.94 and *Health Corporate Plan 2021–22*, p.57					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
90% within 8 calendar days. 100% within 30 calendar days. 100% of urgent applications within 48 hours.	85.72% within 8 calendar days. 100% within 30 calendar days. No urgent applications were received in 2021–22.	80.00% within 8 calendar days 100% within 30 calendar days. 100% of urgent applications within 48 hours.	N/A 100% within 30 calendar days. N/A	N/A N/A N/A	N/A N/A N/A
	Result: Met				

In 2021–22, a total of 35 new patient applications were received for the LSDP, with a further 3 new patient applications processed which were received in 2020–21 and finalised in 2021–22.

Of these, 5 applications took longer than 8 calendar days to process, with 2 being complex applications requiring further advice from a Medical Officer. However, all applications were processed within 30 calendar days, with the average processing time for a new application being only 5.76 days.

Program 2.4: Private Health Insurance

Program Objective

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

The Department met the performance target related to this program.

In 2021–22, the Department continued to assess insurer premium change applications through the annual premium round process to improve the affordability of private health insurance, and assist consumers in making informed decisions regarding the type of cover that provides access to a range of health services that best meet their needs and circumstances.

At 30 June 2022, approximately 14 million Australians are covered by private health insurance.

Percentage of applications to the Minister from private health insurers to change premiums charged under a complying health insurance product that are assessed within approved timeframes.[58]

Source: *Health Portfolio Budget Statements 2021–22*, p.95 and *Health Corporate Plan 2021–22*, p.59

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
100%	100%	N/A[59]	N/A	N/A	N/A
	Result: Met				

Timely assessment of insurer premium change applications enables appropriate information to be communicated to existing policyholders, as well as people considering purchasing private health insurance, to inform their purchasing decisions regarding the type of cover that best meets their needs and circumstances. This includes providing an opportunity to compare offers available across a range of private health insurers.

A number of factors contributed to meeting this performance measure in 2021–22, including:

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

[58] Application form and timeframes are available at: www.health.gov.au/phi-6720-2021-private-health-insurance-premium-round-applications

[59] This is a new performance measure for 2021–22, therefore results are not available for previous years.

Program 2.5: Dental Services

Program Objective

Improve access to adult public dental services through a Federal Funding Agreement with state and territory governments, and support eligible children to access essential dental health services through the Child Dental Benefits Schedule (CDBS).

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

During 2021–22, the Department continued to support Australia's National Oral Health Plan through the CDBS. The CDBS aims to improve access to dental services for eligible Australian children by covering part or all of the cost of basic dental services. This helps address declining child oral health and improve the oral health of the broader population. Poor oral health early in life is the strongest predictor of further oral disease in adult life.

CDBS utilisation has continued to be impacted by the effects of the COVID-19 pandemic throughout 2021–22.

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

Source: *Health Portfolio Budget Statements 2021–22*, p.96 and *Health Corporate Plan 2021–22*, p.60

2021–22 Target	2021–22 Result	2021[60]	2020	2019	2018
41.0%	35.40%	42.10%	33.80%	39.40%	38.54%
	Result: Substantially met				

In 2021–22, ongoing impacts of the COVID-19 pandemic continued to affect the provision of dental services and CDBS utilisation rates across Australia.

In the first 3 months of 2021–22, utilisation was affected by extensive COVID-19 lockdowns in New South Wales, Victoria, and the Australian Capital Territory. Utilisation was also impacted nationally throughout January and February 2022 due to increased levels of COVID-19 infection in the community.

The Fifth Review of the *Dental Benefits Act 2008*, scheduled to commence in July 2022, will review CDBS utilisation rates, including impacts of the COVID-19 pandemic.

[60] This measure was previously reported on a calendar year basis, as published in previous Annual Reports. From 2021–22, this measure is reported on a financial year basis.

Program 2.6: Health Benefit Compliance

Program Objective

Support the integrity of health benefit claims through prevention, early identification and treatment of incorrect claiming, inappropriate practice and fraud.

The Department met the performance target related to this program.

In 2021–22, the Department continued assisting the Australian Government in supporting the integrity of Australia's health payment systems, and ensuring the needs of Australian patients are met through compliance activities focused on early intervention and prevention. This assists health providers by ensuring they receive the correct entitlements and, through support and education initiatives, meet their obligations and responsibilities.

The health provider compliance program ensures Medicare is serving the needs of all Australian patients, now and into the future.

Percentage of completed audits, practitioner reviews and investigations that are found non-compliant.

Source: *Health Portfolio Budget Statements 2021–22*, p.97 and *Health Corporate Plan 2021–22*, p.62

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
>80%	>95%	93%	>90%	>90%	N/A
	Result: Met				

During 2021–22, the Department delivered a quality health provider compliance program through:

- consultation with professional bodies and stakeholder groups on compliance strategies, which assisted health providers to meet their compliance obligations when claiming benefits, ensuring the integrity of health provider claiming
- continuing to strengthen and update 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.

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

Program 2.7: Assistance through Aids and Appliances

Program Objective

Improve health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.

The data sets for the performance target related to this program were not available at the time of publication.

The Department continued to ensure eligible Australians were provided with access to the National Diabetes Services Scheme (NDSS) in 2021–22. The NDSS helps people with diabetes understand and manage their life with diabetes, while providing timely, reliable and affordable access to NDSS support services and products.

The NDSS delivers syringes and needles, blood glucose test strips, urine ketone test strips, insulin pump consumables and continuous glucose monitoring products to help people manage their diabetes. It also provides educational and information services to assist in the best use of products for its self-management.

Percentage of respondents to the annual National Diabetes Services Scheme registrant survey who indicate their needs are being met.

Source: *Health Portfolio Budget Statements 2021–22*, p.98 and *Health Corporate Plan 2021–22*, p.64

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
≥90%	Data not available[61]	89%	91%	91%	>90%
	Result: Data not available —				

The NDSS is a demand-driven program that is subject to a cycle of continuous review and evaluation to ensure it is clinically relevant and meets the needs of registrants. Expert clinical advice and input is provided through peak diabetes organisations, with participation established through working groups and expert advisory panels.

As at 30 June 2022, 1,629,645 people with type 1, type 2, gestational diabetes and 'other' diabetes were registered with the NDSS. This included 175,476 women registered on the gestational diabetes mellitus reminder system.

NDSS evaluation arrangements were significantly expanded in 2021–22 to capture more data about the operation of the scheme, including the NDSS programs and services accessed by registrants.

The NDSS registrant survey was sent to 692,933 registrants via email and SMS, who had previously agreed to be contacted for research purposes. Of these, there were 41,986 surveys completed.

While this evaluation process no longer captures a single user satisfaction score as a percentage, the evaluation results will track a longitudinal view of the impact of the NDSS over time. The analysis of the NDSS registrant survey response data is ongoing and involves linkages with existing registrant data. The NDSS Evaluation Annual Report is expected to be delivered in late September 2022.

NDSS registrant satisfaction with programs and services is also being captured through tailored evaluation surveys for each program and service accessed. Results to date indicate they received an excellent Net Promoter Score rating of 77.8. Based on the international benchmark for health care, scores above 58 are considered 'excellent', demonstrating that the NDSS continues to deliver positive outcomes, and valued programs and services, to Australians living with diabetes registered with the NDSS.

[61] NDSS evaluation arrangements were significantly expanded in 2021–22 to capture more data about the operation of the scheme, including the NDSS programs and services accessed by registrants. This means the way data is collected has changed since the publishing of the Portfolio Budget Statements 2021–22 and no longer aligns with the target as published. The measure will be updated in the October 2022–23 Portfolio Budget Statements to align with the new methodology.

Outcome 2 - Expenses and Resources

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 2.1: Medical Benefits			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	169,148	135,781	(33,367)
Special accounts			
Medicare Guarantee Fund - medical benefits	30,222,693	28,864,401	(1,358,292)
accrual adjustment	39,467	(15,591)	(55,058)
Departmental expenses			
Departmental appropriation[1]	33,602	32,265	(1,337)
Expenses not requiring appropriation in the budget year[2]	2,854	3,232	378
Total for Program 2.1	**30,467,764**	**29,020,089**	**(1,447,675)**
Program 2.2: Hearing Services			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	520,281	547,697	27,416
Departmental expenses			
Departmental appropriation[1]	8,359	6,505	(1,854)
Expenses not requiring appropriation in the budget year[2]	4,964	1,134	(3,830)
Total for Program 2.2	**533,604**	**555,336**	**21,732**
Program 2.3: Pharmaceutical Benefits			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	944,270	880,344	(63,926)
Special account			
Medicare Guarantee Fund - pharmaceutical benefits	14,645,184	14,511,332	(133,852)
accrual adjustment	43,764	159,320	115,556
Departmental expenses			
Departmental appropriation[1]	55,261	54,518	(743)
Expenses not requiring appropriation in the budget year[2]	9,130	5,940	(3,190)
Total for Program 2.3	**15,697,609**	**15,611,453**	**(86,156)**
Program 2.4: Private Health Insurance			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	20,659	14,459	(6,200)
Special appropriations			
Private Health Insurance Act 2007 - incentive payments and rebate	6,494,481	6,500,721	6,240
Departmental expenses			
Departmental appropriation[1]	22,875	19,626	(3,249)
Expenses not requiring appropriation in the budget year[2]	1,360	1,521	161
Total for Program 2.4	**6,539,375**	**6,536,327**	**(3,048)**

Outcome 2 - Expenses and Resources (continued)

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 2.5: Dental Services[3]			
Administered expenses			
Special appropriations			
Dental Benefits Act 2008	337,905	281,157	(56,748)
Departmental expenses			
Departmental appropriation[1]	668	832	164
Expenses not requiring appropriation in the budget year[2]	52	83	31
Total for Program 2.5	**338,625**	**282,072**	**(56,553)**
Program 2.6 Health Benefit Compliance			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	17,375	16,562	(813)
Departmental expenses			
Departmental appropriation[1]	75,576	82,011	6,435
Expenses not requiring appropriation in the budget year[2]	6,945	8,346	1,401
Total for Program 2.6	**99,896**	**106,920**	**7,024**
Program 2.7: Targeted Assistance - Aids and Appliances			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,592	1,627	35
Special appropriations			
National Health Act 1953 - aids and appliances	414,931	393,708	(21,223)
Departmental expenses			
Departmental appropriation[1]	3,787	3,847	60
Expenses not requiring appropriation in the budget year[2]	300	366	66
Total for Program 2.7	**420,610**	**399,549**	**(21,061)**

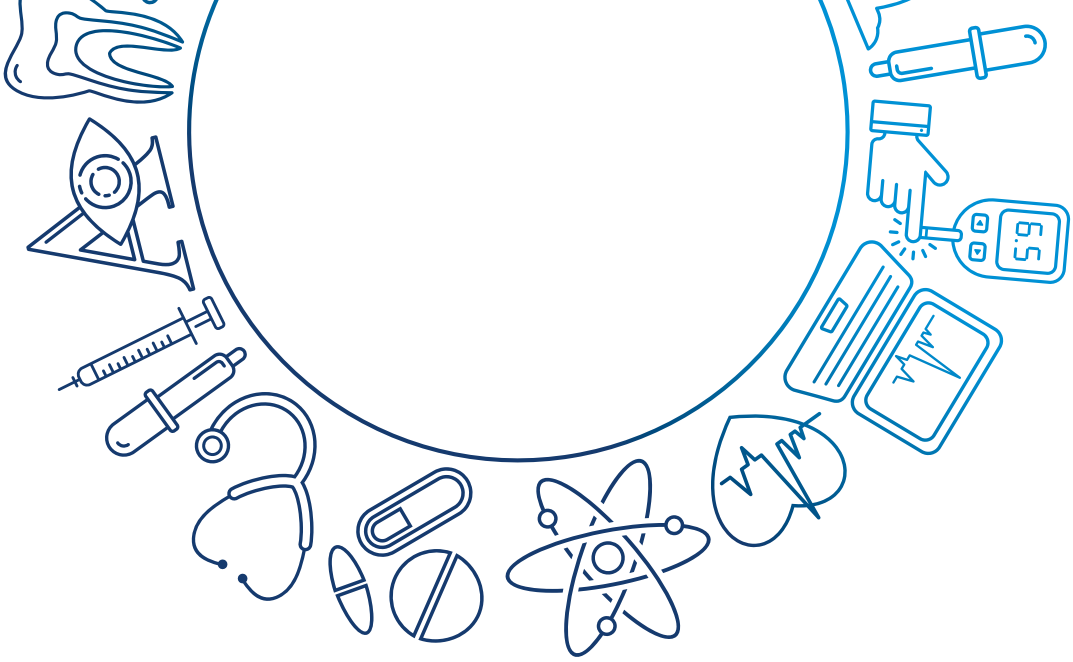
Outcome 2 - Expenses and Resources (continued)

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	1,673,325	1,596,470	(76,855)
Special appropriations	7,247,317	7,175,586	(71,731)
Special accounts	44,867,877	43,375,733	(1,492,144)
accrual adjustment	83,231	143,730	60,499
Departmental expenses			
Departmental appropriation[1]	200,128	199,605	(523)
Expenses not requiring appropriation in the budget year[2]	25,605	20,622	(4,983)
Total expenses for Outcome 2	**54,097,483**	**52,511,746**	**(1,585,737)**
Average staffing level (number)	**917**	**930**	**13**

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

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

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



Outcome 3

Ageing and Aged Care

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

Highlights

My Aged Care assessments	In 2021–22, 200,562 comprehensive assessments and 272,793 home support assessments were provided to older Australians to determine their eligibility for aged care services. *Program 3.1*
Additional aged care funding for care services	$18.9 million was made available in 2021–22 to support an estimated 8,400 clients in accessing additional flexible and centre-based respite services. *Program 3.2*
Residential aged care places	223,656 residential aged care places supported older Australians unable to continue living independently in their own homes. *Program 3.2*

In-person My Aged Care support introduced through dedicated Services Australia service centres

97.1% of high priority home support assessments completed within 10 calendar days of referral acceptance

Up to $60 million in targeted CHSP growth allocated across 66 aged care planning regions in 2021–22

236,928 Home Care Packages allocated

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: Access and Information	1	1	–	–
Program 3.2: Aged Care Services	1	2	–	–
Program 3.3: Aged Care Quality	1	–	–	–
Total	**3**	**3**	**–**	**–**

Program 3.1: Access and Information

Program Objective

Support older Australians, their families, representatives and carers to access reliable and trusted information about aged care and support services through My Aged Care. Provide improved and more consistent client outcomes, responsive assessment of clients' needs and goals, appropriate referrals, and equitable access to aged care services.

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

The Department continued to support older Australians during 2021–22 through the delivery of high priority My Aged Care assessments within set timeframes, ensuring those in need of support received timely access to appropriate services.

Aged Care Assessment Teams (ACAT) and Regional Assessment Services (RAS) complete aged care assessments in both community and hospital settings and determine eligibility for a variety of subsidised aged care services, including Home Care Packages, residential aged care, short term restorative care, residential respite care, transitional care, and Commonwealth Home Support Programme (CHSP) services.

Ensuring high priority hospital and community assessments are completed within required timeframes means that older Australians have the necessary care approvals to support timely and safe discharge from hospital, while those who are in most need of aged care supports are receiving timely assessments and approvals for services under the CHSP and the *Aged Care Act 1997*.

The Department ensured older Australians, their families and carers continued to receive information about, and access to, aged care services from the My Aged Care Contact Centre and website throughout 2021–22, and additionally introduced in-person support through dedicated Services Australia service centres. Significant enhancements were also deployed on the My Aged Care website in 2021–22 to further improve user experience, along with continuing to review and identify opportunities to improve the experience of callers to the Contact Centre.

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

a. High priority comprehensive assessments completed within 10 calendar days of referral acceptance for community setting.

b. High priority comprehensive assessments completed within 5 calendar days of referral acceptance for hospital setting.

c. High priority home support assessments completed within 10 calendar days of referral acceptance.

Source: *Health Corporate Plan 2021–22*, p.72 and *Health Portfolio Additional Estimates Statements 2021–22*, p.55

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
a. >90.0%	95.5%	99.5%	92.5%	88.5%	88.5%
b. >90.0%	97.0%	99.2%	98.8%	95.0%	95.0%
c. >90.0%	97.1%	97.2%	97.0%	93.3%	93.3%
	Result: Met				

My Aged Care assessments assist the Department in determining the eligibility of older Australians for subsidised aged care services.

In 2021–22, a total of 200,562 comprehensive assessments were conducted. Of these, 148,260 were conducted in the community setting, and 52,302 were conducted in the hospital setting. Around 70.0% of high priority hospital assessments were completed within 48 hours of referral.

In 2021–22, 272,793 home support assessments were conducted in community settings, with 97.1% of high priority home support assessments completed within 10 calendar days of referral acceptance.

The Commonwealth funds:

- states and territories to deliver assessments through ACAT
- assessment organisations to deliver assessments through 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 transitional care. RAS assessors are engaged to deliver home support assessments to determine a client's eligibility for entry level aged care services, including CHSP services.

During 2021–22, the Department worked with states and territories, and RAS organisations, to ensure continuity of services despite considerable COVID-19 related disruption. Jurisdictions and assessment organisations implemented flexible approaches to combat these disruptions, including the use of telephone and telehealth assessments.

The percentage of surveyed users[62] who are satisfied[63] with the service provided by the: a. My Aged Care Contact Centre. b. My Aged Care website. Source: *Health Corporate Plan 2021–22*, p.73 and *Health Portfolio Additional Estimates Statements 2021–22*, p.55						
2021–22 Target		**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
a.	≥95%	≥94.0%[64]	95.3%	93.0%[66]	89.0%	92.0%
b.	≥65%	≥48.5%[65]	52.0%	47.3%	55.0%	56.0%
		Result: Substantially met				

Satisfaction with the My Aged Care Contact Centre remained stable in 2021–22, despite the impacts and increase of demand during the COVID-19 pandemic.

The end of COVID-19 lockdowns in the majority of Australian states and territories in late 2021, particularly in Victoria and New South Wales, resulted in the My Aged Care Contact Centre receiving a record number of calls for assistance and information relating to access to aged care services. Record numbers for calls handled on the consumer line were experienced in March 2022 (145,279, up from 136,960 in March 2021) and May 2022 (142,200, up from 128,222 in May 2021).

The Department is committed to developing further targeted initiatives to continue improving consumer satisfaction and experience of the My Aged Care Contact Centre. For example, during 2021–22 a new Contact Centre tool was deployed to measure agent empathy and understand client sentiment. Combined with speech analytics, these tools enabled the Contact Centre to develop an improved understanding of key themes and areas for focus.

Satisfaction with the My Aged Care website remained below the target of 65.0%. While satisfaction has remained stable throughout 2021–22, there has been a marginal decrease from 2020–21.

In reviewing free text responses to the website survey, many of these are outside the scope of the website. Additionally, the decrease in satisfaction could be due to a range of factors, including perceptions of aged care resulting from the COVID-19 pandemic and the Royal Commission into Aged Care Quality and Safety.

The Department continued to closely monitor consumer feedback to inform improvements to the My Aged Care website. In 2021–22, a number of enhancements were implemented based on feedback and user testing, aimed to improve user experience. These included:

- a redesigned homepage to help users to find the information they need faster through personalised links for different audiences
- a 'Help Explorer' tool to assist users to learn about the different types of aged care services that exist
- improvements to the 'Find a Provider' tool to allow users to better find and compare aged care providers
- a new tool to help users understand and compare Home Care Package pricing.

In addition to these enhancements, a virtual assistant was introduced in March 2022, providing additional support for users to navigate the website and find the information they need.

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

[63] '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.

[64] In 2021–22, there were 1,610,436 calls made to the Contact Centre's Consumer Line and Industry Line. Of those calls, 8,985 (0.56%) took part in the Customer Satisfaction Survey.

[65] In 2021–22, there were 4,710,529 visits to the My Aged Care website. Of those visits, 15,597 (0.33%) took part in the Customer Satisfaction Survey.

[66] 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, results prior to 2019–20 are not comparable with 2019–20 and beyond results.

Program 3.2: Aged Care Services

Program Objective

Provide choice through a range of flexible options to support older Australians who need assistance. This includes supporting people to remain living at home and connected to their communities for longer, through to residential care for those who are no longer able to continue living in their own home.

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

Throughout 2021–22, the Department continued to support older Australians to remain living in their own homes and connected to their communities for longer through both the allocation of Home Care Packages (HCPs) and the Commonwealth Home Support Programme (CHSP).

The CHSP provides entry level support to older Australians who require assistance to continue living independently, through services including transport, meals, domestic assistance, personal care, nursing, allied health and respite services. Additional flexible and centre-based respite funding in 2021–22 for over 480 providers benefitted an estimated 8,400 clients to access CHSP services.

Commitment to supporting older Australians was further demonstrated through additional funding which enabled CHSP providers to meet an increased demand in service delivery across Australia, including for COVID-19 related expenses.

HCPs provide older Australians with more complex needs access to clinical care, personal care and support services which assist with day-to-day activities while living at home. Increased allocations of HCPs not only benefit the people who receive them, but also their family members, friends, and carers as their care obligations are complimented with care delivered through the HCP Program.

The Department supported Australians unable to continue living at home during 2021–22 by providing timely access to a diverse range of quality care options when and where they were needed, including respite and short and long term residential aged care. Residential aged care services provide older Australians with 24/7 accommodation and personal care, as well as access to nursing and general health care services.

Number of clients that accessed Commonwealth Home Support Programme services. Source: *Health Portfolio Budget Statements 2021–22*, p.106 and *Health Corporate Plan 2021–22*, p.76					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
>840,000	818,228[67]	825,383	839,373	840,984	783,043
	Result: Substantially met				

The CHSP provides services nationally to clients with an assessed level of need, with a focus on delivering activities that support independence, wellness and reablement.

In 2021–22, around 1,407 CHSP providers delivered a range of entry-level support services to over 818,000 older Australians, enabling them to continue living in their own homes and communities for longer. The target of more than 840,000 was substantially met as service delivery was impacted by the COVID-19 pandemic and the overall increase in the number of allocated Home Care Packages.

The Department reviewed the progress of wellness and reablement practices for CHSP clients in 2021–22. The review found that an average of 82% of service providers across all service types (except sector support and development) reported the application of a wellness and reablement approach resulted in clients regaining or noticing an improvement in their physical or cognitive abilities.

Targeted growth funding of up to $60 million was allocated in 2021–22 across 66 Aged Care Planning Regions to meet the increase in older Australians needing access to CHSP services. Broad consultation with the sector informed CHSP services of the highest priority across the country.

CHSP meals providers were given a funding boost of $7 million in 2021–22 to increase the subsidy cost of a meal. CHSP providers also had access to additional ad hoc funding of up to $20 million to address service demand gaps and pressures across the country.

$48.8 million in funds were also made available for CHSP providers to apply for COVID-19 Emergency Funding to assist in delivery and capacity of CHSP organisations throughout 2021–22.

An additional $18.9 million was made available to support an estimated 8,400 clients in accessing additional flexible and centre-based respite services, and up to $10 million was made available to provide additional centre-based respite services for older Australians from culturally and linguistically diverse backgrounds.

[67] This is a preliminary figure. Final data will be available in September 2022, and available at: www.gen-agedcaredata.gov.au

Aged Care Volunteers – Community Visitors Scheme

The Community Visitors Scheme (CVS) funds community-based organisations to recruit volunteers to visit and provide friendship and companionship to socially isolated or lonely older Australians, with the aim of improving quality of life for people in care.

The CVS is a free program available to older Australians who are recipients of Australian Government subsidised residential aged care services or Home Care Packages (HCPs). This includes care recipients on the National Priority System for residential services or HCPs. It aims to help older Australians and special needs groups under the *Aged Care Act 1997*, who may be at higher risk of feeling isolated, to develop social connections and friendships.

Some older people feel alone for various reasons, which might include little contact with friends or relatives, feeling isolated from their culture and heritage, or mobility issues that prevent them from taking part in social or leisure activities. Regular visits from volunteers can help older people feel less isolated and in turn improve their quality of life.

The CVS is a highly successful program which has been operating for 30 years. Volunteering as a community visitor is also a rewarding experience for the volunteer. Long time CVS volunteer, Rahman, reflects on his 30 years' experience volunteering for the program.

'When I arrived in Australia from Bangladesh, the local newspaper was a great resource for finding events and opportunities in the neighbourhood. In 1991, I saw an advertisement for aged care volunteers, so I called and spoke to the program coordinator who explained the program to me. Thirty years later, I have had the pleasure of making 8 friends through volunteering in the CVS. That is over 600 years of wisdom and experience gained. I don't refer to these 8 people as my participants or residents, I call them my friends.

As a CVS volunteer I have one mission, and that mission is to give quality time. When my friends smile, I say my job is done. I was matched with my current friend, Hans, in 2005. Initially he was a friend, but now he is more like a family member. We discuss music, poetry, culture, spirituality, social issues, the environment, climate, sport, local and world politics, childhood memories, and food. When I visit, we sit and talk over coffee as friends do. Sometimes I take apple pie because that is his favourite food. Hans has been my friend for 17 years. Every time I see him, I take something away; his wisdom, his humour.

I am thankful for all my friends, for the time shared, for inspiring me. In my 30 years with the CVS, I have always felt I have gained more than I have given. I don't like to say 'senior Australians', I like to say 'wiser Australians'. As CVS volunteers, we are here for our participants because of what they have done for our nation, our community.

Volunteering gave me an identity. It is the way I belong to my community, society, country. It is a reflection on life, about making life rich. I am richer for my experience in the CVS over the past 30 years. If you are thinking of volunteering, I would say be brave and put your hand up. Volunteering is a privilege. Volunteering is the centre of gravity of our society, and why not be part of this gravity?'

– Mohammed Abdur Rahman (Rahman), CVS Volunteer.

Mohammed Abdur Rahman (left) and Hans Poulsen (right)

Number of allocated Home Care Packages. Source: *Health Corporate Plan 2021–22*, p.76 and *Health Portfolio Additional Estimates Statements 2021–22*, p.56					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
235,600	236,928	195,699	155,625	125,119	99,932
	Result: Met				

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

HCP wait times continued to decrease across all 4 HCP levels in 2021–22, with people assessed as a high priority being assigned their approved level HCP within one month.

Residential aged care places available as at 30 June. Source: *Health Portfolio Budget Statements 2021–22*, p.106 and *Health Corporate Plan 2021–22*, p.77					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
230,000	223,656[68]	219,105	217,145	213,397	210,815
	Substantially met				

The rate at which residential aged care places became operational in 2021–22 was below the Department's expectations. Providers did not establish places at the projected rates in part due to the ongoing impacts of the COVID-19 pandemic, in particular:

- low occupancy rates in residential aged care, resulting in some providers deferring additional investment
- increased costs of building and supplies.

This program is demand driven, and the shortfall for 2021–22 is not an indicator of access issues. Lower occupancy rates indicate there is a sufficient amount of residential aged care places available to meet the needs of older Australians who are unable to continue living independently in their own homes.

[68] Includes both mainstream and flexible residential care places in the Multi-Purpose Services Program, National Aboriginal and Torres Strait Islander Flexible Aged Care Program, and Aged Care Innovative Pool Program.

Program 3.3: Aged Care Quality

Program Objective

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

The Department met the performance target related to this program.

In 2021–22, the Department continued to support the provision of safe and quality aged care services for older Australians, and provided timely support services through the Dementia Behaviour Management Advisory Service (DBMAS) and Severe Behaviour Response Teams (SBRT). The DBMAS and SBRT successfully managed an increase in requests from service providers and carers who required assistance when caring for people living with dementia.

The DBMAS is a free support service for service providers and carers responsible for people who are experiencing Behavioural and Psychological Symptoms of Dementia (BPSD), where this impacts either their care or their carer. The DBMAS provides expertise, advice and short term case management to better equip carers in identifying any potential triggers for BPSD, and provides advice on non-pharmacological ways to alleviate these behaviours.

The SBRT provides support and advice to residential aged care providers, assisting residents living with dementia who are experiencing severe BPSD.

The provision of effective dementia services strengthens the capacity of the aged care sector, enabling the delivery of safe and quality care to people living with dementia, their families and their carers.

Percentage of care givers providing feedback via a survey who report an improvement in confidence when managing Behavioural and Psychological Symptoms of Dementia, following an intervention from the Dementia Behaviour Management Advisory Service or the Severe Behaviour Response Teams. Source: *Health Portfolio Budget Statements 2021–22*, p.108 and *Health Corporate Plan 2021–22*, p.80					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
≥75%	94%	93%	92%	94%	N/A
	Result: Met				

High levels of satisfaction continue to be recorded for the DBMAS and the SBRT.

The total number of referrals in 2021–22 were were 17,803 to DBMAS and the SBRT.

Referrals to DBMAS and SBRT in 2021–22 increased by 24% compared with the same period in 2020–21. A total of 95% of quality satisfaction survey respondents reported an increase in knowledge and skills regarding behaviour management, and 94% reported increased confidence to manage future behaviour issues.

Following use of the DBMAS, there is a 64% reduction of distress experienced by staff and carers, and a 59% reduction in the severity of behaviours experienced by clients. For SBRT, there is a 71% reduction in distress and a 67% reduction in severity of behaviours.

During 2021, and as a result of the COVID-19 pandemic, higher volume of referrals and caseloads, and increased complexity of behaviours, impacted service timeliness for DBMAS. Client complexity and severity also increased significantly. This challenge was met by the service provider (Dementia Support Australia) with a number of initiatives to improve the timeliness of visits. Improvements have enabled 96% of DBMAS clients to receive an assessment within 7 days, including revision of the Dementia Support Australia triage tool and initiation of DBMAS telehealth for mild behaviour. Despite the COVID-19 pandemic and the correlation with higher levels of people presenting with BPSD, there are reported meaningful reductions in BPSD between client intake and case closure for clients supported by Dementia Support Australia.

Outcome 3 - Expenses and Resources

Program 3.1: Access and Information			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	370,354	311,011	(59,343)
Departmental expenses			
Departmental appropriation[1]	126,525	132,446	5,921
Expenses not requiring appropriation in the budget year[2]	49,804	20,050	(29,754)
Total for Program 3.1	**546,683**	**463,507**	**(83,176)**
Program 3.2: Aged Care Services[3]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)[4]	4,130,576	3,904,101	(226,475)
Zero Real Interest Loans			
- appropriation	6,618	10,575	3,957
- expense adjustment[5]	(4,442)	(10,758)	(6,316)
Other services			
Refundable Accommodation Deposits			
- appropriation	90,179	-	(90,179)
- expense adjustment[6]	(80,577)	4,165	84,742
Special appropriations			
Aged Care Act 1997 - flexible care	674,049	596,476	(77,573)
Aged Care Act 1997 - residential and home care	19,569,139	18,436,589	(1,132,550)
National Health Act 1953 - continence aids payments	98,418	95,632	(2,786)
Aged Care Act 2006 - Accommodation Payment Security	70,581	64,841	(5,740)
Departmental expenses			
Departmental appropriation[1]	58,122	58,636	514
Expenses not requiring appropriation in the budget year[2]	15,511	7,661	(7,850)
Total for Program 3.2	**24,628,174**	**23,167,918**	**(1,460,256)**

Outcome 3 - Expenses and Resources (continued)

	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 3.3: Aged Care Quality			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	886,929	535,106	(351,823)
Departmental expenses			
Departmental appropriation[1]	120,417	123,765	3,348
Expenses not requiring appropriation in the budget year[2]	8,639	10,776	2,137
Total for Program 3.3	**1,015,985**	**669,646**	**(346,339)**
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	5,387,859	4,750,218	(637,641)
Other services	6,618	10,575	3,957
- expense adjustment[6]	(4,442)	(10,758)	(6,316)
Other services	90,179	-	(90,179)
- expense adjustment[7]	(80,577)	4,165	84,742
Special appropriations	20,412,187	19,193,538	(1,218,649)
Departmental expenses			
Departmental appropriation[1]	305,064	314,847	9,783
Expenses not requiring appropriation in the budget year[2]	73,954	38,487	(35,467)
Total expenses for Outcome 3	**26,190,842**	**24,301,071**	**(1,889,771)**
Average staffing level (number)	**1,141**	**1,126**	**(15)**

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

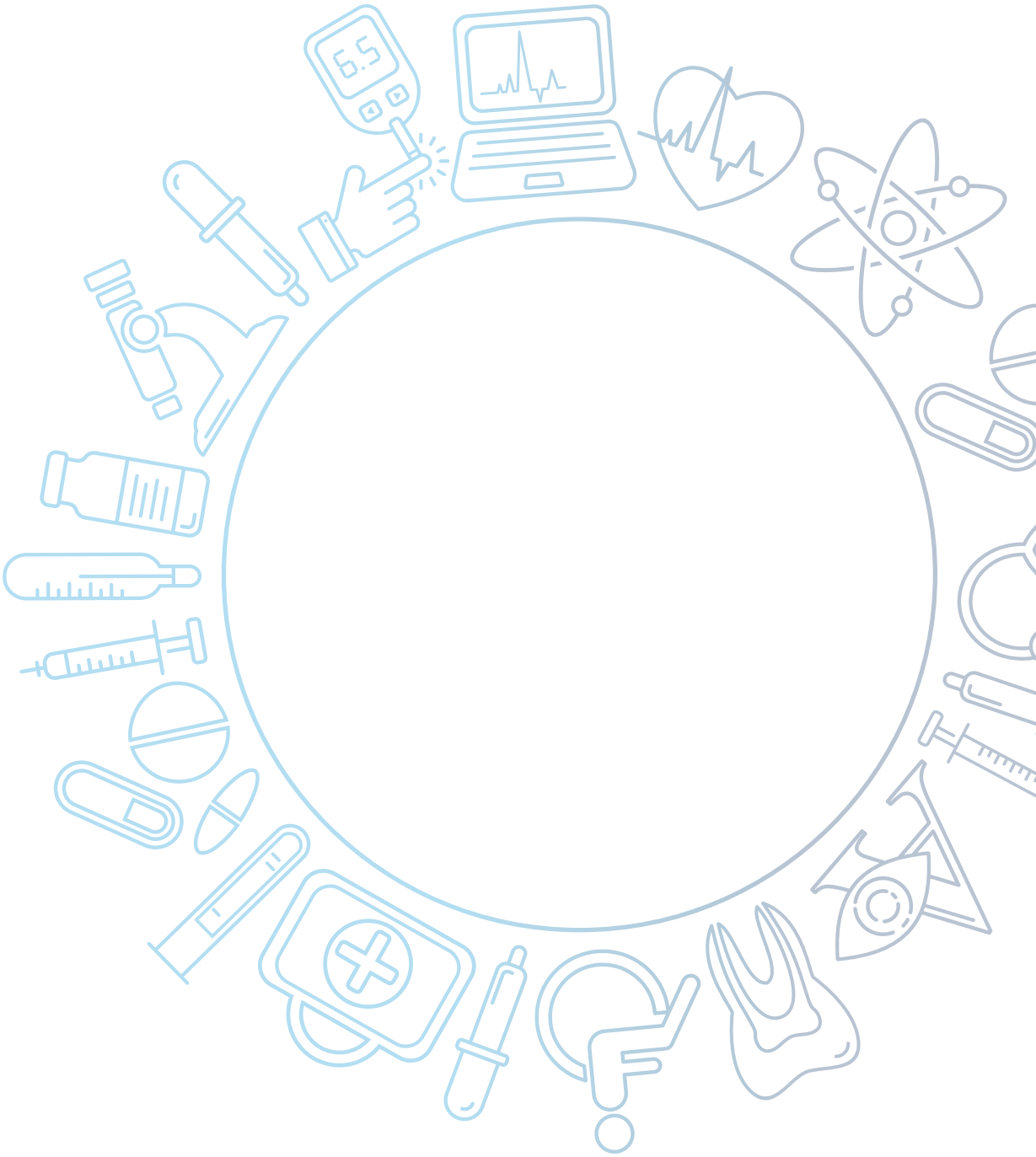
[2] Expenses not requiring appropriation in the budget year are made up of depreciation expense, amortisation, make good expense, operating losses and resources received free of charge.

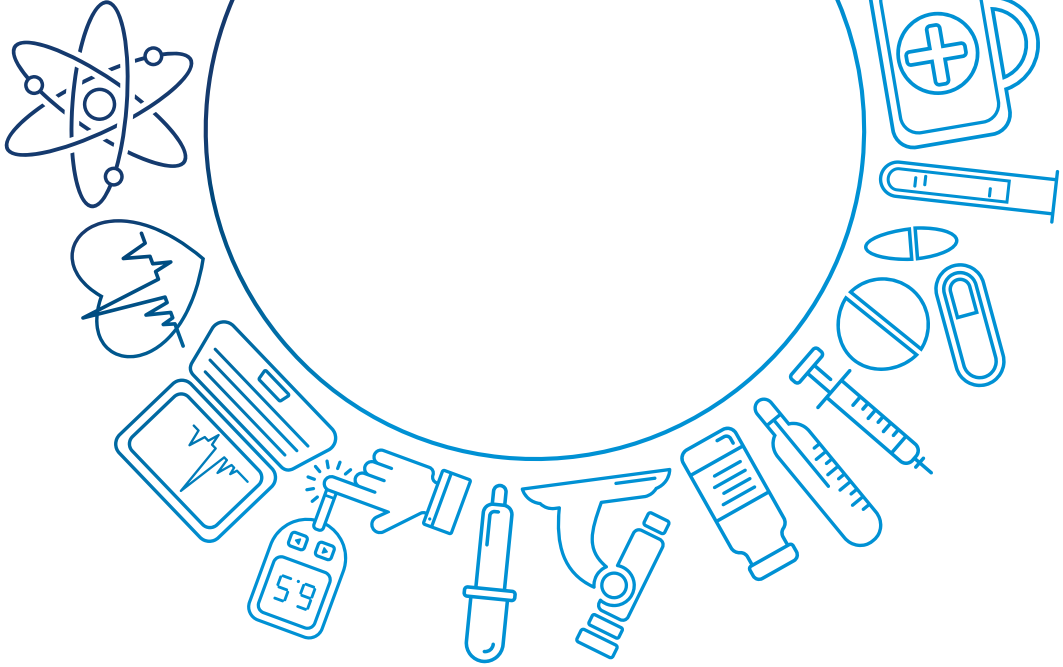
[3] This Program excludes Home and Community Care National Partnership payments to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

[4] 'Ordinary annual services Appropriation Act (No. 1)' against Program 3.2 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

[5] Payments under the zero real interest loans program are a loan to aged care providers and not accounted for as an expense. The concessional loan discount is the expense and represents the difference between an estimate of the market rate of interest, and that recovered under the loan agreement, over the life of the loan. This adjustment recognises the difference between the appropriation and the concessional loan discount expense.

[6] 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.





Outcome 4

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

Brisbane 2032 Olympic and Paralympic Games	Australia won the bid to host the 2032 Olympic and Paralympic Games. The Games will be held in Brisbane, Queensland. *Program 4.1*
Sport 2030	The Department continued to implement programs and initiatives to progress action areas of Sport 2030, Australia's national sport plan. *Program 4.1*
Rugby World Cup 2027 and 2029	Rugby Australia won the bid to host the Men's Rugby World Cup 2027 and Women's Rugby World Cup 2029. *Program 4.1*

The **Brisbane 2032 Olympic and Paralympic Games is estimated to deliver benefits of $17.61 billion** to the Australian economy

In 2021, **80.3% of people** aged 15 years and over **participated in organised sport or physical activity** once per week

Planning for the **FIFA Women's World Cup 2023** continued

Australians stayed physically active during the COVID-19 pandemic through walking, running, cycling, and bush walking

Programs contributing to Outcome 4

	Summary of results against performance criteria			
Program	**Targets met**	**Targets substantially met**	**Targets not met**	**Data not available**
Program 4.1: Sport and Recreation	1	–	–	1
Total	**1**	**–**	**–**	**1**

Program 4.1: Sport and Recreation

Program Objective

Increase participation in sport and recreation activities by all Australians and foster excellence in Australia's high-performance athletes. Further Australia's national interests by supporting the Australian sport sector, showcasing Australia as a premier host of major international sporting events and improving water and snow safety.

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

The Department continued to support Australians' participation in sport during 2021–22 through the delivery of programs and initiatives under Australia's national sport plan, Sport 2030. Sport 2030 initiatives include working toward increased participation in sport and physical activity in children and adults, enabling them to experience a wide range of health and social benefits and lead healthy, active lives.

Action areas progressed in 2021–22 included the:

- Driving Social Inclusion through Sport and Physical Activity Program
- Female Facilities and Water Safety Stream Program
- Community Development Grant Program.

The Department's planning for the FIBA[69] Women's World Cup 2022 and FIFA[70] Women's World Cup 2023 continued, with these events expected to drive an increase in participation in physical activity for girls and women, and promote both gender equality and social inclusion in sport. Hosting the World Transplant Games 2023 is anticipated to inspire and encourage healthy, active lifestyles in transplant recipients and promote organ and tissue donation through the Australian Organ Donor Register.

Following a successful bid in 2021, Australia is proud to be hosting the 2032 Olympic and Paralympic Games in Brisbane, Queensland. It is estimated that hosting the games will deliver benefits of $17.61 billion for the Australian economy and create 122,900 jobs nationally.

[69] Fédération Internationale de Basketball Association.
[70] Fédération Internationale de Football Association.

Re-engagement of Australians in weekly organised community sport and physical activity as measured through:

a. Percentage of Australian children aged zero–14 years participating in organised sport or physical activity outside of school hours once per week.

b. Percentage of Australians aged 15 years and over participating in organised sport or physical activity once per week.

c. Percentage of Australians participating in at least 150 minutes of moderate to vigorous activity each week.[71]

Source: *Health Portfolio Budget Statements 2021–22*, p.112 and *Health Corporate Plan 2021–22*, p.85

2021–22 Target	2021–22 Result	2020–21	2019–20	2018–19	2017–18
a. 50% b. 70% c. Establish baseline[72]	Data not available[73] Data not available[74] Data not available[75]	N/A[76]	N/A	N/A	N/A
	Result: Data not available —				

While data is not yet available for the full 2021–22 financial year, AusPlay Survey national data[77] shows that in the 2021 calendar year, 44.1%[78] of children aged zero to 14 years participated in organised sport or physical activity outside of school at least once per week. This was a 3.9% decrease from 2020 results (48.0%). COVID-19 restrictions continued to impact organised community sport during 2021–22, which likely contributed to the decreasing participation rates.

With the easing of COVID-19 restrictions, sport will operate with less interruption and children's participation rates are predicted to gradually increase to pre-pandemic levels.[79]

Similarly, while 2021–22 financial year data is not yet available, AusPlay Survey national data shows that in the 2021 calendar year, 80.3%[80] of people aged 15 years and over participated in organised sport or physical activity once per week. This was a 1.1% decrease from 2020 results (81.4%).

The COVID-19 pandemic continued to affect the types of sport and physical activity Australian adults were able to undertake during 2021. A report on emerging sport participation trends[81] highlighted new ways Australians were physically active while organised sport was postponed, with a movement toward recreational activities such as walking, running, cycling, and bush walking. This trend was largely led by women who sustained high levels of physical activity through walking exercises, while adult men were more likely to gain their physical activity through continued participation in organised sport activities despite significant disruption during the pandemic.

[71] The Australian Sports Commission is the Australian Government's primary entity responsible for increasing participation in community sport and physical activity.

[72] Data is expected to be available through the 2020–21 National Health Survey, with first results available in December 2021.

[73] 2021–22 participation rates for children are compiled 5 months after the end of the reference period. Results will be published in the 2022–23 Department of Health Annual Report, and in October 2022 at: www.clearinghouseforsport.gov.au/research/ausplay/results

[74] 2021–22 participation rates for adults are compiled 5 months after the end of the reference period. Results will be published in the 2022–23 Department of Health Annual Report, and in October 2022 at: www.clearinghouseforsport.gov.au/research/ausplay/results

[75] A baseline could not be established from the 2020–21 National Health Survey because it is a break in time series and cannot be compared to previous years.

[76] This is a new performance measure for 2021–22, therefore results are not available for previous years.

[77] The annual target sample size for AusPlay is 20,000 adults aged 15 years and over, and approximately 3,600 children aged zero to 14, spread evenly across the year. More information about AusPlay's background and methodology is available at: www.clearinghouseforsport.gov.au/research/ausplay/results

[78] AusPlay National data tables – January 2021 to December 2021 – Table 30 Demographics of organised participants outside of school hours (children).

[79] AusPlay focus report, July 2022, available at: www.clearinghouseforsport.gov.au/__data/assets/pdf_file/0010/1060399/Ausplay-COVID-update-July-2022.pdf

[80] AusPlay National data tables – January 2021 to December 2021– Table 29 Demographics of participants (adults).

[81] Sport Australia – Emerging Sport Participation Trends Infographic (September 2021) and background paper (October 2021), available at: www.clearinghouseforsport.gov.au/kb/emerging-trends-in-sport-participation

The report also draws attention to the pandemic's impact on people living with disability, who were unable to access physical and social activities, or adopt new physical activities during pandemic restrictions.

The National Health Survey measures Australians' physical activity levels across all settings, including in the home, workplace or other environment. The National Health Survey 2020–21[82] confirmed 73.4% of people aged 18 to 64 years participated in 150 minutes or more of physical activity in the previous week.[83] Physical activity guidelines recommend that people aged 18 to 64 years undertake 150 to 300 minutes of moderate intensity physical activity per week.

The Department will continue to work with the Australian Sports Commission to implement sport policies and initiatives that encourage Australians of all abilities to participate in organised sport and lead more healthy and active lifestyles.

[82] The National Health Survey 2020–21 was conducted from August 2020 to June 2021 and released on 21 March 2022. There were 11,110 responding households in the survey. For further information, see the National Health Survey: First Results methodology at: www.abs.gov.au/methodologies/national-health-survey-first-results-methodology/2020-21

[83] The National Health Survey 2020–21 was collected online by the Australian Bureau of Statistics during the COVID-19 pandemic, and is a break in time series. Data should be used for point-in-time analysis only and cannot be compared to previous years. Survey results are available at: www.abs.gov.au/statistics/health/health-conditions-and-risks/physical-activity/latest-release

Brisbane 2032 Olympic and Paralympic Games

On 21 July 2021, the International Olympic Committee (IOC) selected Brisbane as host of the 2032 Olympic and Paralympic Games. This was a significant honour and recognition of the hard work and collaboration of all bid partners, highlighting what can be achieved when federal, state and local governments work together.

The Office for Sport within the Department played a key role in supporting and developing the candidacy bid by coordinating input from multiple Australian Government agencies to inform negotiations around roles and responsibilities, contribute to formal presentations, and inform the final submission to the IOC in May 2021.

To host a major sporting event like the Olympic and Paralympic Games, the IOC requires guarantees from the Australian Government to deliver a range of government services such as border control, security and biosecurity. Commitment from over 10 government agencies and relevant ministers was required to secure funding assurances and various government guarantees for the final submission to the IOC.

Since announcement of the successful bid, the Department has worked closely with key stakeholders during the foundational planning phase. This has included negotiating partnership arrangements with the Queensland Government for critical elements of Olympic and Paralympic Games delivery, such as transport and venues infrastructure and legacy. The Department has coordinated a combined government position to:

- inform development of governance and project management arrangements
- inform development of legislation to establish the Brisbane 2032 Organising Committee for the Olympic and Paralympic Games (OCOG)
- ensure Australian Government representation on the OCOG
- develop legacy and communication plans
- define the benefits the Olympic and Paralympic Games will deliver.

Critical to the success of the Department's engagement across government has been strong working relationships and establishing appropriate governance and collaborative arrangements at the right levels to establish an Australian Government position on key issues. This position balances and considers policy context and objectives across different portfolio areas such as health, infrastructure, environment, tourism, border force, tax, and Prime Minister and Cabinet. This process has been complemented by ongoing departmental engagement in a range of Games-related committees across different levels of government, and with other Games partners including the Queensland Government, Brisbane City Council, the Australian Olympic Committee, Paralympics Australia, and host local councils.

The Brisbane 2032 Olympic and Paralympic Games is the culmination of several major sporting events in the 'green and gold decade' being hosted in Australia. Together, they provide a unique opportunity to achieve a wide range of government policy priorities, including economic recovery, trade and tourism, diplomacy (particularly in the South Pacific), high performance sport, community sport participation, preventive health, and social inclusion and cohesiveness. The Brisbane 2032 Olympic and Paralympic Games are expected to deliver 91,600 full time equivalent jobs for Queensland, and 122,900 jobs nationally.

Queensland Premier Annastacia Palaszczuk celebrating the International Olympic Committee formally naming Brisbane as the 2032 Olympic and Paralympic Games host.

Strategic coordination of Commonwealth responsibilities in relation to the following future bids and major sporting events in Australia. Source: *Health Portfolio Budget Statements 2021–22*, p.113 and *Health Corporate Plan 2021–22*, p.86					
2021–22 Target	**2021–22 Result**	**2020–21**	**2019–20**	**2018–19**	**2017–18**
• International Cricket Council (ICC) T20 Men's World Cup 2022 • FIBA Women's World Cup 2022 • World Transplant Games 2023 • FIFA Women's World Cup 2023 • Rugby World Cup 2027 bid • 2032 Olympic and Paralympic Games candidature.	The Department collaborated with Australian Government agencies and relevant stakeholders to implement strategic coordination of Commonwealth responsibilities in relation to the: • ICC T20 World Cup 2022 • FIBA Women's World Cup 2022 • World Transplant Games 2023 • FIFA Women's World Cup 2023 • Rugby World Cup 2027 bid • 2032 Olympic and Paralympic Games candidature.	N/A[84]	N/A	N/A	N/A
	Result: Met				

In 2021–22, in conjunction with key Australian Government agencies, the Department held regular engagement with:

- the ICC T20 World Cup 2022 Local Organising Committee
- the FIBA Women's World Cup 2022 Local Organising Committee
- Transplant Australia, for the World Transplant Games 2023.

Engagement with these stakeholders was made to ensure timely provision of support for planning and event delivery.

Additionally, the Department worked closely with FIFA, Football Australia and Australian Government agencies to provide operational and legacy support arrangements ahead of the FIFA Women's World Cup 2023. Areas of support include safety and security, immigration and visas, intellectual property rights protection, trade and tourism, work permits, labour laws, telecommunication, and information technology.

On behalf of the Commonwealth, the Department also administered direct funding for planning and delivery of the:

- FIBA Women's World Cup 2022
- FIFA Women's World Cup 2023
- UCI[85] Road World Championships 2022
- Virtus Oceania Asia Games 2022.

On 13 May 2022, Australia was announced as the host of the Men's Rugby World Cup 2027, and the Women's Rugby World Cup 2029. The Department committed $9.8 million to Rugby Australia to develop a compelling and compliant bid for the Men's Rugby World Cup 2027. The Government made significant financial and operational commitments in support of the bid, and the Department will continue working in close collaboration with Rugby Australia, World Rugby and state and territory jurisdictions to implement commitments leading up to the event.

[84] This is a new performance measure for 2021–22, therefore results are not available for previous years.
[85] Union Cycliste Internationale.

Hosting the Rugby World Cup 2027 and Women's Rugby World Cup 2029 is expected to inspire the nation to participate in organised sport and drive an increase in participation in rugby across Australia.

On 21 July 2021, the International Olympic Committee awarded the 2032 Olympic and Paralympic Games to Brisbane, Queensland.

Throughout 2021–22, the Department collaborated with Australian Government agencies to support the establishment of the Organising Committee for the Olympic Games (OCOG) and the process to nominate the President, the Independent Directors, and Prime Minister-nominated Directors for OCOG. The Department also established and participated in governance committees to progress foundational planning activities with the Queensland Government, other games partners and Commonwealth agencies.

The award of hosting rights for the Brisbane 2032 Olympic and Paralympic Games is a significant honour, and a recognition of the close collaboration of all bid partners. The successful bid highlights the levels of achievement that can be attained when disparate entities across multiple levels of government collaborate effectively.

Outcome 4 - Expenses and Resources

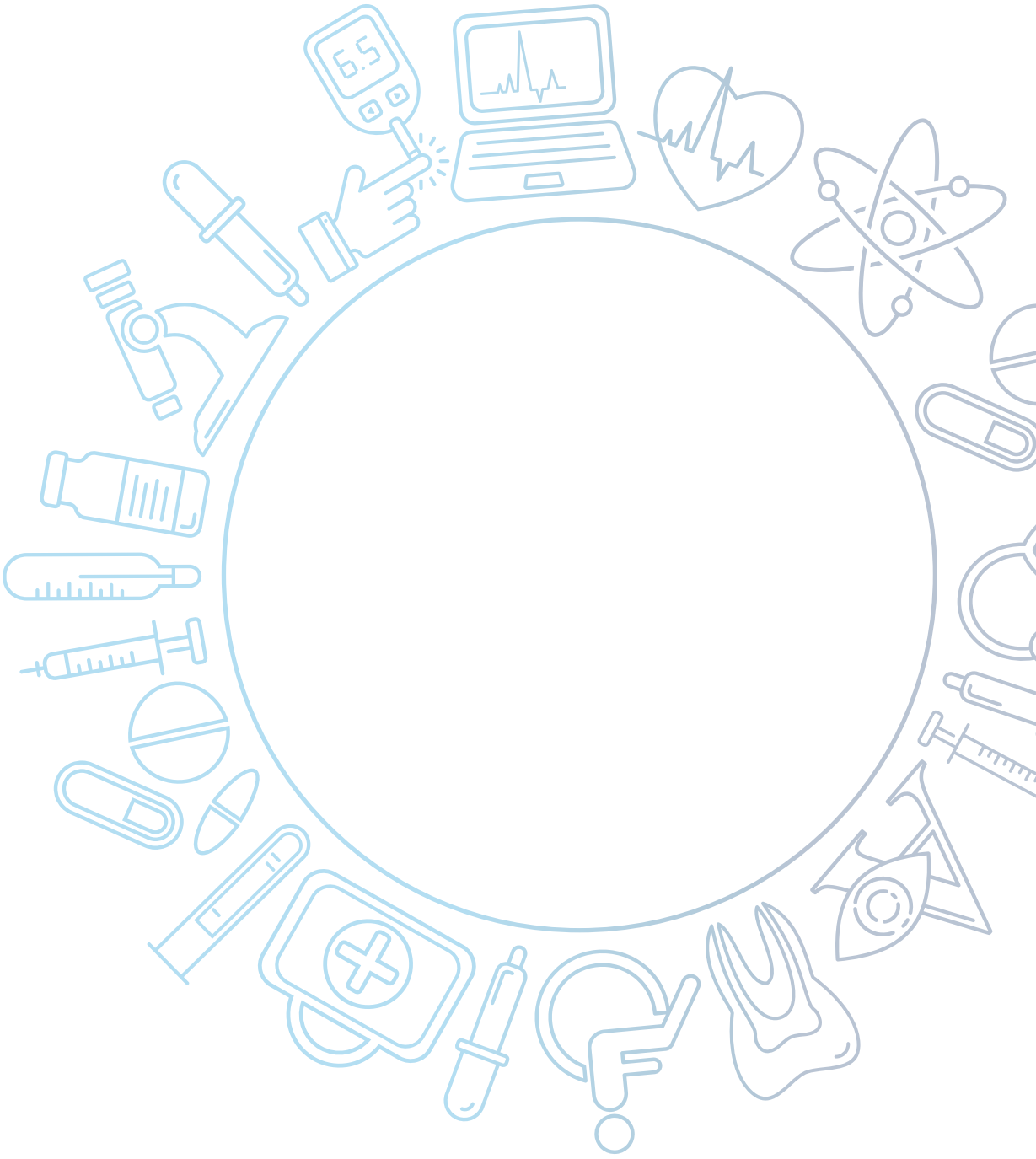
	Budget Estimate 2021–22 $'000 (A)	Actual 2021–22 $'000 (B)	Variation $'000 (B) - (A)
Program 4.1: Sport and Recreation[1]			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	112,873	66,443	(46,430)
Special Accounts			
Sport and Recreation	130	130	-
Expense adjustment[2]	-	221	221
Departmental expenses			
Departmental appropriation[3]	11,798	12,235	437
Expenses not requiring appropriation in the budget year[4]	919	1,522	603
Total for Program 4.1	**125,720**	**80,551**	**(45,169)**
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services Appropriation Act (No. 1)	112,873	66,443	(46,430)
Special accounts	130	130	-
Expense adjustment[2]	-	221	221
Departmental expenses			
Departmental appropriation[3]	11,798	12,235	437
Expenses not requiring appropriation in the budget year[4]	919	1,522	603
Total expenses for Outcome 4	**125,720**	**80,551**	**(45,169)**
Average staffing level (number)	**53**	**57**	**4**

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

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

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 resources received free of charge.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Part 2.2 Entity Resource Statement

	Actual available appropriation for 2021–22 $'000 (A)	Payments made 2021–22 $'000 (B)	Balance remaining 2021–22 $'000 (A) - (B)
DEPARTMENTAL			
Annual appropriations - ordinary annual services[1]			
Prior year departmental appropriation	41,973	39,738	2,235
Departmental appropriation	1,039,918	927,670	112,248
Departmental capital budget[2]	14,269	9,229	5,040
Receipts retained under PGPA Act - section 74	183,386	183,386	-
Total annual appropriations - ordinary annual services	**1,279,546**	**1,160,023**	**119,523**
Annual appropriations - other services - non-operating[3]			
Prior year departmental appropriation	19,539	19,539	-
Equity injections	114,781	66,381	48,400
Total annual appropriations - other services - non-operating	**134,320**	**85,920**	**48,400**
Total departmental annual appropriations	**1,413,866**	**1,245,943**	**167,923**
Special accounts			
Opening Balance	135,241		
Appropriation receipts[4]	24,655		
Non-appropriation receipts to special accounts	211,222		
Payments made		238,813	
Total special accounts	**371,118**	**238,913**	**132,305**
Less departmental appropriations drawn from annual/special appropriations and credited to special accounts	24,655		
TOTAL DEPARTMENTAL RESOURCING	**1,760,329**	**1,484,756**	**300,228**
ADMINISTERED			
Annual appropriations - ordinary annual services[1]			
Outcome 1	11,844,100	9,695,901	
Outcome 2	1,752,058	1,509,771	
Outcome 3	5,184,161	4,578,183	
Outcome 4	112,863	60,886	
Receipts retained under PGPA Act - section 74	1,096		
Payments to corporate Commonwealth entities	599,289	599,289	
Total annual appropriations - ordinary annual services	**19,493,567**	**16,444,030**	

	Actual available appropriation for 2021–22 $'000 (A)	Payments made 2021–22 $'000 (B)	Balance remaining 2021–22 $'000 (A) - (B)
Annual appropriations - other services - non-operating[3]			
Prior year administered appropriation	578,671	406,523	
Administered assets and liabilities	4,623,439	149,290	
Payments to corporate Commonwealth entities	22,229	22,229	
Total annual appropriations - other services - non-operating	**5,224,339**	**578,042**	
Total administered annual appropriations	**24,717,906**	**17,022,072**	
Administered special appropriations			
Special appropriations limited by criteria/entitlement			
Aged Care (Accommodation Payment Security) Act 2006		64,841	
Aged Care Act 1997		18,369,083	
National Health Act 1953		4,782,223	
Medical Indemnity Act 2002		77,047	
Private Health Insurance Act 2007		6,465,800	
Dental Benefits Act 2008		538,771	
Public Governance, Performance and Accountability Act 2013 - s77		5,455	
Total administered special appropriations		**30,303,220**	
Special accounts			
Opening Balance	1,881,346		
Appropriation receipts[4]	16,096		
Appropriation receipts - other entities[5]	45,322,877		
Non-appropriation receipts to special accounts	33,054		
Payments made		43,913,118	
Total special accounts	**47,253,373**	**43,913,118**	**3,340,255**
Less administered appropriations drawn from annual/special appropriations and credited to special accounts	16,096		
Less payments to corporate entities from annual/special appropriations	621,518	621,518	
TOTAL ADMINISTERED RESOURCING[6]	**71,333,665**	**90,616,892**	**3,340,255**
Total resourcing and payments for the Department of Health	**73,093,994**	**92,101,648**	**3,640,483**

1 Appropriation Act (No. 1) 2021–22, Appropriation Act (No. 3) 2021–22 and Appropriation (COVID-19 Assistance) Act (No. 1) 2021–22. This also includes prior year departmental appropriation and section 74 retained revenue receipts, and excludes amounts permanently withheld under s51 of the PGPA Act.

2 Departmental capital budgets are not separately identified in Appropriation Acts and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contributions by owners'.

3 Appropriation Act (No. 2) 2021–22, Appropriation Act (No. 4) 2021–22 and Appropriation (COVID-19 Assistance) Act (No. 2) 2021–22.

4 Appropriation receipts from the Department of Health's annual appropriations 2021-22 included above.

5 Appropriation receipts from other entities credited to the Department of Health's special accounts.

6 Total resourcing excludes the actual available appropriation for all Special Appropriations.

3

Part 3: Management and Accountability

Part 3.1: Corporate Governance

The Department's corporate governance plays an integral role in ensuring government priorities and program outcomes are delivered efficiently and effectively.

In recent years, senior governance committees were streamlined to support the COVID-19 pandemic health response package and continued to evolve as the COVID-19 pandemic landscape changed.

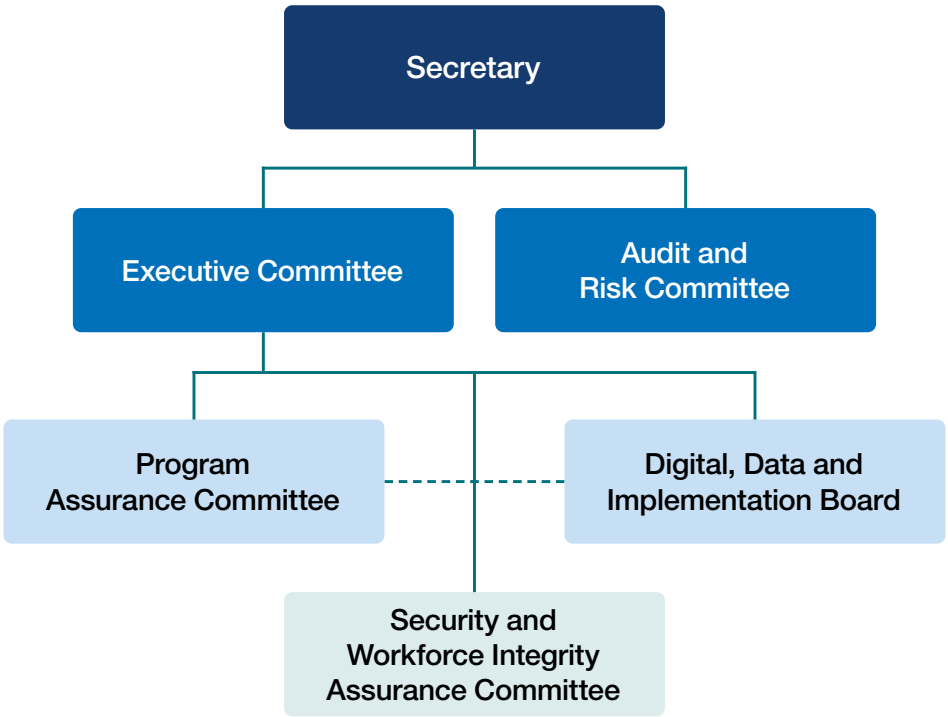
In 2021–22, the Executive Committee continued to focus on streamlining processes and establishing stronger dynamic governance in the Department.

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[86]



[86] In June 2022, the Executive Committee agreed to establish a new senior governance forum, the Closing the Gap Committee. This Committee will commence establishment in 2022–23.

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 these outcomes through: • effective decision making and governance • setting the strategic direction, for both policy and operations, and ensuring the achievement of high quality outcomes, including via further engagement in strategic policy development • 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 and all Deputy Secretaries.
Audit and Risk Committee	The Audit and Risk Committee provides independent advice and assurance to the Secretary on the appropriateness of the Department's: • financial reporting • systems of internal control • performance reporting • systems of risk oversight and management. At 30 June 2022, the Committee comprised 5 independent members.
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
Digital, Data and Implementation Board	The Digital, Data 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 • strengthening and maturing project capability and independent project assurance • the digital, data and ICT work programs to ensure the Department is leveraging existing technologies, patterns, and capabilities to effectively deliver on new and emerging priorities of government, while ensuring alignment with the digital transformation agenda. 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 (ARC) membership

The ARC's functions are set out in its Charter, available at: www.health.gov.au/audit-risk-committee-charter

The ARC is supported by the following 2 sub-committees:

- The Financial Statements Sub-Committee, chaired by Tim Youngberry.
- The Performance Reporting Sub-Committee, chaired by Nick Baker.

The ARC met a total of 5 times in 2021–22.

The remuneration amounts reported below are GST inclusive unless explicitly stated otherwise.

ARC membership as at 30 June 2022

Jenny Morison AM – 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. In recognition of her significant contributions, Jenny was appointed a Member (AM) of the Order of Australia in January 2022.

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 2021–22.

Remuneration: $80,000.

Andrew Stuart – Deputy Chair

Andrew Stuart was 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 all 5 ARC meetings during 2021–22.

Remuneration: $20,000 (GST exempt).

Nick Baker – Member and Chair of the Performance Reporting Sub-Committee

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 to 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 2021–22.

Remuneration: $35,000 (GST exempt).

Tim Youngberry – Member and Chair of the Financial Statements Sub-Committee

Tim Youngberry 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, 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 was responsible 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.

In addition, Tim 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 all 5 ARC meetings during 2021–22.

Remuneration: $38,500.

Dr Wendy Southern – Member

Dr Wendy Southern previously held the roles of Deputy Director-General of the Australian Security Intelligence Organisation and Deputy Secretary at both the Department of Health and the then Department of Immigration and Border Protection. Her responsibilities ranged across strategic policy, program management, organisational governance, transformation, and corporate management.

Wendy attended 4 ARC meetings during 2021–22.

Remuneration: $23,409.20.

($18,072.80 of this was GST exempt and $5,870.04 was GST inclusive).

Organisational planning

The Department's corporate governance agenda is guided by the Department's Corporate Plan. In 2021–22, the Department continued to drive improvements in compliance with the Commonwealth Performance Framework, including the ongoing review, re-development, and data assurance of legislatively sound performance measures.

In December 2021, the Department completed its annual review of program level performance information. This review assessed each performance measure against requirements from section 16EA of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) and the Department of Finance's Resource Management Guide 131 – Developing good performance information's specific compliance criteria. The review found that, while compliance of program level performance information is being achieved, further improvements can be, and are being, made as part of the Department's ongoing efforts to improve performance information. In addition, the Department continued to develop and improve arrangements for collecting, analysing, and reporting 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 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[87]

The Corporate Plan is the primary strategic planning document for the Department and is a core element of the Department's performance framework.

It sets out our program objectives and key activities to enable us to achieve our purpose over the next 4 years. The Corporate Plan also provides information on our operating context, capability, corporate governance arrangements, our approach to managing risks, and how we work with our partners to achieve our purposes and outcomes. Additionally, it details how we will measure our performance in delivering a modern, sustainable health system for all Australians.

The Corporate Plan has been prepared to meet requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the PGPA Rule.

[87] Available at: www.health.gov.au/corporateplan

Risk management

The Department's Risk Management Framework supports the Secretary to meet their duties under section 16 of the PGPA Act and complies with the Commonwealth Risk Management Policy.

The Department's Risk Management Framework assists the Department to make better business decisions and supports people to focus on areas that are of potential risk to the Department.

In 2021–22, the Department worked on various initiatives to improve its maturity in risk management, including:

- appointing a Chief Risk Officer
- refreshing the Department's Risk Management Policy and Risk Culture Statement
- reviewing and updating the Department's enterprise risks and tolerance levels.

These initiatives ensure the Department continues to effectively anticipate and manage its evolving risk landscape to successfully deliver government priorities and program outcomes. 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.

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 ensure efficient and effective achievement against outcomes.

Fraud minimisation and control

The Department is committed to the prevention and minimisation of fraud and takes all instances of fraud seriously. The Department's Fraud Control Framework (the Framework) is compliant with the Commonwealth Fraud Control Framework 2017, including section 10 of the PGPA Rule 2014 (the Fraud Rule). The Fraud Rule outlines the minimum standards for accountable authorities of Commonwealth entities for managing the risk and incidents of fraud.

The Department actively manages its fraud risks, including through:

- Fraud and corruption risk assessments, identifying new or emerging risks and vulnerabilities, evaluating and prescribing fraud and corruption control measures and creating treatment plans. The Department's 2021–23 Enterprise Fraud and Corruption Risk Assessment (EFCRA) identifies fraud and corruption risks, controls and treatment opportunities.
- The EFCRA informed the Department's Fraud and Corruption Control Plan 2021–23, which details the strategies used to prevent, detect, respond, monitor, and report on fraud.
- Active engagement with the Attorney-General's Department's Commonwealth Fraud Prevention Centre (CFPC) to share their counter-fraud subject matter expertise, as well as information and intelligence regarding fraud threats. The Department actively participates in CFPC community of practices, reference groups, senior officer fraud forums, and fraud summits.
- Active participation in International Fraud Awareness Week each year.
- Development and distribution of fraud related information products to help staff identify potential fraud threats and counter fraud appropriately, and embedding fraud awareness training as essential learning for all staff.

Fraud and corruption tip-offs

Tip-offs are one of the sources through which the Department identifies and responds to fraud. The Department receives tip-offs from the public, other government departments, and internally.

In 2021–22, the Department received 853 tip-offs. Following assessment of these tip-offs, 30 were referred for investigation.

Fraud response

The Department investigates all matters where there is reasonable suspicion of fraudulent activity against the Department and the programs it administers on behalf of the Commonwealth. Investigations are conducted in accordance with the Australian Government Investigations Standards.

When an investigation reveals sufficient evidence of a criminal offence, a brief of evidence is referred to the Commonwealth Director of Public Prosecutions (CDPP) for prosecution consideration.

In 2021–22, the Department referred 10 Briefs of Evidence to the CDPP. During the same period, 14 cases resulted in successful criminal prosecutions by the CDPP.

As at 30 June 2022, 28 matters were before the courts, with an estimated value of $12.9 million.

Assurance and audit activities

In 2021–22, the Department undertook assurance and audit activities to promote and support effective corporate governance.

Internal audits completed during 2021–22 supported compliance and provided assurance in relation to the Department's key delivery objectives and the effectiveness of its control frameworks. During 2021–22, the Department completed one audit from the 2020–21 Internal Audit Work Program, and 19 audits from the 2021–22 Internal Audit Work Program. The Department also conducted 15 Assurance and Risk Snapshots of priority business areas to map assurance activities and inform the development of the 2022–23 Internal Audit Work Program.

During 2021–22, the Corporate Assurance Branch established a service offering to enable business areas to engage a provider from the Department's panel of Internal Audit and Assurance providers to undertake 'real time' assurance advice and guidance. The offering includes assurance products such as health checks, deep dives, and tailored risk snapshot self-assessments to identify control gaps and mitigate potential risks. During 2021–22, the Department completed 5 assurance engagements through this service offering.

Compliance reporting

The Department recorded no significant breaches of finance law during 2021–22.

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 and to the Executive Committee. The Department minimises non-compliance through effective controls, including training and publication of legislation and rules, delegation schedules and Accountable Authority Instructions, which are available to staff to inform decision making.

Certification of departmental fraud control arrangements

I, 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.

Professor Brendan Murphy AC
3 October 2022

Part 3.2: Executive

(as at 30 June 2022[88])

Professor Brendan Murphy AC

Secretary

Professor Brendan Murphy AC 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.

Professor 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.

Professor Paul Kelly

Chief Medical Officer

Professor Paul Kelly is the Chief Medical Officer at the Australian Government Department of Health. Prior to this appointment, he was the Acting Chief Medical Officer, leading the Government's health response to COVID-19. Prior to these appointments, he was the Chief Health Officer for the Australian Capital Territory. He also holds direct responsibility for the Chief Medical Officer Group. 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 is the Chair of the Australian Health Protection Principal Committee (AHPPC) and Deputy Chair of Science and Industry Technical Advisory Group (SITAG).

[88] To view the most up to date Executive biographies, visit: www.health.gov.au/about-us/who-we-are/leadership

Charles Wann

Chief Operating Officer and Deputy Secretary, Corporate Operations

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

Charles joined the Department of Health 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 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 has led teams responsible for introducing risk-based approaches to visa compliance and status resolution, and providing health, income and employment support to asylum seekers living in the community.

Penny Shakespeare

Deputy Secretary, Health Resourcing

Since joining Health in 2006, Penny has held a number of senior leadership positions, including First Assistant Secretary of the Technology Assessment and Access Division and Health Workforce Division.

Prior to joining Health, Penny was an industrial relations lawyer in the Department of Employment and Workplace Relations and worked in regulatory policy roles, including as head of the Australian Capital Territory's Office of Industrial Relations. She was a member of the Workplace Relations Ministers Advisory Council and the National Occupational Health and Safety Commission. Prior to this, Penny worked in senior executive roles responsible for private health insurance and Medicare policy.

Penny has a Bachelor of Laws, a Master's 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.

Adjunct Professor John Skerritt
Deputy Secretary, Health Products Regulation

Adjunct Professor John Skerritt joined the Department in 2012. He was formerly a Deputy Secretary in the Victorian Government and Deputy Chief Executive Officer of a Commonwealth Statutory Authority, 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 international Centre for Innovation in Regulatory Science. John is also a member of the advisory board of the Melbourne Institute for Applied Economic and Social Research.

John is an Adjunct Full Professor of the University of Sydney 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 honours degree and university medal in Pharmacology and a PhD from the University of Sydney Medical School and is a graduate of senior executive programs at London Business School, IMD Switzerland and ANZSOG.

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.

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.

Paul McBride

Acting Deputy Secretary, Strategy, Evidence and Research

Paul is currently the Acting Deputy Secretary for the Strategy Evidence and Research Group (SERG) with responsibility for whole of portfolio strategic policy, including international relations, health economics and research. SERG also manages public hospital funding under the National Health Reform Agreement and its supporting COVID-19 funding arrangements. The rapid antigen testing policy and procurement program and the Department's partnership with Moderna to manufacture mRNA vaccines in Australia are also part of SERG's responsibilities.

Paul commenced with the Department in 2018 and led the Health Economics and Research function. Prior to joining the Department, he spent more than a decade in senior policy and advisory roles across the Commonwealth Government, in roles ranging across the social security payment system, housing, superannuation, international tax, and the microeconomic reform of markets.

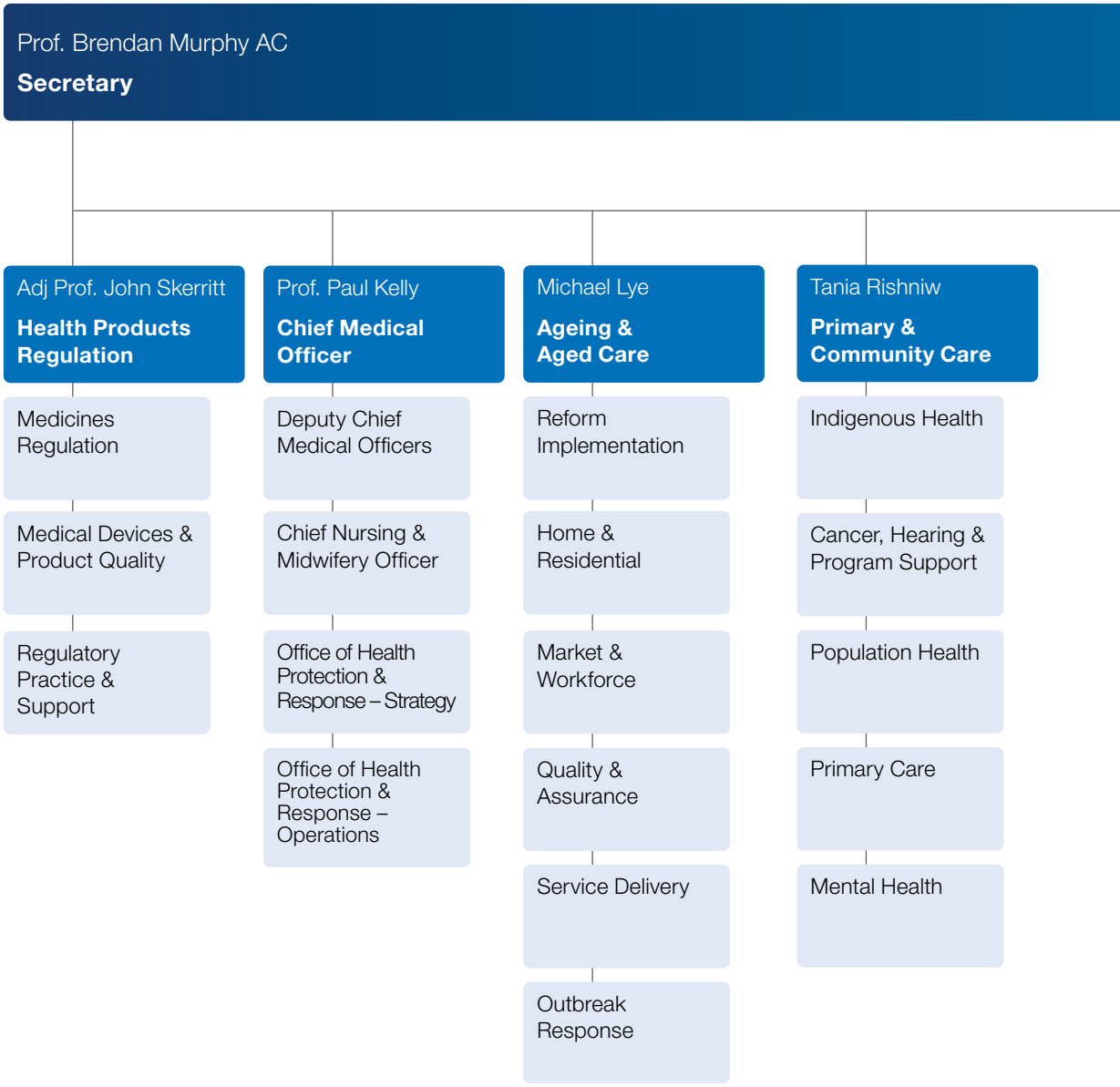
In Paul's previous departmental role he was responsible for the Medical Benefits Division (MBD). MBD contributes to creating better health outcomes and reduced inequality by providing access to cost-effective medical, and allied health services, through providing Medicare subsidies for clinically relevant services to eligible people. The division is also responsible for regulating the private health insurance sector and the interaction of private hospitals, medical specialists, and allied health providers with private health insurance.

Paul holds a Bachelor of Commerce (Economics major) from the Australian National University and a Master's degree in Taxation Law from the University of New South Wales.

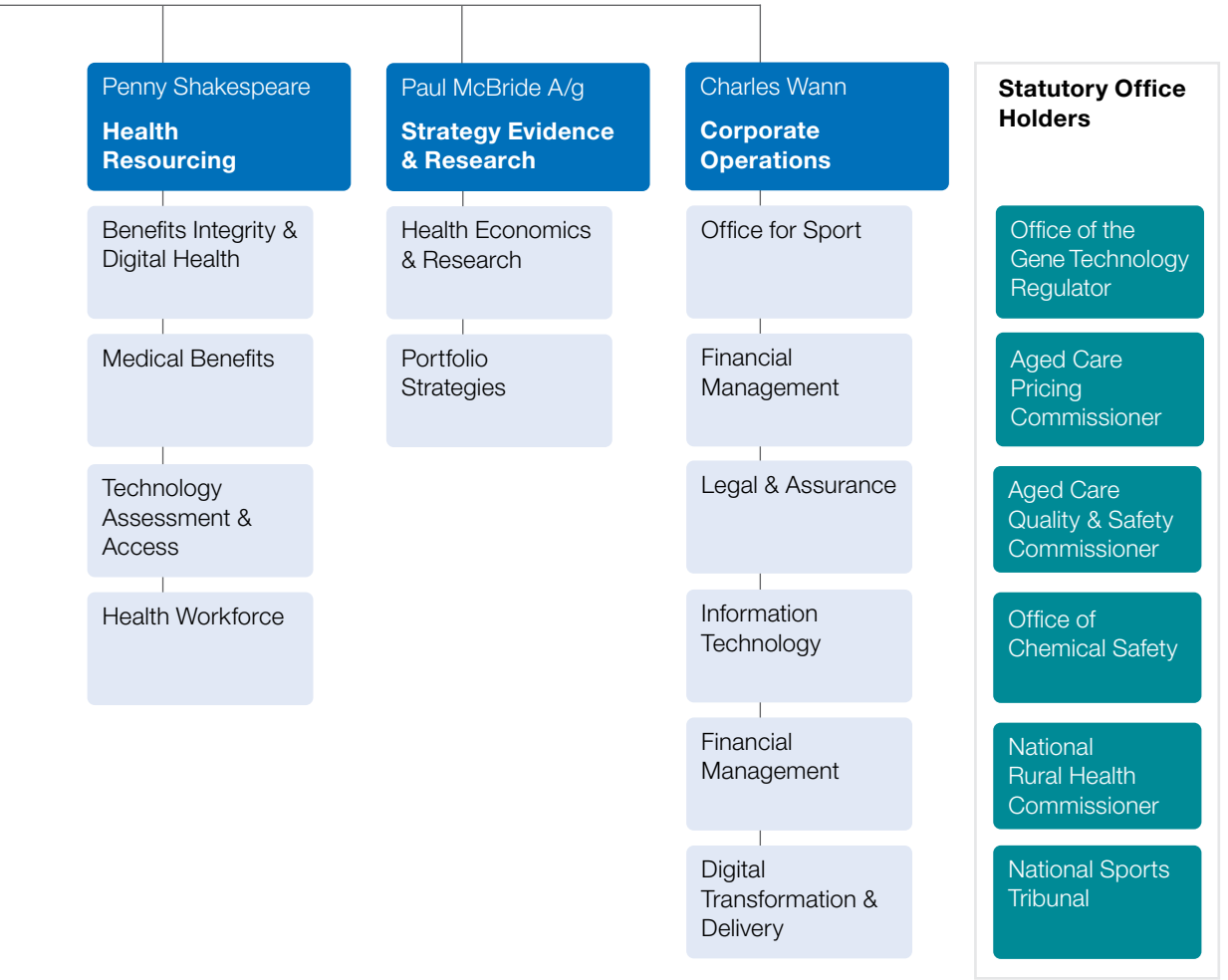
Part 3.3: Structure Chart

(as at 30 June 2022)[89]

Department of Health



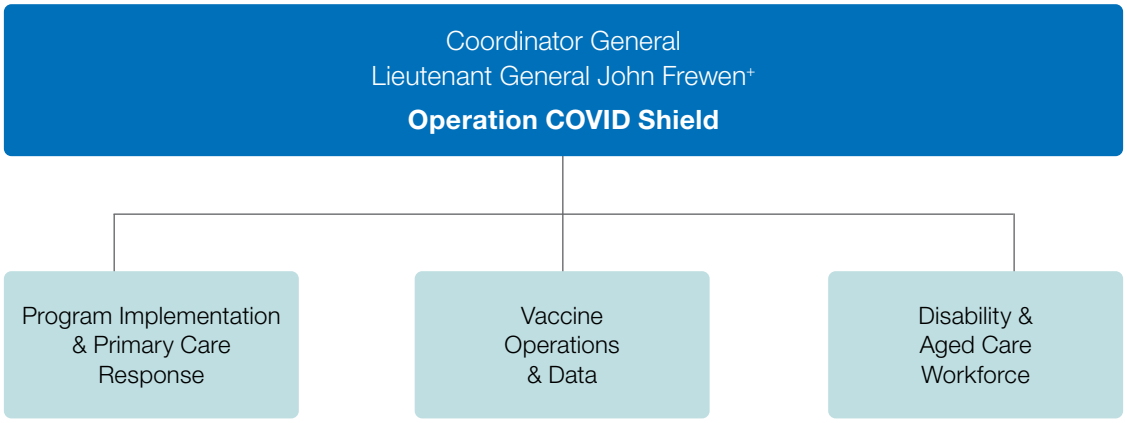
[89] To view the most recent departmental structure chart, visit: www.health.gov.au/about-us/who-we-are/organisational-chart


Penny Shakespeare
Health Resourcing
Benefits Integrity & Digital Health
Medical Benefits
Technology Assessment & Access
Health Workforce
Paul McBride A/g
Strategy Evidence & Research
Health Economics & Research
Portfolio Strategies
Charles Wann
Corporate Operations
Office for Sport
Financial Management
Legal & Assurance
Information Technology
Financial Management
Digital Transformation & Delivery
Statutory Office Holders
Office of the Gene Technology Regulator
Aged Care Pricing Commissioner
Aged Care Quality & Safety Commissioner
Office of Chemical Safety
National Rural Health Commissioner
National Sports Tribunal

Part 3.3: Structure Chart

(as at 30 June 2022)

Operation COVID Shield



+ SES on secondment from another agency

Part 3.4: People

During 2021–22, the Department's strong leadership and positive culture provided a solid foundation to successfully steer the organisation through another 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

The 2022 Staff Survey was conducted during May and June 2022.

The 2022 Staff Survey reported a broad improvement across most questions, with noted increases in wellbeing and inclusiveness, job engagement, innovation, and Senior Executive Service (SES) leadership. The results for almost all questions were above the APS average.

The 2022 Staff Survey showed that the Department has continued to build on our positive results from 2021. The areas which saw significant improvement since 2021 were staff consultation and change management, a reduction in staff feeling their work was emotionally demanding, and an increase in staff feeling inspired by their job and the Department to do their best work.

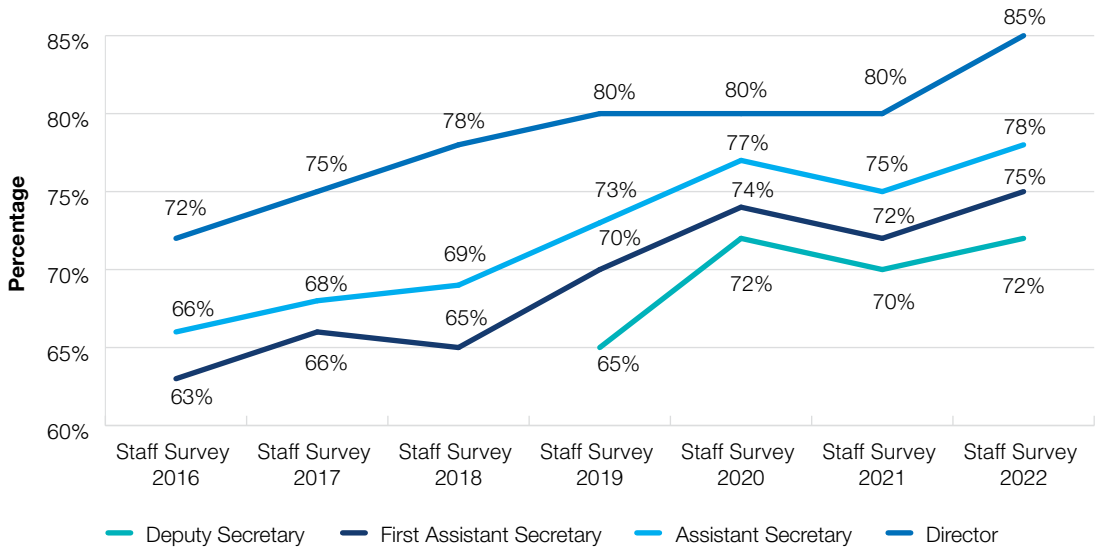
Staff perception of wellbeing has significantly increased since 2021, with more staff feeling the Department cares about their health and wellbeing and is doing a good job of promoting health and wellbeing. There has been significant improvement in our innovation, with staff reporting the Department supports them to come up with new or better ways of doing things.

Staff sentiment around new ways of working remains positive, with the majority of staff confident that flexible work practices will be supported. Staff perception of productivity continues to be strong, with most responses significantly higher than the APS average.

The perception of the Department's SES continues to be strong, and satisfaction with the Executive Level 2 (EL2) cohort maintains the highest leadership satisfaction scores (refer Figure 3.4.1).

Over the coming year, the Department will continue to build on strong leadership and positive culture. Key focus areas will also be innovation, change management, and staff consultation. This will ensure the Department continues to build on the significant improvements made in 2022.

Figure 3.4.1: Health senior leadership perception



Workforce composition

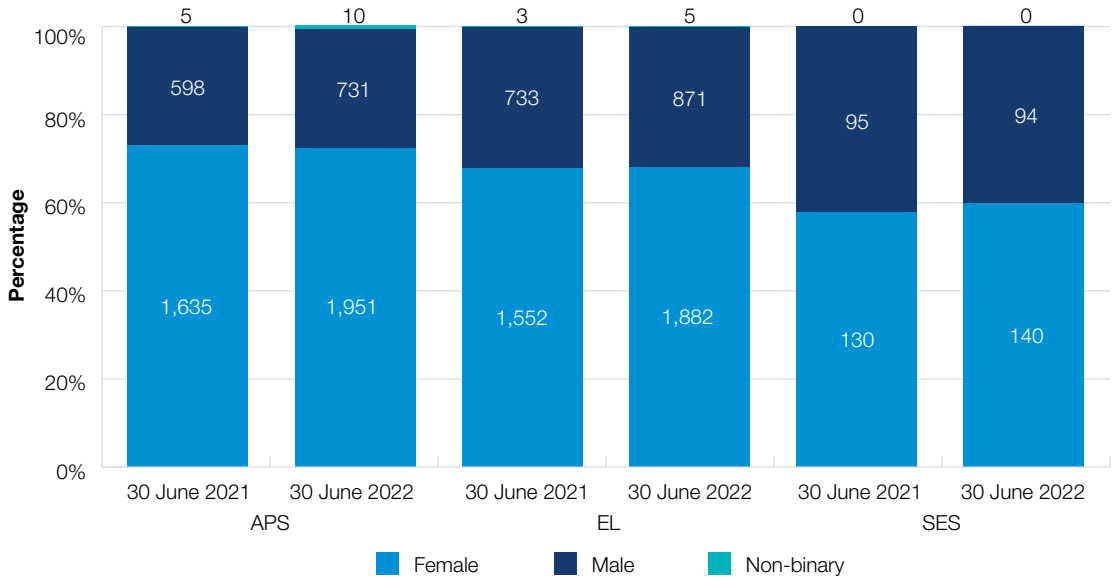
At 30 June 2022, the Department had a workforce of 5,693 ongoing and non-ongoing APS staff (including staff on leave and secondment). This is an increase from 4,760 at 30 June 2021, which is largely due to a surge in workforce numbers to assist with the Department's response to the COVID-19 pandemic, vaccination program rollout, aged care reform and improvement measures, mental health package, and expansion in responsibilities of the Independent Hospital Pricing Authority.

At 30 June 2022:

- 90.5% of staff were ongoing and 9.5% were non-ongoing
- 16.9% of staff were employed on a part-time basis
- 69.8% of staff were female
- 2.6% of staff identified as Aboriginal and/or Torres Strait Islander
- 3.8% of staff identified as having disability.

The ongoing staff turnover rate in 2021–22, excluding voluntary redundancies and machinery of government moves, was 13.8%. This represented an increase from 9.4% in 2020–21. Including voluntary redundancies, the ongoing staff turnover rate was 14.4%. A key driver of this has been APS movement between agencies, with 5.1% of exits due to transfers to another agency, an increase from 3.3% in 2020–21, and 2.4% due to temporary transferees and secondees returning to their home agency, an increase from 2% in 2020–21.

Figure 3.4.2: Comparison of gender profile at 30 June 2021 and 30 June 2022[90,91]



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 and 24(1) Determination

The Department's Enterprise Agreement 2019–2022 (EA)[92] commenced operation on 26 March 2019 and nominally expired on 25 March 2022. In anticipation of the EA's nominal expiry date, the Department engaged an external provider to administer a survey between 20 and 26 October 2021 to ascertain whether staff supported salary adjustments being provided under a 24(1) Determination for the next 3 years.

On 27 October 2021, the external provider advised the Department that 83% (3,018) of the 73% (3,655) of staff who participated in the survey agreed to a Determination. In consultation with the Australian Public Service Commissioner, the Secretary subsequently made the Public Service (Subsection 24(1)—Department of Health Non-SES Employees) Determination 2021 on 10 December 2021. The first salary adjustment resulted in an increase of 1.9% on 26 March 2022, with future adjustments due to occur on 26 March 2023 and 26 March 2024 respectively. In accordance with the Public Sector Workplace Relations Policy 2020, salary adjustments under the Determination must reflect the relevant private sector Wage Price Index figure from the most recently released June quarter.

Despite reaching its nominal expiry date, the EA continues to operate alongside the Determination and provides terms and conditions of employment to 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 an individual where necessary and appropriate.

[90] Excluding the Secretary, Holders of Public Office and the Chief Medical Officer. SES staff and equivalent comprise SES Band 1-3 and Medical Officers 5-6. Executive Level (EL) staff and equivalents comprise EL 1-2, Medical Officers 2-4, Legal 1-2, Senior Public Affairs 1, Public Affairs 3, Principal Research Scientist and Research Scientist.

[91] The Department has implemented the Australian Government Guidelines on the Recognition of Sex and Gender, and made changes to human resource management systems to enable collection of non-binary gender data. At 30 June 2022, 15 staff members identified as non-binary.

[92] Available at: www.health.gov.au/resources/publications/enterprise-agreement

Executive remuneration and performance pay

During 2021–22, the Department's remuneration for SES employees was consistent with equivalent public sector entities. Base salaries and inclusions complied with government policy and guidelines.

Remuneration for SES officers considers parameters set out in the APS Bargaining Framework, the APS Remuneration Management Policy, and any data provided by the Australian Public Service Commission (APSC). 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*.

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. The Department's Secretary and Deputy Secretaries reviewed all SES salaries in August 2021.

No departmental staff received performance pay in 2021–22. Following advice from the Public Service Commissioner, the Department's Executive approved a 1.7% increase to SES base salaries, which took effect in July 2021. This increase was 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

The Department invests in its people, values, processes, and systems, with a focus on:

- growing internal capability to drive high performance and a culture of continuous improvement
- enabling flexibility in the way we work and embedding hybrid teams and new ways of working
- encouraging curiosity, innovation, and collaboration.

Learning and development

Through 2021–22, the Department continued to mature its approach to learning and development through ensuring resourcing and investment is driven by business needs and user-centric design, leveraging technologies and incorporating a mix of innovative and engaging learning methods.

Key areas of focus included:

- Supporting individuals, managers, and teams to build their skills and confidence to work effectively in a hybrid environment through more effective use of technology, better collaboration, improved productivity, and more supportive and balanced team cultures.
- Delivering workshops to staff and managers transitioning into new workspaces through our New Ways of Working project, helping teams prepare for the move and better understand how to lead and manage through the change.
- Launching an updated approach to building cultural capability in the Department, shifting from awareness to competence in line with the outcomes of our Reconciliation Action Plan 2021–2023, and the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024.
- Rollout of a comprehensive suite of writing programs for staff to build skills in clear departmental writing, ministerial briefs, data storytelling, and analytical and evidence-based writing.
- Continuing to invest in developing fundamental management skills to foster high performance, ensure effective use of resources, increase defensible decision making, and ensure a safe and professional work environment.

Staff continued to be supported to access learning and development at a time and location suiting them, with options available to attend in person or online.

The Department has developed a strong and meaningful partnership with the APS Academy, and is able to utilise their courses, resources, expertise, governance, and networks. The APS Learning and Development Strategy 2021–2026 and associated Action Plan, and the departmental workforce strategy currently under development, will inform future capability initiatives.

Investing in leadership and talent

The Department recognises investment in, and continuous development of, our leaders is critical to achieving our strategic priorities.

The Department's Talent Council identifies and supports the development of high performing and high potential EL2 staff. This cohort is offered a range of development opportunities, including stretch opportunities, secondments, and acting opportunities, as well as targeted leadership training, coaching, and mentoring. This approach supports career progression, engagement and retention, and ongoing alignment between talent management and workforce planning.

Our senior leaders are supported to extend their leadership capability through executive coaching, seminars, and development programs provided by organisations such as the APS Academy, Australian and New Zealand School of Government, and the Institute of Public Administration Australia. SES officers also participate in SES Forums led by the Secretary of the Department. These forums provide an opportunity to discuss key challenges and include insights from other departmental SES and external guests.

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 Studybank scheme provides eligible staff access to financial and/or leave support for approved courses of study. First Nations staff, staff from a non-English speaking background, or staff with disability may be eligible for additional study leave entitlements.

Additionally, the Department supports the continued professional development of:

- our medical officers by offering an annual professional development allowance and access to paid leave for activities to assist them in maintaining their professional qualifications
- our nursing officers by offering a fortnightly professional development allowance
- our employees with general mandatory professional qualifications by offering financial support for professional development expenses through the Department's Professional Employee Development Support Policy, which was implemented in March 2022.

Flexible working arrangements

The Department continues to provide staff with access to a variety of flexible working options, assisting them in balancing their professional and personal commitments.

The Department's ongoing response to the COVID-19 pandemic in 2021–22 has seen staff transition back to the workplace under a hybrid work model, which offers staff the ability to combine office-based and remote work. Building staff capability and providing them with the tools to work efficiently, effectively, and collaboratively, regardless of physical location, has been an important departmental priority. This has been achieved through a range of initiatives, including:

- continuous development and improvement of technical resources and infrastructure, including collaboration tools
- development and communication of policies and supporting guidance material outlining responsibilities and requirements for staff and their managers regarding the operation of flexible work arrangements
- the implementation of a remote agreement template to guide staff/manager conversations, ensuring a focus on employee engagement and connection to maintain collaboration, culture, and team cohesion
- development and communication of work health and safety guidance to ensure staff can undertake remote work safely
- targeted training aimed at supporting managers and staff to operate in a flexible work environment, including dispersed teams.

At 30 June 2022, the Department had 3,389 staff (60%) with formal remote work agreements in place to support an agreed hybrid work arrangement. The Department plans to review its policies and guidance supporting flexible work arrangements in 2022–23 to ensure they continue to meet the needs of the Department and staff.

The 2022 Staff Survey showed that, on average, 92% of staff worked remotely for one or more days per week. A high number of staff (91%) also felt comfortable discussing their working arrangements with their supervisor.

Workforce inclusivity and diversity

The Department acknowledges and respects the importance of workplace diversity and inclusion, and how it enriches our workplace to help deliver better health outcomes for all Australians.

From 4 to 11 July 2021, the Department celebrated NAIDOC Week with a range of activities, including our annual Secretary's NAIDOC Awards, the National Aboriginal and Torres Strait Islander Staff Network's NAIDOC Heal Country Walk/Run, and the launch of the Garagang Yarning Circle. The Yarning Circle is an important element to building relationships and communication, much like what has been practiced for centuries by First Nations people. Named in Ngunawal language, Garagang means 'magpies', a place to cluster and talk to each other in daily gatherings.

A record number of staff tuned in to the Secretary's NAIDOC awards to celebrate our contribution and commitment toward improving services and outcomes with, and for, First Nations people. There were 20 award nominations in 2021, compared to 16 in 2020, indicating an increase in staff engagement and maturity on our reconciliation journey.

From 27 May to 3 June 2022, the Department commemorated National Reconciliation Week with events and activities held across our state and territory offices. On National Sorry Day, 26 May 2022, a Flag Raising Ceremony was held in the Woden, Australian Capital Territory (ACT) office to recognise the significance of National Sorry Day and National Reconciliation Week for all Australians, and to show respect to First Nations people and cultures.

In the new Fairbairn, ACT office, over 100 staff members attended the first Welcome to Country at the site, performed by Ngunawal Elder Wally Bell. This was the first staff event at the location, with Deputy Secretary John Skerritt unveiling the Department's Reconciliation Action Plan original artwork, created by Kalkadoon artist Chern'ee Sutton. The Department's state offices also received reproductions of the artwork, titled 100 years of Health, to proudly display.

The National Aboriginal and Torres Strait Islander Staff Network also held a number of events for staff, including a thought provoking and informative National Reconciliation Week themed trivia session.

In addition to National Reconciliation Week and NAIDOC Week activities, all staff were encouraged to take brave action to advance reconciliation throughout the year. The Department regularly promoted reconciliation achievements and successes throughout the year, such as successful procurement and business partnerships during Indigenous Business Month, October 2021.

2021 Secretary's NAIDOC Awards
Pictured: Professor Brendan Murphy AC (left), award winner Claire Clack and then Associate Secretary Caroline Edwards

Flag Raising Ceremony
Pictured: Michelle Steele (left), Amy Minchin, Skye Mitchell, NATSISN Co-Chairs Jade Atkins and Josh Kelly

To raise awareness of World AIDS Day and Aboriginal and Torres Strait Islander HIV Awareness Week, the Department hosted an event in December 2021 with guest speaker Michelle Tobin, an Aboriginal woman of the Yorta Yorta Nation and HIV advocate. This event was a joint initiative across the Department to acknowledge intersectionality and the disproportionate effects HIV has on segments of the LGBTQIA+ and First Nations communities.

Throughout the year, implementation of the Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI+) Action Plan 2020–22[93] continued. In August 2021, the Department celebrated Wear It Purple Day through photo sharing and using tailored backgrounds during virtual meetings, with participation from individuals and teams across the country. In April 2022, the Department sponsored ACON Health's inaugural Pride in Health + Wellbeing Awards. The event celebrated LGBTQIA+ inclusion initiatives and showcased the Department's commitment to LGBTQIA+ health services and inclusive culture.

The Department is committed to measuring its progress in pursuing greater inclusivity. In June 2022, the Department achieved Silver Employer tier status for the first time in the 2021–22 Australian Workplace Equality Index (AWEI), which is the national benchmark for LGBTQ workplace inclusion in Australia. This improvement demonstrates a sustained commitment to workplace inclusion for people of diverse sexual orientations and genders.

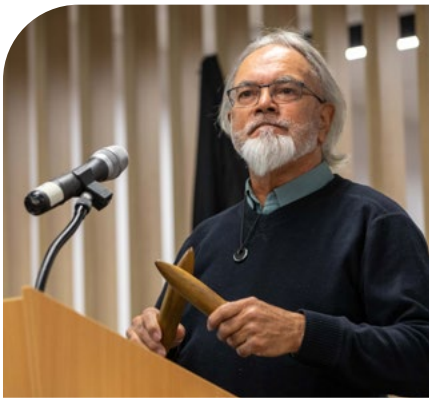
Additionally, in December 2021 the Department participated in the Diversity Council of Australia's Inclusion@Work Index Survey for the first time. Over 1,000 staff completed the survey, which measures and tracks progress in creating a diverse and inclusive organisation. The Department showed that we are active and committed to inclusion by achieving results that exceeded the National Index Benchmark in 5 out of the 6 survey measures. This resulted in us being named an Inclusive Employer in 2021–22.

The Department's diversity networks continued to thrive during 2021–22. They include the:

- Culturally and Linguistically Diverse Network
- Disability and Carers Network
- Gender Equality Network
- Health Pride (LGBTQIA+) 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. In 2021–22, the networks delivered hybrid events to ensure both virtual and face to face audiences were included. This provided greater accessibility to events for all staff and was particularly useful for connecting with dispersed staff in state and territory offices.

Each network continues to receive support from SES Champions. At 30 June 2022, 7 SES Champions supported our networks.



Reconciliation Action Plan artwork reveal
Pictured: Ngunawal Elder Wally Bell

International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHOBIT) Day afternoon tea

[93] Available at: www.health.gov.au/resources/publications/lesbian-gay-bisexual-transgender-and-intersex-action-plan-2020-22

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 2021–22, these activities included:

- participating in the Focus on Ability Film Festival
- raising the profile of staff with disability within the Department by highlighting their stories and achievements
- raising awareness of caring and recognising the contribution carers make in the community.

The Department 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 consider the needs of carers, people with disability and vulnerable populations.

In October 2021, the Department became a member of Carers + Employers, a project of Carers New South Wales that defines best practice standards for supporting staff with caring responsibilities.

Disability reporting

Australia's Disability Strategy 2021–2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out, where practical, changes that will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families, and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the Strategy's actions and outcome areas will be published and available at: www.disabilitygateway.gov.au/ads

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at: www.apsc.gov.au

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 revisited during the year to ensure staff are familiar with the expected behaviours.

The Department is committed to creating a positive working environment that values diversity and is safe and free from all forms of workplace bullying, discrimination, and harassment. To ensure alignment with contemporary best practice, the Department has initiated reviews of 2 important people management processes:

- 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-centred 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*. It 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 9 APS Code of Conduct investigations during 2021–22, resulting in 27 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.

In the 2022 Annual Staff Survey staff perception of our overall culture remains positive.

The majority of staff (87%) reported the Department actively promotes an inclusive workplace, and feel they receive the respect they deserve from colleagues (86%), an increase of 4% each since 2021.

Harassment, bullying, and discrimination scores have decreased from 2021 (a decrease of 5% and 2% respectively), and have steadily decreased since 2016.

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 2021–22, the Department built on strategies implemented in 2020–21 to foster a high performance environment and has continued to focus on managing for outcomes. These strategies included:

- Managing Teams at Health training to build manager capability. The package includes modules on how to set clear goals, provide and receive constructive feedback, and coach staff.
- The development of training to build manager capability and confidence to engage with, and provide effective feedback to, staff about performance and a range of other employment matters.
- Workplace coaching for SES and EL cohorts in group and/or one-on-one forums to support managers to create an environment that optimises 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 in March 2021 to assist with a review of the managing underperformance policy and procedures. The purpose of the review was to ensure an efficient and effective approach that supports performance and culture, enables supervisors to effectively manage underperformance in the context of our flexible working arrangements, and gives employees a genuine opportunity to restore performance wherever possible. The revised policy framework, including user friendly guidance documents, is designed to ensure clarity of objectives, roles and responsibilities, the process, timeframes, and possible outcomes. The Department is currently undertaking consultation and developing guidance material, with the review to conclude in the 2022–23 financial year.

Entry level programs

Entry level recruitment programs assist the Department to engage a diverse group of employees with both general and specific capabilities. During 2021–22, the Department participated in the:

- 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
- Australian Taxation Office's APS HR School Leaver Program.

The Department also undertook its:

- Graduate Program, which included an Affirmative Measures process for First Nations people and the opportunity to opt in to the RecruitAbility Scheme
- Indigenous Internship Program.

In 2022–23, there will be a continued focus on improving our entry level and employment programs, including:

- increased participation in whole of government graduate stream recruitment programs
- increased development of Department-specific programs, including internships
- increased participation on the Department of Finance Career Starter Program
- re-commencement of participation in the Department of Employment and Workplace Relations' Indigenous Australian Government Development Program
- overall program attraction and retention strategies
- reviewing learning and development offerings to participants
- post-program pathways and support.

Career development and mobility

The Department continues to maintain strong connections with the private sector, professional bodies, and academia. We encourage staff to actively engage across sectors through secondments, partnerships, and representation through forums. This allows staff to add breadth to their professional expertise, promote the work of the Department in external forums, and both influence and better understand the broader landscape for our work.

To manage the sudden and sharp increase of work resulting from the COVID-19 Omicron variant outbreak in December 2021, the Department mobilised our internal workforce and drew on secondees from across the APS. This, alongside the onboarding of a temporary workforce, enabled the Department to provide services across the Aged Care and COVID-19 response groups, which faced escalating demands on services. While the purpose of this workforce has been to manage unexpected workloads, the overall effect has been collaboration, leveraging diversity of experience and knowledge, and enriching the skills of employees and experiences of our clients.

The pandemic response has brought an attitude of mobility by default to the Department and our employees, with a number of our staff having changed roles at least once across the last 2 years, and an increase in the demand from temporary employment registers. This has led to further investment in a refreshed Temporary Employment Register for the Department, with an emphasis on providing enhanced mobility opportunities.

Work health and safety (WHS)

Throughout 2021–22, the Department continued to provide a safe working environment for all staff, with procedures updated to ensure alignment with all state and territory public health orders.

The Department has a robust COVIDSafe workplace guide to support managers and staff in the workplace, which is informed through the Department's COVID-19 risk assessment. In addition to the workplace guide, the Department has guidance for staff on notifying all COVID-19 positive cases, and a cleaning protocol for any employee who has tested positive to COVID-19 and been in the workplace within 48 hours. All staff are requested to complete an online notification form providing relevant information to the WHS team. This includes details of the positive test and information regarding any contact. The WHS team provide guidance to staff and their managers, and provide follow up guidance if and when required.

In 2021–22, 1,994 staff notified the WHS team of their COVID-19 positive test, with 15 reported cases of workplace transmission.

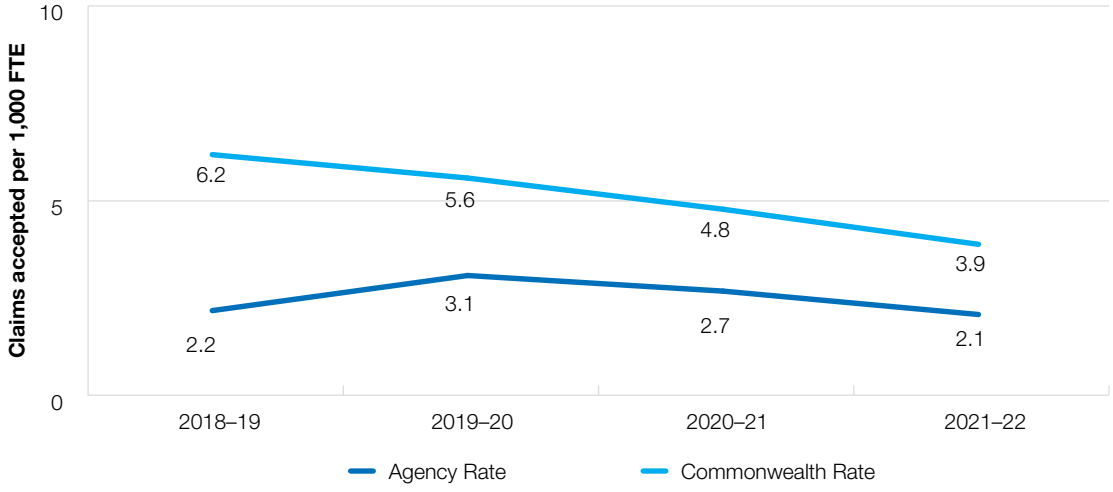
In 2021–22, the Department continued to improve its injury and illness management. The Department's revised premium rate for the 2021–22 financial year was 0.91%, which has remained unchanged from the 2020–21 financial year. Results from improved injury and illness management practices are expected to be reflected in the 2022–23 financial year premium rate.

The Department has a diverse workplace environment, with our most common risks related to body stress attributed to an increase in keyboard and mouse work. This is followed by falls, trips, and slips.

Throughout 2021–22, the Department continued to support employees to work remotely. Staff were provided with equipment and access to occupational therapists to ensure a safe remote workplace. Further physical and mental health risks were managed through the provision of ergonomic tools and enhanced wellbeing supports. The Department provided unlimited access to the Employee Assistance Program (EAP) and an extensive catalogue of webinars to support navigating a pandemic and working remotely. The Department continues to enforce policies, procedures, and practices to appropriately protect workers from, and respond to, potential hazards.

In 2021–22, Comcare accepted a total of 9 claims attributed to psychological (4), disease (2), and injury (3) factors. This continued the reduction in Comcare accepted claims (11) seen in 2020–21.

Figure 3.4.3: Number of accepted compensation claims from 2018–19 to 2021–22



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 absences.

A rehabilitation management system audit was completed in February 2022, with the Department scoring a very high compliance rate of 92%. This reflects the Department's compliance with the *Safety, Rehabilitation and Compensation Act 1988*.

In 2021–22, the Department's WHS team continued to work with Comcare on the non-conformances and observations from the WHS Management System Audit conducted in May 2021. As at 30 June 2022, the Department closed one non-conformance and 10 observations.[94]

Like many employers, the Department continued to face unique WHS challenges in response to the ongoing COVID-19 pandemic. The Department continued to provide a COVIDSafe workplace, supporting employees to work remotely throughout the pandemic and by supporting a transition to hybrid working arrangements. Tools to assist in ensuring the safety of our employees included:

- engagement of an in-house psychologist to assist the Department in providing a psychologically healthy workplace
- virtual workstation assessments
- a dedicated COVID-19 hotline to assist with employee queries
- increased access to the flu vaccination program
- wellbeing webinars for all staff
- wellbeing webinars dedicated to employees experiencing state and territory lockdowns
- tailored support for employees with reasonable adjustments
- risk assessments tailored to individual needs for working safely in the office or remotely
- a staged approach to transitioning employees to a combination of remote and in office working arrangements
- provision of personal protective equipment, including face masks
- a work plan to transition back to in-office work in a COVIDSafe way.

Keeping our staff working and safe

The Department provides early support to prevent and reduce the impact of both work related and non-work related injuries and illness. Throughout 2021–22, the Department matured its approach to early intervention. This was achieved by:

- availability of debriefing sessions for SES officers involved in particularly stressful and traumatic events and activities
- continuing the Department's Virtual Work Station Assessment (VWSA) program, and providing traditional workstation assessments for staff with more complex needs
- ensuring ongoing access to the EAP
- flexible working arrangements, including remote work agreements
- prompt case management
- where appropriate, reimbursement for medical treatment.

[94] Compliance rating of 92% was achieved from the previous 83% compliance rating. Compliance work recommendations included revisiting current policy and procedures and further risk management in our Rehabilitation Management System.

In particular, the VWSA program, designed to support staff as they work in remote workplaces with less optimal workstations, was well used in 2021–22. The program enables employees to work virtually with an occupational therapist to review remote workstations and make recommendations for sensible and practical adjustments. The program was accessed 346 times in 2021–22, saving over $200,000 on external contracting associated with the traditional workstation assessment process.

Due to the Department's proactive early intervention and triaging strategies, fewer compensation claims arose during 2021–22. The early intervention program also assisted the Department in proactively managing accepted claims for compensation and providing the most appropriate services to employees and their managers.

To increase employees' awareness and knowledge of WHS, including legislative requirements, the WHS eLearning module was refreshed in 2021–22 to ensure content remained relevant. This module forms part of the Department's mandatory essential learning suite for all workers.

As part of the COVID-19 pandemic response, the Department extended access to the EAP by providing employees with unlimited access to the service for themselves and their immediate family members. The Department's use of the EAP remained consistent throughout 2021–22, with personal reasons being the most common reason to engage EAP services.

The Health and Wellbeing Program

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 First Nations employees, support for LGBTQIA+ issues, and those affected by domestic violence.

In addition to the standard EAP offering across the Department, wellbeing webinars were also made available to all employees and their family members in 2021–22. The webinars were recorded and available to staff for 30 days. A comprehensive range of topics were included, such as:

- mental health awareness
- mental health fitness
- sleep and our health
- thriving under pressure
- building resilience
- compassion burnout.

An annual influenza vaccination program was delivered across the country in 2021–22 through onsite clinics and a voucher system accessed through nominated pharmacies. A total of 2,368 employees received an influenza vaccination onsite, while 739 employees and contractors downloaded a voucher to obtain free vaccination at a participating pharmacy.

Ongoing and non-ongoing departmental staff who have been prescribed glasses for screen based work can seek a reimbursement of up $100 for single vision glasses or $165 for bi-focal, multi-focal, or tri-focal glasses every 2 years. Staff can also access a corporate gym membership scheme which provides discounted memberships or attendance rates at nominated gyms in major cities.

Notifiable incidents

The Department received 93 incident and hazard reports in 2021–22. This is a decrease from the 2020–21 financial year, where 106 incident and hazard reports were received. Over the past 3 financial years, the number of incident and hazard notifications received has been trending down. 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 93 incident and hazard reports, Comcare was notified of 3 incidents. These related to one head injury as a result of a staff member walking into an object, one minor electrical shock as a result of human error by a qualified electrician, and one biohazard in another government department with whom we are co-located.

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. This process is supported by the Administered Program Board, an advisory forum that sits below the senior governance committee level and is chaired by the Chief Operating Officer, consisting of Senior Executive Service (SES) officers with direct responsibilities 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 Department's 2021–22 financial statements are 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, and inventory. Decisions about whole-of-life asset management are undertaken in the context of the Department's broader strategic planning to ensure investment in assets supports cost-effective achievement of the Department's objectives.

Effective management of the Department's capital budget and non-financial assets 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 Executive Committee
- whole of Department oversight by the Department's Digital, Data and Implementation Board of digital, data and information and communications technology work programs to ensure the Department is leveraging existing technologies, patterns, and capabilities to effectively deliver on new and emerging priorities of government, while ensuring alignment with the digital transformation agenda
- undertaking regular stocktakes of physical assets and inventory
- annually reviewing assets for indications of impairment and changes in expected useful lives.

Procurement

Purchasing

The Department's approach to procurement activity is driven by the core principles of the Commonwealth's financial management framework. The framework encourages competition, value for money, transparency and accountability, as well as the efficient, effective, ethical, and economical use of Commonwealth resources.

During 2021–22, 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.[95]

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.[96]
- 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 Commonwealth Procurement Rules, Appendix A – exemption 17, allowing direct engagement of SMEs for procurements valued at up to $200,000 (including GST), provided value for money can be demonstrated.

The Department recognises the importance of ensuring small businesses are paid on time. The result of the most recent Survey of Australian Government Payments to Small Business are available at: www.treasury.gov.au

In November 2021, the Department's Invoice Management System was upgraded to receive eInvoices. The Department is working closely with suppliers who are eInvoice enabled to transition to eInvoicing and improve payment times.

[95] Available at: www.finance.gov.au
[96] Available at: www.pmc.gov.au/sites/default/files/publications/industry_innovation_competitiveness_agenda.pdf

Indigenous Procurement Policy

Indigenous businesses are vital to creating jobs for, and employing more, First Nations people. The Indigenous Procurement Policy aims to support these businesses to grow and create opportunities for First Nations people.

The value-based target, designed to help Indigenous businesses win higher value contracts, increased from 1.25% in 2020–21 to 1.50% in 2021–22 of the Department's average relevant procurement spend over the previous 3 years. The existing volume targets and policy objectives remained unchanged.

In 2021–22, the Department entered into 215 new contracts with Indigenous businesses, worth a combined $104.8 million. This exceeded the target of 99 new contracts and represents a slightly higher volume than the 175 contracts entered into in 2020–21. In addition, the Department exceeded its value-based target of $6.9 million by $97.9 million.

The Department continued to promote awareness of opportunities to procure goods and services from Indigenous businesses. The Department's Reconciliation Action Plan 2021–23 seeks to continue to develop awareness and recognition of Indigenous suppliers and the benefits of their involvement in the Department's procurements. Through promotion of success stories, reviewing and strengthening procurement practices, and committing to membership of Supply Nation, Australia's leading database of verified Indigenous businesses, the Department's new Reconciliation Action Plan 2021–2023 is expected to strengthen First Nations engagement and provide greater opportunities for Indigenous businesses.

Reportable consultancy contracts

During 2021–22, 312 new reportable consultancy contracts were entered into, involving total expenditure of $49.3 million. In addition, 70 ongoing reportable consultancy contracts were active during the period, involving total expenditure of $19.3 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 considers the skills and resources required for the task, the skills available internally, and the cost-effectiveness of engaging external expertise. Decisions to engage consultants are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and other internal policies.

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: Organisations receiving a share of reportable consultancy contract expenditure in 2021–22

Organisations receiving a share of reportable consultancy contract expenditure in 2021–22	Australian Business Number (ABN)	Expenditure $ (Inc. GST)	Percentage of total spend
King & Wood Mallesons	22 041 424 954	5,779,162	8.4%
Nous Group Pty Ltd	66 086 210 344	5,323,262	7.7%
KPMG	51 194 660 183	5,047,828	7.3%
PRICEWATERHOUSECOOPERS Legal	52 780 433 757	4,490,738	6.5%
PriceWaterHouseCoopers Consulting (Australia) Pty Ltd	20 607 773 295	3,337,973	4.8%

[97] Available at: www.tenders.gov.au

Reportable non-consultancy contracts

During 2021–22, 3,010 new reportable non-consultancy contracts were entered into, involving total expenditure of $1.83 billion. In addition, 413 ongoing reportable non-consultancy contracts were active during the period, involving total expenditure of $482.6 million.

The Department considers the scope, scale, and risk associated with any procurement activity in line with its internal policies and procedures. Decisions to engage a particular supplier are made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and other internal policies.

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: Organisations receiving a share of reportable non-consultancy contract expenditure in 2021–22

Organisations receiving a share of reportable non-consultancy contract expenditure in 2021–22	Australian Business Number (ABN)	Expenditure $ (Inc. GST)	Percentage of total spend
Seqirus (Australia) Pty Ltd	66 120 398 067	173,488,624	7.2%
Pfizer Australia Pty Ltd	50 008 422 348	120,914,759	5.0%
GlaxoSmithKline Australia Pty Ltd	47 100 162 481	114,691,082	4.8%
Innovation Scientific Pty Ltd	26 603 270 435	87,268,587	3.6%
Cole Workwear Pty Ltd	51 166 955 602	55,933,695	2.3%

Exempt contracts and Australian National Audit Office (ANAO) access

Exempt contracts

In 2021–22, 76 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 2020–21, where 86 contracts were exempt from reporting.

ANAO access clauses

The Department's standard contract and Standing Offer templates include provisions to allow the ANAO access to a contractor's premises.

In 2021–22, there were no identified reportable contracts that excluded this provision.

[98] Available at: www.tenders.gov.au

Grants

As with many Commonwealth agencies, the Department gives effect to government policy decisions through the provision of grant funding. In practice, the Department is the single largest granting agency in the Commonwealth, with over 14,459 grant activities undertaken in 2021–22. Grant activity spanned across 4 Outcomes and 16 Programs and included ongoing funding for existing and new services and capital works programs, as well as a continuation of emergency and other sector support grants in response to the COVID-19 pandemic. Key grants contributing to the COVID-19 pandemic response in 2021–22 included:

- $194.32 million for the COVID-19 Aged Care Workforce Bonus payments
- $74.72 million to support COVID-19 Aged Care Preparedness.

The Department's approach to grant administration follows the mandatory requirements for grants administration set out in the Commonwealth Grant Rules and Guidelines (CGRGs). The CGRGs are a legislative instrument, established by the Minister for Finance under section 105C of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), that detail the key legislative and policy requirements relating to grants as well as better practice principles for grants administration. The Department, as a non-corporate Commonwealth entity, must administer grants in accordance with the CGRGs. The Department has established, and continuously maintains, a comprehensive suite of policy and procedural guidance – The Grants Toolkit – to support policy and program areas across the Department and ensure their grants administration activities adhere to the CGRGs.

Grants administration involves 5 distinct but connected stages: design, select, establish, manage, and evaluate. For the majority of grants, the design, select, and evaluate stages are administered by the Department directly, while the establish and manage stages are undertaken in partnership with the Community Grants Hub within the Department of Social Services. Grants made under the Medical Research Future Fund are administered in partnership with the National Health and Medical Research Council and the Business Grants Hub within the Department of Industry, Science, Energy and Resources.

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.

Information on grants awarded by the Department during the period 1 July 2021 to 30 June 2022 is available on the Australian Government's grant information system, GrantConnect, available at: www.grants.gov.au

Advertising and market research

The Department must report on payments over $14,500 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 2021–22.

Advertising campaigns

During 2021–22, 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 vaccines campaign – Community Pharmacies, Arm Yourself extension and Aged Care boosting
- COVID-19 vaccines campaign – General Crest
- COVID-19 vaccines campaign – Aboriginal and Torres Strait Islander adaptation
- COVID-19 vaccines campaign – Aged Care
- COVID-19 vaccines campaign – First Things First
- COVID-19 vaccines campaign – Aboriginal and Torres Strait Islander adaptation, Version 2
- COVID-19 vaccines campaign – More Reasons and Updated Pharmacy campaigns
- COVID-19 vaccines campaign – COVID-19 Vaccine Hesitancy Crest
- COVID-19 vaccines campaign – Green Crest Western Australia, Queensland and Northern Territory
- COVID-19 vaccines campaign – Boosters
- COVID-19 vaccines campaign – Boosters, updated
- COVID-19 vaccines campaign – 5 to 11 year olds
- COVID-19 vaccines campaign – Boosters – Aboriginal and Torres Strait Islander adaptation
- COVID-19 vaccines campaign – Boosters – 16+
- COVID-19 vaccines campaign – Boost
- COVID-19 vaccines campaign – Winter Vaccination and Kids 5 to 15 Vaccination for mainstream audiences, Winter Vaccination and Boost for First Nations audiences
- Influenza vaccination campaign – maternal
- Influenza vaccination campaign – children under 5 years of age
- First Nations routine childhood immunisation campaign
- Syphilis Awareness Campaign
- Accessing Health Care Campaign
- Japanese Encephalitis Virus campaign.

Further information on these advertising campaigns is available at: www.health.gov.au, and in the reports on Australian Government advertising prepared by the Department of Finance. 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 2021–22

Organisation	Service provided	Paid $ (including GST)
Advertising agencies (creative advertising agencies which have developed advertising campaigns)		
Blackfisch Films Pty Ltd	Head to Health Adult Mental Health Services – creative services	70,894
BMF Advertising	COVID-19 vaccines campaign creative services	10,676,652
Carbon Media Pty Ltd	COVID-19 vaccines campaign creative services	1,815,487
Carbon Media Pty Ltd	COVID-19 vaccines First Nations campaign creative services	2,750,507
Carbon Media Pty Ltd	Influenza campaign creative materials – children under 5 years of age and seasonal flu	110,132
Carbon Media Pty Ltd	First Nations routine childhood creative materials	37,070
Carbon Media Pty Ltd	Accessing Health Care Campaign – creative services for First Nations audiences	109,571
Carbon Media Pty Ltd	Syphilis Awareness Campaign – creative services	43,043
Carbon Media Pty Ltd	Japanese Encephalitis Virus Campaign – creative services for First Nations audiences	50,600
Cultural Perspectives Pty Ltd	COVID-19 vaccines campaign – creative services for culturally and linguistically diverse communities	289,279
Cultural Perspectives Pty Ltd	Accessing Health Care Campaign – creative services for culturally and linguistically diverse communities	36,093
Ogilvy Australia	Hearing Health Awareness and Prevention Campaign – creative services	57,964
Ogilvy Australia	Accessing Health Care Campaign – creative services	677,360
Ogilvy Australia	Japanese Encephalitis Virus Campaign – creative services	820,830
Silver Sun	Nicotine vaping products creative services	49,047
Market research		
Bastion Insights Pty Ltd	Specialist research services to conduct time study	158,796
Bastion Insights Pty Ltd	Research services to support the update of tobacco graphic health warnings	275,000
Cancer Council Australia	Research services to inform the ongoing development of the national tobacco campaign	262,231
Cancer Council New South Wales	National research on insights into electronic cigarette use among young people	992,800
Cancer Council Victoria	National research on knowledge of smoking and vaping harms and cessation approaches	220,000
Fifty-Five Five Pty Ltd	COVID-19 vaccine communication exploratory research	237,970
Fifty-Five Five Pty Ltd	COVID-19 vaccine monitoring research	1,080,035
Fifty-Five Five Pty Ltd	Developmental and concept testing research for Health Star Rating campaign	164,940
Fifty-Five Five Pty Ltd	Concept testing research for COVID-19 vaccination campaign	230,450
Fifty-Five Five Pty Ltd	Developmental and concept testing research for Hearing Health campaign	162,134
Fifty-Five Five Pty Ltd	Concept testing research for Accessing Health Care campaign	186,890

Organisation	Service provided	Paid $ (including GST)
Fifty-Five Five Pty Ltd	Developmental and concept testing research for the Sexually Transmissible Infections campaign	98,996
Fifty-Five Five Pty Ltd	Concept testing research for Japanese Encephalitis Virus campaign	114,400
Fifty-Five Five Pty Ltd	Market research for COVID-19 Vaccines campaign	123,629
Fifty-Five Five Pty Ltd	Cashless debit card consultation	297,576
Hall and Partners Pty Ltd	Evaluation research for the COVID-19 Vaccines campaign	598,738
Hall and Partners Pty Ltd	Evaluation research for the Accessing Health Care campaign	45,258
Hall and Partners Pty Ltd	Evaluation research for the Japanese Encephalitis Virus campaign	20,693
Hall and Partners Pty Ltd	Consultation on the National Strategy for Radiation Safety	33,440
Kantar Public Australia Pty Ltd	Evaluation of the Jodie Lee Foundation campaign	212,300
Lonergan Research Pty Ltd	Research to inform the overseas student health cover program	90,101
Orima Research Pty Ltd	Evaluation research for opioid regulations communications	79,970
Orima Research Pty Ltd	Consumer research for therapeutic goods advertising mandatory statements	79,445
Quantum Market Research (Aust) Pty Ltd	Vaccination monitoring research	74,361
Snapcracker Research & Strategy Pty Ltd	Consumer Research to support the post-market review of Pharmaceutical Benefits Scheme opioid dependence treatment program medicines	27,280
Snapcracker Research & Strategy Pty Ltd	Influenza immunisation communication research	246,312
Symego Pty Ltd T/A Qualie	Adult mental health centre communication research	37,455
The Boston Consulting Group Pty Ltd	Provider maturity research and advice for transition	874,500
University of Sydney	Voluntary patient registration - patient form disability question development	135,019
Whereto Research Based Consulting Pty Ltd	Consumer research for aged care	45,474
Direct mail organisations (includes organisations which handle the sorting and mailing out of information material to the public)		
Australia Post	Distribution Services COVID-19 Vaccine Booster mailout	2,208,405
IVE Group	COVID-19 Vaccine Booster mailout	1,932,320
National Mailing and Marketing	COVID-19 Vaccine Resource mailout	331,907
National Mailing and Marketing	HCP (Home Care Package) recipient letter and factsheet mailout	454,665
National Mailing and Marketing	National Influenza Resource mailout	199,072
National Mailing and Marketing	General practitioner pathology letters	25,489
National Mailing and Marketing	Cervical and Bowel Cancer Screening Test Kit mailout	485,524

Organisation	Service provided	Paid $ (including GST)
National Mailing and Marketing	Aboriginal and Torres Strait Islander Health Plan mailout	11,379
National Mailing and Marketing	Influenza Vaccine for Children mailout	48,228
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 Vaccine Campaign	63,633,311
Mediabrands Australia Pty Ltd	Nicotine vaping products – education campaign	241,256
Mediabrands Australia Pty Ltd	Medicinal cannabis – access pathways	49,500
Mediabrands Australia Pty Ltd	Medicine shortages and safety alerts	29,701
Mediabrands Australia Pty Ltd	Rapid antigen tests	19,900
Mediabrands Australia Pty Ltd	Changes to nicotine vaping laws	18,809
Mediabrands Australia Pty Ltd	Medicinal cannabis – regulatory changes to application process	16,492
Mediabrands Australia Pty Ltd	Gene technology notices	15,138
Mediabrands Australia Pty Ltd	Consumer medicines information	14,867
Mediabrands Australia Pty Ltd	How to report side effects	14,867
Mediabrands Australia Pty Ltd	Medical device software	14,867
Mediabrands Australia Pty Ltd	Medicine shortages hub	14,867
Mediabrands Australia Pty Ltd	Influenza vaccination – maternal	380,556
Mediabrands Australia Pty Ltd	Influenza vaccination – children under 5 years of age	434,497
Mediabrands Australia Pty Ltd	First Nations routine childhood immunisation campaign	417,266
Mediabrands Australia Pty Ltd	Accessing Health Care Campaign	3,255,409
Mediabrands Australia Pty Ltd	Syphilis Awareness Campaign	252,996

Property management and environmental impact

During 2021–22, the Department implemented new measures, and continued existing measures, across all of 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 Operation COVID Shield.

The Department continued to undertake a range of activities to ensure sustained best practices for a COVIDSafe work environment in its tenancies. This included supporting remote working, increased hygiene support, and improved guidance and signage on physical distancing. It also included an enhanced general cleaning regime, as well as deep cleaning of workspaces and surrounding areas under the Department's internal procedures for responding to suspected cases of COVID-19 among staff. The Department followed state and territory public health requirements in relation to occupancy levels, including putting in place state and territory QR code check-in systems for larger meeting rooms across our network of tenancies to support COVIDSafe practices for in person meetings. As public health requirements evolved in response to the pandemic, so too have the Department's operational arrangements.

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 2021–22, 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 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.

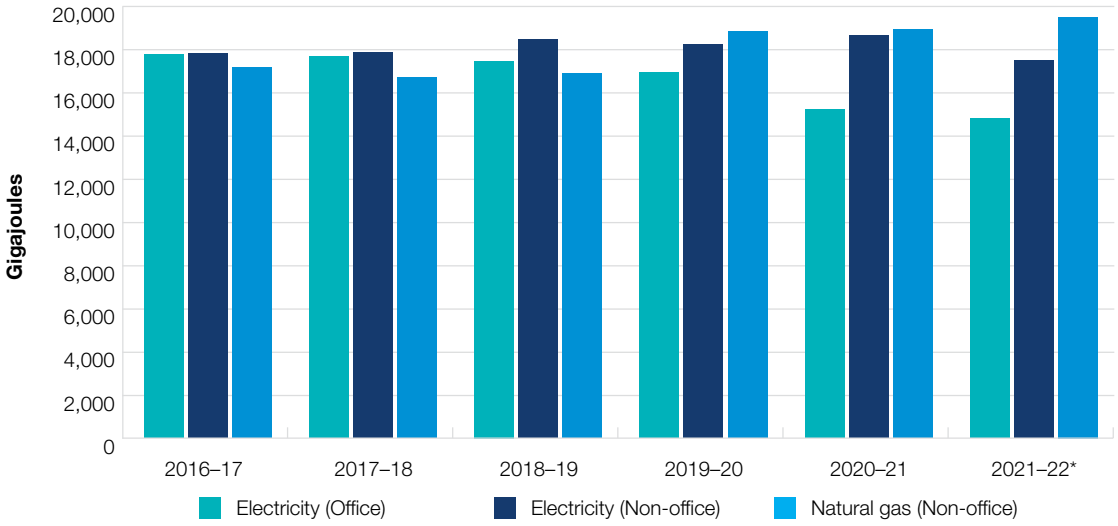
Environmental impact of our operations

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



*Data for 2021–22 is a full year estimate based on part year actual 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 2021–22, the Department met this target, using 2,607 MJ per person, per annum.

The EEGO performance improved by approximately 11.0% when compared to the 2020–21 financial year. In general, total electricity and gas consumption across both office and non-office sites decreased by 2.4% when compared with 2020–21. The average monthly energy consumption in 2021–22 was approximately 4,300 gigajoules.

Total consumption for the office portfolio has decreased by approximately 4.5% from 2020–21.

Total electricity consumption at the Symonston, Australian Capital Territory (ACT) facility, which accommodated mainly the Therapeutic Goods Administration (TGA), decreased by approximately 6.0% when compared with the previous financial year. The main reasons for this decrease include the relocation of most staff to the new Fairbairn, ACT site in late 2021–22, as well as the effects of the COVID-19 lockdowns and support for flexible working arrangements to maintain business continuity.

Gas consumption at Symonston increased by 3.0%. This can be attributed primarily to the reduction in standard heat load from decreased staff attendance. This reduced attendance required systems to generate more heat load to reach desired base temperature settings.

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 now become part of the Department's standard operating environment.

The Department continues efforts in its leased tenancies to reduce energy consumption through technology such as:

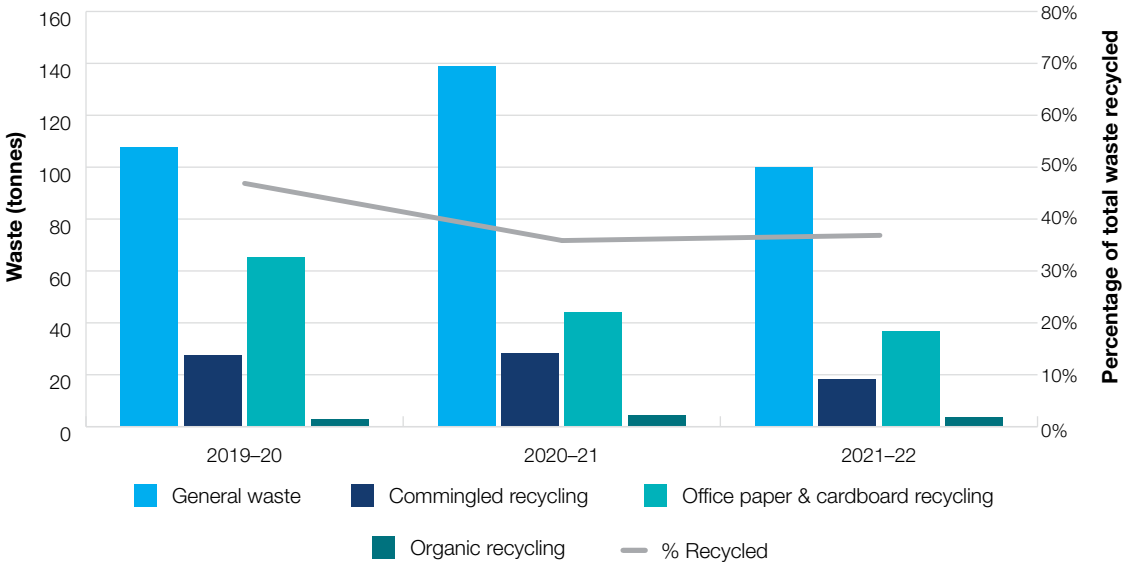
- new functionally designed fit-outs
- T5 fluorescent and movement activated sensor lighting
- double glazed windows
- energy efficient heating
- energy recovery or heat recovery ventilation systems
- air conditioning systems with higher Energy Efficiency Ratio for cooling, and Coefficient of Performance for heating.

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 facility, which houses the TGA. This facility accounts for all departmental use of natural gas. Non-office electricity consumption is also primarily related to the Symonston facility.

From April 2022, the office functions of the TGA have progressively relocated to a new purpose-built office building with optimal energy consumption management technologies. The laboratory functions of the TGA will transition to an adjacent purpose-built laboratory facility with a modern, energy efficient plant from August 2022.

Waste management

Figure 3.5.2: Average yearly waste produced by the Department



Due to a change in facility management suppliers, data prior to 2019–20 is not comparable with current data, and therefore is not included in Figure 3.5.2.

The Department is committed to protecting the environment through the implementation of efficient and effective waste management programs.

In 2021–22, the Department generated about 100 tonnes of general waste, which is approximately 28% lower than in 2020–21. The Department observed an increase in recycled content as a proportion of total waste, with 37% of all waste being recycled content in 2021–22, compared to 36% in 2020–21.

The waste decrease is partly a result of reduced building occupancy due to ongoing impacts of the COVID-19 pandemic. In addition, the waste subcontractor previously used a national average to estimate waste levels. This skewed the data to show a larger waste production level. This was changed to a site-specific average in January 2021. This has contributed to reduced estimates for waste consumption across all sub-types in 2021–22.

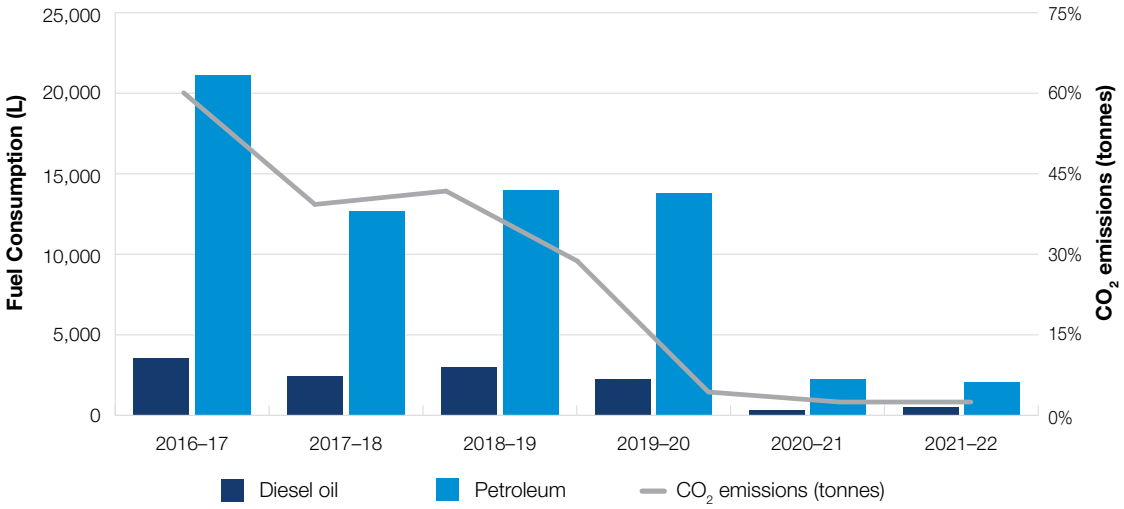
In the majority of the Department's offices, waste management initiatives include segregated waste streams to improve management of general waste, commingled recycling, organic recycling, and paper and cardboard recycling. The Department aims to increase the amount of waste recycled as a proportion of total waste.

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, ACT, 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 2021–22, the Department operated 28 vehicles, which travelled a total of 16,112kms and expended 32.49 MJ. This resulted in an energy consumption of approximately 0.00202 MJ/ km.

The Department will continue to review the vehicle fleet to ensure it is operating efficiently and consolidate the fleet where required.

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 2021–22, the Department received 92 parliamentary Questions on Notice from the House of Representatives and the Senate, and 650 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 5 times and received 139 Questions on Notice.

Joint Committee of Public Accounts and Audit (JCPAA) reviews

During 2021–22, there were no JCPAA tabled reviews involving the Department.

Representatives from the Department attended the inquiry into the Implementation of COVID-19 measures: Inquiry into Auditor-General Reports Nos. 20, 22, 23, 24, and 39 (2020–21). This inquiry lapsed with the dissolution of the House of Representatives on 11 April 2022.

Senate Estimates hearings

During 2021–22, the Department appeared before the Community Affairs Legislation Committee on the following occasions:

- Spill over Budget Estimates – 3 September 2021
- Supplementary Budget Estimates – 27 October 2021
- Additional Estimates – 16 February 2022
- Budget Estimates – 1 and 6 April 2022.

The Department also appeared before the Finance and Public Administration Legislation Committee for the Cross Portfolio Indigenous hearings on the following dates:

- Supplementary Budget Estimates – 29 October 2021
- Additional Estimates – 18 February 2022.

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	• Inquiry into the provision of general practitioner and related primary health services to outer metropolitan, rural, and regional Australians. • Inquiry into the Aged Care and Other Legislation Amendment (Royal Commission Response No. 2) Bill 2021. • Inquiry into the Australian manufacturing industry. • Inquiry into the services, support and life outcomes for autistic Australians. • Inquiry into the purpose, intent and adequacy of the Disability Support Pension (Government Response, input provided to the Department of Social Services [DSS]). • Inquiry into the administration of registration and notifications by the Australian Health Practitioner Regulation Agency and related entities under the Health Practitioner Regulation National Law. • Inquiry into the Mitochondrial Donation Law Reform (Maeve's Law) Bill 2021.
Senate Community Affairs Legislation Committee	• Health Legislation Amendment (Medicare Compliance and Other Measures) Bill 2021 (Provisions).
Senate Standing Committee on Rural and Regional Affairs and Transport Legislation	• Inquiry into the definitions of meat and other animal products.
Senate Standing Committee for the Scrutiny of Bills	• Provisions which exempt delegated legislation made under the *Biosecurity Act 2015* from disallowance (Private Hearing).
Senate Community Affairs References Committee	• Inquiry into the administration of registration and notifications by the Australian Health Practitioner Regulation Agency (AHPRA) and related entities under the National Law.
Senate Standing Committee for the Scrutiny of Delegated Legislation	• Private hearing in relation to delegated legislation.
House of Representatives Standing Committee on Employment Education and Training	• Inquiry into the Fair Work Commission's Annual Report.
House of Representative Standing Committee on Health, Aged Care and Sport	• Inquiry into childhood rheumatic diseases. • Inquiry into the 2017–18 Annual Reports of the Department of Health and Australian Hearing.
House of Representatives Standing Committee on Health, Aged Care and Sport	• Inquiry into approval processes for new drugs and novel medical technologies in Australia.
House of Representatives Select Committee on Mental Health and Suicide Prevention	• Inquiry into mental health and suicide prevention.
Joint Standing Committee on Law Enforcement	• Inquiry into the impact of illicit drugs being traded online (input provided to the Department of Home Affairs).
Joint Standing Committee on Migration	• Private briefing on the settlement of Afghan refugees in Australia – Program of Assistance for Survivors of Torture and Trauma.

Committee	Evidence/submission provided
Joint Standing Committee on Public Works	• Inquiry into the Department of Health – Fit-out of existing premises, Sirius Building in Woden, Australian Capital Territory.
Joint Standing Committee of Public Accounts and Audit	• The administration of government grants: Inquiry into Auditor-General's Reports 5, 12 and 23 (2019–20).
Joint Standing Committee on Foreign Affairs, Defence and Trade	• Inquiry into human organ trafficking and organ transplant tourism.
Joint Standing Committee on Law Enforcement	• Inquiry into vaccine related fraud and security risks.
Joint Standing Committee on the National Disability Insurance Scheme	• Inquiry into National Disability Insurance Scheme (NDIS) Workforce Final Report (government response, input provided to DSS). • Inquiry into NDIS implementation and forecasting (government response, input provided to DSS). • Inquiry into independent assessments (government response, input provided to DSS). • Inquiry into current scheme implementation and forecasting (input provided to DSS-led submission).

Freedom of Information

In 2021–22, the Department received 1,243 Freedom of Information requests.

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act, and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

The Department's IPS Agency Plan (the Agency Plan), which outlines the mechanisms and procedures the Department is required to undertake in managing and making information available, is available on the Department's website 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 reports to Parliament.

During 2021–22, the ANAO tabled 4 audits involving the Department. The Department agreed to all recommendations from these audits, and implementation activities are either underway or complete. There are no overdue ANAO audit recommendations.

Audits specific to the Department

Audit	**Department of Health's Management of Financial Assistance under the Medical Research Future Fund (MRFF)** Published – 9 September 2021 Performance audit (Auditor-General Report No.3 of 2021–22)
Objective	To assess whether the Department of Health is effectively managing financial assistance under the MRFF.
Recommendations (Directed to the Department)	**Recommendation 1**. Department of Health identify, assess, and manage risks at the theme or initiative level of the 10 Year Plan. **Recommendation 2**. Department of Health reports grants in the same way that grant opportunities are classified in the grant opportunity guidelines and reported on GrantConnect. **Recommendation 3**. Department of Health develops adequate performance measures for the MRFF for inclusion in its Portfolio Budget Statements and Annual Performance Statements.
Audit	**Improving Immunisation Coverage** Published – 22 September 2021 Performance audit (Auditor-General Report No.5 of 2021–22)
Objective	To assess the effectiveness of the Department of Health's approach to improving and monitoring immunisation coverage.
Recommendations (Directed to the Department)	**Recommendation 1**. The Department of Health report against performance targets for vaccination awareness campaigns. **Recommendation 2**. The Department of Health implement a plan to operationalise the National Immunisation Strategy, which includes assigning clear responsibility for actions and outcomes and setting timeframes for delivery. **Recommendation 3**. The Department of Health ensure that reporting about immunisation coverage is accurate, and that data definitions and the methodology used to calculate immunisation coverage rates are clear.
Audit	**Management of International Travel Restrictions during COVID-19** Published – 8 December 2021 Cross-entity Performance audit (Auditor-General Report No.12 of 2021–22)
Objective	To assess the effectiveness of the management of international travel restrictions during the COVID-19 pandemic.
Recommendations (Directed to the Department)[100]	**Recommendation 2**. Department of Health conduct a post-pandemic review to assess: a) when and how international travel restrictions and mass quarantine of arrivals should be applied for future pandemics, including roles and responsibilities b) the adequacy of the legal framework under which these measures operate. **Recommendation 3**. Department of Health ensure that the Australian Health Sector Emergency Response Plan for Novel Coronavirus remains up to date and documents current governance and coordination arrangements, response measures and entity roles and responsibilities.

[100] The ANAO directed recommendation 1, 4, 5, and 6 to other Commonwealth entities.

Audit	**Human Biosecurity for International Air Travellers during COVID-19** Published – 24 March 2022 Cross-entity performance audit (Auditor-General Report No.20 of 2021–22)
Objective	To assess the effectiveness of the management of human biosecurity for international air travelers during the COVID-19 pandemic.
Recommendations (Directed to the Department)[101]	**Recommendation 1**. Department of Health and Department of Infrastructure, Transport, Regional Development and Communications formalise responsibility for human biosecurity in external territories. (Cross-entity) **Recommendation 2**. Department of Health and Department of Agriculture, Water and the Environment incorporate a schedule outlining contingency arrangements for human biosecurity emergencies into the human biosecurity memorandum of understanding. (Cross-entity) **Recommendation 3**. Department of Health and Department of Agriculture, Water and the Environment ensure that human biosecurity officers and biosecurity officers (both new and incumbent) have satisfied all training and qualification requirements. (Cross-entity) **Recommendation 4**. Department of Health implement performance monitoring arrangements to ensure meaningful and reliable information on the performance of human biosecurity functions is captured.

Judicial decisions, decisions of administrative tribunals and decisions of the Information Commissioner

In 2021–22, there were no judicial decisions or decisions of administrative tribunals, or the Australian Information Commissioner, that have had, or may have, a significant effect on the operations of the Department.

During 2021–22, the Department was involved in:

- 2 matters in the High Court of Australia
- 5 matters in the Full Federal Court of Australia
- 27 matters in the Federal Court of Australia
- One matter in the Supreme Court of Queensland (Court of Appeal)
- One matter in the New South Wales Court of Appeal
- One matter in the Supreme Court of the Australian Capital Territory
- One matter in the Supreme Court of Queensland
- 2 matters in the Supreme Court of New South Wales
- One matter in the Supreme Court of Western Australia
- 2 matters in the Magistrates Court of the Australian Capital Territory
- One matter in the Magistrates Court of Western Australia
- 27 matters in the Administrative Appeals Tribunal
- 78 reviews with the Office of the Australian Information Commissioner.

In addition to the above, the Commonwealth Director of Public Prosecutions finalised 14 successful criminal prosecutions in 2021–22 following the Department's investigation of alleged fraud against the Medicare Benefits Schedule, Pharmaceutical Benefits Scheme, and Child Dental Benefits Scheme.

[101] The ANAO directed recommendation 5 and 6 to other Commonwealth entities.

Reports by the Commonwealth Ombudsman

The Department continued to liaise with the Office of the Commonwealth Ombudsman (the Office) on complaints relating to aspects of the Department's administrative activities.

During 2021–22, the Department received 5 preliminary inquiries (section 7A of the *Ombudsman Act 1976)* and 12 investigations (section 8 of the *Ombudsman Act 1976*) from the Office. A total of 2 investigations were carried over from 2020–21. The Office notified the Department of the finalisation of 10 preliminary inquiries and investigations in 2021–22 under section 12 of the *Ombudsman Act 1976*, none of which resulted in a finding of administrative deficiency.

Anyone with concerns about the Department's actions or decision making is able to make a complaint with the Office to determine whether the Department was wrong, unjust, discriminatory, or unfair. Further information on the role of the Office is available at: www.ombudsman.gov.au

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 175 potential contraventions of the Act were investigated in 2021–22, and 66 warning letters were issued.

A copy of this report has been provided to the Minister for Health and Aged Care.

The *Human Services (Medicare) Act 1973*

The *Human Services (Medicare) Act 1973* provides for the Chief Executive Medicare to authorise the exercise of powers requiring a person to give information or to produce a document that is in the person's custody, or under the person's control, and the power to obtain a statutory report under Section 42 of the *Human Services (Medicare) Act 1973*. The table below outlines the number of times such powers were exercised in 2021–22.

	Section 42(1) paragraphs (a) to (h)	
(a)	the number of signed instruments made under section 8L	14
(b)	the number of notices in writing given under section 8P	76
(c)	the number of notices in writing given to individual patients under section 8P	0
(d)	the number of premises entered under section 8U	0
(e)	the number of occasions when powers were used under section 8V	0
(f)	the number of search warrants issued under section 8Y	0
(g)	the number of search warrants issued by telephone or other electronic means under section 8Z	0
(h)	the number of patients advised in writing under section 8ZN.	0

Legal services expenditure

The table below outlines the Department's legal services expenditure for 2021–22, in compliance with paragraph 11.1(ba) of the Legal Services Directions 2017.

Description	2021–22 cost $'000 (excluding GST)
Total external legal services expenditure	20,380
Total internal legal services expenditure	18,890

4

Part 4: Financial Statements

Chief Financial Officer's Report

David Hicks

Departmental operating result

The Department recorded a consolidated 2021–22 comprehensive loss of $37.3 million. When unfunded depreciation is removed, the Department recorded a net cash operating surplus of $17.6 million.

During 2021–22, revenue from government increased by 27.0% to $1,019.5 million ($802.9 million in 2020–21). Revenue from other sources, including fees charged to industry by the Therapeutic Goods Administration (TGA) and the Australian Industrial Chemicals Introduction Scheme, increased by 6.3% to $234.5 million ($220.5 million in 2020–21).

During 2021–22, departmental operating expenses increased by 22.0% to $1,289.7 million ($1,057.2 million in 2020–21). Employee expenses increased by $120.1 million to $679.3 million, reflecting the growth in ASL during the year, as the Department continued the ramp up of activities to support the vaccines rollout and the ongoing COVID-19 response, aged care programs, and mental health package. 2021–22 also saw the return of agreed pay rises that had been placed on hold during the COVID-19 pandemic. Supplier expenses also increased by $113.2 million to $482.6 million, driven by higher IT costs as a result of significant investment in aged care initiatives, continuation of COVID-19 activities, and the TGA Desktop Transformation Program. This has directly impacted IT services, contractor and consultant, and contracted services expenditure.

Departmental assets and liabilities

The Department's total assets increased by $163.6 million to $1,211.5 million ($1,047.9 million in 2020–21). Trade and other receivables increased by $99.3 million to $200.5 million ($101.3 million in 2020-21), with all receivable balances expected to be settled within 12 months of the reporting date. Land and buildings increased by $21.1 million to $571.2 million, primarily due to the value of leasehold improvements and additional fitout costs across several leasehold properties. Computer Software increased by $61.7 million to $262.7 million, primarily driven by the additions of new internally developed software.

The Department's total liabilities also increased by $71.9 million to $928.8 million. This increase was primarily due to increases in lease liabilities and employee provisions.

Administered income

Total 2021–22 administered income was $50.5 billion, compared to $46.3 billion in the prior year. Major items include:

- special accounts revenue, which comprises revenue appropriated via special accounts to facilitate payments in relation to the Medicare Guarantee Fund ($44.9 billion) and the Medical Research Future Fund ($0.5 billion)
- $3.7 billion in Pharmaceutical Benefits Scheme (PBS) drug recoveries and $1.0 billion in recoveries and other adjustments in aged care.

Administered expenses

During 2021–22, the Department administered expenses on behalf of the Commonwealth of $91.6 billion, an increase of 10.4% compared to expenses in the prior year of $83.0 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 10.3% to $59.4 billion ($53.9 billion in 2020–21). This is primarily related to the Medicare Benefits Scheme and the PBS (which fund access to medical services and medicines), private health insurance rebates, and home care packages for older Australians, as well as incorporating the cost of administering COVID-19 vaccines.

Figure 1: Breakdown of administered expenditure

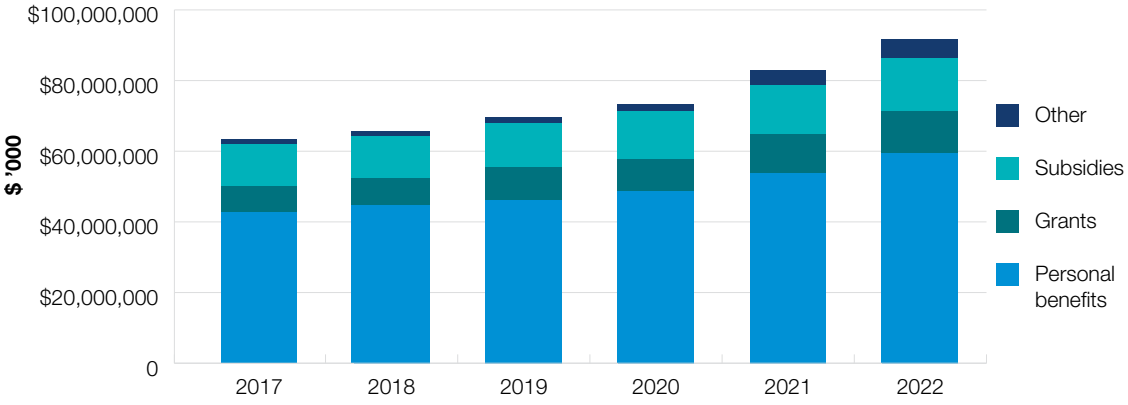
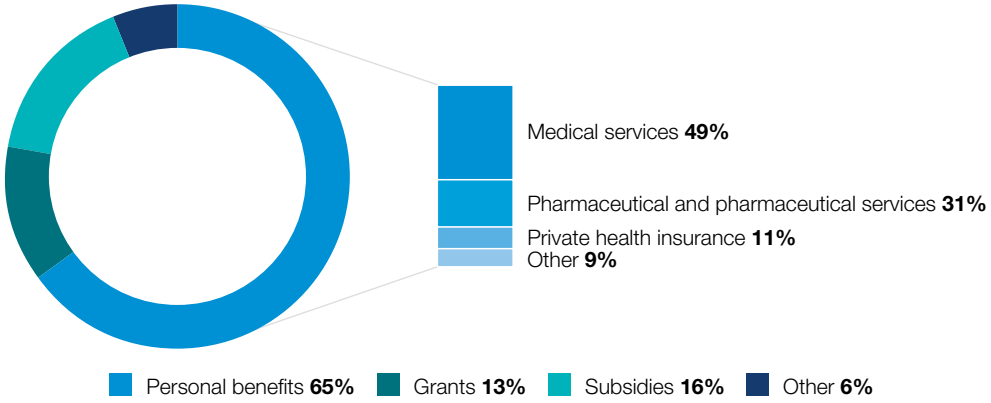


Figure 2: Administered expenditure by category



- Subsidies expense increased by 5.5% to $14.9 billion ($14.1 billion in 2020–21). This is primarily related to increased funding of residential aged care for older Australians.
- Grants expense increased by 9.7% to $11.9 billion ($10.8 billion in 2020–21). This is primarily related to the COVID-19 health response, including in primary care and aged care.
- Supplier expense increased by 91.9% to $4.0 billion ($2.1 billion in 2020–21). This is primarily related to increased inventory consumption (deployments from the National Medical Stockpile) and use of additional contract services to assist with the COVID-19 response.

The Department also recognised an additional $817.7 million impairment to the balance of non-financial assets ($1.4 billion in 2020–21). This captures both the fair value write-downs of inventory under Australian Accounting Standard requirements and the value of expired stock.

Key administered expenditure is illustrated in Figures 1 and 2.

Administered assets and liabilities

Total administered assets increased to $8.4 billion, from $5.9 billion in the prior year. This movement is primarily driven by an increase in cash holdings (increase to $3.4 billion from $1.9 billion in 2020–21), and an increase in inventory balance for the National Medical Stockpile and COVID-19 vaccines (increased to $2.6 billion from $1.4 billion in 2020–21).

Total administered liabilities increased to $4.5 billion, from $3.7 billion in 2020–21. This increase was largely driven by an increase in the payables to suppliers and personal benefits payable through Services Australia.

David Hicks

Chief Financial Officer
September 2022

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 2021–22 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 2021–22 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: 2021–22 Financial Statements

Table of contents

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 2022:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2022 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 2022 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising 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 me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

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 private health insurance, medical services, pharmaceuticals and pharmaceutical services and aged care because these payments are: • calculated by multiple, complex information technology systems; • based on the information provided by the recipients and may be significantly impacted by delays in recipients providing correct or updated information and/or the provision of incorrect information resulting in invalid payments During the 2021–22 financial year, the Entity recognised personal benefits' expenses of $59.4 billion and $14.7 billion of aged care subsidies expenses.	I applied the following audit procedures to address this key audit matter: • tested the design, implementation 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, implementation and operating effectiveness of internal controls related to the accreditation and registration of medical providers and, pharmacies; • evaluated the quality assurance and compliance processes within the Entity that support the integrity of payments; and • assessed, for a sample of benefits, the eligibility of the payment recipients and checked the accuracy of calculations in accordance with the requirements in relevant legislation.

Key audit matter	How the audit addressed the matter
Valuation of personal benefits' provisions *Refer to Note 5.4B 'Personal benefits' provisions'* I considered this area a key audit matter due to the significant actuarial assumptions and judgements involved in estimating the personal benefits' 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. These judgements rely on the completeness and accuracy of the underlying historical data used in the estimation process. As at 30 June 2022, the personal benefits' provisions were $1.2 billion.	I applied the following audit procedures to address this key audit matter: • tested the accuracy and completeness of the claims data used to calculate the provision, including assessing the quality assurance processes used by the Entity to confirm the integrity of data used for estimating the provision; • evaluated the appropriateness of the methodology used to estimate the outstanding claims liabilities; • confirmed the appropriateness of the key assumptions by assessing the analysis performed by the Entity for consistency with historical payment data; • assessed the reasonableness of the results of the valuation including the explanations for the changes in the estimate; and • evaluated the appropriateness of the disclosure of the significant assumptions applied and of the uncertainties that impact the key assumptions.

Key audit matter	How the audit addressed the matter
Valuation of subsidies provisions *Refer to 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 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 estimates prepared by industry specialists. As at 30 June 2022, the subsidies provisions were $575.2 million.	I applied the following audit procedures to address this key audit matter: • tested the accuracy and completeness of payment data used to calculate the provisions, including assessing the quality assurance processes used by the Entity to confirm the integrity of projections prepared by medical indemnity insurers; • evaluated the appropriateness of the methodologies, and the inherent limitations, used to determine the estimate; • assessed the appropriateness of the key assumptions by assessing the analysis perform by the Entity for consistency with historical claims and payment data; • assessed the reasonableness of the results of the valuation including the explanations for the changes in the valuation; and • evaluated the appropriateness of the disclosure of the significant assumptions and sensitivities that impact the key assumptions.
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 $2.6 billion in inventories as at 30 June 2022 which reflects the National Medical Stockpile and COVID-19 vaccines & consumables. I considered the existence and completeness of inventories to be a key audit matter due to the high turnover of this inventory.	To address the key audit matter, I: • assessed the design, implementation 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 – Simplified Disclosures 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.

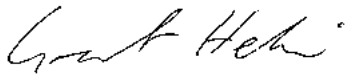
As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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



Grant Hehir

Auditor-General

Canberra

1 September 2022

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Health[1] (the Department) will be able to pay its debts as and when they fall due.

Signed:

Dr Brendan Murphy
Secretary

Date: 30/8/2022

Signed:

David Hicks
Chief Financial Officer

Date: 30 August 2022

1. From 1 July 2022 the Department will formally change its name to the Department of Health and Aged Care

Statement of Comprehensive Income
for the period ended 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	**679,263**	559,211	616,632
Suppliers	1.1B	**482,565**	369,412	456,441
Depreciation and amortisation	3.2A	**114,118**	113,123	116,917
Finance costs	1.1C	**6,576**	6,479	6,331
Impairment loss on financial instruments		**315**	327	-
Write-down and impairment of other assets	1.1D	**6,819**	8,668	-
Other expenses	1.1E	**14**	-	2,500
Total expenses		**1,289,670**	1,057,220	1,198,821
Own-Source Income				
Own-source revenue				
Revenue from contracts with customers	1.2A	**213,574**	200,859	218,517
Rental income	1.2B	**5,299**	6,650	-
Other revenue	1.2C	**15,613**	13,028	3,593
Total own-source revenue		**234,486**	220,537	222,110
Gains				
Other gains		**-**	-	870
Total gains		**-**	-	870
Total own-source income		**234,486**	220,537	222,980
Net cost of services		**(1,055,184)**	(836,683)	(975,841)
Revenue from government	1.2D	**1,019,449**	802,930	919,844
Deficit attributable to the Australian Government		**(35,735)**	(33,753)	(55,997)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		**(1,567)**	(8,365)	-
Total other comprehensive income		**(1,567)**	(8,365)	-
Total comprehensive loss attributable to the Australian Government		**(37,302)**	(42,118)	(55,997)

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	3.1A	**136,419**	139,541	117,402
Trade and other receivables	3.1B	**200,540**	101,258	150,411
Other financial assets	3.1C	**10,582**	14,797	10,380
Total financial assets		**347,541**	255,596	278,193
Non-financial assets[1]				
Land and buildings	3.2A	**571,180**	550,083	488,928
Plant and equipment	3.2A	**5,640**	6,516	10,270
Computer software	3.2A	**262,678**	200,980	276,913
Other non-financial assets	3.2B	**24,471**	34,705	17,239
Total non-financial assets		**863,969**	792,284	793,350
Total assets		**1,211,510**	1,047,880	1,071,543
LIABILITIES				
Payables				
Suppliers	3.3A	**116,120**	112,528	76,665
Employees	3.3B	**17,015**	15,045	13,143
Other payables	3.3C	**3,404**	11	89,252
Total payables		**136,539**	127,584	179,060
Interest bearing liabilities				
Leases	3.4A	**573,251**	537,743	497,339
Total interest bearing liabilities		**573,251**	537,743	497,339
Provisions				
Employee provisions	4.1A	**201,760**	180,518	183,329
Other provisions	3.5A	**17,260**	11,080	3,688
Total provisions		**219,020**	191,598	187,017
Total liabilities		**928,810**	856,925	863,416
Net assets		**282,700**	190,955	208,127
EQUITY				
Contributed equity		**590,772**	461,722	540,304
Reserves		**27,418**	28,985	37,531
Accumulated deficit		**(335,490)**	(299,752)	(369,708)
Total equity		**282,700**	190,955	208,127

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, and plant and equipment.

Statement of Changes in Equity
for the period ended 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
CONTRIBUTED EQUITY				
Opening balance				
Balance carried forward from previous period		**461,722**	409,356	460,851
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		**114,781**	38,360	65,184
Departmental capital budget		**14,269**	14,052	14,269
Restructuring	8.2A	**-**	(46)	-
Total transactions with owners		**129,050**	52,366	79,453
Closing balance as at 30 June		**590,772**	461,722	540,304
ACCUMULATED DEFICIT				
Opening balance				
Balance carried forward from previous period		**(299,752)**	(265,999)	(313,711)
Adjustment for rounding[1]		**(3)**	-	-
Adjusted opening balance		**(299,755)**	(265,999)	(313,711)
Comprehensive income				
Deficit for the period		**(35,735)**	(33,753)	(55,997)
Total comprehensive income		**(35,735)**	(33,753)	(55,997)
Closing balance as at 30 June		**(335,490)**	(299,752)	(369,708)
ASSET REVALUATION RESERVE				
Opening balance				
Balance carried forward from previous period		**28,985**	37,350	37,531
Comprehensive income				
Other comprehensive income		**(1,567)**	(8,365)	-
Total comprehensive income		**(1,567)**	(8,365)	-
Closing balance as at 30 June		**27,418**	28,985	37,531

Statement of Changes in Equity
for the period ended 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
TOTAL EQUITY				
Opening balance				
Balance carried forward from previous period		**190,955**	180,707	184,671
Adjustment for rounding[1]		**(3)**	-	-
Adjusted opening balance		**190,952**	180,707	184,671
Comprehensive income				
Deficit for the period		**(35,735)**	(33,753)	(55,997)
Other comprehensive income		**(1,567)**	(8,365)	-
Total comprehensive income		**(37,302)**	(42,118)	(55,997)
Transactions with owners				
Contributions by owners				
Equity injection - Appropriations		**114,781**	38,360	65,184
Departmental capital budget		**14,269**	14,052	14,269
Restructuring		**-**	(46)	-
Total transactions with owners		**129,050**	52,366	79,453
Closing balance as at 30 June		**282,700**	190,955	208,127

The above statement should be read in conjunction with the accompanying notes.

1. Adjustment made to the opening balance due to rounding in 2020-21.

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 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		**1,148,964**	948,199	1,058,522
Sale of goods and rendering of services		**213,609**	218,198	217,779
GST received		**58,548**	47,410	47,032
Sublease rental income		**7,307**	6,559	3,593
Total cash received		**1,428,428**	1,220,366	1,326,926
Cash used				
Employees		**657,048**	545,410	609,119
Suppliers		**449,109**	378,999	452,080
GST paid		**59,156**	48,181	47,032
Section 74 receipts transferred to the Official Public Account (OPA)		**183,386**	159,134	135,490
Interest payments on lease liabilities		**6,576**	6,479	6,331
Other		**-**	-	10,532
Total cash used		**1,355,275**	1,138,203	1,260,584
Net cash from operating activities		**73,153**	82,163	66,342
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment and intangibles		**124,441**	76,945	93,667
Total cash used		**124,441**	76,945	93,667
Net cash used by investing activities		**(124,441)**	(76,945)	(93,667)
FINANCING ACTIVITIES				
Cash received				
Appropriations - Equity injection		**85,920**	48,693	61,896
Appropriations - Departmental capital budget		**10,871**	12,954	14,269
Total cash received		**96,791**	61,647	76,165
Cash used				
Principal payments of lease liabilities		**48,625**	49,448	48,433
Total cash used		**48,625**	49,448	48,433
Net cash from financing activities		**48,166**	12,199	27,732
Net increase/(decrease) in cash held		**(3,122)**	17,417	407
Cash and cash equivalents at the beginning of the reporting period		**139,541**	122,124	116,995
Cash and cash equivalents at the end of the reporting period	3.1A	**136,419**	139,541	117,402

The above statement should be read in conjunction with the accompanying notes.

Administered Schedule of Comprehensive Income
for the period ended 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Grants	2.1A	**11,939,186**	10,884,974	11,119,138
Personal benefits	2.1B	**59,421,424**	53,888,881	56,177,451
Subsidies	2.1C	**14,853,459**	14,080,186	15,176,933
Suppliers	2.1D	**3,957,095**	2,061,589	5,252,530
Payments to corporate Commonwealth entities	2.1E	**599,289**	566,938	594,568
Impairment of financial instruments	2.1F	**15,901**	82,111	-
Impairment of non-financial assets	2.1G	**817,727**	1,424,502	8,804
Depreciation and amortisation	5.2A	**1,703**	1,988	-
Other expenses	2.1H	**4,475**	17,074	7,133
Total expenses		**91,610,259**	83,008,243	88,336,557
Income				
Revenue				
Non-taxation revenue				
Revenue from contracts with customers	2.2A	**32,344**	27,856	25,942
Special accounts revenue	2.2B	**45,357,528**	42,021,101	42,973,201
Recoveries	2.2C	**4,789,938**	3,935,419	3,789,692
Other revenue	2.2D	**329,720**	335,810	129,859
Total non-taxation revenue		**50,509,530**	46,320,186	46,918,694
Total revenue		**50,509,530**	46,320,186	46,918,694
Total income		**50,509,530**	46,320,186	46,918,694
Net cost of services		**(41,100,729)**	(36,688,057)	(41,417,863)
Deficit		**(41,100,729)**	(36,688,057)	(41,417,863)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in administered investment reserves		**(23,845)**	(2,452)	-
Total comprehensive loss		**(41,124,574)**	(36,690,509)	(41,417,863)

The above schedule should be read in conjunction with the accompanying notes.

Administered Schedule of Assets and Liabilities
as at 30 June 2022

	Notes	2022 $'000	2021 $'000	Original Budget $'000
ASSETS				
Financial assets				
Cash and cash equivalents	5.1A	**3,404,758**	1,910,383	1,496,710
Accrued recoveries revenue	5.1B	**534,867**	203,670	565,166
Trade and other receivables	5.1C	**560,938**	794,948	477,356
Investments in portfolio entities	5.1D	**511,595**	513,998	564,854
Other investments	5.1E	**135,954**	105,112	-
Total financial assets		**5,148,112**	3,528,111	3,104,086
Non-financial assets				
Plant and equipment	5.2A	**4,864**	6,567	-
Inventories	5.2B	**2,569,241**	1,405,219	2,811,341
Other non-financial assets	5.2C	**708,081**	955,936	642,835
Total non-financial assets		**3,282,186**	2,367,722	3,454,176
Total assets administered on behalf of Government		**8,430,298**	5,895,833	6,558,262
LIABILITIES				
Payables				
Suppliers	5.3A	**656,687**	188,417	50,819
Subsidies	5.3B	**161,914**	76,217	167,850
Personal benefits	5.3C	**1,690,612**	1,597,798	1,938,583
Grants	5.3D	**211,233**	178,798	352,383
Total payables		**2,720,446**	2,041,230	2,509,635
Provisions				
Subsidies	5.4A	**575,200**	508,000	458,000
Personal benefits	5.4B	**1,237,784**	1,111,753	1,197,850
Total provisions		**1,812,984**	1,619,753	1,655,850
Total liabilities administered on behalf of Government		**4,533,430**	3,660,983	4,165,485
Net assets		**3,896,868**	2,234,850	2,392,777

The above schedule should be read in conjunction with the accompanying notes.

Administered Reconciliation Schedule
for the period ended 30 June 2022

	Notes	2022 $'000	2021 $'000
Opening assets less liabilities as at 1 July		**2,234,850**	3,388,034
Adjustments on recognition of special accounts		**32,153**	-
Adjusted opening assets less liabilities		**2,267,003**	3,388,034
Net cost of services			
Income		**50,509,529**	46,320,186
Expenses			
Payments to entities other than corporate Commonwealth entities		**(91,010,971)**	(82,441,305)
Payments to corporate Commonwealth entities		**(599,289)**	(566,938)
Other comprehensive income			
Revaluations transferred to/(from) reserves		**(23,845)**	(2,452)
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		**555,210**	794,585
Payments to corporate Commonwealth entities		**22,229**	17,086
Annual appropriations			
Payments to entities other than corporate Commonwealth entities		**16,304,022**	13,573,879
Payments to corporate Commonwealth entities		**599,289**	566,938
Special appropriations (limited)			
Refund of receipts (section 77 of the PGPA Act)		**4,419**	2,000
Special appropriations (unlimited)			
Payments to entities other than corporate Commonwealth entities		**29,827,947**	26,109,302
Net GST appropriations		**3,069**	2,158
Appropriation transfers to OPA			
Transfers to OPA		**(4,561,744)**	(5,528,623)
Closing assets less liabilities as at 30 June		**3,896,868**	2,234,850

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 2022

	Notes	2022 $'000	2021 $'000
OPERATING ACTIVITIES			
Cash received			
Recoveries		**4,556,120**	5,173,418
GST received		**1,065,493**	974,482
Special accounts receipts		**45,357,528**	42,021,101
Other		**504,932**	143,293
Total cash received		**51,484,073**	48,312,294
Cash used			
Grants		**12,540,666**	12,006,447
Subsidies		**14,690,254**	14,034,014
Personal benefits		**56,822,834**	53,151,548
Suppliers		**8,085,077**	3,669,222
Payments to corporate Commonwealth entities		**599,289**	566,938
Total cash used		**92,738,120**	83,428,169
Net cash used by operating activities		**(41,254,047)**	(35,115,875)
INVESTING ACTIVITIES			
Cash received			
Repayments of advances and loans		**56,840**	26,461
Total cash received		**56,840**	26,461
Cash used			
Advances and loans made		**10,575**	6,542
Equity injections to corporate Commonwealth entities		**22,229**	19,400
Investments		**30,054**	33,625
Total cash used		**62,858**	59,567
Net cash used by investing activities		**(6,018)**	(33,106)
Net decrease in cash held		**(41,260,065)**	(35,148,981)
Cash and cash equivalents at the beginning of the reporting period		**1,910,383**	1,519,725
Cash from Official Public Account			
Appropriations		**46,735,676**	40,252,119
Special Accounts		**-**	14,554
Capital appropriations		**577,439**	813,985
Administered GST appropriations		**1,085,952**	961,376
Total cash from Official Public Account		**48,399,067**	42,042,034
Cash to Official Public Account			
Special Accounts		**-**	14,554
Return of GST appropriations to the Official Public Account		**1,082,883**	959,216
Other		**4,561,744**	5,528,625
Total cash to Official Public Account		**5,644,627**	6,502,395
Cash and cash equivalents at the end of the reporting period	5.1A	**3,404,758**	1,910,383

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 with its principal place of business located at Furzer Street, Phillip ACT. The objective of the Department is to lead and shape Australia's health system and sporting outcomes through evidence based policy, well targeted programs and best practice regulation.

In financial year 2021-2022 the Department was structured to meet the following outcomes:

Outcome 1: Health Policy, Access and Support
Outcome 2: Individual Health Benefits
Outcome 3: Ageing and Aged Care
Outcome 4: Sport and Recreation

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 – including simplified disclosures for Tier 2 Entities under AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements and notes have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets held at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Items of a similar nature, together with disclosure of the relevant accounting policy, are grouped together in the notes to the financial statements.

The Department's financial statements include the financial records of the departmental special accounts, the Therapeutic Goods Administration (TGA), the Office of the Gene Technology Regulator (OGTR) and the Australian Industrial Chemicals Introduction Scheme (AICIS).

All transactions between the departmental ledgers have been eliminated from the departmental financial statements.

Comparative figures have been adjusted, where required, to conform to changes in presentation of the financial statements in the current year.

New Accounting Standards

Adoption of New Australian Accounting Standard Requirements
The Department adopted all new, revised and amending standards and interpretations that were issued by the AASB prior to the sign-off date and are applicable to the current reporting period. The adoption of these standards and interpretations did not have a material effect, and are not expected to have a future material effect on the Department's financial statements.

Standard / Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements.
AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

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 2021-22 payments totalling approximately $74.5 billion were authorised against Special Appropriations, including special accounts, by the Department in accordance with a range of complex legislation. Most of the payments are administered by Services Australia on behalf of the Department. In the vast majority of cases Services Australia relies on information or estimates provided by customers and medical providers to calculate and pay entitlements. If an overpayment occurs a breach of section 83 could result despite future payments being adjusted to recover the overpayment. In addition, simple administrative errors can lead to breaches of section 83.

Due to the number of payments made, the reliance that must be placed on external control frameworks and the complexities of legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated. It is likely that any section 83 breaches that have 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 2021-22 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.

Aged Care Act 1997
In 2021-22 Services Australia identified a section 83 breach in relation to certain Aged Care accommodation supplements paid by the Commonwealth to some approved providers. In these instances the higher rate of supplementation has been applied to all of these approved provider subsidies' dating back to 2014. The estimate of the total overpayments for the impacted approved providers since this time is $28.0 million. It comprises small incremental overpayments made to affected approved providers over this period.

The debts created by these overpayments have been waived under section 95-6 of the *Aged Care Act* by the Chief Executive Medicare as a function of the Aged Care Secretary under section 19 of the *Human Services (Medicare) Regulations 2017.*

Special Accounts

As at 30 June 2022, 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.

Health Insurance Act 1973
Services Australia have advised that during 2021-22, 169 instances have been identified with a total value of $20,823.25 where the payment made was not authorised by section 125(1) of the *Health Insurance Act 1973* for the Medicare Easyclaim Programme (Easyclaim). Payments relating to the Medical Benefits Schedule, including those processed through Easyclaim, are funded from the Medicare Guarantee Fund Special Account.

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 2021-22

Sponsors of an entry on the Australian Register of Therapeutic Goods (ARTG) (excluding export only entries) which meet the legislated criteria for exemption during 2021-22 year have until 22 July 2022 to apply for an exemption from the annual charges for the year.

To be exempt from annual charges under the Annual Charges Exemption (ACE) scheme, an entry must meet the following criteria:

(i) the entry was new in the ARTG during the financial year; or
(ii) the entry was an existing ARTG entry on 1 July, the entry was qualified for ACE in the financial year, and a declaration of $0 turnover was made in relation to that financial year; and
(iii) the entry (whether a new or existing entry) did not commence generating turnover.

Sponsors who inadvertently fail to make a declaration of $0 turnover for an ACE entry during the declaration period 1 July to 22 July, may submit a late declaration between 23 July and 15 September of a financial year.

An estimate of the value of the exemptions has been incorporated in 2021-22 revenues.

Prior Period Error

Administered

During the 2021-22 financial year the Department identified a prior period error in relation to the recording of an upfront contractual payment made in the 2020-21 financial year. The payment had initially been recorded as "Other Prepayments" in 2020-21, however upon reassessment of the nature and substance of the arrangement, the payment was not considered to have met the recognition criteria of an asset and was required to be treated as a grant expense in the Administered Schedule of Comprehensive Income.

Comparative amounts have been restated in the Administered Schedule of Assets and Liabilities, Administered Schedule of Comprehensive Income, Administered Reconciliation Schedule and the accompanying notes as follows:

Financial Statement	Line Item	2020-21 Original $'000	2020-21 Adjustment $'000	2020-21 Restated $'000
Administered Schedule of Assets and Liabilities	Other non-financial assets	1,065,936	(110,000)	955,936
Administered Schedule of Comprehensive Income	Grants expenses	10,774,974	110,000	10,884,974
Administered Reconciliation Schedule	Expenses - Payments to entities other than corporate	(82,331,305)	(110,000)	(82,441,305)
Administered Cash Flow Statement	Cash used - Grants	11,896,447	110,000	12,006,447
Administered Cash Flow Statement	Cash used - Suppliers	3,779,222	(110,000)	3,669,222
Administered Note 2.1 - Expenses	2.1A: Grants - Profit and Not-for-profit organisations	9,885,977	110,000	9,995,977
Administered Note 5.2 - Non-Financial Assets	5.2C: Other Non-Financial Assets - Other prepayments	110,000	(110,000)	-

Financial Performance

This section analyses the financial performance of the Department for the year ended 2022.

1.1 Expenses

	2022 $'000	2021 $'000
1.1A: Employee benefits		
Wages and salaries	**485,060**	405,620
Superannuation		
Defined contribution plans	**56,077**	43,722
Defined benefit plans	**40,507**	35,116
Leave and other entitlements	**95,370**	69,627
Separation and redundancies	**2,249**	5,126
Total employee benefits	**679,263**	559,211

Accounting Policy
Accounting policies for employee related expenses is contained in the People and relationships section.

1.1B: Suppliers		
Goods and services supplied or rendered		
Contractors and consultants	**188,982**	132,015
IT services	**141,726**	120,971
Contracted services	**73,438**	49,190
Property	**15,498**	11,192
Travel	**4,243**	1,684
Training and other staff related expenses	**9,345**	5,360
Legal	**15,436**	12,873
Committees	**4,288**	3,714
Other	**23,226**	26,918
Total goods and services supplied or rendered	**476,182**	363,917
Goods supplied	**38,724**	38,110
Services rendered	**437,458**	325,807
Total goods and services supplied or rendered	**476,182**	363,917
Other suppliers		
Workers compensation expenses	**5,573**	4,585
Short-term leases	**170**	95
Low value leases	**554**	697
Variable lease payments	**86**	118
Total other suppliers	**6,383**	5,495
Total suppliers	**482,565**	369,412

The Department has no short-term lease commitments as at 30 June 2022 (2021: Nil). Expenditure reported above for short-term leases relates to car hire activities during the financial year.

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.

	2022 $'000	2021 $'000
1.1C: Finance costs		
Interest on lease liabilities	**6,576**	6,479
Total finance costs	**6,576**	6,479

The above lease disclosures should be read in conjunction with the accompanying notes 3.2A and 3.4A.

Accounting Policy
All borrowing costs are treated as an expense in the period in which they are incurred.

1.1D: Write-down and impairment of other assets		
Impairment of property, plant and equipment	**1,036**	1,470
Impairment of intangible assets	**5,783**	7,198
Total write-down and impairment of other assets	**6,819**	8,668
1.1E: Other expenses		
Act of Grace payments	**14**	-
Total other expenses	**14**	-

1.2 Own-Source Revenue and gains

	2022 $'000	2021 $'000
Own-Source Revenue		
1.2A: Revenue from contracts with customers		
Sale of goods	**1,156**	2,022
Rendering of services	**212,418**	198,837
Total revenue from contracts with customers	**213,574**	200,859
Disaggregation of revenue from contracts with customers		
Activity / service line:		
Annual charges / licence fees	**102,808**	98,278
Application fees	**29,381**	29,999
Evaluation / assessment fees	**51,822**	47,618
Service delivery	**29,563**	24,964
	213,574	200,859
Timing of transfer of goods and services:		
Over time	**168,813**	160,919
Point in time	**44,761**	39,940
	213,574	200,859

Accounting Policy

Revenue

Revenue from the sale of goods and rendering of services is recognised when control has been transferred to the customer.

In relation to AASB 15 *Revenue from Contracts with Customers,* the Department has considered each revenue stream to identify the existence of an enforceable contract that requires the completion of sufficiently specific performance obligations in exchange for relevant consideration. If so, revenue is recognised either over time or at a point in time as performance obligations are completed and the Department has an enforceable right to payment for the performance completed to date.

Revenue items that are akin to a Non-Intellectual Property (Non-IP) licence in that they provide the customer with the right to perform an activity that they otherwise would not be entitled to perform are accounted for in accordance with AASB 15. For those activities where the charge relates to a period of 12 months or less, the expedients as they apply to short-term licences have been applied.

Revenue items not meeting the requirements of AASB 15 have been considered under AASB 1058 *Income of Not-for-Profit Entities.* These transactions include those where the Department acquires or receives an asset (including cash) in exchange for consideration that is significantly less than fair value. Examples include cash grants and levies and fees received by the Department to further their objectives. Recognition occurs when the Department becomes entitled to the asset.

The principal activities from which the Department generates its revenue relate to:

a) The cost recovery activities of the Therapeutic Goods Administration (TGA). These cover the registration and listing of medicines and inclusion of medical devices, including in vitro diagnostic (IVD) devices, and biologicals onto the Australian Register of Therapeutic Goods (ARTG) and the ongoing maintenance and surveillance of them;

b) Regulatory activities associated with the scientific assessment of new and existing industrial chemicals, monitoring and enforcement of statutory obligations under the *Industrial Chemicals Act 2019* , maintenance of the Australian Inventory of Chemical Substances, and implementing Australia's obligations under international arrangements relevant to industrial chemicals;

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 2021-22 may not be known until the end of the declaration period on 22 July 2022. 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.

Receivables for goods and services, which have 30 day terms (TGA: 28 days), are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

	2022 **$'000**	2021 $'000
1.2B: Rental income		
Subleasing right-of-use assets	**5,299**	6,650
Total rental income	**5,299**	6,650

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	**4,320**	4,618
Resources received free of charge		
Remuneration of auditors	**920**	880
Legal services for COVID-19 vaccines	**-**	200
Employee secondments	**7,574**	6,235
Recovery of costs	**2,769**	1,022
Other revenue	**30**	73
Total other revenue	**15,613**	13,028

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	**1,019,449**	802,930
Total revenue from government	**1,019,449**	802,930

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

	2022 $'000	2021 $'000
2.1A: Grants		
Public sector		
Australian Government entities (related parties)	**963,091**	860,506
Private sector		
Profit and Not-for-profit organisations[1]	**10,524,061**	9,995,977
Overseas	**452,034**	28,491
Total grants	**11,939,186**	10,884,974

[1.] Comparative figures have been restated due to a prior period error, refer to the Overview for details.

Accounting Policy

The Department administers a number of grant schemes on behalf of the Government. Grant liabilities (and expenses) are recognised to the extent that:

(i) the services required to be performed by the grantee have been performed; or

(ii) the grant eligibility criteria have been satisfied, but payments due have not been made. Settlement is made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.

When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

2.1B: Personal benefits		
Direct		
Private health insurance	**6,500,721**	6,321,402
Indirect		
Medical services	**29,211,263**	27,970,641
Pharmaceuticals and pharmaceutical services	**18,130,166**	14,101,820
Primary care practice incentives	**493,028**	426,824
Hearing services	**461,658**	579,435
Targeted assistance	**111,581**	156,871
Aged care	**4,497,488**	4,283,353
Other	**15,519**	48,535
Total personal benefits	**59,421,424**	53,888,881

Accounting Policy

Personal benefits are the current transfers for the benefit of individuals or households, directly or indirectly, that do not require any economic benefit to flow back to Government. The Department administers a number of personal benefits programs on behalf of Government that provide a range of health care entitlements to individuals. These include, but are not limited to:

a) pharmaceutical benefits (the primary means through which the Australian Government ensures Australians have timely access to pharmaceuticals, including COVID-19 vaccines);

b) medical benefits (provide high quality and clinically relevant medical and associated services through Medicare);

c) private health insurance rebate (help make private health insurance more affordable, provides greater choice and accessibility to private health care options, and reduces pressure on the public health system);

d) primary care practice incentives (support activities that encourage continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients);

e) targeted assistance (support the provision of relevant pharmaceuticals, aids and appliances);

f) hearing services (reduce the incidence and consequences of avoidable hearing loss in the community by providing access to high quality hearing services and devices); and

g) home support and care (provide coordinated home support and care packages tailored to meet individuals' specific care needs).

Personal benefits are assessed, determined and paid by Services Australia in accordance with provisions of the relevant legislation under delegation from the Department. All personal benefits liabilities are expected to be settled within 12 months of the balance date. In the majority of cases the above payments are initially based on the information provided by customers and providers. Both the Department and Services Australia have established review mechanisms to identify overpayments made under the various schemes. The recognition of receivables and recovery actions take place once the overpayments are identified.

	2022 $'000	2021 $'000
2.1C: Subsidies		
Subsidies in connection with		
Aged care	**14,695,934**	13,934,701
Medical indemnity	**51,685**	145,485
Other	**105,840**	-
Total subsidies	**14,853,459**	14,080,186

Accounting Policy
The Department administers a number of subsidy schemes on behalf of the Government. Subsidies expenses and corresponding liabilities are recognised to the extent that (i) the services required to be performed by the recipient have been performed; or (ii) the eligibility criteria have been satisfied, but payments due have not been made.

2.1D: Suppliers		
Goods and services supplied or rendered		
Consultants	**30,328**	41,217
Contract for services	**2,541,902**	1,686,268
Travel	**2,149**	5,125
Inventory consumed	**1,237,491**	225,318
Communications and publications	**34,806**	33,298
Committee related expenses	**1,574**	1,538
Other	**108,845**	68,825
Total goods and services supplied or rendered	**3,957,095**	2,061,589
Goods supplied	**1,383,330**	332,692
Services rendered	**2,573,765**	1,728,897
Total goods and services supplied or rendered	**3,957,095**	2,061,589
2.1E: Payments to corporate Commonwealth entities		
Australian Institute of Health and Welfare	**34,917**	32,178
Foods Standards Australia New Zealand	**17,498**	16,964
Sport Australia (formerly the Australian Sports Commission)	**323,529**	322,404
Australian Digital Health Agency	**223,345**	195,392
Total payments to corporate Commonwealth entities	**599,289**	566,938

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.

	2022 $'000	2021 $'000
2.1F: Impairment of financial instruments		
Impairment of trade and other receivables	**15,901**	82,111
Total impairment of financial instruments	**15,901**	82,111
2.1G: Impairment of non-financial assets		
Impairment due to the write-down of inventory[1]	**317,286**	1,018,297
Impairment due to the write-off of inventory	**457,270**	96,508
Impairment due to the write-off of prepayments	**43,171**	309,697
Total write-down and impairment of non-financial assets	**817,727**	1,424,502

[1.] AASB 102 *Inventories* 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
Other	**4,475**	2,520
Total other expenses	**4,475**	17,074

2.2 Administered - Income

	2022 $'000	2021 $'000
Revenue		
Non–Taxation Revenue		
2.2A: Revenue from contracts with customers		
Rendering of services	**32,344**	27,856
Total revenue from contracts with customers	**32,344**	27,856
Disaggregation of revenue from contracts with customers		
Activity / Service line		
Evaluation / assessment fees	**19,910**	2,552
Application fees	**9,794**	21,317
Listing fee / annual charge	**2,444**	1,738
Recovery of costs	**196**	2,249
	32,344	27,856
Timing of transfer of goods and services		
Over time	**27,574**	18,658
Point in time	**4,770**	9,198
	32,344	27,856
2.2B: Special accounts revenue		
Medicare Guarantee Fund (Health) special account	**44,867,877**	41,448,516
Medical Research Future Fund special account	**455,000**	572,585
Other special accounts	**34,651**	-
Total special account revenue	**45,357,528**	42,021,101
2.2C: Recoveries		
Medical and pharmaceutical benefits and health rebate schemes	**43,082**	38,170
Pharmaceutical Benefits Scheme (PBS) drug recoveries	**3,745,905**	3,479,790
Aged care recoveries, cross-billings and budget neutrality adjustments	**1,000,472**	417,403
Other	**479**	56
Total recoveries	**4,789,938**	3,935,419
2.2D: Other revenue		
Levies	**6,545**	5,404
Interest from loans	**14,792**	7,686
Sale of goods	**-**	26,400
Recovery of unspent grant funding	**43,603**	118,883
Inventory received free of charge	**92,447**	-
Debts due to the Commonwealth	**75,067**	98,624
Other	**97,266**	78,813
Total other revenue	**329,720**	335,810

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, recoveries for young people in residential care and recoveries of unspent Home Care funds accumulated by service providers; 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

	2022 $'000	2021 $'000
3.1A: Cash and cash equivalents		
Cash in special accounts	**132,306**	135,241
Cash on hand or on deposit	**4,113**	4,300
Total cash and cash equivalents	**136,419**	139,541

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	**30,138**	17,769
GST receivable from the Australian Taxation Office	**6,542**	5,933
Other	**838**	500
Total goods and services receivable	**37,518**	24,202
Appropriations receivable		
Appropriations receivable	**163,810**	57,212
Total appropriations receivable	**163,810**	57,212
Other receivables		
Receivable from Government	**674**	21,143
Total other receivables	**674**	21,143
Total trade and other receivables (gross)	**202,002**	102,557
Less impairment loss allowance	**(1,462)**	(1,299)
Total trade and other receivables (net)	**200,540**	101,258

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 (2021: 30 days), the TGA - within 28 days (2021: 28 days).

Accounting Policy
Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Appropriations receivable are appropriations controlled by the Department but held in the Official Public Account under the Government's just-in-time drawdown arrangements. Appropriations receivable are recognised at their nominal amounts.

Trade and other receivable assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment allowance at an amount equal to lifetime Expected Credit Losses (ECL).

	2022	2021
	$'000	$'000
3.1C: Other financial assets		
Contract assets	**10,582**	14,797
Total other financial assets	**10,582**	14,797

The contract assets from contracts with customers are associated with the activities outlined in detail at Note 1.2A

All other financial assets are expected to be settled within 12 months of the balance date.

Refer to Note 3.3A for information relating to contract liabilities.

3.2 Non-Financial Assets

3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2022

	Land and buildings $'000	Plant and equipment $'000	Computer Software[1] $'000	Total $'000
As at 1 July 2021				
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 1 July 2021	**550,083**	**6,516**	**200,980**	**757,579**
Additions:				
Purchase	**19,325**	**204**	**-**	**19,529**
Internally developed	**-**	**-**	**110,406**	**110,406**
Right-of-use assets	**73,785**	**47**	**-**	**73,832**
Impairments recognised in net cost of services	**(961)**	**(99)**	**(5,785)**	**(6,845)**
Reversal of impairments recognised in net cost of services	**-**	**26**	**-**	**26**
Depreciation and amortisation	**(11,615)**	**(969)**	**(42,741)**	**(55,325)**
Depreciation on right-of-use assets	**(58,703)**	**(90)**	**-**	**(58,793)**
Reclassification	**182**	**-**	**(182)**	**-**
Other movements of right-of-use assets	**(916)**	**5**	**-**	**(911)**
Total as at 30 June 2022	**571,180**	**5,640**	**262,678**	**839,498**

	Land and buildings $'000	Plant and equipment $'000	Computer Software $'000	Total $'000
Total as at 30 June 2022 represented by				
Gross book value	**759,245**	**7,353**	**518,442**	**1,285,040**
Accumulated depreciation, amortisation and impairment	**(188,065)**	**(1,713)**	**(255,764)**	**(445,542)**
Total as at 30 June 2022	**571,180**	**5,640**	**262,678**	**839,498**
Carrying amount of right-of-use assets	**525,999**	**83**	**-**	**526,082**

1. The carrying amount of computer software included $261.4m of internally generated software and $1.3m of purchased software.

2. Impairment of land & building relates to write-down and subsequent disposal of fit-out. Impairment of computer software relates to a decision by the Department not to continue development of new software on the expected platform.

In 2022 the carrying amount of property, plant and equipment included nil (2021: Nil) which relates to expenditure incurred in the course of construction.

$45.2m (2021: $38.3m) of total leasehold improvements refers to fitout assets which may not be disposed of without prior Ministerial approval.

$1.3m of land and building (fitout) is expected to be disposed of within the next 12 months.

Revaluations of non-financial assets
All revaluations were conducted in accordance with the revaluation policy stated at Note 7.4 on 28 February 2022 by an independent valuer (Jones Lang LaSalle Public Sector Valuations Pty Ltd (JLL)).

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 *Leases* , 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 and a desktop review to assess fair value was conducted as at 28 February 2022. 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 obligated to notify the Department should any relevant evidence come to their attention that would materially affect the review conducted as at 28 February 2022. JLL have advised that no material impact on balances is applicable as at 30 June 2022.

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 (2021: 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 (2021: 3 to 20 years); and
d) right-of-use assets: 2 to 15 years (2021: 2 to 15 years).

Impairment
All assets were assessed for impairment as at 30 June 2022. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value is taken to be its depreciated replacement cost.

De-recognition
An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles
The Department's intangibles comprise internally developed software (for internal use) and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. The Department recognises internally developed software costing more than $100,000 and purchased software costing more than $500 (TGA: $100,000).

Software is amortised on a straight-line basis over its anticipated useful life.

The useful lives of the Department's software assets are:
a) internally developed software: 2 to 10 years (2021: 2 to 10 years); and
b) purchased software: 2 to 7 years (2021: 2 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

	2022	2021
	$'000	$'000
3.2B: Other non-financial assets		
Prepayments	**21,774**	27,879
Investment in sublease	**2,697**	6,826
Total other non-financial assets	**24,471**	34,705
Other non-financial assets expected to be recovered		
No more than 12 months	**22,687**	29,985
More than 12 months	**1,784**	4,720
Total other non-financial assets	**24,471**	34,705

No indicators of impairment were found for other non-financial assets.

3.3 Payables

	2022 $'000	2021 $'000
3.3A: Suppliers		
Trade creditors and accruals	**77,168**	73,769
Contract liabilities	**38,952**	38,759
Total suppliers	**116,120**	112,528

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 (2021: 30 days).

Contract liabilities are primarily associated with unearned income related to the activities outlined in detail at Note 1.2A. Timeframes for the satisfaction of performance obligations are primarily in line with the legislative requirements associated with the various revenue streams and can range from 15 up to 351 days.

Refer to Note 3.1C for information relating to contract assets.

3.3B: Employees		
Wages and salaries	**14,104**	10,201
Superannuation	**2,911**	4,844
Total employees	**17,015**	15,045

All employee payables are expected to be settled within 12 months of the balance date.

3.3C: Other payables		
Other	**3,404**	11
Total other payables	**3,404**	11

All other payables are expected to be settled within 12 months of the balance date.

3.4 Interest Bearing Liabilities

	2022 $'000	2021 $'000
3.4A: Leases		
Lease liabilities	**573,251**	537,743
Total leases	**573,251**	537,743

Total cash outflow for leases for 2022 was $55.2m (2021: $55.9m).

The Department has a geographically dispersed lease portfolio related to property leases which are typically long term and contain both extension options and regular increases in rent, usually on the anniversary of the commencement date, for either a fixed amount or based on a market review as required by the contract.

Maturity analysis - contractual undiscounted cash flows		
Within 1 year	**55,343**	52,815
Between 1 to 5 years	**253,256**	224,851
More than 5 years	**329,336**	303,749
Total undiscounted leases	**637,935**	581,415
Discount	**(64,684)**	(43,672)
Total leases	**573,251**	537,743

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.

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 2021. 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 2022 was 1.29% (2021: 1.14%).

3.5 Other Provisions

3.5A: Other provisions

	Provision for restoration $'000	Total $'000
As at 1 July 2021	**11,080**	**11,080**
Additional provisions made	**6,559**	**6,559**
Amounts used	**(340)**	**(340)**
Amounts reversed	**(39)**	**(39)**
Unwinding of discount or change in discount rate	**-**	**-**
Total as at 30 June 2022	**17,260**	**17,260**

The provision for restoration of one site is expected to be settled in the next 12 months ($14.4m). All other provisions are expected to be settled more than 12 months from the balance date.

The Department currently has 9 (2021: 11) agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

Accounting Policy
Provision for Restoration Obligation
Where the Department has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is recognised as a liability. An equal value asset is created at the same time and amortised over the life of the lease of the underlying leasehold property.

3.6 Therapeutic Goods Administration

The Therapeutic Goods Administration (TGA) contributes to Outcome 1: Health Policy, Access and Support. The TGA recovers the cost of all activities undertaken within the scope of the *Therapeutic Goods Act 1989* from industry through fees and charges.

Included below is financial information for the TGA special account. The balance of the special account represents a standing appropriation from which payments are made for the purposes of the special account. The TGA special account is reported in Note 6.2: Special accounts.

Therapeutic goods are regulated to ensure that medicinal products and medical devices in Australia meet standards of safety, quality and efficacy at least equal to that of comparable countries. These products and devices should be made available in a timely manner and the regulatory impact on business kept to a minimum. This is achieved through a risk management approach to pre-market evaluation and approval of therapeutic products intended for supply in Australia, licensing of manufacturers and post market surveillance.

The TGA receives payment for evaluation services in advance of service delivery, which can extend across financial years. The TGA estimates the stage of service completion and recognises the matching revenue. Revenue reported for 2021-22 includes an estimate for annual charges.

	2022	2021
	$'000	$'000
3.6A: Therapeutic Goods Administration		
TGA Comprehensive Income		
Expenses		
Employee benefits	**96,075**	88,082
Contractors and consultants	**42,821**	34,842
Corporate services	**41,660**	41,660
Other	**16,192**	7,912
Depreciation and amortisation	**10,428**	9,973
Write-down and impairment of assets	**287**	-
Total expenses	**207,463**	182,469
Revenues		
Sale of goods and rendering of services	**182,335**	170,982
Other revenues and gains	**-**	42
Total own-source revenue	**182,335**	171,024
Revenue from Government	**16,185**	13,761
Surplus/(deficit) on continuing operations	**(8,943)**	2,316
TGA Financial Position		
Assets		
Financial assets	**104,687**	113,995
Non-financial assets	**34,801**	29,367
Total assets	**139,488**	143,362
Liabilities		
Payables	**49,801**	50,448
Provisions	**44,057**	36,773
Total liabilities	**93,857**	87,221
Net assets	**45,630**	56,141
Equity		
Contributed equity	**2,029**	2,029
Asset revaluation reserve	**2,545**	4,113
Retained surplus	**41,056**	49,999
Total equity	**45,630**	56,141

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

	2022 $'000	2021 $'000
4.1A: Employee provisions		
Leave	**201,760**	180,084
Separations and redundancies	**-**	434
Total employee provisions	**201,760**	180,518
Employee provisions expected to be settled		
No more than 12 months	**49,253**	49,547
More than 12 months	**152,507**	130,971
Total employee provisions	**201,760**	180,518

Accounting Policy

Liabilities for 'short-term employee benefits' and termination benefits (as defined in AASB 119 *Employee Benefits)* due within 12 months of the end of the reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provisions for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Department's employer superannuation contribution rates to the extent that leave is likely to be taken during service rather than paid out on termination. The liability for long service leave and annual leave expected to be settled outside of 12 months of the balance date has been determined by reference to the work of an actuary as at December 2021. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

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:

	2022	2021
	$'000	$'000
Short-term employee benefits	**4,694**	3,740
Post-employment benefits	**767**	574
Other long-term employee benefits	**111**	110
Total key management personnel remuneration expenses[1]	**5,572**	4,424

The total number of key management personnel that are included in the above table is 16 (2021: 14).

Remuneration information for executives and other highly paid officials is included in the annual report in part 3.4: People and Appendix 1: Workforce Statistics.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Department.

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 of 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

	2022 $'000	2021 $'000
5.1A: Cash and cash equivalents		
Cash in special accounts	**3,340,255**	1,849,021
Cash on hand or on deposit	**64,503**	61,362
Total cash and cash equivalents	**3,404,758**	1,910,383
5.1B: Accrued recoveries revenue		
Personal benefits		
Pharmaceutical benefits	**319,277**	155,500
Aged care	**180,070**	2,042
Medicare benefits	**9,376**	9,316
Other personal benefits	**124**	484
Subsidies		
Medical indemnity	**5,769**	2,352
Aged care	**20,202**	33,927
Other subsidies	**49**	49
Total accrued recoveries revenue	**534,867**	203,670

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 receivable	**297,789**	536,302
GST receivable from the Australian Taxation Office	**87,278**	66,819
Contract assets	**5,919**	7,350
Total goods and services receivables	**390,986**	610,471

The contract assets represent outstanding amounts relating to the licensing and evaluation services provided by the Department in connection with the Medicinal Cannabis Licensing program and functions of the Pharmaceutical Benefits Advisory Committee.

Advances and loans		
Aged care facilities		
Nominal value	**221,509**	271,760
Less: Unexpired discount	**(21,647)**	(28,849)
Total advances and loans	**199,862**	242,911
Total trade and other receivables (gross)	**590,848**	853,382
Less impairment loss allowance	**(29,910)**	(58,434)
Total trade and other receivables (net)	**560,938**	794,948

	2022 $'000	2021 $'000
Trade and other receivables (net) expected to be recovered		
No more than 12 months	**382,764**	578,050
More than 12 months	**178,174**	216,898
Total trade and other receivables (net)	**560,938**	794,948

Credit terms for goods and services were within 30 days (2021: 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.

	2022 $'000	2021 $'000
5.1D: Investments in portfolio entities		
Australian Institute of Health and Welfare	**35,167**	37,982
Food Standards Australia New Zealand	**9,542**	10,328
Australian Commission on Safety and Quality in Health Care	**5,691**	4,883
Sport Australia (formerly the Australian Sports Commission)	**321,228**	299,185
Australian Sports Foundation Ltd	**8,887**	9,009
Independent Hospital Pricing Authority	**16,360**	15,836
Australian Digital Health Agency	**114,720**	136,775
Total investments in portfolio entities	**511,595**	513,998

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 Hospital Pricing Authority determines a national efficient price for public hospital services where the services are funded on an activity basis. It also determines the efficient cost for health care services provided by public hospitals where the services are block funded.

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.

	2022 $'000	2021 $'000
5.1E: Other investments		
Biomedical Translation Fund - Brandon Capital Partners	**64,451**	44,400
Biomedical Translation Fund - OneVentures Management	**29,792**	33,181
Biomedical Translation Fund - BioScience Managers	**41,711**	27,531
Total other investments	**135,954**	105,112

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 and companies within the Health portfolio. Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is only relevant at the whole-of-Government level.

Administered investments other than those held for trading are classified as fair value - other comprehensive income equity instruments and are measured at their fair value as at 30 June 2022. Fair value has been taken to be the Australian Government's proportional interest in the value of the net assets of each licensed investment fund, based on the latest available audited trust accounts increased by the value of new investments acquired during the reporting period.

5.2 Administered - Non-Financial Assets

5.2A: Reconciliation of the opening and closing balances of plant and equipment

	Total $'000
As at 1 July 2021	
Gross book value	**8,555**
Accumulated depreciation, amortisation and impairment	**(1,988)**
Total as at 1 July 2021	**6,567**
Depreciation and amortisation	**(1,703)**
Total as at 30 June 2022	**4,864**

	Total $'000
Total as at 30 June 2022 represented by	
Gross book value	**8,555**
Accumulated depreciation, amortisation and impairment	**(3,691)**
Total as at 30 June 2022	**4,864**

5.2 Administered - Non-Financial Assets

	2022 $'000	2021 $'000
5.2B: Inventories		
Inventories held for distribution		
National Medical Stockpile (NMS) and COVID-19 vaccines & consumables		
Opening balance	**1,405,219**	907,259
Add: Purchases	**6,147,976**	2,123,197
Add: Stock received free of charge	**92,446**	994
Less: Deployments	**(3,849,776)**	(474,380)
Less: Grants to overseas	**(452,068)**	(28,491)
Less: Transfer to plant & equipment	**-**	(8,555)
Less: Write down & impairment	**(774,556)**	(1,114,805)
Total Inventories held for distribution	**2,569,241**	1,405,219

During 2022 $5,076.4m of inventory held for distribution was recognised as an expense (2021: $1,626.2m).

5.2C: Other non-financial assets		
NMS and COVID-19 vaccines & consumables prepayments	**708,081**	955,936
Other prepayments[1]	**-**	-
Total other non-financial assets	**708,081**	955,936

[1.] Comparative figures have been restated due to a prior period error, refer to the Overview for details.

Other non-financial assets expected to be recovered		
No more than 12 months	**708,081**	941,347
More than 12 months	**-**	14,589
Total other non-financial assets	**708,081**	955,936

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.

Not all inventories are expected to be distributed in the next 12 months.

Costs in bringing each item to its present location and condition include purchase costs plus any other reasonably attributable costs, such as overseas shipping and handling and import duties, less any bulk order discounts and rebates received from suppliers.

Inventory is held at cost and adjusted where applicable for loss of service potential. Health considers the current replacement cost is the most appropriate basis for loss of service potential for inventories.

Inventories that are damaged or have passed their use-by dates are written off on the basis that the service potential is nil.

Inventories acquired at no or nominal cost are measured at current replacement cost at the date of acquisition. Any difference between acquisition costs and the value of these inventories is recognised as revenue.

Inventories are measured at weighted average cost, adjusted for obsolescence, other than vaccine stock which is measured using the costs specific for those items.

In determining impairment losses recognised in connection with the Department's inventories, management have applied assumptions and judgment in determining the current cost estimate (CCE). The CCE is used as the basis for measuring impairment losses where the weighted average cost of inventories exceeds the CCE. The CCE is determined based on observable market evidence including prices for comparable products and other market trends impacting supply.

Inventory prepayments represent the value of inventory paid for but not yet delivered by the supplier or accepted by the Department.

5.3 Administered - Payables

	2022 $'000	2021 $'000
5.3A: Suppliers		
Trade creditors and accruals	**649,904**	181,463
Contract liabilities	**6,783**	6,954
Total suppliers	**656,687**	188,417

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 (2021: 30 days).

The contract liabilities are associated with the unearned portion of licensing and evaluation fee revenue collected predominantly in connection with the Medicinal Cannabis Licensing program and functions of the Pharmaceutical Benefits Advisory Committee.

5.3B: Subsidies		
Aged care	**152,955**	69,696
Medical indemnity	**8,959**	6,521
Total subsidies	**161,914**	76,217

All subsidies are expected to be settled within 12 months of the balance date.

5.3C: Personal benefits		
Direct personal benefits		
Private health insurance	**540,882**	505,962
Indirect personal benefits		
Medical services	**521,561**	540,817
Pharmaceuticals and pharmaceutical services	**91,208**	70,720
Aged care	**455,665**	393,591
Other	**81,296**	86,708
Total personal benefits	**1,690,612**	1,597,798

All personal benefits are expected to be settled within 12 months of the balance date.

5.3D: Grants		
Australian Government entities (related entities)	**1,192**	469
Profit and non-profit organisations	**210,041**	178,329
Total grants	**211,233**	178,798

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 2021	Claims paid	Schedule of Administered items impact	Balance as at 30 June 2022
	$'000	$'000	$'000	$'000
Medical Indemnity Liabilities				
Incurred but not reported scheme	9,000	(188)	(3,812)	5,000
High cost claims scheme	368,000	(54,436)	13,436	327,000
Run-off cover scheme	131,000	(18,452)	29,452	142,000
Total Medical Indemnity Liabilities	508,000	(73,075)	39,075	474,000
Midwife Professional Indemnity Liabilities	-	-	6,200	6,200
COVID-19 Vaccine Claims Liabilities	-	-	95,000	95,000
Total	508,000	(73,075)	140,275	575,200

Accounting Policy

Medical Indemnity Schemes

The Department administers the following medical indemnity schemes under the *Medical Indemnity Act 2002:*

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) Allied Health High Costs Claims Scheme (AHHCCS); and
g) Allied Health Exceptional Claims Scheme (AHECS).

The payments for medical indemnity are managed by Services Australia, the service delivery entity, on behalf of the Department through its Medicare program.

The Australian Government Actuary (AGA) estimated the provision for future payments for the medical indemnity schemes administered by the Department. At the reporting date, provision for future payments was recognised for IBNRS, HCCS, and ROCS. No provision was recognised for ECS, as to date no payment has been made against this scheme and it could not be reliably measured, and is therefore reported as a contingent liability in Note 7.1B. No provision was recognised for the PSS as the nature and timing of payments associated with the scheme are based on a relatively predictable pattern of annual payments that must be settled within 12 months of the end of the premium period.

AHHCCS and the AHECS were only implemented from 1 July 2020. There is currently insufficient information to estimate their liabilities separately and the schemes are expected to be immaterial. Any associated liabilities of these new schemes are currently included in the liability estimates of the HCCS and the ECS respectively, until there is sufficient information to separately assess the liabilities of the new schemes.

The methods used by the AGA to estimate the liability under the different schemes are as follows:

General

The AGA has relied on projections that have been prepared by the appointed actuaries to the five medical indemnity insurers (MIIs) and provided to the Commonwealth under the relevant provisions of the *Medical Indemnity Act 2002*. Payment information from the Medicare program complemented the projection. Where appropriate, adjustments have been made to those projections as described below.

IBNRS
The IBNRS provides for payments to Avant Mutual Group for claims made in relation to its IBNR liability at 30 June 2002. Some claims that will be payable under the IBNRS may also be eligible for payment under the HCCS.

The AGA has carried out chain ladder modelling using the payments data. The results of this analysis have been compared to the projections prepared by the industry actuaries. The results closely match and, as a result, the AGA has largely relied on industry projections to estimate the liability.

ROCS
ROCS provides free run-off cover for specific groups of medical practitioners including those retired and over 65, on maternity leave, retired for more than three years, retired due to permanent disability or the estates of those that have died. This scheme is funded through the collection of support payments imposed as a tax on 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 2022, 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;
c) from 1 January 2004 to 30 June 2018 - $0.3m; and
c) on or after 1 July 2018 - $0.5m.

The AGA has relied on the projections of the industry actuaries but has made adjustments in respect of claims which are also eligible for the IBNRS and/or ROCS to ensure overall consistency of the estimates.

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;
e) in general, these schemes have a small number of large claims which account for a substantial part of the overall cost. This is associated with large expected random variation. It follows that a wide range of results can be obtained with equal statistical significance which differs materially in the context of a schedule of assets and liabilities. This is a common situation with liabilities of this nature;
f) medical indemnity claims costs tend to increase at a faster rate than general inflation; and
g) economic assumptions have not been adjusted for the impacts of COVID-19, because their effect is indirect and likely to be short-term.

The experience of the medical indemnity claims cycle indicates that claims and subsequent payments can take a number of years to mature and settle. The Department used a 3.4% per annum discount rate in the calculation of the estimate for the current year. This discount rate was derived from the Commonwealth bonds yield curve based on the average observed liability duration of five years for the medical indemnity payments. A discount rate of 0.8% 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 4% would result in a discounted liability estimate which is about 2.74% ($13m) less than the base estimate. On the other hand, decreasing the discount rate to 3% would result in a liability estimate which is about 1.9% ($9m) higher than the base estimate.

	2021-22			2020-21
	discounted 3.0% $m	discounted 3.4% $m	discounted 4.0% $m	discounted 0.8% $m
Incurred But Not Reported Scheme	6	5	5	9
High Cost Claims Scheme	332	327	319	368
Run-Off Cover Scheme	145	142	137	131
Total	**483**	**474**	**461**	**508**

1. 3.4% was used as the basis of the estimation in 2021-22.

Midwife Professional Indemnity Schemes

The Department administers the following midwife professional indemnity schemes under the *Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010*:

(a) Midwife Professional Indemnity (Commonwealth Contribution) Scheme (MPIS); and
(b) Midwife Professional Indemnity Run-off Cover Scheme (MPIRCS).

Under the MPIS, the Commonwealth reimburses a specified percentage of the costs of claims notified to Medical Insurance Australia Pty Ltd (MIGA) on or after 1 July 2010. Reimbursements are calculated under a tiered approach where the Commonwealth reimburses MIGA for:

a) 0% of costs for claim costs up to $100,000;
b) 80% of costs for claim costs over $100,000 and up to $2,000,000; and
c) 100% of costs exceeding $2,000,000.

No payments have been made to date by Services Australia under either scheme, however a small number of claims have been lodged under the MPIS. The AGA used the claims lodged with MIGA as the basis for calculating the provision. A discount rate of 3.4% per annum was used in the calculation of the estimate for the current year, consistent with the medical indemnity schemes.

No provision was recognised for MPIRCS, as to date no claims have been lodged with MIGA and a reliable estimate cannot be made in relation to the future claims.

COVID-19 Vaccine Claims

The Vaccine Claims Scheme is designed to operate on a no-fault basis for eligible Australians to claim compensation for certain recognised moderate to severe vaccine-related adverse events that involve losses or expenses of at least $1,000 as a direct result of an administered COVID-19 vaccine.

The potential liability for claims under the scheme was estimated by the AGA using the claims data provided by Services Australia, categorised into tiers based on the severity of eligible lossess being claimed as follows:

a) Tier 1 - claims in the range of $1,000 - $20,000;
b) Tier 2 - claims in excess of $20,000; and
c) Tier 3 - claims involving a loss of life.

A tailored modelling approach was developed for each tier, reflective of the perceived level of subjectivity associated with the relevant claim type, with higher tiers requiring specialist assessment on a case-by-case basis, and the potential claim amount.

Significant accounting judgements and estimates

Due to the low number of claims lodged and assessed to date, the AGA noted a heightened level of uncertainty associated with the estimates. The uncertainty arises for the following reasons:

a) the number of applications which have been finalised, or are close to being finalised, is low;
b) the payment amount can vary significantly from the claim amount stated on the application; no reliable pattern can yet be derived from the data as few claims have been finalised;
c) the assessment of claims is subject to a significant level of judgement, as each application is considered on a case-by-case basis; Level 2 claims and some level 1 claims are referred to an expert panel;
d) claims data includes limited variables to assist with the valuation process; and
e) hospitalisation data lacks the granularity required to be of use in the valuation process.

Key assumptions and sensitivities

Certain assumptions were applied to the available data. The vast majority of payments under this scheme are expected to be incurred within the next 2 years, therefore in the context of the short duration until settlement and the uncertainty of the underlying data, the inflationary and discounting effects were assumed to be implicit in the calculation of the claims size assumptions - performed separately for each tier.

The claims administration costs incurred are funded separately to this scheme and are outside the scope of this valuation. There is also no allowance for the Department's costs of managing the scheme.

Due to the prevalent uncertainties, the liability estimate is particularly sensitive to the acceptance rate and the ultimate claims costs per risk exposure. A sensitivity analysis was undertaken on these factors to understand the overall impact on the ultimate liability being recognised:

Scenario	Liability Estimate ($'m)	Change
Baseline (excluding prudential margin)	76.9	
Increase Tier 2 acceptance rate by 10%	85.7	12%
Decrease Tier 2 acceptance rate by 10%	68	-12%
Increase ultimate claims costs per exposure by 20%	90.4	18%
Decrease ultimate claims costs per exposure by 20%	63.8	-17%

	2022 $'000	2021 $'000
5.4B: Personal benefits		
Outstanding claims		
Medical services	**863,687**	821,568
Pharmaceuticals and pharmaceutical services	**374,097**	290,185
Total personal benefits	**1,237,784**	1,111,753

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 2022

	Annual Appropriation[1] $'000	Adjustments to appropriation[2] $'000	Total appropriation $'000	Appropriation applied in 2022 (current and prior years) $'000	Variance[3] $'000
Departmental					
Ordinary annual services	**1,039,005**	**184,299**	**1,223,304**	**1,149,152**	**74,152**
Capital Budget[4]	**14,269**	**-**	**14,269**	**10,871**	**3,398**
Other services					
Equity Injections	**114,781**	**-**	**114,781**	**85,920**	**28,861**
Total departmental	**1,168,055**	**184,299**	**1,352,354**	**1,245,943**	**106,411**
Administered					
Ordinary annual services					
Administered items	**18,906,257**	**746**	**18,907,003**	**16,233,240**	**2,673,763**
Payments to corporate Commonwealth entities	**599,289**	**-**	**599,289**	**599,289**	**-**
Other services					
Administered assets and liabilities	**4,623,439**	**603**	**4,624,042**	**555,813**	**4,068,229**
Payments to corporate Commonwealth entities	**22,229**	**-**	**22,229**	**22,229**	**-**
Total administered	**24,151,214**	**1,349**	**24,152,563**	**17,410,571**	**6,741,992**

1. There were no amounts withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in any of the 2022 departmental appropriations. Amounts totalling $3,012.302m were withheld under Section 51 of the PGPA Act or quarantined for administrative purposes in relation to the 2022 administered appropriations.

2. Departmental: adjustments to appropriations for ordinary annual services are a net result of PGPA Act Section 74 receipts of $183.386m, PGPA Act Section 75 transfer to the Department of Social Services of $0.087m and PGPA Act Section 75 transfer from the Digital Transformation Authority of $1.0m.

Administered: adjustments to appropriations for ordinary annual services are a net result of appropriation repayments of $1.096m and PGPA Act Section 75 transfer to the Department of Social Services of $0.350m; adjustments to the administered assets and liabilities appropriations relate entirely to appropriation repayments of $0.603m.

3. The net variance of $74.152m for departmental ordinary annual services and capital budget primarily represents the timing difference of payments to suppliers and employees. The variance of $28.861m for departmental equity reflects the timing of payments for capital projects. The variance in administered ordinary annual services of $2,673.763m reflects pandemic related delays in granting activities experienced across a range of programs, as well as the impacts of caretaker protocols and the election timing close the end of financial year. The variance in administered assets and liabilities of $4,068.229m reflects the value of quarantined appropriations originally intended to fund the cost of vaccines and subsequently reclassified to a special appropriation.

[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 2021

	Annual Appropriation[1] $'000	Adjustments to appropriation[2] $'000	Total appropriation $'000	Appropriation applied in 2021 $'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.

6.1B: Unspent annual appropriations ('recoverable GST exclusive')

	2022 $'000	2021 $'000
Departmental		
Appropriation Act (No. 2) 2018-2019[1]	-	1,674
Appropriation Act (No. 4) 2020-2021	-	3,785
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	**2,235**	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
Appropriation Act (No. 1) 2021-2022	**40,004**	-
Appropriation Act (No. 1) 2021-2022 - Departmental Capital Budget	**5,040**	-
Appropriation Act (No. 1) 2021-2022 - Cash at Bank	**4,113**	-
Appropriation Act (No. 3) 2021-2022	**68,131**	-
Appropriation Act (No. 4) 2021-2022	**48,400**	-
Total departmental	**167,923**	63,186
Administered		
Appropriation Act (No. 1) 2018-2019[1]	-	134,335
Appropriation Act (No. 3) 2018-2019[1]	-	257,346
Appropriation Act (No. 4) 2018-2019[1]	-	33,310
Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-2020	**20,595**	20,595
Appropriation Act (No. 1) 2019-2020	**66,067**	171,713
Appropriation Act (No. 4) 2019-2020	**49,113**	83,922
Supply Act (No. 1) 2020-2021	**6,639**	21,415
Supply Act (No. 2) 2020-2021	**71,556**	71,556
Appropriation Act (No. 1) 2020-2021	**384,440**	499,823
Appropriation Act (No. 2) 2020-2021	**51,479**	423,193
Appropriation Act (No. 3) 2020-2021	**273,308**	424,906
Appropriation Act (No. 2) 2021-2022	**24,287**	-
Appropriation (COVID-19 Assistance) Act (No. 2) 2021-2022	**2,036,373**	-
Appropriation Act (No. 4) 2021-2022	**2,414,091**	-
Appropriation Act (No. 1) 2021-2022	**219,565**	-
Appropriation Act (No. 3) 2021-2022	**1,834,051**	-
Appropriation (COVID-19 Assistance) Act (No. 1) 2021-2022	**935,671**	-
Total administered	**8,387,235**	2,142,114

[1.] In departmental appropriations $1.674m carried over as Appropriation Act (No. 2) 2018-2019 lapsed on 1 July 2021. In administered appropriations $134.335m carried over as Appropriation Act (No. 1) 2018-2019, $257.346m carried over as Appropriation Act (No. 3) 2018-2019 and $33.310m carried over as Appropriation Act (No. 4) 2018-2019 lapsed on 1 July 2021.

6.1C: Special appropriations ('recoverable GST exclusive')

	Appropriation	
	2022	2021
Authority	**$'000**	$'000
Aged Care (Accommodation Payment Security) Act 2006	**64,841**	2,375
Aged Care Act 1997	**18,369,083**	17,769,103
Health Insurance Act 1973	**-**	-
National Health Act 1953	**4,782,223**	1,698,146
Medical Indemnity Act 2002	**77,047**	17,552
Private Health Insurance Act 2007	**6,465,800**	6,304,959
Dental Benefits Act 2008	**538,771**	315,981
Medicare Guarantee Act 2017	**-**	-
Health and Other Services (Compensation) Act 1995	**-**	-
Medical Indemnity Agreement (Financial Assistance - Binding Commonwealth Obligations) Act 2002	**-**	-
Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010	**-**	-
Private Health Insurance (Transitional Provisions and Consequential Amendments) Act 2007	**-**	-
Public Governance, Performance and Accountability Act 2013 s.77	**5,455**	2,000
Total special appropriations applied	**30,303,220**	26,110,116

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')

	2022	2021
	$'000	$'000
Department of Social Services		
Total receipts	**-**	69,544
Total payments	**-**	(69,544)

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. As per the *Social and Community Services Pay Equity Special Account Act 2012* , the Act ceased to have effect on 30 June 2021 and therefore no payments were made in 2022.

6.2 Special Accounts

	Services for Other Entities and Trust Moneys Account[1]		Australian Immunisation Register Account[2]		Sport and Recreation Account[3]	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Balance brought forward from previous period	**32,153**	28,881	**4,958**	4,388	**312**	533
Increases						
Appropriation credited to special account	**8,733**	9,153	**7,362**	5,921	**-**	-
Other increases	**29,791**	11,866	**3,264**	3,511	**-**	-
Total increases	**38,524**	21,019	**10,626**	9,432	**-**	-
Available for payments	**70,677**	49,900	**15,584**	13,820	**312**	533
Decreases						
Departmental	**-**		**-**	-	**-**	-
Total departmental	**-**	-	**-**	-	**-**	-
Administered	**11,783**	17,747	**7,909**	8,863	**130**	221
Total administered	**11,783**	17,747	**7,909**	8,863	**130**	221
Total decreases	**11,783**	17,747	**7,909**	8,863	**130**	221
Total balance carried to the next period	**58,894**	32,153	**7,676**	4,958	**182**	312
Balance represented by:						
Cash held in entity bank accounts	**2,027**	2,374	**7,675**	4,958	**-**	-
Cash held in the Official Public Account	**56,867**	29,779	**-**	-	**182**	312
Total balance carried to the next period	**58,894**	32,153	**7,675**	4,958	**182**	312

1. Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act*; section 78
Purpose:
The special account was established to enable the Department to hold and expend amounts for a range of purposes including for, on behalf of, or jointly with, other persons or entities, such as amounts held for joint activities with other governments, other Commonwealth entities, Commonwealth companies and other entities. The special account also enables the Department to hold and expend amounts held on trust, or for the benefit of another person, amounts in relation to agreements with other governments and amounts received that are permitted or required to be repaid.

[2.] Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act* ; section 78
Purpose:
The special account was established to manage contributions from the Commonwealth, States and Territories to make incentive payments to accredited vaccination providers for providing immunisation for children up to seven years of age.

[3.] Appropriation: *Public Governance, Performance and Accountability Act 2013;* section 78
Establishing Instrument: *Public Governance, Performance and Accountability Act* ; section 78
Purpose:
The special account was established to manage contributions from the Commonwealth, States and Territories in support of activities and projects arising from and undertaken on behalf of the Meeting of Sport and Recreation. These contributions are to be used for payments for secretariat functions, the “Play by the Rules” program, and to undertake a range of projects beneficial to jurisdictions.

	Therapeutic Goods Administration Account[4]		Gene Technology Account[5]		Industrial Chemicals Special Account[6]	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Balance brought forward from previous period	**101,851**	89,692	**8,737**	8,907	**24,653**	19,316
Increases						
Appropriation credited to special account	**16,185**	13,761	**8,412**	7,870	**58**	234
Other increases	**186,205**	176,533	**517**	182	**24,501**	23,288
Total increases	**202,390**	190,294	**8,929**	8,052	**24,559**	23,522
Available for payments	**304,241**	279,986	**17,666**	16,959	**49,212**	42,838
Decreases						
Departmental	**213,215**	178,135	**8,247**	8,222	**17,351**	18,185
Total departmental	**213,215**	178,135	**8,247**	8,222	**17,351**	18,185
Administered	**-**	-	**-**	-	**-**	-
Total administered	**-**	-	**-**	-	**-**	-
Total decreases	**213,215**	178,135	**8,247**	8,222	**17,351**	18,185
Total balance carried to the next period	**91,026**	101,851	**9,419**	8,737	**31,861**	24,653
Balance represented by:						
Cash held in entity bank accounts	**3,428**	1,667	**3,528**	2,846	**478**	620
Cash held in the Official Public Account	**87,598**	100,184	**5,891**	5,891	**31,383**	24,033
Total balance carried to the next period	**91,026**	101,851	**9,419**	8,737	**31,861**	24,653

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]	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Balance brought forward from previous period	**64,595**	85,579	**1,779,328**	1,419,621
Increases				
Appropriation credited to special account	**455,000**	572,585	**44,867,877**	41,448,516
Other increases	**-**	-	**-**	-
Total increases	**455,000**	572,585	**44,867,877**	41,448,516
Available for payments	**519,595**	658,164	**46,647,205**	42,868,137
Decreases				
Departmental	**-**	-	**-**	-
Total departmental	**-**	-	**-**	-
Administered	**517,564**	593,569	**43,375,733**	41,088,809
Total administered	**517,564**	593,569	**43,375,733**	41,088,809
Total decreases	**517,564**	593,569	**43,375,733**	41,088,809
Total balance carried to the next period	**2,031**	64,595	**3,271,472**	1,779,328
Balance represented by:				
Cash held in entity bank accounts	**-**	-	**-**	-
Cash held in the Official Public Account	**2,031**	64,595	**3,271,472**	1,779,328
Total balance carried to the next period	**2,031**	64,595	**3,271,472**	1,779,328

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

	2022 $'000	2021 $'000
Amounts applied		
Departmental		
Annual appropriations	**33,457**	32,095
Special appropriations (including special accounts)	**203,014**	192,722
Own source revenue	**4,600**	4,736
Administered		
Annual appropriations	**4,074**	5,526
Total amounts applied	**245,145**	235,079
Expenses		
Departmental	**233,944**	220,897
Administered	**13,729**	11,771
Total expenses	**247,673**	232,668
External Revenue		
Departmental	**207,613**	197,458
Administered	**36,866**	32,260
Total external revenue	**244,479**	229,718
Amounts written off		
Departmental	**34**	4
Total amounts written off	**34**	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 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:

Cost Recovery Implementation Statement, 2022-2023 | Therapeutic Goods Administration (TGA)
3. Cost recovery model | Australian Industrial Chemicals Introduction Scheme (AICIS)
Cost Recovery Implementation Statement – Administration of the Prostheses List | Australian Government Department of Health
National Joint Replacement Registry Cost Recovery Implementation Statement | Australian Government Department of Health
Pharmaceutical Benefits Scheme (PBS) | Cost Recovery Fees and Charges
Cost Recovery Implementation Statement (CRIS) - Regulation of Medicinal Cannabis 2021-22 | Office of Drug Control (odc.gov.au)
Cost Recovery Implementation Statement (CRIS) – Administration of Private Health Insurance second-tier default benefits | Australian Government Department of Health
Cost Recovery Implementation Statement 2021–2022 | Australian Government Department of Health

6.4 Net Cash Appropriation Arrangements

	2022 $'000	2021 $'000
Total comprehensive loss - as per the Statement of Comprehensive Income	**(37,302)**	(42,118)
Plus : depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	**55,325**	54,225
Plus : depreciation of right-of-use assets	**58,794**	58,898
Less : cost recovered depreciation	**(12,576)**	(11,915)
Less : lease principal repayments	**(46,617)**	(47,927)
Net Cash Operating Surplus	**17,624**	11,163

The Government funds the Department on a net cash appropriation basis, where appropriation revenue is not provided for depreciation and amortisation expenses. Depreciation and amortisation is included in the Department's cost recovered operations to the extent that it relates to those activities.

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

The Department excludes the cost of depreciation and amortisation related to the cost recovered activities outlined in Note 6.3.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 *Leases,* which does not directly reflect a change in appropriation arrangements.

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 2022 (2021: $Nil).

Quantifiable contingent liabilities: The Department had no departmental quantifiable contingent liabilities as at 30 June 2022 (2021: $Nil).

Unquantifiable Contingencies

At 30 June 2022, the Department was involved in a number of litigation cases before the courts. 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 2022 (2021: $Nil).

Accounting Policy

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not certain, and contingent liabilities are disclosed when settlement is greater than remote.

7.1B: Administered - contingent assets and liabilities

	Indemnities		Claims for damages or costs		Aged Care Accommodation Bond Guarantee Scheme		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Contingent assets								
Balance from previous period	**-**	-	**18,000**	17,900	**-**	-	**18,000**	17,900
New contingent assets recognised	**-**	-	**1,000**	500	**-**	-	**1,000**	500
Re-measurement	**-**	-	**(78)**	-	**-**	-	**(78)**	-
Assets realised	**-**	-	**-**	-	**-**	-	**-**	-
Assets expired	**-**	-	**(600)**	(400)	**-**	-	**(600)**	(400)
Rights expired	**-**	-	**-**	-	**-**	-	**-**	-
Total contingent assets	**-**	-	**18,322**	18,000	**-**	-	**18,322**	18,000
Contingent liabilities								
Balance from previous period	**64,000**	76,300	**18,029**	17,921	**-**	3,250	**82,029**	97,471
New contingent liabilities recognised	**-**	-	**2,239**	730	**-**	-	**2,239**	730
Re-measurement	**(11,000)**	4,000	**-**	-	**-**	-	**(11,000)**	4,000
Liabilities realised	**-**	-	**-**	(400)	**-**	-	**-**	(400)
Obligations expired	**-**	(16,300)	**(800)**	(222)	**-**	(3,250)	**(800)**	(19,772)
Total contingent liabilities	**53,000**	64,000	**19,468**	18,029	**-**	-	**72,468**	82,029
Net contingent assets/(liabilities)							**(54,145)**	(64,029)

Quantifiable Administered Contingencies

The above table contains contingent liabilities in respect to:

a) Indemnities: $53.0m (2021: $64.0m). 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; and

b) Claims for costs: The table reports a contingent liability in respect of claims for costs of up to $19.5m (2021: $18.0m).

Unquantifiable Administered Contingent Assets

At 30 June 2022, 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.

The 2020-2025 Addendum to the NHRA notes that the Commonwealth and States are jointly responsible for the funding of public hospitals and working together on policy decisions or areas of the system that impact each other's responsibilities. The Addendum requires information to be shared between Jurisdictions and the Commonwealth on a timely basis to support reconciliations of payments, data reporting and calculations of activities to ensure funding is accurate, transparent and accountable. In relation to the contingent asset for the recovery of over-payments, the nature of the contingency is such that the quantum of the potential asset is unknown at this stage. Under the Addendum, the Commonwealth will work with the States on identifying/confirming potential overpayments, but due to data limitations payments that may appear through data matching and compliance analysis processes to be non-compliant will generally require review by the hospital or claimant concerned to confirm any non-compliance.

Unquantifiable Administered Contingent Liabilities
At 30 June 2022, the Department has a number of items for which it was not possible to estimate the amounts of any eventual payments that may be required in relation to these claims. These items are outlined below but were not included in the above table.

Aged Care Accommodation Bond Guarantee Scheme
A Guarantee Scheme has been established through the *Aged Care (Accommodation Payment Security) Act 2006* and *Aged Care (Accommodation Payment Security) Levy Act 2006* . Under the Guarantee Scheme, if a provider becomes insolvent or bankrupt and is unable to repay outstanding accommodation payment balances to aged care residents, the Australian Government will repay the balances owing to each resident. In return, the residents' rights to pursue the defaulting provider for recovery of the accommodation payment funds transfers to the Government. In the event the Government cannot recover the full amount from the defaulting provider, it may levy all providers holding accommodation payment balances to recoup the shortfall. It is not possible to quantify the Australian Government's contingent liability in the event the Guarantee Scheme is activated. The Department has implemented risk mitigation strategies which should reduce the risk of default and thereby activation of the Guarantee Scheme.

From the latest available information, the maximum contingent liability, in the unlikely event that all providers defaulted, is $33.5 billion. Since the Guarantee Scheme was introduced, it has been activated 15 times requiring payment of $169.0m. The Guarantee Scheme was activated twice during the 2021-22 financial year at a total (including interest) of $64.8m (2021: Nil). It is difficult to predict if the past patterns of payments are indicative of future payments. The exposure through the Guarantee Scheme increases directly in line with an increase in Refundable Accommodation Deposit values. Currently, it is estimated that further 114 providers could not meet their refund obligations, however the total value of shortfall cannot be estimated reliably.

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 2022 no claims have been made (2021: 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 2022, 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 2022 no claims have been made or notified (2021: 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 2022 no claims have been made (2021: 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 2022 no claims have been made (2021: 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 2022 no claims have been made (2021: 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 2022 no claims have been made (2021: Nil).

2032 Brisbane Olympic and Paralympic Games
In February 2021 the International Olympic Committee (IOC) entered into exclusive negotiations with the Queensland Government to host the 2032 Olympic and Paralympic Games. The Australian Government has committed to fund half the costs of critical infrastructure and shared governance arrangements with the Queensland Government. The Commonwealth has also provided a range of guarantees to the IOC for provision of government services in support of Brisbane's candidature to host the Games at no cost to the Organising Committee for the Olympic Games. For the period ended 30 June 2022 no claims have been made.

PBS listing of COVID-19 oral treatment Paxlovid®
Under the arrangement, the Department purchases stocks of the COVID-19 oral antiviral treatment Paxlovid® directly from the manufacturer Pfizer for supply either through the National Medical Stockpile or the Pharmaceutical Benefits Scheme (PBS). As the Responsible Person for Paxlovid® on the PBS, the Commonwealth, through DHL Limited, sells the Paxlovid® stock to Community Service Obligation (CSO) distributors with the guarantee that they are eligible for a refund for any stock which expires prior to being dispensed. It is not possible to reliably measure the quantum of the stock that will expire prior to being dispensed. Therefore, as at 30 June 2022 the amount of potential refunds they may need to be issued to the CSO distributors is treated as an unquantifiable contingent liability.

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 risk sharing arrangements with the Pfizer and Novavax candidates to limit financial exposure to the Commonwealth.

7.2 Financial Instruments

	2022 $'000	2021 $'000
7.2A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**136,419**	139,541
Goods and services receivable	**30,975**	18,269
Less: Impairment allowance	**(1,462)**	(1,299)
Contract assets	**10,582**	14,797
Total financial assets at amortised cost	**176,514**	171,308
Total financial assets	**176,514**	171,308
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**77,168**	73,769
Contract liabilities	**38,952**	38,759
Total financial liabilities measured at amortised cost	**116,120**	112,528
Total financial liabilities	**116,120**	112,528

Accounting Policy

In accordance with AASB 9 *Financial Instruments*, the Department classifies its financial assets as financial assets measured at amortised cost. This classification is based on the Department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets at amortised cost

Financial assets included in this category must meet two criteria:
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 based on the ECL methodology, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities at amortised cost

Supplier and other payables are recognised at amortised cost to the extent that the goods or services have been received and irrespective of having been invoiced.

7.2B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Impairment	**(315)**	(327)
Net losses on financial assets at amortised cost	**(315)**	(327)
Net losses on financial assets	**(315)**	(327)

7.3 Administered - Financial Instruments

	2022 $'000	2021 $'000
7.3A: Categories of financial instruments		
Financial assets at amortised cost		
Cash and cash equivalents	**3,404,758**	1,910,383
Accrued recoveries revenue	**534,867**	203,670
Goods and services receivables	**297,789**	536,302
Contract assets	**5,919**	7,350
Advances and loans	**199,862**	242,911
Less: Impairment allowance	**(29,910)**	(58,434)
Total financial assets at amortised cost	**4,413,285**	2,842,182
Financial assets at fair value through other comprehensive		
Investments in portfolio agencies	**511,595**	513,998
Other investments	**135,954**	105,112
Total financial assets at fair value through other	**647,549**	619,110
Total financial assets	**5,060,834**	3,461,292
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	**649,904**	181,463
Contract liabilities	**6,783**	6,954
Grants payable	**211,233**	178,798
Total financial liabilities measured at amortised cost	**867,920**	367,215
Total financial liabilities	**867,920**	367,215
7.3B: Net gains or losses on financial assets		
Financial assets at amortised cost		
Interest revenue	**14,792**	7,686
Impairment	**(15,901)**	(82,111)
Net losses on financial assets at amortised cost	**(1,109)**	(74,425)
Net losses on financial assets	**(1,109)**	(74,425)

7.4 Fair Value Measurement

The following tables provide an analysis of assets that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

	Note	2022 $'000	2021 $'000
Non-financial assets			
Land and Buildings	3.2A	**36,007**	32,770
Plant and equipment	3.2A	**5,559**	6,395
Total non-financial assets		**41,566**	39,165

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 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.

The Department deems transfers between levels of fair value hierarchy to have occurred when there has been a change to the inputs to the fair value measurement (for instance from observable to unobservable and vice versa) and the significance that the changed input has in determining the fair value measurement.

Other information

8.1 Current/non-current distinction for assets and liabilities

8.1A: Current/non-current distinction for assets and liabilities

	2022 $'000	2021 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**136,419**	139,541
Trade and other receivables	**200,540**	101,258
Land and buildings	**7,160**	12,995
Plant and equipment	**914**	974
Computer software	**20,539**	37,862
Other financial assets	**10,582**	14,797
Other non-financial assets	**22,687**	29,985
Total no more than 12 months	**398,841**	337,412
More than 12 months		
Land and buildings	**564,020**	537,088
Plant and equipment	**4,726**	5,542
Computer software	**242,139**	163,118
Other non-financial assets	**1,784**	4,720
Total more than 12 months	**812,669**	710,468
Total assets	**1,211,510**	1,047,880
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	**116,120**	112,528
Employee payables	**17,015**	15,045
Other payables	**3,404**	11
Leases	**35,425**	22,771
Employee provisions	**49,253**	49,547
Other provisions	**14,438**	-
Total no more than 12 months	**235,655**	199,902
More than 12 months		
Leases	**537,826**	514,972
Employee provisions	**152,507**	130,971
Other provisions	**2,822**	11,080
Total more than 12 months	**693,155**	657,023
Total liabilities	**928,810**	856,925

8.1B: Administered - current/non-current distinction for assets and liabilities

	2022 $'000	2021 $'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	**3,404,758**	1,910,383
Accrued recoveries revenue	**534,867**	203,670
Trade and other receivables	**382,764**	578,050
Plant and equipment	**1,703**	-
Inventories	**2,278,232**	241,659
Other non-financial assets	**708,081**	941,347
Total no more than 12 months	**7,310,405**	3,875,109
More than 12 months		
Trade and other receivables	**178,174**	216,898
Investment in portfolio entities	**511,595**	513,998
Other investments	**135,954**	105,112
Plant and equipment	**3,161**	6,567
Inventories	**291,009**	1,163,560
Other non-financial assets	**-**	14,589
Total more than 12 months	**1,119,893**	2,020,724
Total assets	**8,430,298**	5,895,833
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers payable	**656,687**	188,417
Subsidies payable	**161,914**	76,217
Personal benefits payable	**1,690,612**	1,597,798
Grants payable	**211,233**	178,798
Subsidies provision	**180,174**	97,291
Personal benefits provision	**1,237,784**	1,111,753
Total no more than 12 months	**4,138,404**	3,250,274
More than 12 months		
Subsidies provision	**395,026**	410,709
Total more than 12 months	**395,026**	410,709
Total liabilities	**4,533,430**	3,660,983

8.2 Restructuring

8.2A: Restructuring

	2022	2021 Sport and Recreation, Sport Integrity Australia
	$'000	$'000
FUNCTIONS RELINQUISHED		
Assets relinquished		
Appropriation Receivable	**-**	612
Total assets relinquished	**-**	612
Liabilities relinquished		
Employee provisions	**-**	566
Total liabilities relinquished	**-**	566
Net (assets)/liabilities relinquished	**-**	46

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 2021-22 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:

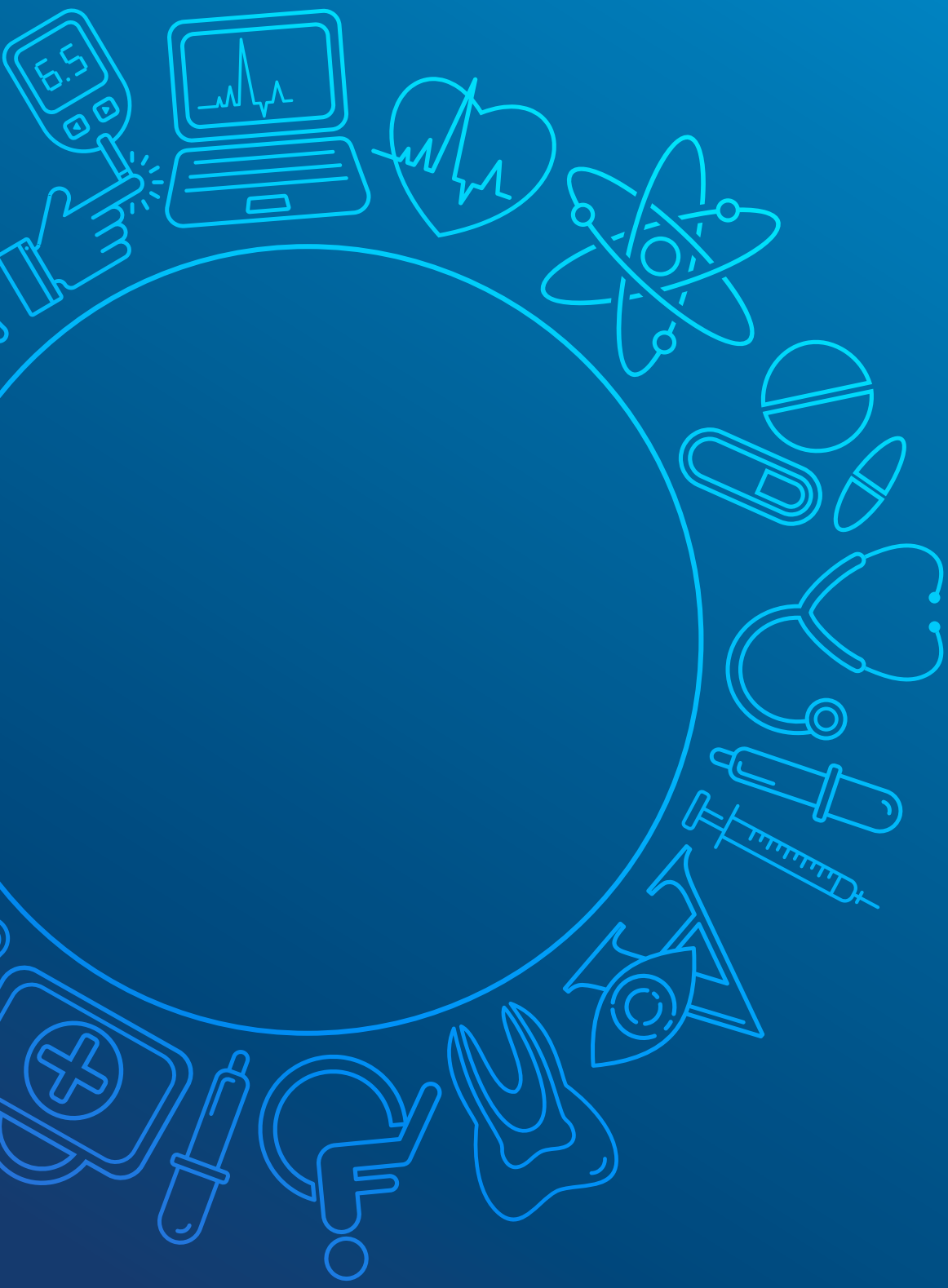
1. Variance commentary has been included when the variance is greater than 10% of the original estimate and it has been considered important for a reader's understanding or is relevant to the assessment of the discharge of accountability and for analysis of the Department's performance. Variances below 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 2021 final budget outcome was known. As a consequence, the opening balance of the statement of financial position was estimated and in some cases variances between the 2022 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
While overall there was no major variance for the net cost of services the following item has been noted:	
(a) Increased expenditure for employee benefits reflects the growth in ASL during the year (784 or 16%) as the Department continues the ramp up of activities to support the Vaccines roll out and the ongoing COVID 19 response, Aged Care programs and mental health package. 2021-22 also saw the return of agreed pay rises that had been placed on hold during the COVID pandemic.	Employee benefits
The increase in the Department's net asset position was a result of the following	
(a) Higher than expected balances of cash and appropriations receivable in line with the additional funding provided to the Department during the financial year.	Cash and cash equivalents / Trade and other receivables
(b) Changes in actuarial assumptions supporting the calculation of employee provisions to reflect changes in the employee profile for the Department.	Employee provisions
(c) Offsetting amounts related to accounting entries as required under AASB 16 *Leases* earlier than expected due to the practical completion of building works resulting in the Department occupying leased premises earlier than expected.	Land and Buildings / Leases

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) AASB 102 *Inventory* requires the Department to measure the value of inventory at 30 June 2022 at the lower of cost or current replacement value. Following an assessment of market conditions at that date the Department assessed that an adjustment was required to the carrying value assigned to some items of Personal Protective Equipment (PPE) within the National Medical Stockpile (NMS). The adjustment reflects the changing market dynamic throughout the COVID pandemic from one year to the next.	Write-down and impairment of non-financial assets
(b) The write-off of stock within the NMS that has been identified as impaired on the basis that it has passed the agree expiry date. This reflects the need for the Department to obtain essential supplies, in sufficient quantities, at the height of the pandemic to ensure suitable availability during the various stages of the COVID-19 pandemic.	Write-down and impairment of non-financial assets
(c) The requirement to recognise COVID-19 vaccine deployments as personal benefits expense as opposed to supplier expenses.	Personal benefits expense / Supplier expense
The major variances attributable to the increase in total assets were:	
(a) A difference in timing between the availability of funds and the payment of claims from the Medicare Guarantee special account. Funds are held in the special account to ensure monies are secured to support the ongoing funding of the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme.	Cash and cash equivalents
(b) The most significant driver of the variance in recoveries receivable and trade and other receivables is the PBS drug recoveries under the cost-sharing agreements the Department has in place with pharmaceutical companies manufacturing select PBS-listed prescription drugs. This item can fluctuate widely depending on the demand for the relevant PBS items, invoicing cycles and various medicines reaching the relevant thresholds to trigger recoveries.	Accrued recoveries revenue / Trade and other receivables
(c) Accrued recoveries receivables is also impacted by the value of Home Care recoveries, which is difficult to predict. This represents the value of unspent recipient funding for Home Care which is eligible to be recovered by the Commonwealth through offsets in future payments.	Accrued recoveries revenue
While overall there was no major variance for liabilities the following items were noted:	
(a) There has been an increase in year-end payables due to earlier than expected deliveries for the strategic purchase of items for the National Medical Stockpile to support COVID-19 activities.	Supplier payables
(b) Grant liabilities vary from year to year depending on the timing of grant rounds and milestones in relation to 30 June, however as a general rule grant liabilities are higher at year-end. Caretaker conventions also had an impact on grant processes.	Grants payable


6.5

Appendices

Appendix 1: Workforce Statistics

The following tables show workforce statistics for the Department of Health for 2021–22. 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.

Contents

Table 1: Ongoing employees at 30 June 2022

State/territory	Male			Female			Non-binary			30 June 2022 total	30 June 2021 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary		
Australian Capital Territory	1,161	66	1,227	2,363	637	3,000	5	6	11	4,238	3,770
New South Wales	91	7	98	153	40	193	0	0	0	291	246
Northern Territory	1	0	1	14	1	15	0	0	0	16	9
Queensland	50	1	51	113	32	145	0	0	0	196	129
South Australia	26	0	26	47	12	59	0	0	0	85	53
Tasmania	17	4	21	26	13	39	0	0	0	60	40
Victoria	75	9	84	95	38	133	0	0	0	217	164
Western Australia	15	1	16	24	11	35	0	0	0	51	39
Total	**1,436**	**88**	**1,524**	**2,835**	**784**	**3,619**	**5**	**6**	**11**	**5,154**	**4,450**

Table 2: Non-ongoing employees at 30 June 2022

State/territory	Male			Female			Non-binary			30 June 2022 total	30 June 2021 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary		
Australian Capital Territory	111	17	128	194	44	238	3	0	3	369	266
New South Wales	14	2	16	32	1	33	0	0	0	49	26
Northern Territory	0	0	0	2	0	2	0	0	0	2	0
Queensland	9	1	10	29	3	32	0	0	0	42	6
South Australia	6	1	7	14	2	16	0	0	0	23	3
Tasmania	3	1	4	3	0	3	0	0	0	7	5
Victoria	9	2	11	15	9	24	1	0	1	36	2
Western Australia	1	1	2	9	0	9	0	0	0	11	2
Total	**153**	**25**	**178**	**298**	**59**	**357**	**4**	**0**	**4**	**539**	**310**

Table 3: Ongoing staff numbers by classification at 30 June 2022[1]

Classification	Male			Female			Non-binary			30 June 2022 total	30 June 2021 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary		
SES 3[2]	4	0	4	3	0	3	0	0	0	7	8
SES 2	16	0	16	22	0	22	0	0	0	38	37
SES 1	54	1	55	94	4	98	0	0	0	153	150
Holder of Public Office	2	0	2	1	0	1	0	0	0	3	3
EL 2[3]	251	8	259	446	58	504	0	0	0	763	658
EL 1	482	28	510	890	297	1,187	0	3	3	1,700	1,407
APS 6	314	24	338	692	237	929	4	1	5	1,272	1,108
APS 5	145	8	153	340	96	436	0	0	0	589	512
APS 4	66	2	68	147	38	185	0	2	2	255	239
APS 3	11	1	12	24	6	30	0	0	0	42	39
APS 2	4	4	8	8	2	10	0	0	0	18	16
APS 1	3	2	5	1	2	3	0	0	0	8	10
Health Entry-Level Broadband	25	0	25	71	0	71	1	0	1	97	80
Legal 2	11	0	11	16	3	19	0	0	0	30	27
Legal 1	13	1	14	37	5	42	0	0	0	56	50
Chief Medical Officer	1	0	1	0	0	0	0	0	0	1	1
Medical Officer 6	1	0	1	1	1	2	0	0	0	3	1
Medical Officer 5	12	0	12	7	2	9	0	0	0	21	19
Medical Officer 4	14	0	14	15	8	23	0	0	0	37	31
Medical Officer 3	5	9	14	12	23	35	0	0	0	49	46
Medical Officer 2	0	0	0	1	0	1	0	0	0	1	1
Senior Public Affairs 1	0	0	0	1	0	1	0	0	0	1	0

Table 3: Ongoing staff numbers by classification at 30 June 2022[1] (continued)

Classification	Male			Female			Non-binary			30 June 2022 total	30 June 2021 total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total non-binary		
Public Affairs 3	1	0	1	4	1	5	0	0	0	6	5
Principal Research Scientist	0	0	0	1	1	2	0	0	0	2	1
Research Scientist	0	0	0	1	0	1	0	0	0	1	0
Other[4]	1	0	1	0	0	0	0	0	0	1	1
Total	**1,436**	**88**	**1,524**	**2,835**	**784**	**3,619**	**5**	**6**	**11**	**5,154**	**4,450**

Notes:

[1] Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2022.

[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 2022[1]

Classification	Male			Female			Non-binary			30 June 2022 total	30 June 2021 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total non-binary		
SES 3	0	0	0	0	0	0	0	0	0	0	0
SES 2	2	0	2	2	0	2	0	0	0	4	2
SES 1	1	0	1	1	1	2	0	0	0	3	1
Holder of Public Office	2	0	2	2	0	2	0	0	0	4	4
EL 2	8	4	12	5	3	8	1	0	1	21	17
EL 1	30	7	37	48	10	58	1	0	1	96	54
APS 6	46	3	49	112	20	132	2	0	2	183	90
APS 5	32	2	34	61	6	67	0	0	0	101	43
APS 4	22	2	24	57	4	61	0	0	0	85	56
APS 3	4	1	5	5	3	8	0	0	0	13	11
APS 2	1	1	2	2	5	7	0	0	0	9	10
APS 1	0	0	0	0	0	0	0	0	0	0	0
Health Entry-Level Broadband	0	0	0	0	0	0	0	0	0	0	0
Legal 2	0	0	0	0	0	0	0	0	0	0	0
Legal 1	3	0	3	2	1	3	0	0	0	6	8
Chief Medical Officer	0	0	0	0	0	0	0	0	0	0	0
Medical Officer 6	0	0	0	0	1	1	0	0	0	1	3
Medical Officer 5	1	2	3	0	1	1	0	0	0	4	4
Medical Officer 4	0	1	1	1	1	2	0	0	0	3	4
Medical Officer 3	0	2	2	0	2	2	0	0	0	4	3
Medical Officer 2	1	0	1	0	1	1	0	0	0	2	0
Senior Public Affairs 1	0	0	0	0	0	0	0	0	0	0	0

Table 4: Non-ongoing staff numbers by classification at 30 June 2022[1] (continued)

Classification	Male			Female			Non-binary			30 June 2022 total	30 June 2021 total
	Full-time	Part-time	Total Male	Full-time	Part-time	Total Female	Full-time	Part-time	Total non-binary		
Public Affairs 3	0	0	0	0	0	0	0	0	0	0	0
Principal Research Scientist	0	0	0	0	0	0	0	0	0	0	0
Research Scientist	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	**153**	**25**	**178**	**298**	**59**	**357**	**4**	**0**	**4**	**539**	**310**

Notes:

[1] Includes staff on leave and secondment and staff acting at a higher level for any period as at 30 June 2022.

Table 5: Distribution of all staff by state and territory at 30 June 2022

State/territory	Ongoing	Non-ongoing	30 June 2022 total	30 June 2021 total
Australian Capital Territory	4,238	369	4,607	4,036
New South Wales	291	49	340	272
Northern Territory	16	2	18	9
Queensland	196	42	238	135
South Australia	85	23	108	56
Tasmania	60	7	67	45
Victoria	217	36	253	166
Western Australia	51	11	62	41
Total	**5,154**	**539**	**5,693**	**4,760**

Table 6: Indigenous staff by employment status at 30 June 2021 and 30 June 2022

Employment status	Indigenous staff	
	30 June 2022 total	30 June 2021 total
Ongoing	141	119
Non-ongoing	9	1
Total	**150**	**120**
Percentage of Indigenous staff in the Department	**2.6%**	**2.5%**

Table 7: Number of SES staff covered by Individual Agreements

Nominal Classification	Number of SES staff with Individual Agreements		Total
	Female	Male	
SES 3	3	3	6
SES 2	16	18	34
SES 1	77	48	125
Chief Medical Officer	0	1	1
Medical Officer 6	4	1	5
Medical Officer 5	10	12	22
Total	**110**	**83**	**193**

Table 8: Key management personnel (KMP) length of term at 30 June 2022

During the 2021–22 financial year, the Department had 16 executives who met the definition of KMP.

Name	Position title	Term as KMP
Dr Brendan Murphy	Secretary	Full year
Lieutenant General John Frewen	Coordinator General, Operation COVID Shield	Full year
Professor Paul Kelly	Chief Medical Officer	Full year
Adjunct Professor John Skerritt	Deputy Secretary	Full year
Teena Blewitt	Deputy Secretary (acting)	Full year
Michael Lye	Deputy Secretary	Full year
Penny Shakespeare	Deputy Secretary	Full year
Charles Wann	Chief Operating Officer	Full year
Tania Rishniw	Deputy Secretary	Full year
Paul McBride	Deputy Secretary (acting)	Full year
Margot McCarthy	Special Advisor	Part year (1 July to 11 January 2022)
Caroline Edwards	Associate Secretary	Part year (1 July to 11 July 2021)
Adriana Platona	Deputy Secretary (acting)	Part year (15 December 2021 to 14 January 2022 and 18 April to 26 April 2022)
Daniel McCabe	Deputy Secretary (acting)	Part year (17 January to 8 February 2022 and 7 April to 17 April 2022)
Paul McCormack	Deputy Secretary (acting)	Part year (20 December 2021 to 14 Jan 2022)
Nicholas Hartland	Deputy Secretary (acting)	Part year (20 September to 10 October 2021 and 19 April to 25 April 2022)

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 $5.57 million in KMP expenses during 2021–22. 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	807,946	0	3,164	31,813	6,655	0	0	849,577
Lieutenant General John Frewen	Coordinator General, Operation COVID Shield[2]	445,577	0	11,512	150,872	10,939	0	0	618,901
Professor Paul Kelly	Chief Medical Officer	418,087	0	34,065	72,454	12,440	0	0	537,046
Adjunct Professor John Skerritt	Deputy Secretary	389,573	0	30,901	69,604	10,864	0	0	500,942
Teena Blewitt	Deputy Secretary (acting)[3]	412,359	0	3,164	54,482	12,051	0	0	482,056
Michael Lye	Deputy Secretary	388,142	0	3,164	74,263	11,109	0	0	476,678
Penny Shakespeare	Deputy Secretary	352,132	0	31,264	60,216	9,573	0	0	453,185
Charles Wann	Chief Operating Officer	321,111	0	34,065	60,382	9,226	0	0	424,784
Tania Rishniw	Deputy Secretary	316,088	0	34,065	61,127	9,379	0	0	420,660
Paul McBride	Deputy Secretary (acting)	297,925	0	31,765	48,029	7,407	0	0	385,126
Margot McCarthy	Special Advisor	150,680	0	18,280	37,614	4,676	0	0	211,250

Table 9: Information about remuneration for key management personnel (KMP)[1] (continued)

		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**		
Caroline Edwards	Associate Secretary	32,005	0	1,344	29,313	3,967	0	0	66,629
Adriana Platona	Deputy Secretary (acting)	36,382	0	3,457	5,518	907	0	0	46,263
Daniel McCabe	Deputy Secretary (acting)	28,783	0	2,766	4,408	699	0	0	36,655
Paul McCormack	Deputy Secretary (acting)	25,688	0	2,305	3,374	518	0	0	31,885
Nicholas Hartland	Deputy Secretary (acting)	23,687	0	2,305	3,979	611	0	0	30,583

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 the Department of Defence and seconded to Health free of charge.

[3] Employed by the Department of Social Services and seconded to Health under a memorandum of understanding arrangement.

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	62	94,543	0	10,235	17,166	2,512	0	3,282	127,738
220,001 - 245,000	13	164,892	0	25,958	31,297	4,502	0	9,943	236,591
245,001 - 270,000	41	191,012	0	25,759	34,071	5,121	0	0	255,964
270,001 - 295,000	40	210,708	0	22,833	37,034	5,453	0	4,568	280,596
295,001 - 320,000	27	236,954	0	24,427	41,146	6,058	0	0	308,585
320,001 - 345,000	14	254,322	0	27,517	42,443	6,219	0	0	330,502
345,001 - 370,000	12	279,249	0	22,779	43,672	6,617	0	3,255	355,572
370,001 - 395,000	1	304,658	0	13,516	52,739	8,008	0	0	378,921
395,001 - 420,000	3	316,635	0	28,170	51,178	7,880	0	0	403,863
420,001 - 445,000	2	369,755	0	16,621	37,383	6,698	0	0	430,457
445,001 - 470,000	0	0	0	0	0	0	0	0	0
470,001 - 495,000	1	373,755	0	30,078	67,702	9,898	0	0	481,433

Notes:

[1] Any employee who held a substantive SES or equivalent position during 2021–22 is represented as one. This excludes those executives who have been disclosed in Table 9.

[2] Excludes bond rate impact on long service leave and changes to actuarial parameter impacts on long service leave.

[3] Termination payments (excluding employee leave entitlement payments) were made to 5 senior executives or equivalent employees during 2021–22.

[4] The table includes the part year impact of senior executives who either commenced or separated during the year, including 4 senior executives who were partially reported in Table 9.

Table 11: Information about remuneration for other highly paid staff

		Short-term benefits $			Post-employment benefits $	Other long term benefits $		Termination benefits $	Total remuneration $
Total remuneration bands $	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave[1]	Average other long term benefits	Average termination benefits[2]	Average total remuneration[3]
235,001 - 245,000	6	186,927	0	21,553	28,077	4,069	0	0	240,626
245,001 - 270,000	7	183,340	0	29,644	36,762	4,834	0	0	254,581
270,001 - 295,000	1	101,041	0	0	20,449	3,067	0	145,841	270,397
295,001 - 320,000	0	0	0	0	0	0	0	0	0
320,001 - 345,000	0	0	0	0	0	0	0	0	0
345,001 - 370,000	1	312,003	0	0	48,049	0	0	0	360,052

Notes:

[1] Excludes bond rate and changes to actuarial parameter impacts on long service leave.

[2] Termination payments (excluding employee leave entitlement payments) relate to one employee who ceased during 2021–22.

[3] The table includes the part year impact of some employees who have temporarily filled a SES position during 2021–22.

Table 12: Salary ranges by classification level

Classification	Minimum salary $	Maximum salary $
SES 3	$327,999	$417,953
SES 2	$231,175	$340,000
SES 1	$178,335	$261,171
EL 2	$127,247	$150,654
EL 1	$106,654	$121,640
APS 6	$86,790	$97,912
APS 5	$77,529	$83,844
APS 4	$72,332	$76,427
APS 3	$63,843	$70,765
APS 2	$55,245	$60,287
APS 1	$47,269	$53,087
Other[1]	$28,363	$43,016

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 2022

Number of staff covered by the:		Total
EA	EA and an approved Individual Flexibility Arrangement	
5,464	57	5,521

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	APS classification	Salary ranges at 30 June 2022 $
Health Entry Level (T, I, A, or G)[1]	APS 4	$76,427
		$74,322
		$72,332
	APS 3	$70,765
		$67,555
		$65,651
		$63,843
	APS 2	$60,287
		$58,612
		$56,903
		$55,245
	APS 1	$53,087
		$50,617
		$48,941
		$47,269
	Staff at 20 years of age	$43,016
	Staff at 19 years of age	$38,289
	Staff at 18 years of age	$33,088
	Staff under 18 years of age	$28,363

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	APS classification	Salary ranges at 30 June 2022 $
Professional 1	APS 5	$83,844
	APS 5	$79,637
	APS 4	$74,323
	APS 4[1]	$72,333
	APS 3[2]	$67,555
	APS 3	$65,651

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 2022 $
Medical Officer Class 6	$286,216
	$271,539
	$256,861
	$242,183
Medical Officer Class 5	$242,183
	$231,908
	$221,634
	$211,360
Medical Officer Class 4	$180,965
	$170,812
	$164,408
Medical Officer Class 3	$157,848
	$150,761
Medical Officer Class 2	$142,065
	$134,832
Medical Officer Class 1	$123,214
	$111,619
	$103,712
	$95,737

Table 18: Legal salary structure

Local title	APS classification	Salary ranges at 30 June 2022 $
Legal 2	EL 2	$155,929
		$149,160
		$144,339
Legal 1	EL 1	$131,980
		$121,500
		$111,295
	APS 6	$95,768
		$91,000
		$86,790
	APS 5	$80,330
	APS 4	$75,309

Table 19: Public Affairs salary structure

Local title	Classification	Salary ranges at 30 June 2022 $
Senior Public Affairs 2	EL 2	$156,682
		$150,592
Senior Public Affairs 1	EL 2	$143,422
Public Affairs 3	EL 1	$130,763
		$124,420
		$116,858
Public Affairs 2	APS 6	$98,013
		$91,000
		$86,790
Public Affairs 1	APS 5	$83,844
		$79,637
	APS 4	$76,427
	APS 4[1]	$72,333

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 2022 $
Senior Principal Research Scientist	EL 2	$191,332
		$172,110
Principal Research Scientist	EL 2	$168,733
		$163,504
		$156,831
		$152,695
		$147,032
Senior Research Scientist	EL 2	$153,216
		$143,422
		$138,788
		$127,247
Research Scientist	EL 1	$114,607
		$106,654
	APS 6	$91,167
		$86,407
		$84,057

Appendix 2: Processes Leading to PBAC Consideration – Annual Report for 2021–22

Introduction

This is the 13th annual report to the Parliament on processes that lead to the Pharmaceutical Benefits Advisory Committee's (PBAC's) consideration of applications (and associated recommendations) to list items on the Pharmaceutical Benefits Scheme (PBS).

This annual report has been prepared pursuant to subsection 99YBC(5) of the *National Health Act 1953* (the Act), under which it is required that:

The Secretary must, as soon as practicable after June 30 in each year, prepare and give to the Minister a report on processes leading up to PBAC consideration, including:

a) *the extent and timeliness with which responsible persons are provided copies of documents relevant to their submission to the PBAC*

b) *the extent to which responsible persons exercise their right to comment on these documents, including appearing at hearings before the PBAC*

c) *the number of responsible persons seeking a review of the PBAC recommendation.*

Pharmaceutical Benefits Advisory Committee

The PBAC is established under section 100A of the Act and is an independent expert body appointed by the Australian Government. Members include doctors, health professionals and health economists, as well as industry and consumer representatives. Its primary role is to consider medicines for listing on the PBS and vaccines for inclusion on the National Immunisation Program (NIP). No new medicine can be listed unless the PBAC makes a positive recommendation to the Minister for Health and Aged Care (the Minister). The PBAC holds 3 scheduled meetings each year, usually in March, July and November, as well as 3 intracycle meetings each year.[101]

When considering a medicine for listing, the PBAC considers 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 2 sub-committees to assist with analysis and advice in these areas. They are the:

- **Economics Sub-Committee (ESC)**, which assesses clinical and economic evaluations of medicines submitted to the PBAC for listing, and advises the PBAC on the technical aspects of these evaluations.
- **Drug Utilisation Sub-Committee (DUSC)**, which assesses estimates on projected usage and the financial cost of medicines. It also collects and analyses data on actual use (including in comparison with different countries) and provides advice to the PBAC.

[101] The data in this report does not include data for intracycle or extraordinary meetings. Sponsors can only lodge submissions to the main meetings through the Health Products Portal.

Role of the PBAC

The PBAC:

- recommends medicines and medicinal preparations to the Minister for funding under the PBS
- since 2006, recommends vaccines to the Minister for funding under the NIP
- advises the Minister and Department about cost-effectiveness
- recommends maximum quantities and repeats based on community use, and any restrictions on the indications where PBS subsidy is available
- 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[102]

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-subcommittee response(s) 5 weeks before the relevant PBAC meeting. Following the meeting of PBAC sub-committees, the PBAC Secretariat provides relevant sub-committee papers to applicants 2 weeks before the relevant PBAC meeting. Sponsors then provide their responses to the PBAC Secretariat one week before the PBAC meeting.

Following the PBAC meeting, the PBAC Secretariat provides summary advice on the outcomes of PBAC consideration to the relevant sponsor half a week after the meeting, with detailed advice provided 3 weeks (positive recommendations) and 5 weeks (all other outcomes) after the relevant PBAC meeting.

Where requested, the PBAC Secretariat, the PBAC and its sub-committees provide informal access to departmental officers and formal access to the PBAC for applicants or their representatives, including the option for the sponsor to appear before the PBAC in person.

[102] 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 2021–22, the PBAC held 3 ordinary meetings. Of the 99 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications that were lodged for consideration by the PBAC in 2021–22, all applicants exercised their right to respond to their commentaries. Due to hold overs[103]/withdrawals, 94 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered by the PBAC in 2021–22. For the:

- **July 2021 PBAC meeting**, 26 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. A total of 25 responses were received for the commentaries. One submission was withdrawn by the sponsor before the PBAC meeting and one submission was held over to a future meeting. Therefore, 24 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered.
- **November 2021 PBAC meeting**, 33 Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions applications were lodged. A total of 33 responses were received for the commentaries. Two submissions were held over before the PBAC meeting to a future meeting. One submission that was held over from the July 2021 meeting was considered at this meeting. Therefore, 32 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered.
- **March 2022 PBAC meeting**, 40 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were lodged. A total of 39 responses were received for the commentaries. Two submissions were held over before evaluation to a future meeting. One submission was held over before the PBAC meeting to a future meeting. One submission that was held over from the November 2021 meeting provided a response to the commentary and was considered at this meeting. Therefore, 38 Category 1, Category 2, facilitated resolution pathway, and standard re-entry applications were considered.

c) Number of responsible persons seeking a review of PBAC recommendations

During the 2021–22 financial year, there were no requests to the PBAC for an Independent Review.

Number and category of applications for each PBAC meeting in 2021–22[104]

July 2021 PBAC Meeting

Category	Number
1	9
2	14
3	6
4	3
Committee Secretariat	8
Early resolution	0
Early re-entry	5
Facilitated resolution	0
Standard re-entry	3
Total	**48**

[103] A hold over refers to an item that is moved to a subsequent meeting for consideration.

[104] The categories for applications are prescribed by the National Health (Pharmaceuticals and Vaccines—Cost Recovery) Regulations 2022. Further information on the categories of submissions are available at: www.legislation.gov.au/Details/F2022C00801

November 2021 PBAC Meeting

Category	Number
1	8
2	15
3	5
4	7
Committee Secretariat	2
Early resolution	2
Early re-entry	2
Facilitated resolution	0
Standard re-entry	10
Total	**51**

March 2022 PBAC Meeting

Category	Number
1	5
2	26
3	9
4	3
Committee Secretariat	7
Early resolution	3
Early re-entry	7
Facilitated resolution	1
Standard re-entry	8
Total	**69**

Number and category of withdrawn applications for each PBAC meeting in 2021–22

July 2021 PBAC Meeting

Category	Number	Reasons for withdrawal
1	0	N/A
2	1	Determined by applicant, reason not available
3	0	N/A
4	0	N/A
Committee Secretariat	0	N/A
Early resolution	0	N/A
Early re-entry	0	N/A
Facilitated resolution	0	N/A
Standard re-entry	0	N/A

November 2021 PBAC Meeting

Category		
1	0	N/A
2	0	N/A
3	0	N/A
4	0	N/A
Committee Secretariat	0	N/A
Early resolution	0	N/A
Early re-entry	0	N/A
Facilitated resolution	0	N/A
Standard re-entry	0	N/A

March 2022 PBAC Meeting

Category	Number	Reasons for withdrawal
1	0	N/A
2	0	N/A
3	0	N/A
4	1	Determined by applicant, reason not available
Committee Secretariat	0	N/A
Early resolution	0	N/A
Early re-entry	0	N/A
Facilitated resolution	0	N/A
Standard re-entry	0	N/A

Number of responsible persons that responded to their commentaries, including appearing before PBAC meetings

All of the responsible persons who submitted a Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions to the PBAC during 2021–22 responded to their commentary.

July 2021 PBAC Meeting

Number of Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
26	25	14

November 2021 PBAC Meeting

Number of Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
33	33	16

March 2022 PBAC Meeting

Number of Category 1, Category 2, facilitated resolution pathway, and standard re-entry submissions	Number of responsible persons that responded to their commentaries	Number of responsible persons that appeared before PBAC
40	39	15

Number of pre-submission meetings held in 2021–22

Pre-submission meetings per month	Meetings held
2021	
July	0
August	6
September	8
October	2
November	2
December	4
2022	
January	4
February	0
March	1
April	2
May	5
June	0
Total	**34**

Appendix 3: Report on the operation of the Australian Industrial Chemicals Introduction Scheme for 2021–22

About the Australian Industrial Chemicals Introduction Scheme (AICIS)

The *Industrial Chemicals Act 2019* (IC Act) establishes AICIS as the regulatory scheme for the importation and manufacture (introduction) of industrial chemicals in Australia. The Office of Chemical Safety (OCS), within the Department of Health, administers AICIS.

AICIS is designed to make regulatory effort proportionate to the risks posed by industrial chemical introductions. The scheme aids in the protection of the Australian people and the environment by assessing the human health and environmental risks of industrial chemicals, providing information to promote their safe use, and making risk management recommendations to Commonwealth standard-setting bodies, and state and territory risk managers.

Figure 1. AICIS functions

Highlights

In 2021–22:

- AICIS exceeded its performance measures (refer Outcome 1: Health Policy, Access and Support, page 59 of this Annual Report).
- 996 new businesses were registered with AICIS, 709 as a direct result of compliance monitoring activities, resulting in a total of 7,713 registrants.
- Industry uptake of the reported introduction category continued to increase, with 1,384 pre-introduction reports (PIRs) received, reducing time to market and costs for introducers of low risk chemicals.
- 6 unauthorised industrial chemicals were seized, and 60-penalty unit infringement notices were issued to 2 businesses importing industrial chemicals without the required registration.
- Evaluation statements assessing the human health and environmental impacts of 3,763 unique chemicals listed on the Australian Inventory of Industrial Chemicals (the Inventory) were completed, reaching 89% of the 2024 target set in the Evaluation Roadmap.
- The chemical pentabromodiphenyl ether (pentaBDE) was removed from the Inventory, and the certificate for decabromodiphenylethane (DBDPE) was cancelled. The Executive Director was not satisfied the risks from the introduction or use of these 2 brominated flame retardants could be managed within existing regulatory frameworks.
- A copy of the publicly available information on the Inventory was made available as a downloadable digital version.
- Several IT functionalities were made available to stakeholders through AICIS Business Services, enabling agents and consultants to submit post-introduction declarations on behalf of introducers.
- Amendments were made to the Industrial Chemicals (General) Rules 2019 as part of measures taken by the Australian Government to ratify the Minamata Convention on Mercury. These amendments mean that anyone seeking to import or export mercury, or mercury mixtures, for industrial use must apply for and receive authorisation from the Executive Director.

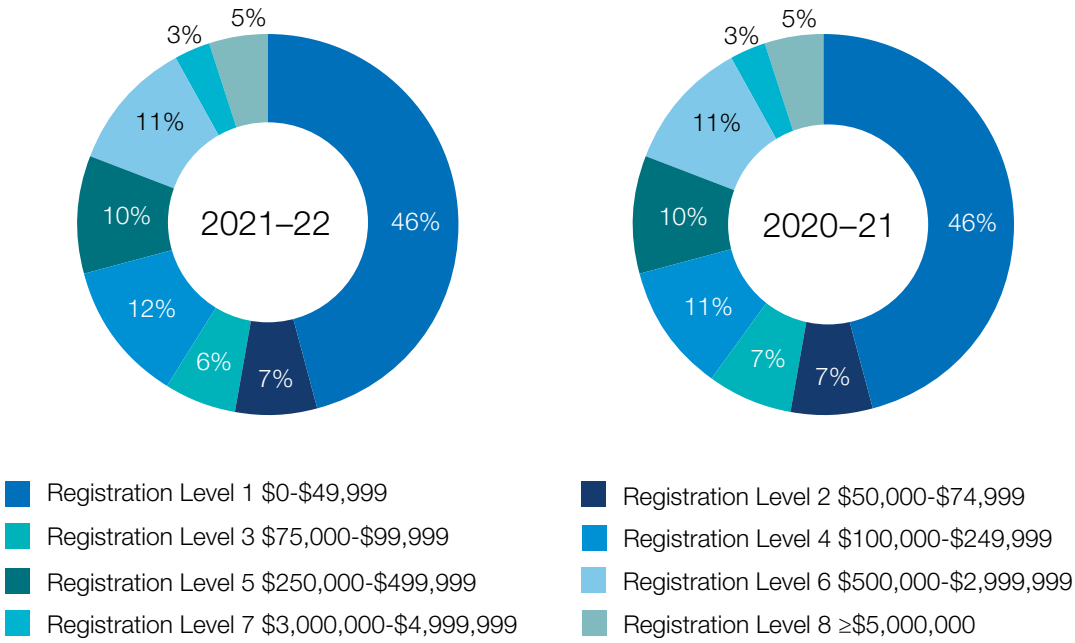
Registration

Introducers (importers and manufacturers) of industrial chemicals into Australia must be included on the publicly available Register of Industrial Chemical Introducers[105]. 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. The revenue from registration is used to conduct post-market evaluations of industrial chemicals, monitor compliance and manage contraventions of our laws, and provide scheme support and communication activities.

There are 8 levels of registration. Level 1 registrants (46% of registrants; those 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 2021–22, 7,713 introducers were registered with AICIS compared to 7,921 in the previous financial year. A total of 996 introducers that registered in 2021–22 were new registrants (Figure 3).

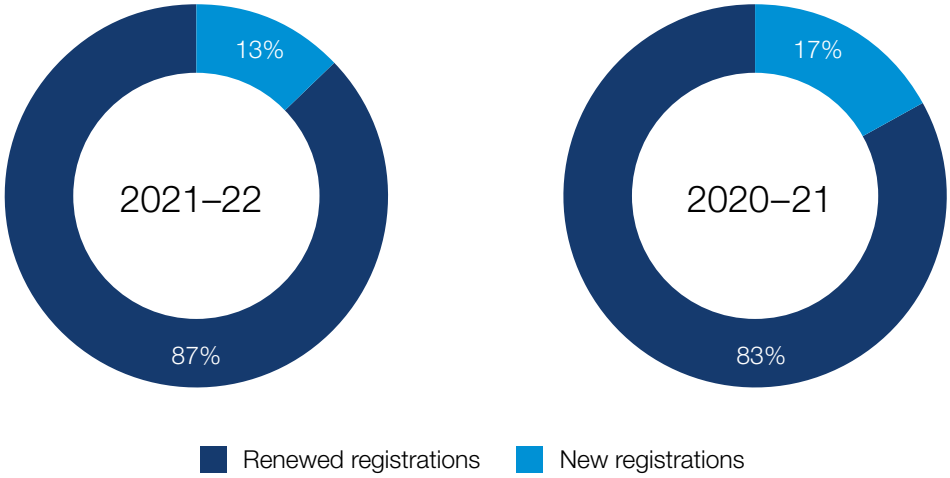
[105] Available at: www.industrialchemicals.gov.au/search-registered-businesses/business-index-listing

Figure 2. Number of registrants by registration level for 2021–22 compared to 2020–21



Source: AICIS internal data

Figure 3: New registrants vs registration renewals for 2021–22 compared to 2020–21



Source: AICIS internal data

Key registration statistics during 2021–22

- 7,713 businesses registered with AICIS.
- 6,717 (87%) businesses were renewed registrants from 2020–21.
- 996 (13%) businesses were new registrants.
- 470 businesses did not renew their registration in 2021–22.

Inventory management

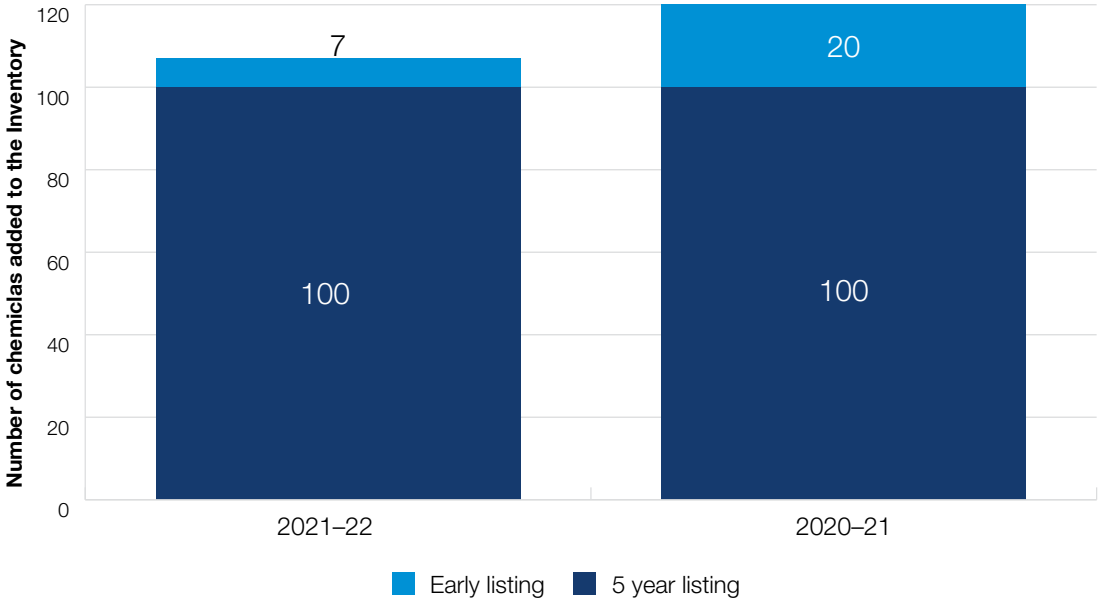
The Inventory provides chemical identity information and regulatory obligations and restrictions relating to the importation and manufacture of listed industrial chemicals.

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 2021–22, 1,366 submissions of information were received in relation to chemicals with a 'specific information requirement' obligation. Following screening, 3 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 commercial evaluation introductions.

Chemicals are listed on the Inventory 5 years after an assessment certificate has been issued, unless the certificate holder applies for and is granted early listing. Listings in 2021–22 included both transitioned chemicals (applications submitted under the previous scheme[106] that were still in progress at the commencement of AICIS), and chemicals assessed under AICIS. During 2021–22, 107 chemicals were added to the Inventory compared to 120 in 2020–21 (Figure 4).

Figure 4: Chemicals added to the Inventory by listing type in 2021–22 compared to 2020–21.



Source: AICIS internal data

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 2021–22, 19 applications for continued protection of CBI were approved, and one chemical was listed with an AICIS approved chemical name (AACN). In addition, the chemical pentaBDE was removed from the Inventory following an evaluation. The Executive Director was not satisfied the risks to human health or the environment from the introduction or use of this chemical could be managed within existing regulatory frameworks.

In 2021–22, a copy of the publicly available information on the Inventory (snapshot as at 10 February 2022) was made available as a downloadable digital version.

[106] The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) was replaced by AICIS on 1 July 2020

Key inventory statistics during 2021–22

- As at 30 June 2022, the total number of chemicals on the Inventory was 39,499, of which 94 were confidentially listed and one chemical was listed with an AACN.
- Minor corrections were made to 217 chemicals on the Inventory to increase the accuracy of the chemical identity.
- Inventory listings for 13 chemicals became publicly searchable following revocation of CBI approval at the 5 yearly review.
- 2,880 requests were received from introducers for searches of confidentially listed chemicals on the Inventory.

Compliance monitoring

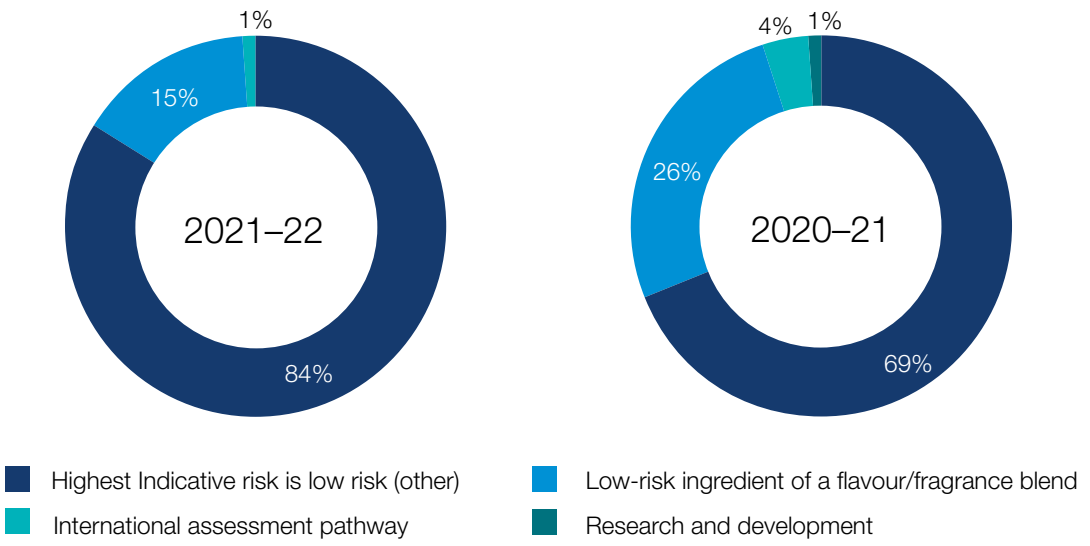
The AICIS compliance strategy employs a risk based approach to compliance monitoring of regulated entities. Compliance monitoring and enforcement activities are proportionate to risk, with an initial focus on education and awareness raising to assist introducers' understanding of their regulatory obligations under the IC Act.

During 2021–22, the registration levels for 714 registrants were assessed and adjusted.

For introductions categorised as reported, once a PIR is submitted an introducer can commence importing or manufacturing their chemical. The categorisation criteria are risk based, considering 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. In 2021–22, 1,384 PIRs were submitted, compared to 782 submitted in 2020–21. Like last financial year, the majority of submitted PIRs were for the type 'Highest indicative risk is low risk (other)' (Figure 5).

All submitted PIRs were subjected to rapid pre-screening to select reports for further analysis, with 382 further reviewed for potential miscategorisation in 2021–22. Additional information to support categorisation was requested for 38 PIRs. Since the start of AICIS, this monitoring activity has identified that 3% of the PIRs did not meet the criteria for a reported introduction or the type of reported introduction. The subsequent action required of the introducer for the introduction to be authorised varied depending on the circumstances of the introduction. In addition, for 19% of PIRs, introducers were contacted with specific guidance on their compliance obligations, or advised of changes required. All identified instances of non-compliance were referred for case management, and screening of PIRs submitted in 2021–22 will continue into 2022–23.

Figure 5: Submitted PIRs by type of reported introduction for 2021–22 compared to 2020–21



Source: AICIS internal data

For introductions categorised as exempted, introducers must submit a once-off post-introduction declaration (PID). The first PIDs under AICIS were due by 30 November 2021 and cover the period 1 July 2020 to 31 August 2021. 1,698 PIDs were received during 2021–22, with the majority (94%) for the exempted introduction category 'Highest indicative risk is very low risk'.

Anyone seeking to import or export certain banned or severely restricted chemicals subject to the prior informed consent procedure of the Rotterdam Convention must apply for and receive authorisation from the Executive Director. Two annual export authorisations were granted in 2021–22. Imports and exports relating to all active authorisations were also monitored to ensure the terms of these authorisations were met, and an additional 8 monitoring activities were undertaken to ensure all relevant shipments were subject to an AICIS authorisation.

Enforcement powers under the IC Act and the *Regulatory Powers (Standard Provisions) Act 2014* were used to issue 60-penalty unit infringement notices to 2 businesses importing industrial chemicals without the required registration. OCS assisted the Australian Federal Police in the investigation of a bulk quantity of a controlled substance, resulting in 2 convictions against the IC Act.

Following Australia's ratification of the Minamata Convention on Mercury, which conferred amendments to the Industrial Chemicals (General) Rules 2019, 1 application to export mercury to a non-party to the Minamata Convention was received and refused.

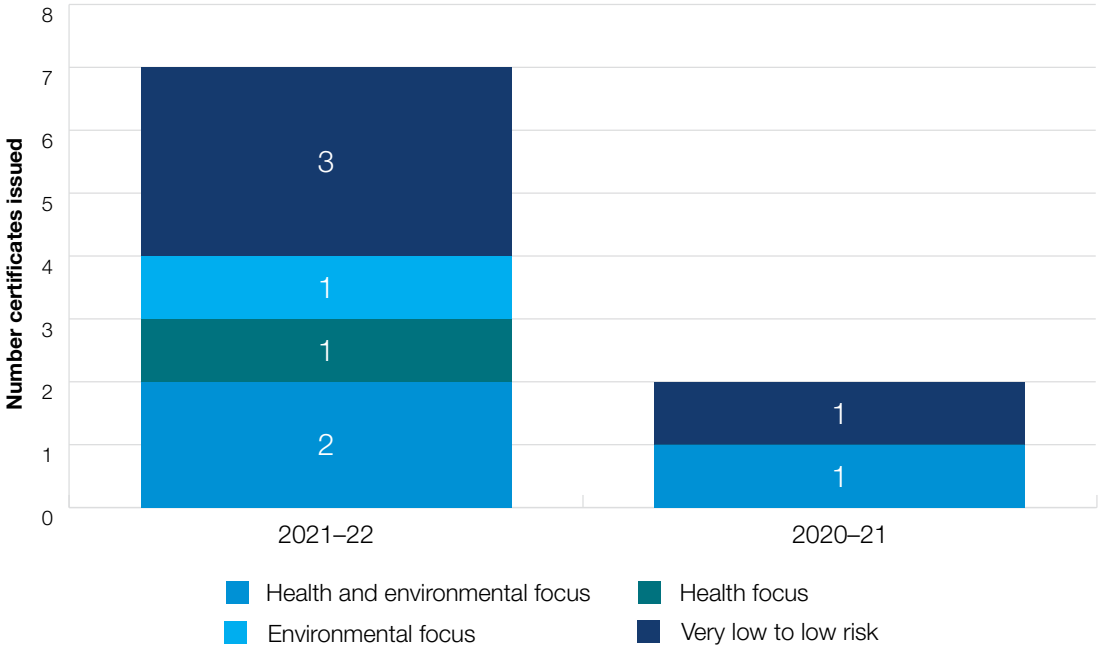
Key compliance statistics during 2021–22

- 709 introducers registered with AICIS as a direct result of compliance monitoring activities.
- 440 referrals of non-compliance were received from within the organisation, industry, community, and other government agencies.
- 100% of referrals of non-compliance were screened and prioritised, and 434 compliance cases resolved.
- 31 unauthorised chemicals were identified through listed introduction compliance monitoring activities.
- 6 unlawfully imported industrial chemicals were seized, and 2 fines issued for importing industrial chemicals without the required registration.

Assessment and evaluation of industrial chemicals

For introductions categorised as assessed, introducers must apply for an assessment certificate and receive a certificate prior to introduction. There are 5 main types of application for an assessment certificate: health and environmental focus, health focus, environmental focus, very low to low risk, and comparable hazard assessments. A total of 7 assessment certificates were issued in 2021–22 (Figure 6), compared to 2 issued in 2020–21. No applications for a comparable hazard assessment were received in either 2020–21 or 2021–22.

Figure 6: Certificates issued by type for 2021–22 compared to 2020–21



Source: AICIS internal data

Applications submitted prior to the commencement of AICIS were completed in accordance with the *Industrial Chemicals (Consequential Amendments and Transitional Provisions) Act 2019*, with 4 certificates issued.

If the strict criteria for a commercial evaluation are met, a commercial evaluation authorisation (CEA) is an alternative option to the exempted, reported, or assessed introduction categories. The CEA pathway encourages innovation by providing a faster, cost-effective way to introduce a chemical to evaluate its commercial potential. One CEA was issued in 2021–22, and 3 authorisations were varied.

Chemicals already available for an industrial use in Australia can be evaluated under AICIS. This includes chemicals that are listed on the Inventory, chemicals authorised by an assessment certificate, reported or exempted introductions, and excluded from other parts of the IC Act. In 2021–22, the AICIS evaluations roadmap and the rolling action plan for evaluations were published. The roadmap outlines OCS's strategic approach for evaluating the human health and environmental risks of introducing and using industrial chemicals in Australia and sets key targets. In addition, evaluations for human health and the environment were completed for 3,763 unique chemicals. This includes an evaluation that resulted in the cancelling of a certificate. An assessment of the brominated flame retardant DBDPE identified that the chemical has the characteristics of a persistent organic pollutant. A subsequent evaluation included advice from the risk manager that the risks to the environment of the introduction and use of the chemical could not be managed.

Chemicals on the Inventory for which a current risk assessment was not available continue to be targeted for evaluation using set criteria. As at 30 June 2022, AICIS evaluated 3,761 of the chemicals listed on the Inventory, reaching 89% of the 2024 target set in the Evaluation Roadmap.

Assessments and evaluations produce information to support the risk management of chemicals where required. Assessments and evaluations completed in 2021–22 contained a total of 288 recommendations for regulatory bodies, including 192 recommendations for Safe Work Australia, 58 recommendations for the Department of Health (Standard for the Uniform Scheduling of Medicines and Poisons) and 2 for the Department of Agriculture, Water and the Environment.

Key assessment and evaluation statistics during 2021–22

- 18 certificates and authorisations were issued or varied.
- 3,763 unique chemicals were evaluated (via 81 evaluations).
- 57 evaluations were initiated and added to the rolling action plan.
- 6 applications to add certificate holders and one application to remove certificate holders were completed.
- 6 applications to add persons covered by an assessment certificate were completed.
- Evaluations and assessments included 288 recommendations for regulatory bodies.
- 1 certificate was cancelled on the basis that the risks to the environment cannot be managed.

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[107] 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 IC 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 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. AICIS Business Services requires a declaration to be made regarding use of new animal data when relevant PIR and PID submissions are made to AICIS.

In 2021–22:

- Of the PIRs submitted for reported introductions with an end use in cosmetics, none used new animal test data to determine the category of introduction.
- Of the PIDs submitted for exempted introductions with an end use in cosmetics, none used new animal data to determine the category of introduction.
- Of the certificates issued for assessed introductions with an end use in cosmetics, none used new animal test data to support their application.

[107] A cephalopod is any member of the molluscan class Cephalopoda, such as squid, octopus or cuttlefish.

Capability building

Capability building continued across the organisation through:

- Developing guidance/training material addressing toxicological modes of action not relevant to humans, approaches for setting safe exposure thresholds for local health endpoints, occupational exposure models, and risk assessments of nanoscale materials.
- Hosting regular forums on a diverse range of scientific and non-scientific topics featuring national and international experts, regulators, community groups, academia, and industry.
- 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.
- Continuing to work collaboratively with our bilateral and multilateral partners to enhance our awareness and increase skills in use and interpretation of non-animal tests/methodologies in risk assessment.
- Provision of library services to all staff. In 2021–22, 142 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.
- Participating in regulators' forums, including a presentation at the Regulatory Science Network's Annual Symposium.
- Collaborating with government departments/agencies (such as the Department of Agriculture, Water and the Environment, the Department of Health, and the Therapeutic Goods Administration), including responding to requests for technical input on various topics.

Digital transformation

AICIS IT system and website

The efficient and effective management of information is supported by the AICIS IT System, which 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. It also provides transparency to industry stakeholders who can view the status of their applications and payments through a personalised dashboard available through AICIS Business Services. AICIS Business Services is connected to:

- Microsoft Dynamics Customer Relationship Management (CRM), a platform used in several 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. IUCLID is used by AICIS to enable applicants to meet their regulatory information requirements, and for OCS to conduct risk assessments.

In 2021–22, active engagement and collaboration on the use of IUCLID for information submission and risk assessments continued with the IUCLID Management Group and the European Chemicals Agency (ECHA). In addition, several IT functionalities were made available to stakeholders through AICIS Business Services, enabling agents and consultants to submit post-introduction declarations on behalf of introducers, and streamlining OCS activities related to enquiries management, reporting, and database searching. Microsoft Power BI is used to connect to the AICIS instance of CRM to output various reports.

Database driven information related to Inventory, Register of Introducers, AICIS Assessment and Evaluation Statements, and historical National Industrial Chemicals Notification and Assessment Scheme assessments were made available to various stakeholders in 2021–22. The beta version of a new Inventory search function was released in April 2022, and included new features, including a button to download a spreadsheet containing a copy of all the chemicals on the Inventory at any point in time. Two other beta search pages were released to the public for feedback:

- Search for businesses registered with AICIS – released in April 2022.
- Search for assessment and evaluation reports – released in June 2022.

Stakeholder engagement

During 2021–22, active engagement with government entities, the chemical industry, community groups, and academia continued 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. In addition, a 'tree test' survey was released to newsletter subscribers and users of AICIS Business Services. The survey was part of a user research project on the usability and findability of topics on the website. Around 260 survey results were collected and will be analysed to find ways to improve website users' experience.

The AICIS Strategic Consultative Committee (SCC), with representatives drawn from peak industry and civil society groups, continued as the primary stakeholder consultation mechanism. One meeting of the SCC was held 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.

In 2021–22, collaborating with international counterparts on regulatory and scientific matters continued 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 OCS engages multilaterally. OCS staff attended 23 meetings of the OECD working parties and technical groups and provided input to 36 requests on various topics of interest. OCS also participates in the Asia Pacific Economic Cooperation's 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, the United States of America, Canada, South Korea, and New Zealand. Regular dialogue was maintained with each of these agencies on emerging topics of interest, such as unknown variable composition or biological substances, evaluation of the flame retardant DBDPE, and polymers of low concern. Liaison continued between OCS and ECHA, Health Canada, and the United States' Environmental Protection Agency on issues related to technical cooperation and sharing of chemical information to facilitate international harmonisation.

OCS continued to provide technical input to whole of government international activities, including requests from the Department of Foreign Affairs and Trade for input on various free trade agreements.

Financial performance

Compared with 2020–21, total revenue increased by $0.2 million, and expenses decreased by $0.2 million.

Revenue recovered from the regulated industry was $24.4 million, which was $1.2 million higher than the previous financial year. Revenue reflected AICIS charging arrangements set out in the 2021–22 Cost Recovery Implementation Statement agreed by 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 $5.0 million), and contribution from prior year registration level upgrades. Net revenue from other sources was $0.06 million.

The AICIS final net result for 2021–22 was a surplus of $5.3 million. A reduction of levy charges in 2022–23 is anticipated to prevent further accumulation of prior year revenue in the Industrial Chemicals Special Account.

Table 1. AICIS financial results for 2021–22 compared to 2020–21

	2021–22 $'000	2020–21 $'000[108]
Industry cost recovered revenue	24,394	23,233
Other revenue	58	965
Total revenue	24,452	24,198
Total expenses	19,197	19,370
Operating surplus	5,255	4,828

Acknowledgements

The Executive Director of AICIS is an independent statutory office holder grateful for the assistance of staff from 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: aicis.enquiries@industrialchemicals.gov.au

[108] Correction made to 2020–21 figures. See Appendix 6: Errors and Omissions, page 292 for further information.

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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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 2022:

(a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Entity as at 30 June 2022 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 2022 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 – Simplified Disclosures 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 Accountable Authority is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Accountable Authority is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

Sally Bond

Executive Director

Delegate of the Auditor-General

Canberra

31 August 2022

Statement by the Secretary and Chief Financial Officer

In our opinion, the attached financial statements for the period 1 July 2021 to 30 June 2022:

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

30 August 2022

Signed .....

David Hicks CPA
Chief Financial Officer
Department of Health

30 August 2022

Statement of Comprehensive Income

for the period ended 30 June 2022

	2022 $	2021 $
Net Cost of Services		
Expenses		
Expenses incurred[1]	**16,404**	14,741
Total expenses	**16,404**	14,741
Revenue		
Resources received free of charge[1]	**16,404**	14,741
Total own-source income	**16,404**	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 2022

	2022 $	2021 $
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 2022

	2022 $	2021 $
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 2022, ANPHA had no debts and no employees.

ANPHA is an Australian Government Agency and does not have a separate legal identity to the Australian Government.

Objectives of the Australian National Preventive Health Agency

ANPHA is listed as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and its role and functions are set out in the *Australian National Preventive Health Agency Act 2010.*

The Australian Government established ANPHA on 1 January 2011 to provide a new national capacity to drive preventive health policy and programs.

ANPHA was structured to meet one outcome:

A reduction in the prevalence of preventable disease, including through research and evaluation to build the evidence base for future action, and by managing lifestyle education campaigns and developing partnerships with non-government sectors.

ANPHA activities that contributed toward this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by ANPHA in its own right. Administered activities involve the management or oversight by ANPHA, on behalf of the Government, of items controlled or incurred by the Government.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the PGPA Act.

The financial statements have been prepared in accordance with:

a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and

b) Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 entities under AASB 1060 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 2021-22 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]

	2022	2021
	$	$
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 for 2021–22

As required under section 63(2) of the *National Sports Tribunal Act 2019* (the Act), 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, independent 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 Act, with operations supported by a framework of legislative instruments. These include the National Sports Tribunal Rule 2020 (as amended by the National Sports Tribunal Amendment Rule 2021), National Sports Tribunal Practice and Procedure Determination 2021, *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.

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 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 Australian legal professionals working in sport or administrative law, sports medicine specialists, leading sports administrators, and former athletes.

NST Members have a diverse range of skills and experience. Most are legally qualified, and these Members:

- conduct arbitrations, mediations, conciliations, or case appraisals
- preside as Chair when a dispute has more than one NST Member hearing it.

National Sports Tribunal Members (as at 30 June 2022)			
Prof. Jack Anderson	Mr Jon Erbacher	Mr Tony Keane	Mr Anthony O'Reilly
Ms Joanna Andrew	Mr David Flynn	Ms Caroline Kenny QC	Mr Nicholas Pane QC
Prof. Lise Barry	Dr Peter Fricker OAM	Mr Peter Kerr AM	Mr Sal Perna AM
Ms Elizabeth Bennett	Mr David Grace AM QC	Ms Anita King	Mr Simon Philips
Ms Venetia Bennett	Dr Kenneth Graham	Miss Bronwen Knox OLY	Mr Richard Redman
Dr Carolyn Broderick	Mr Craig Green	Mr Andrzej Kudra	Ms Chris Ronalds AO SC
Ms Eugenie Buckley	Ms Jen Halbert	Ms Jessica Lambert	Mr Martin Ross
Mr Sean Carroll	Prof. David Handelsman AO	Mr Stephen John Lancken	Ms Michelle Royal-Hebblewhite
Mr Adam Casselden SC	Dr Peter Harcourt OAM	Ms Judith Levine	Ms Tracey Scott
The Hon John Chaney SC	Prof. Deborah Healey	Mr Anthony Lo Surdo SC	Ms Jane Seawright
Prof. Andrew Christie	Mr Robert Heath QC	Ms Carolyn Manning	Mr Andrew Sinclair
Mr Bruce Collins QC	Ms Elisa Holmes	The Hon Wayne Martin AC QC	Dr June Smith
Ms Sarah Cook OLY	Ms Diane Hubble	Mrs Claire McLean PLY	Mr Mark Stevens
Mr Philip Corbett QC	Mr Nicolas Humzy-Hancock	Prof. Jenni Millbank	The Hon Steven Strickland QC
Mr Paul Czarnota	Ms Danielle Huntersmith	Mr Michael Mitchell	Mrs Renee Toy
Mrs Fiona de Jong	Mr Anthony Jarvis	Ms Alison Murphy	Dr Larissa Trease
Dr Maria Dudycz	Mr Christopher Johnstone	Mr Anthony Nolan QC	Ms Ann West
Ms Lisa Eaton	Mr Darren Kane	Ms Bridie Nolan	Mr Ian White
Mr Scott Ellis	Dr Dominic Katter	Ms Rebecca Ogge	Mrs Annabelle Williams OAM
Mr Christopher Emzin	Mr Marcus Katter	Dr Catherine Ordway	Dr Rebecca Wilson

NST Members – Gender balance

As at 30 June 2022	Male	Female
Number of Members	43	37
Number of Members allocated to hear a matter*	21	16

* Includes all NST cases to 30 June 2022. Some members have heard multiple cases.

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 an arbitrator of the Court of Arbitration for Sport.

Mr Boultbee is a former barrister and served as Director of the Australian Institute of Sport, including during the Sydney 2000 Olympic Games, Head of National Teams of Football Federation Australia, and High Performance Director of Volleyball Australia.

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 – 2021–22 in review

Extension of the pilot phase

The NST was established in March 2020, initially as a 2 year pilot. Given the significant impact of the COVID-19 pandemic on the sports sector and early operations of the NST, the Government agreed to extend the NST pilot by 12 months to 18 March 2023. Further decisions are expected to be made about the future of the NST in the second half of 2022.

Evaluation of the NST

An independent evaluation of the NST's operations over the first 2 years continued in 2021–22. The evaluation was undertaken by Urbis Pty Ltd, with the following aims:

- To assess the design and implementation of the NST to identify lessons and opportunities for improvement.
- To assess the extent to which the NST achieved its expected outcomes.
- To inform on the sustainability and future operation of the NST.

The evaluation was informed by significant consultation with the sports sector and is expected to be completed in July 2022. The evaluation will inform future decisions about the NST.

Increased number of cases with more flexibility in delivery

Following the establishment phase and the hiatus of Australian sport due to COVID-19, the number of cases being brought to the NST is increasing. In the first 2 years of operation, the NST finalised 12 cases from March 2020 to March 2021, and 14 cases from March 2021 to March 2022. From mid-March 2022 to 30 June 2022, the NST finalised a further 20 existing cases and received 14 new cases. Seven of these new cases related to nominations and selections for the Birmingham 2022 Commonwealth Games Team.

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 in 2020–21, there was a pivot to virtual hearings due to the impact of the COVID-19 pandemic.

There is now a more flexible approach to considering matters brought to the NST. In 2021–22, most hearings were still conducted virtually through videoconferencing platforms. A small number of hearings were held in person where this best suited the parties involved. It is expected this blended approach to conducting hearings will continue in the future.

Expanded panel of NST Members

There is now a panel of 80 NST Members available to hear sports disputes. This follows the appointment of a second tranche of 41 Members in March 2022, complementing the first tranche of Members appointed in November 2021. The second tranche includes specialist mediators, anti-doping experts, restorative justice practitioners, and former athletes.

Updated legislative framework

The NST legislative framework was strengthened in 2021–22 through the National Sports Tribunal Amendment Rule 2021 and the National Sports Tribunal Practice and Procedure Determination 2021. These amendments have improved the operational efficiency of the NST by providing a broader, simplified definition of the types of disputes the NST can hear, a more consistent approach to application fees, and allowing the CEO to consult with parties on prospective applications and best pathways to resolution.

The amendments were informed by feedback from a range of stakeholders, including those who have accessed NST services, representatives of National Sporting Organisations (NSOs), peak bodies, the legal profession, academics, and the NST Advisory Group.

Improved accessibility

As part of the continuous improvement philosophy in the NST, research has been undertaken to increase the availability of services for vulnerable persons, or those with different accessibility needs. This has included research into existing frameworks and procedures to effectively, safely and empathetically support vulnerable parties and witnesses, particularly underage and unrepresented individuals.

NST Registry staff are looking to revise materials used in the application process and those published on the NST website to ensure equitable access for anyone seeking NST services. This may include those under the legal age of 18 years, people who disclose a medical condition or disability requiring additional support, members of the Aboriginal and Torres Strait Islander community, people with cultural and linguistically diverse backgrounds, or individuals acting without legal advice.

This work continues and is supported by the increased use of the NST Legal Assistance Panel (NSTLAP). The NSTLAP is a panel of legal practitioners who are willing to provide free or substantially discounted legal assistance and is available to parties with a matter currently before, or with a clear intention to bring a matter before, the NST. The legal practitioner and the party work out the arrangements between themselves, though in appropriate circumstances the NST may approach the NSTLAP advising them of a situation where a party is looking for assistance. While legal representation is not required in matters before the NST, this service has provided some individuals a clearer path to resolution.

Support through policy

Policy Adoption Project and the National Integrity Framework

A suite of best practice template policies have been developed by the NST to allow NSOs to appropriately resolve complaints and disputes that fall outside of the National Integrity Framework (NIF), while also aligning with the concepts and language contained within the NIF. These policies were developed by the NST through a consultative co-design project, with advice from a working group made up of experts in the sector representing NSOs, Sport Integrity Australia, and the Australian Sports Commission (comprised of Sport Australia and the Australian Institute of Sport).

To assist NSOs in adopting these policies, the NST also provided financial support for NSOs to access independent sport policy experts who reviewed the existing policy frameworks of the NSO and tailored NST templates to suit the needs of their sport.

In total, 52 NSOs and National Sporting Organisations with a Disability (NSODs) received funding through this program, resulting in a significant number of policies that efficiently refer matters to the NST for resolution.

NSOs have continued to pursue adoption of the NIF and the relevant referral pathways to the NST, with 63 fully implemented and 34 significantly progressed in the process. Some NSOs have indicated their preference to achieve the relevant integrity standards through alternate policies for consideration by Sport Integrity Australia. It is anticipated these may also include the NST as a dispute resolution method.

Anti-Doping Policy

As at 30 June 2022, Sport Integrity Australia's Australian National Anti-Doping Policy, which includes the NST as the default first instance and appeal body, has been adopted by around 90 NSOs. Some larger NSOs with existing tribunal arrangements have also taken steps to include the NST as part of their framework, allowing for referrals in certain circumstances.

The updated Anti-Doping Policy, reflecting the changes to the World Anti-Doping Code in January 2021, highlights the importance of independence of organisations such as the NST when hearing anti doping matters.

Peak bodies

Arising from extensive engagement with peak sporting bodies since its establishment, the NST has now supported the appeals process for a major sporting event, the 2022 Commonwealth Games in Birmingham, England. The NST was incorporated into the Nomination and Selection Appeal Policies of Commonwealth Games Australia, receiving 7 applications, with 4 reaching resolution through arbitration and 3 being withdrawn before hearing. Noting the time sensitive nature of these matters, a specialised Commonwealth Games Selection Panel of experienced arbitrators within the NST Member cohort was established to facilitate prompt allocation, consideration, and determination.

Policies that refer selection, classification and misrepresentation appeals from Paralympics Australia to the NST have also been finalised, balancing the technical nature of the disputes with the independence of NST Members.

Support for the NST from Commonwealth Games Australia and Paralympics Australia has also influenced the inclusion of the NST in the sport specific selection policies that NSOs manage.

Stakeholder engagement

With the easing of travel restrictions, the NST CEO and Deputy CEO met with 6 sporting bodies, 2 state institutes, and 4 player representative organisations during the first half of 2022. These visits, conducted in Sydney, Melbourne and Adelaide, provided an opportunity to engage face to face with stakeholders about the services offered by the NST.

Face to face information sessions were also held with NST Members in Sydney, Melbourne and Adelaide, with Members from other cities dialling in to these sessions remotely.

NST Advisory Group

The NST continued to seek advice from the NST Advisory Group (NSTAG), initially formed in 2019 to provide strategic advice and guidance on the establishment of the NST. The terms of reference and membership of the NSTAG were updated in 2021–22 to reflect the operational and expansion phase of the NST.

International engagement

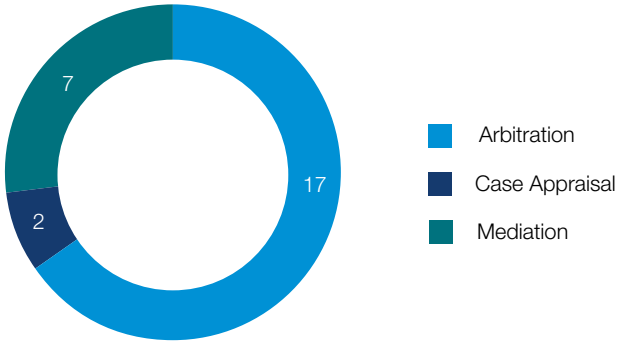
The NST continues to be an active participant in international dispute resolution activities, engaging with equivalent national sporting tribunals in the United Kingdom, New Zealand, and Japan. The NST collaborated with the Australian and New Zealand Sports Law Association (ANZSLA), with various webinars held in 2021–22, including a joint discussion with the Court of Arbitration for Sport, and a presentation at the annual ANZSLA conference in March 2022. The NST also provided advice to Sport Singapore, which is investigating options to set up its own domestic sports tribunal.

Statistics – 2021–22

Enquiries, new cases and appeals	National	State	Club	Unknown	Total
Number of enquiries	16	17	9	3	**45**
Number of new cases	18	5	13	0	**36**
Number of NST decisions appealed	0	0	0	0	**0**

New Cases – Division and type of matter	
Anti-Doping – First Instance	1
General – Bullying/Harassment Matter	8
General – Disciplinary Matter	8
General – Eligibility and/or Selection Dispute	12
General – Intra-sport Dispute	2
General – Other	3
Appeal – Disciplinary Matter	2
Total	**36**

New Cases - resolution method



Average case length for cases finalised in 2021–22

Resolution method	Average case length (days)
Case appraisal (2 cases)	120
Mediation (7 cases)	55
Arbitration – general (17 cases)	79

Message from the NST CEO – John Boultbee

Our second year of operation has seen an increasing number of matters brought before the NST as sport resumed following the COVID-19 hiatus, and we transitioned from establishment to operational phases.

It is pleasing that more than 80% of Australian Sports Commission recognised NSOs have now embedded the NST's jurisdiction into one or more of their policies, rules and by laws, particularly in relation to anti-doping violations. The NST is continuing to engage with NSOs and athlete bodies about the services it can offer, including organisations representing multi sports events. In the first half of 2022, the NST supported the appeals process for a major sporting event, the Birmingham 2022 Commonwealth Games.

We continue to work closely with other Commonwealth sport agencies, including the Australian Sports Commission and Sport Integrity Australia. We have strengthened our partnerships with professional associations, in particular, ANZSLA, the Council of Australian Tribunals, and the Resolution Institute, as well as engaging with equivalent tribunals and sports administrators internationally. We thank all of our colleagues and stakeholders for their support.

We welcome the appointment of a second tranche of NST Members to complement the initial 40 Members. Members bring a wide range of skills, experience, and knowledge to the NST, delivered with careful attention to the matters that they hear or mediate, and we are grateful for that. The quality of the decisions made is the best measure of our success.

Lastly, the staff in our small registry team continue to support parties, Members and stakeholders with great professionalism, as well as managing the various policy and administrative tasks they have faced. I am personally very thankful to them.

Appendix 6: 2020–21 Annual Report – Errors and Omissions

Errors printed in the *Annual Report 2020–21* are listed below.

Page 181 – Parliamentary Committee inquiries

The following committee and evidence/submission provided was omitted from the 2020–21 Parliamentary Committee inquiries table:

Committee	Evidence/submission provided
Select Committee on Administration of Sports Grants	• Inquiry into the administration and award of funding under the Community Sport Infrastructure Grant Program.

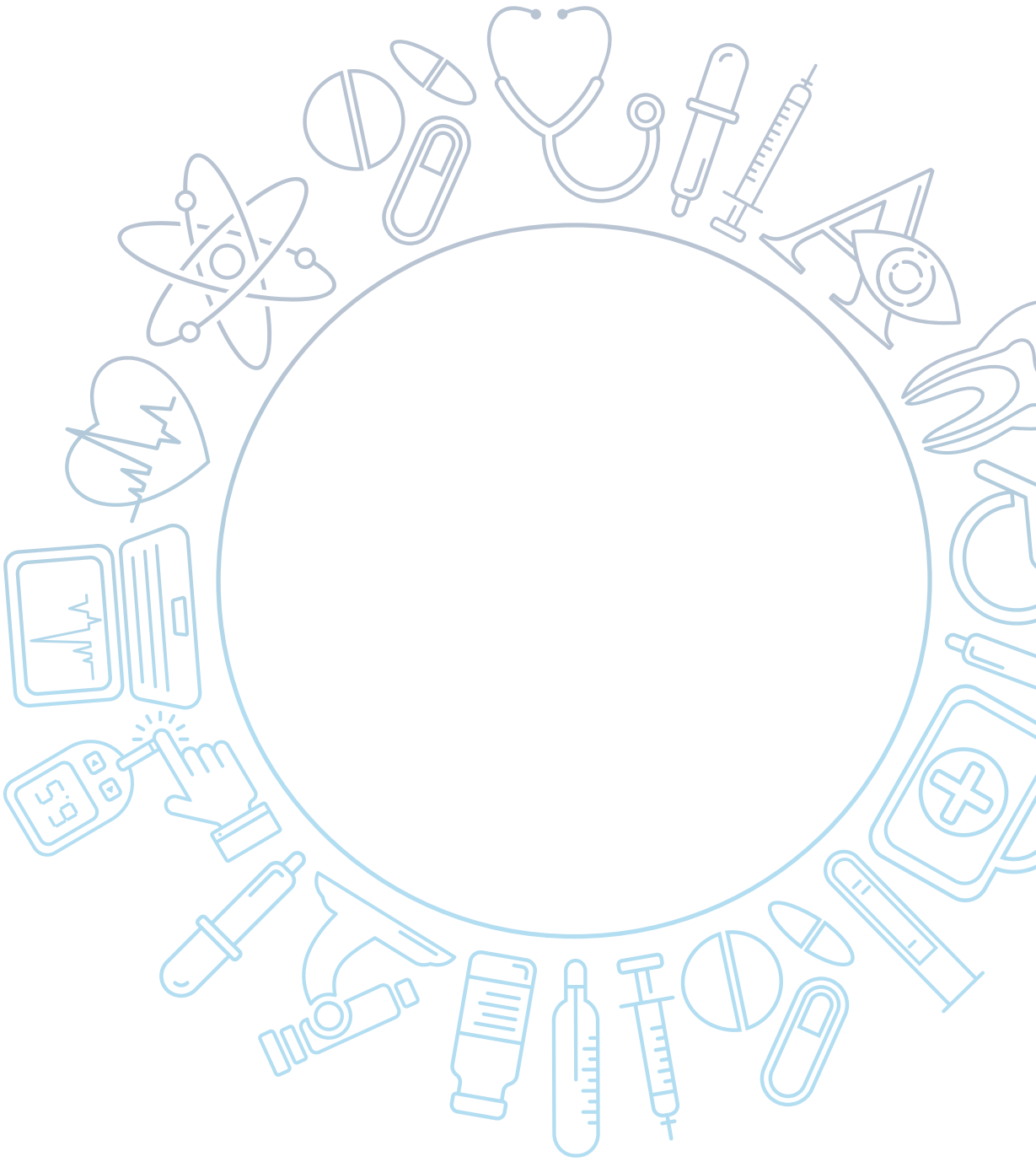
Page 302 – Table 1: Comparison of AICIS (2020–21) and NICNAS (2019–20) financial results

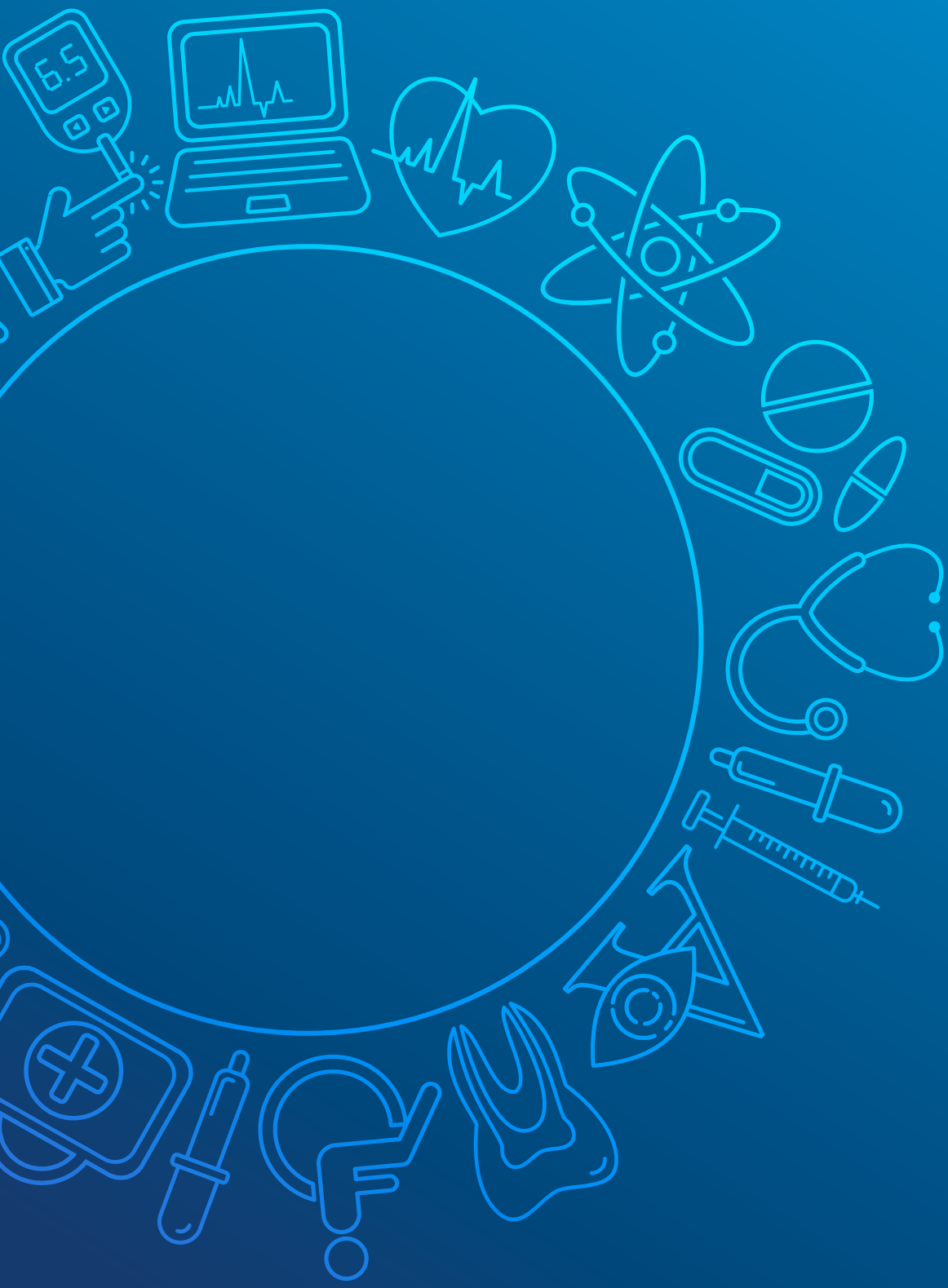
The values for other revenue, total revenue, total expenses, and operating surplus/(deficit) under the heading '2020–21 (AICIS) $'000' incorrectly read: 234; 23,467; 19,369; 4,098 respectively.

These numbers are not correct as at 30 June 2021.

The correct numbers should read: 965; 24,198; 19,370; 4,828 respectively.

This error has been corrected in Table 1: AICIS financial results for 2021–22 compared to 2020–21 in this Annual Report, located on page 274.

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Navigation Aids

List of Requirements

The list below outlines compliance with key annual performance reporting information, as required in section 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014.

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AD(g)	**Letter of Transmittal**			
17AI		A copy of the letter of transmittal signed and dated by the accountable authority on date final text approved, with statement that the annual report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	Page 1
17AD(h)	**Aids to access**			
17AJ(a)		Table of contents.	Mandatory	Page 2
17AJ(b)		Alphabetical index of the contents of the report (including any appendices).	Mandatory	Page 309
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	Page 305
17AJ(d)		List of requirements.	Mandatory	Page 296
17AJ(e)		Details of contact officer.	Mandatory	Page ii
17AJ(f)		Entity's website address.	Mandatory	Page ii
17AJ(g)		Electronic address of annual report published on Health's website.	Mandatory	Page ii
17AD(a)	**Review by accountable authority**			
17AD(a)		A review by the accountable authority of the entity for the period.	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 26
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	Page 122
17AE(1)(a)(iii)		A description of the outcomes and programs administered by the entity during the period.	Mandatory	Page 27
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	Page 26
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 118
17AE(1)(aa)(iii)		Period as the accountable authority or member of the accountable authority within the reporting period.	Mandatory	Page 118
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments – mandatory	Page 24
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statements, Portfolio Additional Estimates Statements or other portfolio estimates statements that was prepared for the entity for the period, the report must include details of variation and reasons for change.	If applicable, mandatory	Not applicable

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 29
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 160
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	Page 106
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 160
17AD(d)	**Management and Accountability**			
	Corporate governance			**Part 3.1**
17AG(2)(a)		Information on compliance with section 10 (fraud systems).	Mandatory	Page 116
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	Page 117
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 117
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 117
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	Page 110
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 113
17AG(2A)(b)		The name of each member of the entity's audit committee.	Mandatory	Page 113
17AG(2A)(c)		The qualifications, knowledge, skills or experience of each member of the entity's audit committee.	Mandatory	Page 113
17AG(2A)(d)		Information about the attendance of each member of the entity's audit committee at committee meetings.	Mandatory	Page 113
17AG(2A)(e)		The remuneration of each member of the entity's audit committee.	Mandatory	Page 113
	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 152
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 156
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 155
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 125
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 126, 240 & 241
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 126, 242, 245 & 246
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 127 & 252

PGPA Rule Reference	Part of Report	Description	Requirement	Location
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory	Page 246 & 252
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	Page 252
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	Page 253
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 139
	Purchasing			**Part 3.5**
17AG(6)		An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	Page 140
	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 141
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 141
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 141
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 141

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 142
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 142
17AD(daa)	**Additional information about organisations receiving amounts under reportable consultancy contracts or reportable nonconsultancy 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 141 & 142
	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 142
	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 142
	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 140
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	Page 140

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 140
	Financial statements			**Part 4**
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	Page 163
	Executive remuneration			**Part 3.4 & Appendix 1**
17AD(da)		Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 23 of the Rule.	Mandatory	Page 128 & 248
17AD(f)	**Other mandatory information**			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that "*During 2021–22, 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 144
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 2021 to 30 June 2022 is available at www.grants.gov.au*"	If applicable, mandatory	Page 143
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	Page 132
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 154
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	Page 292
17AH(2)		Information required by other legislation	Mandatory	Page 152 & 237

Acronyms and Abbreviations

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ACAT	Aged Care Assessment Teams
AHPPC	Australian Health Protection Principal Committee
AHPRA	Australian Health Practitioner Regulation Agency
AICIS	Australian Industrial Chemicals Introduction Scheme
AIHW	Australian Institute of Health and Welfare
AN-ACC	Australian National Aged Care Classification
ANAO	Australian National Audit Office
APS	Australian Public Service
APSC	Australian Public Service Commission
ARC	Audit and Risk Committee
ARTG	Australian Register of Therapeutic Goods
ATAGI	Australian Technical Advisory Group on Immunisation
BPSD	Behavioural and Psychological Symptoms of Dementia
CCS	Commonwealth Contracting Suite
CDBS	Child Dental Benefits Schedule
CDPP	Commonwealth Director of Public Prosecutions
CEO	Chief Executive Officer
CFPC	Commonwealth Fraud Prevention Centre
CGRG	Commonwealth Grant Rules and Guidelines
CHSP	Commonwealth Home Support Programme
CMO	Chief Medical Officer
COO	Chief Operating Officer
CVAS	COVID-19 Vaccine Administration System
CVS	Community Visitors Scheme
DBMAS	Dementia Behaviour Management Advisory Service
DSS	Department of Social Services
EA	Enterprise Agreement
EAP	Employee Assistance Program
EEGO	Energy Efficient in Government Operations
EFCRA	2021–23 Enterprise Fraud and Corruption Risk Assessment
EL	Executive Level
ESD	Ecologically sustainable development
FTE	Full time equivalent

GBMSM	Gay, bisexual, and other men who have sex with men
GMO(s)	Genetically modified organism(s)
GP(s)	General practitioner(s)
HAP-EE	Hearing Assessment Program – Early Ears
HCP(s)	Home Care Package(s)
HIV	Human immunodeficiency virus
HPV	Human papillomavirus
HPWG	Health Plan Working Group
HR	Human resources
ICC	International Cricket Council
IFA	Individual Flexibility Arrangement
IOC	International Olympic Committee
IPS	Information Publication Scheme
JCPAA	Joint Committee of Public Accounts and Audit
JEE	Joint External Evaluation
JEV	Japanese encephalitis virus
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual, and others
LSDP	Life Saving Drugs Program
MBS	Medicare Benefits Schedule
MJ	Megajoules
MPX	Monkeypox
MRAC	Medicare Benefits Schedule Review Advisory Committee
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
NHRA	National Health Reform Agreement
NHWDS	National Health Workforce Datasets
NIC	National Incident Centre
NIP	National Immunisation Program
NMS	National Medical Stockpile
NMWS	National Medical Workforce Strategy
NPEV	National Partnership on Essential Vaccines
NPHS	National Preventive Health Strategy 2021–2030

NSOs	National sporting organisations
NSPO	National Suicide Prevention Office
NST	National Sports Tribunal
NTS	National Tobacco Strategy
NWOW	New Ways of Working
OCOG	Organising Committee for the Olympic and Paralympic Games
OCS	Office of Chemical Safety
ODC	Office of Drug Control
OGTR	Office of the Gene Technology Regulator
PAC	Program Assurance Committee
PBAC	Pharmaceutical Benefits Advisory Committee
PBS	Pharmaceutical Benefits Scheme
PCR	Polymerase chain reaction
PGPA	Public Governance, Performance and Accountability
PHN(s)	Primary Health Network(s)
PIP	Practice Incentives Program
PIP QI	Practice Incentives Program's Quality Improvement Incentive
PPH	Potentially preventable hospitalisations
RAS	Regional Assessment Services
SBRT	Severe Behaviour Response Teams
SES	Senior Executive Service
SMEs	Small and medium enterprises
TGA	Therapeutic Goods Administration
VIMS	Vaccine Incident Management System
VWSA	Virtual work station assessment
WHO	World Health Organization
WHS	Work health and safety

Glossary

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 Technical Advisory Group (ATAGI)	ATAGI advises the Minister for Health and Aged Care on the National Immunisation Program and other immunisation issues.
BreastScreen Australia Program	BreastScreen Australia is a joint initiative of the Australian and state and territory governments and aims to reduce illness and death from breast cancer by detecting the disease early. Women over 40 can have a free mammogram every 2 years and women aged 50 to 74 are actively invited to screen.
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.
Commonwealth Home Support Programme (CHSP)	The CHSP provides entry level support for older Australians who need help to live independently in their homes and communities. Support can include help with daily tasks, home modifications, transport, social support, and nursing care.
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**.
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**.
Dementia Behaviour Management Advisory Service (DBMAS)	DBMAS provides free support and advice to service providers and individuals caring for people living with dementia.
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.
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.
General practitioner (GP)	A medical practitioner who provides primary care to patients and their families within the community.
Genetically modified organisms (GMO)	Organisms modified by gene technology.
Gene technology	Gene technology is a technique for the modification of genes or other genetic material.

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.
headspace	A mental health support service for young people. It covers a critical gap by providing tailored and holistic mental health support to 12 to 25 year olds.
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.
Home Care Package	A coordinated mix of services that can include help with household tasks, equipment (such as walking frames), minor home modifications, personal care, and clinical care such as nursing, allied health, and physiotherapy services. These services support older people with complex needs to live independently in their own homes.
Human papillomavirus (HPV)	A virus that causes genital warts which is linked in some cases to the development of more serious cervical cell abnormalities.
Human immunodeficiency virus (HIV)	A virus that damages the body's immune system. The late stage of HIV is called acquired immunodeficiency syndrome (AIDS).
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.
Japanese encephalitis virus (JEV)	JEV is a flavivirus related to dengue, yellow fever, and West Nile viruses. It is spread by mosquitoes and is more common in areas of increased mosquito activity. It is endemic to parts of Asia and the Torres Strait region of Australia, and is preventable by vaccine.
Jurisdictions	In the Commonwealth of Australia, these include the 6 states, 2 territories, and the Commonwealth Government.
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 Australian Government. The schedule is part of the wider MBS (Medicare).

Monkeypox (MPX)	MPX is caused by the monkeypox virus, which is of the same family as the variola virus, which causes smallpox. Most cases are contracted through close physical contact, and most people who contract MPX will present with mild illness that includes a distinctive rash and/or systemic symptoms (fever, headache, swollen lymph nodes, etc). Smallpox vaccines and treatments are thought to be effective against MPX.
National Aboriginal and Torres Strait Islander Health Plan 2021–2031	Sets the policy direction for First Nations health and wellbeing. It will guide the development of all First Nations health policies, programs, and initiatives over the next 10 years.
National Aged Care Advisory Council	Provides expert advice to government on key matters relating to the aged care sector, including to support implementation of aged care reforms, ensuring advice reflects the needs and expectations of older Australians, their families and carers, and the diverse needs of these groups.
National Bowel Cancer Screen Program (NBCSP)	The NBCSP aims to reduce deaths from bowel cancer by detecting the early signs of the disease. Eligible Australians aged 50 to 74 years are sent a free, simple test that is completed at home.
National Cervical Screening Program	Aims to reduce illness and death from cervical cancer. Women and people with a cervix aged 25 to 74 years are invited to have a cervical screening test every 5 years through their healthcare provider.
National Diabetes Services Scheme (NDSS)	Helps people with diabetes to understand and manage their life with diabetes. It also provides timely, reliable, and affordable access to NDSS support services and products, including syringes and needles, blood glucose strips, insulin pump consumables, and continuous glucose monitoring products.
National Health Reform Agreement (NHRA)	Signed by all Australian governments, the 2020–25 Addendum to the National Health Agreement commits to improving health outcomes for all Australians by providing better coordinated care in the community, and ensuring the future sustainability of Australia's health system. It is the key mechanism for the transparency, governance, and financing of Australia's public hospital system.
National Incident Centre	The National Incident Centre is the Department's emergency response centre. It coordinates national responses to health emergencies, significant events and emerging threats, where there is an impact on human health or health systems.
National Preventive Health Strategy 2021–2030 (NHPS)	The NHPS aims to improve the health and wellbeing of all Australians at all stages of life through a systems-based approach to prevention that addresses the wider determinants of health, reduces health inequities, and decreases the overall burden of disease.
Organisation for Economic Cooperation and Development (OECD)	An organisation of 35 countries (mostly developed and some emerging, such as Mexico, Chile and Turkey), including Australia. The OECD's aim is to promote policies that will improve the economic and social wellbeing of people around the world.
Outcomes	Outcomes are the Government's intended results, benefits or consequences for the Australian community. The Government requires entities, such as the Department, to use Outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an Outcomes basis. The Department's current Outcomes are listed on page 27.
Pandemic	A pandemic is a worldwide spread of a new disease, such as a new influenza virus, or the coronavirus that causes COVID-19.
Pharmaceutical Benefits Advisory Committee (PBAC)	PBAC is an independent expert body appointed by the Australian Government. Members include doctors, health professionals, health economists and consumer representatives. Its primary role is to recommend new medicines for listing on the PBS. No new medicine can be listed unless the committee makes a positive recommendation.

Pharmaceutical Benefits Scheme (PBS)	A national, Government-funded scheme that subsidises the cost of a wide range of pharmaceutical drugs for all Australians to help them afford standard medications. The PBS lists all the medicinal products available under the PBS and explains the uses for which they can be subsidised.
Portfolio Budget Statements (PB Statements)	Statements prepared by portfolios to explain the Budget appropriations in terms of Outcomes and programs.
Prevalence	The number or proportion (of cases, instances, and so forth) in a population at a given time. In relation to cancer, prevalence refers to the number of people alive who had been diagnosed with cancer in a prescribed period (usually 1, 5, 10 or 26 years). Compare with **incidence**.
Primary care	Provides the patient with a broad spectrum of care, both preventive and curative, over a period of time and coordinates all of the care the person receives.
Primary Health Networks (PHNs)	PHNs are independent organisations funded to coordinate primary health care in their regions. PHNs assess the needs of their community and commission health services so that people in their region can get coordinated health care where and when they need it.
Program/Programme	A specific strategy, initiative or grouping of activities directed toward the achievement of Government policy or a common strategic objective.
Prostheses List	Under the *Private Health Insurance Act 2007*, private health insurers are required to pay benefits for a range of prostheses that are provided as part of an episode of hospital treatment or hospital substitute treatment for which a patient has cover and for which a Medicare benefit is payable for the associated professional service. The types of products on the Prostheses List include cardiac pacemakers and defibrillators, cardiac stents, joint replacements and intraocular lenses, as well as human tissues such as human heart valves. The list does not include external legs, external breast prostheses, wigs, and other such devices. The Prostheses List contains prostheses and human tissue prostheses and the benefit to be paid by the private health insurers. The Prostheses List is published bi-annually.
Public health	Activities aimed at 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.
Severe Behaviour Response Teams (SBRT)	SBRTs are a mobile workforce of clinical experts including nurse practitioners, nurses, allied health staff, and specialists who help aged care providers who care for people with severe Behavioural and Psychological Symptoms of Dementia in residential aged care settings. They provide expert and timely advice when needed.
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.
Therapeutic Goods Administration (TGA)	The TGA is Australia's regulatory authority for therapeutic goods such as medicines, medical devices, and diagnostic tests.
Vaccination	The process of administering a vaccine to a person to produce immunity against infection. See **immunisation**.
Vaping	Recreational use of vapourised nicotine and/or e-cigarettes.
World Health Organization (WHO)	The WHO is a specialised agency of the United Nations (UN). Its primary role is to direct and coordinate international health within the UN system. The WHO has 194 member states, including Australia.

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