

Portfolio Additional Estimates Statements 2016-17

Health Portfolio

Explanations of Additional Estimates 2016-17

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**THE HON GREG HUNT MP
MINISTER FOR HEALTH
MINISTER FOR SPORT**

Senator the Hon Stephen Parry
President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

And

The Hon Tony Smith MP
Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2016-17 Additional Estimates for the Health Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Greg Hunt', with a long horizontal flourish extending to the right.

Greg Hunt

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**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATES STATEMENTS**

USER GUIDE

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

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2016-17. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2016-17* (MYEFO) is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the Portfolio.

Styles and Conventions Used

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion
p	split across outcomes

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

Enquiries

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

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

Structure of the Portfolio Additional Estimates Statements

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

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

HEALTH PORTFOLIO OVERVIEW

HEALTH PORTFOLIO OVERVIEW

The Health Portfolio works towards achieving better health and wellbeing for all Australians, now and for future generations. Since the 2016-17 Budget the Australian Government has continued to implement initiatives to support an improved health system that will deliver better health outcomes and access to care for all Australians.

Key priorities include further reforms to the health and aged care sectors, including identification of system efficiencies, and improving the health and wellbeing of Australians. The Government is also committed to extensive engagement and consultation with stakeholders on a range of reform proposals. For more information refer Section 1.1 Strategic Direction Statement on page 8.

In addition, the Portfolio has seen changes to Ministerial responsibilities and Portfolio structure since the 2016-17 Budget.

Ministerial Changes

On 24 January 2017, the Hon Greg Hunt MP was sworn in as the Minister for Health and Minister for Sport; the Hon Ken Wyatt AM, MP as the Minister for Aged Care and Minister for Indigenous Health; and the Hon Dr David Gillespie MP as Assistant Minister for Health.

Portfolio Structure

The National Health Performance Authority ceased operations on 30 June 2016, with its functions transferred to the Australian Institute of Health and Welfare, the Australian Commission on Safety and Quality in Health Care and the Department of Health.

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

Figure 1: Portfolio Structure and Outcomes

<p style="text-align: center;">The Hon Greg Hunt MP Minister for Health Minister for Sport</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 1, 2, 3, 4, 5 and 6 <i>Entities:</i> ACSQHC, AIHW, ASADA, ASC, ASF, CA, Digital Health Agency, IHPA, NHFB, NHMRC, NMHC and PSR</p>	<p style="text-align: center;">The Hon Ken Wyatt AM, MP Minister for Aged Care Minister for Indigenous Health</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 1, 2, 4 and 6 <i>Entities:</i> AACQA, NBA and OTA</p>	<p style="text-align: center;">The Hon Dr David Gillespie MP Assistant Minister for Health</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 2 and 5 <i>Entities:</i> ARPANSA and FSANZ</p>
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Department of Health – Martin Bowles PSM, Secretary

Outcome 1. Health System Policy, Design and Innovation

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

Outcome 2. Health Access and Support Services

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

Outcome 3. Sport and Recreation

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

Outcome 4. Individual Health Benefits

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

Outcome 5. Regulation, Safety and Protection

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

Outcome 6. Ageing and Aged Care

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

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

Australian Aged Care Quality Agency

Nick Ryan Chief Executive Officer

Outcome 1. High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.

Australian Commission on Safety and Quality in Health Care

Adjunct Professor Debora Picone AM
Chief Executive Officer

Outcome 1. Improved safety and quality in health care across the health system, including through the development, support for implementation, and monitoring of national clinical safety and quality guidelines and standards.

Australian Digital Health Agency

Tim Kelsey Chief Executive Officer

Outcome 1. To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians.

Australian Institute of Health and Welfare

Barry Sandison Director

Outcome 1. A robust evidence-base for the health, housing and community sectors, including through developing and disseminating comparable health and welfare information and statistics.

Australian Radiation Protection and Nuclear Safety Agency

Dr Carl-Magnus Larsson Chief Executive Officer

Outcome 1. Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation.

Australian Sports Anti-Doping Authority

Ben McDevitt AM, APM Chief Executive Officer

Outcome 1. Protection of the health of athletes and the integrity of Australian sport including through engagement, deterrence, detection and enforcement to minimise the risk of doping.

Australian Sports Commission

Kate Palmer Chief Executive Officer

Outcome 1. Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport.

Australian Sports Foundation Limited

Patrick Walker Chief Executive Officer

Outcome 1. Improved Australian sporting infrastructure through assisting eligible organisations to raise funds for registered sporting projects.

Cancer Australia

Professor Helen Zorbas AO Chief Executive Officer

Outcome 1. Minimised impacts of cancer, including through national leadership in cancer control with targeted research, cancer service development, education and consumer support.

Food Standards Australia New Zealand

Stephen McCutcheon Chief Executive Officer

Outcome 1. A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices.

Independent Hospital Pricing Authority

James Downie Chief Executive Officer

Outcome 1. Promote improved efficiency in, and access to, public hospital services primarily through setting efficient national prices and levels of block funding for hospital activities.

National Blood Authority

John Cahill Chief Executive

Outcome 1. Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements.

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

Lynton Norris Chief Executive Officer

Outcome 1. Provide transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system, and support the obligations and responsibilities of the Administrator of the National Health Funding Pool.

National Health and Medical Research Council

Professor Anne Kelso AO

Chief Executive Officer

Outcome 1. Improved health and medical knowledge, including through funding research, translating research findings into evidence-based clinical practice, administering legislation governing research, issuing guidelines and advice for ethics in health and the promotion of public health.

National Mental Health Commission

Dr Peggy Brown Chief Executive Officer

Outcome 1. Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers.

Organ and Tissue Authority

Felicity McNeill PSM A/g Chief Executive Officer

Outcome 1. Improved access to organ and tissue transplants, including through a nationally coordinated and consistent approach and system.

Professional Services Review

Dr David Rankin A/g Director

Outcome 1. A reduction of the risks to patients and costs to the Australian Government of inappropriate clinical practice, including through investigating health services claimed under the Medicare and Pharmaceutical benefits schemes.

Statutory Office Holders**Aged Care Complaints Commissioner**

Ms Rae Lamb

Aged Care Pricing Commissioner

Ms Kim Cull

Director, National Industrial Chemicals Notification and Assessment Scheme

Dr Brian Richards

Gene Technology Regulator

Dr Raj Bhula

National Health Funding Pool Administrator

Mr Peter Achterstraat AM

Portfolio Resources

Table 1 shows, for those entities reporting in the Portfolio Additional Estimates Statements, the additional resources provided to the Portfolio in the 2016-17 Budget year, by entity.

Table 1: Portfolio Resources 2016-17

	Appropriations ¹			Receipts	Total
	Bill No. 3 \$'000	Bill No. 4 \$'000	Special \$'000	\$'000	\$'000
DEPARTMENTAL					
Department of Health	32,245	-	-	(23)	32,222
Australian Aged Care Quality Agency	-	18,496	-	-	18,496
Total departmental	32,245	18,496	-	(23)	50,718
ADMINISTERED					
Department of Health	110,882	-	1,290,440	-	1,401,322
Total administered	110,882	-	1,290,440	-	1,401,322
Total Portfolio	143,127	18,496	1,290,440	(23)	1,452,040

All figures are GST exclusive.

¹ Administered and Departmental Bill No. 3 and No. 4 does not include notional reductions to the 2016-17 Budget Bill (No. 1). For notional reductions to the Budget Bill (No. 1) see Table 1.4 in each entity chapter.

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DEPARTMENT OF HEALTH

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The *Mid-Year Economic and Fiscal Outlook 2016-17* (MYEFO) further advances the Australian Government's health reform agenda, identifies system efficiencies, and improves the health and wellbeing of Australians. Spending on health and aged care amounts to about 20 per cent of total Government spending and MYEFO 2016-17 reaffirms the Government's commitment to fiscal discipline and provides a solid platform for medium to long-term reform of the health system to ease the pressures of growth in health costs. Mental health care has been strengthened and Medicare has been further modernised. Reform continues in aged care and private health insurance, while new high cost drugs are listed on the Pharmaceutical Benefits Scheme (PBS) and the fight against cancer continues.

Consultation on reform will continue, with the Government foreshadowing extensive engagement with stakeholders on a range of proposals, including primary care, mental health care, diagnostic imaging and pathology services, the new health and aged care claims and payments IT system, private health insurance, and aged care.

Strengthening mental health care

The Government has committed \$194.5 million for the 'Strengthening mental health care in Australia' reform package, to provide unprecedented support for individuals and families living with mental health issues.

The Government will continue supporting young people with mental illness through *headspace* services, with \$28.9 million invested to increase the *headspace* network from 100 *headspace* centres to 110 across Australia by 2019. In addition, funding of \$115.6 million will be restored to six Early Psychosis Youth Services for three years, giving young people with, or at risk of, severe mental illness access to six specialised *headspace* centre services across the country – South East Melbourne, Western Sydney, South East Queensland, North Perth, Northern Territory and Adelaide.

The Government is also taking steps towards a national approach to suicide prevention. An additional \$34 million will be invested in establishing 12 regional suicide prevention trial sites, while \$12 million will support a new suicide prevention research fund to increase knowledge about the prevention of suicide.

An investment of \$32.4 million will develop and test new technologies to support and treat people with mental health issues, through the Synergy project and Lifeline Australia. In 2016-17, the Government will provide \$2.5 million for a second pass business case to continue the development of a Digital Mental Health Gateway to improve community access to mental health services. The Gateway will enable users to access evidence-based information and advice and mental health treatment options.

In an effort to promote a sustainable and flexible mental health care nursing workforce, \$1.5 million will enable people living with mental illness to directly benefit from an appropriately skilled mental health care nurse workforce who are able to move readily between acute, community and primary care.

Delivering a better health system

The Government continues to improve efficiency, effectiveness and access in the health system, including by making use of the latest technology, achieving better value for money for private health insurance, and ensuring affordable access to services and medicines.

Medicare benefits reform continues with the clinician-led Medicare Benefits Schedule (MBS) Review Taskforce, reviewing line by line the more than 5,700 items on the MBS to ensure they are up-to-date and reflect clinically appropriate practice. Further recommendations are expected in the 2017-18 Budget. New and amended MBS listings funded in MYEFO 2016-17 include items relating to ophthalmology to prevent inappropriate claiming, as well as items for middle ear implants, skin cancer treatment, blood tests for tuberculosis, and genetic tests for breast and/or ovarian cancer.

Private health insurance reform continues. The Government is overhauling the Prostheses Benefit List to ensure that benefits paid reflect best value for money and that savings are passed on to consumers through lower annual premium increases.

Two new listings on the PBS costing \$342.8 million over four years will enable more affordable treatment for cancer patients and patients with severe uncontrolled asthma. From 1 February 2017, lenalidomide (Revlimid®) will be listed as a first line treatment for patients with newly diagnosed multiple myeloma, a cancer of blood plasma cells, who are ineligible for stem cell transplantation.

In line with the Government's focus to make better use of technology to drive efficiencies, the IT system to deliver health, aged care and related veterans' payments will be updated. The new digital payments system will support the Government to continue to own, operate and deliver Medicare, the PBS, aged care and related veterans' payments into the future. The Government has allocated \$29.8 million for the first phase of this transformation, which will involve extensive stakeholder engagement and a request for proposals process.

Fighting cancer

The Australian Government is committed to the fight against cancer, with support for women and children with cancer, and continued funding for high-cost radiation therapy equipment in cancer treatment facilities.

Breast cancer is the most common cancer for Australian women. This year it is estimated that more than 16,000 people will be diagnosed with breast cancer, including more than 150 men. Funding of \$20.5 million over four years for McGrath Breast Care Nurses will ensure ongoing support for people being treated for breast cancer.

The Government is investing \$20 million over two years in the Zero Childhood Cancer Collaboration Network. The network will mean a new level of collaboration in

childhood cancer research, and support quicker diagnoses, speedier treatment decisions and improved health outcomes.

Improving administration of funding under the Radiation Oncology Health Program Grants Scheme will save \$18.7 million over four years, while ensuring the Government continues to fund high-cost radiation therapy equipment. The outdated linear accelerator at the Australian Radiation Protection and Nuclear Safety Agency will be replaced.

Supporting older Australians

Aged care reform continues to be a priority for the Government. The MYEFO 2016-17 measures seek to balance the need to fund the nation's continually growing aged care bill, while appropriately subsidising providers to meet residents' care needs, and giving consumers more choice, control and protection around their aged care options.

The Government has allocated \$2.4 million for a pilot to test alternative funding models for residential aged care needs funding. In order to support eligible providers of rural, remote and homeless services who may be affected by the impact of the recent changes to the Aged Care Funding Instrument, the Government has invested \$19.3 million to increase the viability supplement.

In addition, specialist dementia care units will also be established to care for people with severe behavioural and psychological symptoms of dementia. Funding has also been extended to enable the Australian Aged Care Quality Agency to continue their unannounced site visits to aged care homes in 2017-18 as part of their monitoring and compliance activities.

Supporting communities

Across Australia, the Government is supporting a diverse range of communities to get the health and medical care they need, when they need it.

The Government will provide \$4.4 million over four years to support the National Rural Health Commissioner (the Commissioner). The Commissioner will be an independent, statutory position, supported by departmental staff. The Commissioner will work with rural, regional and remote communities, the health sector, universities, specialist training colleges and across all levels of Government to better target and address the health needs in rural and remote Australia, and champion the cause of rural practice.

The Government is determined to eliminate trachoma – a contagious bacterial infection of the eye and a major cause of preventable blindness – by 2020. The Government is allocating \$15.5 million for the trachoma elimination program by extending agreements with affected States and Territories, ensuring ongoing screening and treatment of children in Indigenous communities.

The Government continues its efforts to reduce harms associated with substance misuse to individuals, families and communities through one-off funding of \$800,000 to be provided to the Missiondale rehabilitation centre in Northern Tasmania. This will

enable Tasmania's only long-term residential rehabilitation centre providing care and treatment for people with substance misuse issues to keep operating.

The Government is supporting communities affected by the potential human health and environmental impacts of the long-term use of fire fighting foams at two Defence sites – Williamstown, NSW and Oakey, Queensland. The foams contained per- and poly- fluoroalkyl chemicals (PFAS). The Government has committed more than \$14 million under the Health portfolio, which includes an epidemiological study to look at potential health effects, voluntary blood tests, mental health and counselling services, community engagement, and new guidance on toxicity levels.

Improving health and wellbeing of Australians and boosting health and medical research

The Government is building Australia's health and medical research capacity pipeline from discovery to commercialisation. Over five years, \$7 million will be allocated to encourage more clinical trials by removing red tape, as well as redesigning local arrangements to position Australia as a preferred location for trials.

The Government is investing \$54 million to subsidise continuous glucose monitoring (CGM) technology for children and young adults under 21 years old facing extra challenges managing their Type 1 diabetes. This investment will see as many as 4,000 children and young adults accessing CGMs and will see the average family save up to \$4,000 per year from early 2017.

Funding of \$2.8 million has been allocated to the Cure4MND Foundation, to go towards vital research into Motor Neurone Disease (MND). MND affects more than 2,000 people in Australia with the average survival rate of just over two years.

The Government is allocating \$11 million over two years to fund delivery of Royal Flying Doctor Service dental services to rural and remote Australia, giving people access to mobile outreach dental services in areas where permanent dental services are not viable.

Continuing funding of \$59.6 million for the Sporting Schools Program for 18 months from 1 July 2017, will enable the program to reach up to 1.1 million children. The extended program, managed by the Australian Sports Commission, will give priority to girls aged 12–14 years, and to schools where there is evidence of disadvantage or large groups of inactive students.

1.2 Entity Resource Statement

The Entity Resource Statement details the resourcing for the Department of Health at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2016-17 as at Additional Estimates February 2017

	2015-16 Total available appropriation \$'000	2016-17 Estimate as at Budget \$'000	2016-17 Proposed additional estimates \$'000	2016-17 Total estimate at AEs \$'000
DEPARTMENTAL				
Prior year appropriation available ^{1,2}	109,489	117,431	-	117,431
Annual appropriations				
Ordinary annual services ³				
Departmental appropriation	594,955	625,722	28,905	654,627
s74 retained revenue receipts ⁴	22,009	22,332	-	22,332
Departmental capital budget	7,621	6,488	3,340	9,828
Other services ⁵				
Equity injection	32,290	18,349	(11,698)	6,651
Total departmental annual appropriations	656,875	672,891	20,547	693,438
Special accounts⁶				
Opening balance ²	79,147	88,717	-	88,717
Appropriation receipts	16,146	14,783	(806)	13,977
Non-appropriation receipts	152,502	154,393	(23)	154,370
Total special account	247,795	257,893	(829)	257,064
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(16,146)	(14,783)	806	(13,977)
Total departmental resourcing for Health	998,013	1,033,432	20,524	1,053,956

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2016-17 as at Additional Estimates February 2017 (continued)

	2015-16 Total available appropriation \$'000	2016-17 Estimate as at Budget \$'000	2016-17 Proposed additional estimates \$'000	2016-17 Total estimate at AEs \$'000
ADMINISTERED				
Annual appropriations				
Ordinary annual services ³				
Outcome 1: Health System Policy, Design and Innovation	207,962	81,951	42,723	124,674
Outcome 2: Health Access and Support Services	3,842,223	4,000,883	44,887	4,045,770
Outcome 3: Sport and Recreation	21,948	15,975	2,500	18,475
Outcome 4: Individual Health Benefits	1,272,552	1,355,933	18,539	1,374,472
Outcome 5: Regulation, Safety and Protection	133,647	182,201	2,233	184,434
Outcome 6: Ageing and Aged Care Payments to corporate entities	1,431,630	2,828,585	(44,145)	2,784,440
Other services ⁵				
Administered assets and liabilities	156,741	150,537	-	150,537
Total administered annual appropriations	7,413,205	9,021,139	66,737	9,087,876
Special appropriations limited by criteria/entitlement				
<i>National Health Act 1953 - blood fractionation, products and blood related products to to National Blood Authority</i>				
	645,262	711,578	(46,776)	664,802
<i>Public Governance, Performance and Accountability Act 2013 s77 - repayments</i>				
	2,000	2,000	-	2,000
<i>Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund</i>				
	33,197	51,770	4,409	56,179
<i>Health Insurance Act 1973 - medical benefits</i>				
	21,080,530	21,850,644	239,204	22,089,848
<i>National Health Act 1953 - pharmaceutical benefits</i>				
	9,735,781	10,109,505	1,173,393	11,282,898

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2016-17 as at Additional Estimates February 2017 (continued)

	2015-16 Total available appropriation \$'000	2016-17 Estimate as at Budget \$'000	2016-17 Proposed additional estimates \$'000	2016-17 Total estimate at AEs \$'000
Special appropriations limited by criteria/entitlement (continued)				
<i>Private Health Insurance Act 2007</i>				
- incentive payments and rebate	5,953,427	6,249,233	(69,366)	6,179,867
<i>Medical Indemnity Act 2002</i>	88,700	93,400	-	93,400
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	3,904	2,949	-	2,949
<i>Dental Benefits Act 2008</i>	313,741	415,616	(88,819)	326,797
<i>National Health Act 1953</i> - aids and appliances	336,427	292,219	62,274	354,493
<i>National Health Act 1953</i> - essential vaccines	240,150	279,548	-	279,548
<i>Aged Care Act 1997</i> - home care packages	1,103,461	1,725,382	1,037	1,726,419
<i>National Health Act 1953</i> - continence aids payments	35,815	86,661	(2,681)	83,980
<i>Aged Care Act 1997</i> - residential care	7,643,190	10,774,303	9,618	10,783,921
<i>Aged Care Act 1997</i> - flexible care	329,144	423,863	7,346	431,209
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	718	-	801	801
Total administered special appropriations	47,545,447	53,068,671	1,290,440	54,359,111

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2016-17 as at Additional Estimates February 2017 (continued)

	2015-16 Total available appropriation \$'000	2016-17 Estimate as at Budget \$'000	2016-17 Proposed additional estimates \$'000	2016-17 Total estimate at AEs \$'000
Special accounts⁶				
Opening balance ²	5,647	7,070	-	7,070
Appropriation receipts	7,270	5,913	-	5,913
Non-appropriation receipts	59,375	65,019	-	65,019
Total Special Accounts	72,292	78,002	-	78,002
Total administered resourcing	55,030,944	62,167,812	1,357,177	63,524,989
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(353,772)	(410,987)	-	(410,987)
Total administered resourcing for Health	54,677,172	61,756,825	1,357,177	63,114,002
Total resourcing for Health	55,675,185	62,970,257	1,377,701	64,167,958
	2015-16			2016-17
Average staffing level (number)	4,000			4,483

All figures are GST exclusive.

¹ The estimate of prior year amounts available constitutes opening balance at bank and appropriation receivable for the core department (excluding special accounts).

² The estimate at Budget has been revised to reflect the Department's 2015-16 Annual Report.

³ Appropriation Bill (No. 1 & 3) 2016-17.

⁴ Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

⁵ Appropriation Bill (No. 2 & 4) 2016-17.

⁶ Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health. For further information on special accounts see Table 3.1.1.

1.3 Entity Measures Since the 2016-17 Budget

Table 1.2 summarises new Government measures taken since the 2016-17 Budget.

Table 1.2: Department of Health 2016-17 Measures since Budget

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Outcome 1: Health System Policy, Design and Innovation					
Cure4MND Foundation - contribution					
Department of Health					
Administered expenses	1.1	2,800	-	-	-
Total expenses		2,800	-	-	-
Investing in Medicare - modernising health and aged care payments services					
Department of Health					
Administered expenses	1.2	29,721	-	-	-
Department of Finance					
Administered expenses		77	-	-	-
Department of Human Services					
Departmental expenses		1,678	-	-	-
Total expenses		31,476	-	-	-
More Clinical Trials in Australia					
Department of Health					
Administered expenses	1.1	-	-	-	-
Department of the Treasury					
Administered expenses		-	2,500	1,500	1,500
Total expenses		-	2,500	1,500	1,500
Outcome 2: Health Access and Support Services					
Community Infrastructure Projects - new announcements					
Department of Health					
Administered expenses	1.1	4,000	-	-	-
	2.4	800	-	-	-
Total expenses		4,800	-	-	-
Develop Australia's Medical Research Capabilities - zero childhood cancer initiative					
Department of Health					
Administered expenses	2.4	10,000	10,000	-	-
Total expenses		10,000	10,000	-	-

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Digital Mental Health Gateway - development of a second pass business case					
Department of Health					
Administered expenses	2.1	2,523	-	-	-
Total expenses		2,523	-	-	-
Elimination of Trachoma in Indigenous Communities - extension					
Department of Health					
Administered expenses	2.2	-	(848)	(693)	(714)
Department of the Treasury					
Administered expenses		-	848	693	714
Total expenses		-	-	-	-
McGrath Foundation Breast Care Nurses - continued funding					
Department of Health					
Administered expenses	2.4	-	5,007	5,077	5,149
Total expenses		-	5,007	5,077	5,149
Royal Flying Doctor Dental Services - continued delivery					
Department of Health					
Administered expenses	2.3	-	-	-	-
Total expenses		-	-	-	-
Rural Health Commissioner and Pathway for Rural Professionals - establishment					
Department of Health					
Departmental expenses	2.3	557	1,278	1,278	1,288
Total expenses		557	1,278	1,278	1,288
Strengthening Mental Health Care in Australia					
Department of Health					
Administered expenses	2.1	27,879	62,156	90,040	12,925
	2.3	500	1,000	-	-
Total expenses		28,379	63,156	90,040	12,925
Outcome 3: Sport and Recreation					
Support Australia's Surf Life Savers					
Department of Health					
Administered expenses	3.1	2,500	2,500	2,500	2,500
Total expenses		2,500	2,500	2,500	2,500
Western Sydney Stadium					
Department of the Treasury					
Administered expenses		-	-	-	-
Total expenses		-	-	-	-

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Outcome 4: Individual Health Benefits					
Changes to Bulk Billing Incentives for Diagnostic Imaging and Pathology Services - further consultation					
Department of Health					
Administered expenses	4.1	215,800	-	-	-
Department of Human Services					
Departmental expenses		(7,574)	932	1,542	(24)
Total expenses		208,226	932	1,542	(24)
Investing in Medicare - Magnetic Resonance Imaging licences for Frankston and Maroondah Hospitals					
Department of Health					
Administered expenses	4.1	1,778	3,620	3,875	4,190
Department of Human Services					
Departmental expenses		3	7	8	8
Department of Veterans' Affairs					
Administered expenses		13	26	26	27
Total expenses		1,794	3,653	3,909	4,225
Investing in Medicare - Medicare Benefits Schedule - new and amended listings					
Department of Health					
Administered expenses	4.1	(25)	1,858	2,558	1,791
Department of Human Services					
Departmental expenses		343	431	70	68
Department of Veterans' Affairs					
Administered expenses		(1)	16	22	14
Total expenses		317	2,305	2,650	1,873
Pharmaceutical Benefits Scheme - new and amended listings					
Department of Health					
Administered expenses	4.1	(5,551)	(7,931)	(8,779)	(8,962)
	4.3	20,225	50,574	53,331	57,949
Administered revenue		nfp	nfp	nfp	nfp
Department of Human Services					
Departmental expenses		933	418	501	588
Department of Veterans' Affairs					
Administered expenses		(3,673)	(3,167)	(2,979)	(2,473)
Total		11,934	39,894	42,074	47,102

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Pharmaceutical Benefits Scheme - price amendments					
Department of Health					
Administered expenses	4.3	8,481	16,515	17,248	18,480
Department of Veterans' Affairs					
Administered expenses		415	717	717	722
Total expenses		8,896	17,232	17,965	19,202
Prostheses List Benefit Reductions					
Department of Health					
Administered expenses	4.4	-	-	-	-
Total expenses		-	-	-	-
Radiation Oncology Health Program Grants Scheme - efficiencies					
Department of Health					
Administered expenses	4.1	-	(10,054)	(8,037)	(6,134)
Australian Radiation Protection and Nuclear Safety Agency					
Departmental capital		-	5,000	-	-
Department of Human Services					
Departmental expenses		509	107	(51)	(51)
Total		509	(4,947)	(8,088)	(6,185)
Rationalising and Streamlining Health Programs - discontinuation of stoma tendering pilot					
Department of Health					
Administered expenses	4.8	6,038	6,340	6,657	6,657
Total expenses		6,038	6,340	6,657	6,657
Reform of the High Cost Claims Scheme and Review of the Indemnity Insurance Fund					
Department of Health					
Administered expenses	4.5	-	-	(17,100)	(19,000)
Department of Human Services					
Departmental expenses		-	163	14	-
Total expenses		-	163	(17,086)	(19,000)
Remote Area Pharmaceutical Dispensing - additional remuneration					
Department of Health					
Administered expenses	4.3	-	-	-	-
Total expenses		-	-	-	-

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Revised Arrangements for Commonwealth Dental Funding					
Department of Health					
Administered expenses	4.6	(80,655)	(106,236)	(103,324)	(107,116)
Departmental expenses	4.6	18	30	31	24
Department of Human Services					
Departmental expenses		6,325	10,446	10,539	10,800
Department of the Treasury					
Administered expenses		104,500	107,750	107,750	-
Total expenses		30,188	11,990	14,996	(96,292)
Stoma Appliance Scheme - new and amended listings					
Department of Health					
Administered expenses	4.8	(235)	(876)	(1,165)	(1,654)
Total expenses		(235)	(876)	(1,165)	(1,654)
Outcome 5: Regulation, Safety and Protection					
Ban on Cosmetic Testing on Animals					
Department of Health					
Departmental expenses	5.1	-	-	-	-
Total expenses		-	-	-	-
Regulation of Medicinal Cannabis - charging arrangements					
Department of Health					
Departmental expenses	5.1	613	912	908	910
Administered revenue	5.1	(613)	(912)	(908)	(910)
Total		-	-	-	-
Outcome 6: Ageing and Aged Care					
Aged Care Provider Funding - addressing growth in residential aged care					
Department of Health					
Administered expenses	6.3	(19,882)	(20,866)	(4,954)	36,880
	6.4	(539)	(9,696)	(10,036)	(11,337)
Departmental expenses	6.4	4,958	1,601	93	93
Departmental capital		80	-	-	-
Australian Aged Care Quality Agency					
Departmental revenue		-	10,791	-	-
Department of Human Services					
Departmental expenses		1,605	179	139	139
Department of Veterans' Affairs					
Administered expenses		(2,243)	(2,136)	(459)	3,073
Total		(16,021)	(20,127)	(15,217)	28,848

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Specialist Dementia Care Units - establishment					
Department of Health					
Administered expenses	6.3	-	(1,379)	(3,335)	(948)
	6.4	(1,632)	12	116	286
Departmental expenses	6.3	248	99	196	196
Departmental capital		-	-	-	-
Department of Human Services					
Departmental expenses		1,998	286	204	203
Department of Veterans' Affairs					
Administered expenses		300	(140)	(515)	(1,010)
Total		914	(1,122)	(3,334)	(1,273)
Cross Health Portfolio Measure					
Sporting Schools Program - extension					
<i>Australian Sports Commission</i>					
Departmental expenses	1.1	-	39,008	19,490	-
Departmental capital	1.1	-	1,069	-	-
Total		-	40,077	19,490	-
Other Portfolio Measures¹					
Budget Savings (Omnibus) Bill - amendments					
<i>Department of Social Services</i>					
Department of Health					
Administered expenses	4.1	(2,400)	(85)	2,890	2,799
Total expenses		(2,400)	(85)	2,890	2,799
Community Infrastructure Projects - new announcements					
<i>Department of Infrastructure and Regional Development</i>					
Department of Health					
Administered expenses	1.1	4,000	-	-	-
	2.4	800	-	-	-
Total expenses		4,800	-	-	-
Extending Existing Freezes on Certain Family Payment Thresholds					
<i>Department of Social Services</i>					
Department of Health					
Administered expenses	4.1	-	-	-	(619)
Total expenses		-	-	-	(619)
Management of Per- and Poly-Fluorinated Alkyl Substances at Defence Bases					
<i>Department of Defence</i>					
Department of Health					
Administered expenses	2.1	1,610	1,690	1,000	-
	5.2	2,233	6,497	600	400
Departmental capital		-	-	-	-
Total		3,843	8,187	1,600	400

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
National Disability Insurance Scheme - more flexible Commonwealth funding arrangements					
<i>Department of Social Services</i>					
Department of Health					
Administered expenses	6.2	71	-	-	-
Total expenses		71	-	-	-
Whole of Government Measures					
Public Sector Transformation and the Efficiency Dividend²					
<i>Cross Portfolio</i>					
Department of Health					
Departmental expenses		-	(9,329)	(15,432)	(18,324)
Departmental capital		-	(172)	(230)	(421)
Australian Aged Care Quality Agency					
Departmental expenses	1.1	-	(255)	(469)	(566)
Departmental capital	1.1	-	(18)	(30)	(36)
Australian Digital Health Agency					
Departmental expenses	1.1	-	(1,729)	(104)	-
Australian Institute of Health and Welfare					
Departmental expenses	1.1	-	(413)	(684)	(820)
Australian Organ and Tissue Donation and Transplantation Authority					
Departmental expenses	1.1	-	(84)	(141)	(170)
Departmental capital	1.1	-	(4)	(6)	(8)
Australian Radiation Protection and Nuclear Safety Agency					
Departmental expenses	1.1	-	(198)	(330)	(397)
Departmental capital	1.1	-	(30)	(50)	(61)
Australian Sports Anti-Doping Authority					
Departmental expenses	1.1	-	(195)	(298)	(358)
Departmental capital	1.1	-	(6)	(10)	(12)
Australian Sports Commission					
Departmental expenses	1.1	-	(3,227)	(5,385)	(6,489)
Cancer Australia					
Departmental expenses	1.1	-	172	287	346
Departmental capital	1.1	-	(1)	(2)	(3)
Food Standards Australia New Zealand					
Departmental expenses	1.1	-	(262)	(438)	(527)

Table 1.2: Department of Health 2016-17 Measures since Budget (continued)

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Public Sector Transformation and the Efficiency Dividend (continued)²					
National Blood Authority					
Departmental expenses	1.1	-	(85)	(142)	(171)
Departmental capital	1.1	-	(10)	(16)	(19)
National Health Funding Body					
Departmental expenses	1.1	-	(66)	(109)	(132)
Departmental capital	1.1	-	-	-	-
National Health and Medical Research Council					
Departmental expenses	1.1	-	(571)	(950)	(1,145)
Departmental capital	1.1	-	(3)	(4)	(5)
National Mental Health Commission					
Departmental expenses	1.1	-	(42)	(70)	(84)
Departmental capital	1.1	-	-	-	-
Professional Services Review					
Departmental expenses	1.1	-	(78)	(130)	(156)
Departmental capital	1.1	-	(7)	(4)	(4)
Total		-	(16,613)	(24,747)	(29,562)

¹ The Department of Health is not the lead entity for these measures. Only Department of Health impacts are shown in this table.

² This measure was announced in the 2016-17 Budget.

1.4 Additional Estimates and Variations

The following table details the changes to the resourcing for the Department of Health at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in Appropriation Bills No. 3 and No. 4.

Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the 2016-17 Budget

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

1.5 Breakdown of Additional Estimates by Appropriation Bill

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

Table 1.4: Appropriation Bill (No. 3) 2016-17

	2015-16 Available ¹ \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Administered					
Outcome 1					
Health System Policy, Design and Innovation	207,962	81,951	124,674	42,723	-
Outcome 2					
Health Access and Support Services	3,842,223	4,000,883	4,045,770	44,887	-
Outcome 3					
Sport and Recreation	21,948	15,975	18,475	2,500	-
Outcome 4					
Individual Health Benefits	1,272,552	1,355,933	1,374,472	18,539	-
Outcome 5					
Regulation, Safety and Protection	133,647	182,201	184,434	2,233	-
Outcome 6					
Ageing and Aged Care	1,431,630	2,828,585	2,784,440	-	44,145
Total administered	6,909,962	8,465,528	8,532,265	110,882	44,145
Departmental					
Outcome 1					
Health System Policy, Design and Innovation	44,220	31,644	34,962	3,318	-
Outcome 2					
Health Access and Support Services	206,188	207,349	207,906	557	-
Outcome 3					
Sport and Recreation	9,725	8,568	8,568	-	-
Outcome 4					
Individual Health Benefits	165,889	163,841	163,859	18	-
Outcome 5					
Regulation, Safety and Protection	31,485	34,114	34,727	613	-
Outcome 6					
Ageing and Aged Care	137,447	186,694	214,433	27,739	-
Total departmental	594,954	632,210	664,455	32,245	-
Total appropriation administered and departmental Bill No. 3	7,504,916	9,097,738	9,196,720	143,127	44,145

¹ 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year and is represented on the basis of the current Outcome structure. Available appropriation is the amount available to be drawn down, and is equal to: *Budget Appropriation + Additional Estimates Appropriation + AFM – Savings – Rephasings – Other reduction +/- Section 75.*

Table 1.5: Appropriation Bill (No. 4) 2016-17

	2015-16 Available¹ \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	32,290	18,349	6,651	-	11,698
Administered assets and liabilities	156,741	150,537	150,537	-	-
Total non-operating	189,031	168,886	157,188	-	11,698
Total appropriation administered and departmental Bill No. 4	189,031	168,886	157,188	-	11,698

¹ 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: *Budget Appropriation + Additional Estimates Appropriation + AFM – section 51 withholdings – administrative quarantines +/- Machinery of Government transfers.*

Section 2: Revisions to Outcomes and Planned Performance

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

Revisions to performance information since the 2016-17 Budget are detailed in the Outcome chapters in this section. Changes have been made to the performance information for Outcomes 4 and 6.

Cross Outcome Variations

Table 2: Cross Outcome Variations

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

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Cross outcome departmental variations				
Changes in departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Public Sector Transformation and the Efficiency Dividend ¹ - operational	-	(9,329)	(15,432)	(18,324)
Measure - Public Sector Transformation and the Efficiency Dividend ¹ - DCB ²	-	(172)	(230)	(421)
Govlink contract - a single coordinated procurement contract	(22)	(30)	(30)	(30)
Movement of funds - DCB ²	3,340	(3,340)	-	-
Price parameter adjustments ³ - operational	-	(2,981)	(3,534)	(4,648)
Price parameter adjustments ³ - DCB ²	-	(55)	(53)	(107)
	3,318	(15,907)	(19,279)	(23,530)

¹ This measure was announced as part of the 2016-17 Budget (refer page 71 of the *2016-17 Budget Paper No. 2*).

² DCB = Departmental Capital Budget.

³ See explanation in Portfolio Glossary.

2.1 Budgeted Expenses and Performance

OUTCOME 1 – HEALTH SYSTEM POLICY, DESIGN AND INNOVATION

Outcome 1: Australia's health system is better equipped to meet current and future health needs by applying research, evaluation, innovation, and use of data to develop and implement integrated, evidence-based health policies, and through support for sustainable funding for health infrastructure

Table 2.1.1: Resource Summary – Outcome 1

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

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 1.1: Health Policy Research and Analysis¹				
Administered expenses				
Ordinary annual services ²	42,189	55,191	13,002	-
Special accounts				
Medical Research Future Fund	60,876	60,876	-	-
Special appropriations				
<i>National Health Act 1953</i> - blood fractionation, products and blood related products to National Blood Authority	711,578	664,802	-	46,776
<i>Public Governance, Performance and Accountability Act 2013</i> s77 - repayments	2,000	2,000	-	-
Departmental expenses				
Departmental appropriation ³	10,311	10,311	-	-
Expenses not requiring appropriation in the budget year ⁴	246	246	-	-
Total for Program 1.1	827,200	793,426	13,002	46,776
Program 1.2: Health Innovation and Technology				
Administered expenses				
Ordinary annual services ²	11,642	41,363	29,721	-
Departmental expenses				
Departmental appropriation ³	4,128	4,128	-	-
Expenses not requiring appropriation in the budget year ⁴	59	59	-	-
Total for Program 1.2	15,829	45,550	29,721	-

Table 2.1.1: Resource Summary – Outcome 1 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 1.3: Health Infrastructure¹				
Administered expenses				
Ordinary annual services ²	5,797	5,797	-	-
Special appropriations				
<i>Health Insurance Act 1973</i>				
- payments relating to the former Health and Hospitals Fund	51,770	56,179	4,409	-
Departmental expenses				
Departmental appropriation ³	4,861	4,861	-	-
Expenses not requiring appropriation in the budget year ⁴	112	112	-	-
Total for Program 1.3	62,540	66,949	4,409	-
Program 1.4: Health Peak and Advisory Bodies				
Administered expenses				
Ordinary annual services ²	7,983	7,983	-	-
Departmental expenses				
Departmental appropriation ³	5,058	5,058	-	-
Expenses not requiring appropriation in the budget year ⁴	121	121	-	-
Total for Program 1.4	13,162	13,162	-	-
Program 1.5: International Policy				
Administered expenses				
Ordinary annual services ²	14,340	14,340	-	-
Departmental expenses				
Departmental appropriation ³	5,453	5,453	-	-
Expenses not requiring appropriation in the budget year ⁴	126	126	-	-
Total for Program 1.5	19,919	19,919	-	-

Table 2.1.1: Resource Summary – Outcome 1 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Outcome 1 totals by appropriation type				
Administered expenses				
Ordinary annual services ²	81,951	124,674	42,723	-
Special accounts	60,876	60,876	-	-
Special appropriations	765,348	722,981	-	42,367
Departmental expenses				
Departmental appropriation ³	29,811	29,811	-	-
Expenses not requiring appropriation in the budget year ⁴	664	664	-	-
Total expenses for Outcome 1	938,650	939,006	42,723	42,367
	2016-17 Budget	2016-17 Revised		
Average staffing level (number)	185	185		

¹ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2016-17 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2016-17 Mid-Year Economic and Fiscal Outlook*.

² Appropriation (Bill No. 1 & 3) 2016-17.

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

⁴ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Table 2.1.2: Variations Table – Outcome 1

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 1.1: Health Policy Research and Analysis				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Community Infrastructure Projects				
- new announcements	4,000	-	-	-
Measure - Cure4MND Foundation - contribution	2,800	-	-	-
Haemopoietic Progenitor Cells Program (HPCP) - reprofile of funding	6,202	8,314	10,963	15,433
Price parameter adjustments ¹	-	(109)	(147)	(210)
	13,002	8,205	10,816	15,223
Program 1.2: Health Innovation and Technology				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Investing in Medicare - modernising health and aged care payments services	29,721	-	-	-
Price parameter adjustments ¹	-	(3)	(4)	(38)
	29,721	(3)	(4)	(38)
Program 1.4: Health Peak and Advisory Bodies				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ¹	-	(22)	(29)	(44)
	-	(22)	(29)	(44)

¹ See explanation in Portfolio Glossary.

Table 2.1.3: Program Expenses Table – Outcome 1¹

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Health Policy Research and Analysis				
Administered expenses				
Ordinary annual services	55,191	47,460	50,011	52,834
Special accounts				
Medical Research Future Fund	60,876	121,565	214,913	386,373
Special appropriations				
<i>National Health Act 1953</i> - blood fractionation, products and blood related products to National Blood Authority	664,802	760,645	811,434	864,451
<i>Public Governance, Performance and Accountability Act 2013</i> s77 - repayments	2,000	2,000	2,000	2,000
Program support	10,557	10,554	10,631	10,595
Total program expenses	793,426	942,224	1,088,989	1,316,253
Program 1.2: Health Innovation and Technology				
Administered expenses				
Ordinary annual services	41,363	631	631	4,842
Program support	4,187	3,092	3,110	3,103
Total program expenses	45,550	3,723	3,741	7,945
Program 1.3: Health Infrastructure				
Administered expenses				
Ordinary annual services	5,797	8,712	911	911
Special appropriations				
<i>Health Insurance Act 1973</i> - payments relating to the former Health and Hospitals Fund	56,179	20,939	16,949	-
Program support	4,973	4,971	5,005	4,990
Total program expenses	66,949	34,622	22,865	5,901
Program 1.4: Health Peak and Advisory Bodies				
Administered expenses				
Ordinary annual services	7,983	7,551	7,450	7,306
Program support	5,179	5,178	5,216	5,199
Total program expenses	13,162	12,729	12,666	12,505

Table 2.1.3: Program Expenses Table – Outcome 1¹ (continued)

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.5: International Policy				
Administered expenses				
Ordinary annual services	14,340	13,691	13,691	13,691
Program support	5,579	5,577	5,616	5,598
Total program expenses	19,919	19,268	19,307	19,289

¹ Actual expenses for 2015-16 are not supplied due to a change in the outcome and program structure for 2016-17. Details of the revised outcome structure can be found in Table 1.4.2 on page 34 of the *2016-17 Health Portfolio Budget Statements*.

Performance Criteria for Outcome 1

Table 2.1.4 details changes to performance criteria for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.1.4: Performance Criteria for Outcome 1

There have been no changes to performance information for Outcome 1 since the 2016-17 Budget which require new or modified performance criteria. Refer to page 44 of the *2016-17 Health Portfolio Budget Statements* for current performance information.

2.2 Budgeted Expenses and Performance

OUTCOME 2 – HEALTH ACCESS AND SUPPORT SERVICES

Outcome 2: Support for sustainable funding for public hospital services and improved access to high quality, comprehensive and coordinated preventive, primary and mental health care for all Australians, with a focus on those with complex health care needs and those living in regional, rural and remote areas, including through access to a skilled health workforce

Table 2.2.1: Resource Summary – Outcome 2

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

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 2.1: Mental Health¹				
Administered expenses				
Ordinary annual services ²	679,453	711,603	32,150	-
Departmental expenses				
Departmental appropriation ³	19,429	19,429	-	-
Expenses not requiring appropriation in the budget year ⁴	748	748	-	-
Total for Program 2.1	699,630	731,780	32,150	-
Program 2.2: Aboriginal and Torres Strait Islander Health¹				
Administered expenses				
Ordinary annual services ²	780,207	780,207	-	-
Departmental expenses				
Departmental appropriation ³	40,925	40,925	-	-
Expenses not requiring appropriation in the budget year ⁴	964	964	-	-
Total for Program 2.2	822,096	822,096	-	-
Program 2.3: Health Workforce				
Administered expenses				
Ordinary annual services ²	1,291,530	1,292,030	500	-
Departmental expenses				
Departmental appropriation ³	41,915	42,472	557	-
Expenses not requiring appropriation in the budget year ⁴	1,008	1,008	-	-
Total for Program 2.3	1,334,453	1,335,510	1,057	-

Table 2.2.1: Resource Summary – Outcome 2 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 2.4: Preventive Health and Chronic Disease Support¹				
Administered expenses				
Ordinary annual services ²	378,306	390,543	12,237	-
Departmental expenses				
Departmental appropriation ³	38,089	38,089	-	-
Expenses not requiring appropriation in the budget year ⁴	903	903	-	-
Total for Program 2.4	417,298	429,535	12,237	-
Program 2.5: Primary Health Care Quality and Coordination				
Administered expenses				
Ordinary annual services ²	405,876	405,876	-	-
Departmental expenses				
Departmental appropriation ³	23,514	23,514	-	-
Expenses not requiring appropriation in the budget year ⁴	548	548	-	-
Total for Program 2.5	429,938	429,938	-	-
Program 2.6: Primary Care Practice Incentives				
Administered expenses				
Ordinary annual services ²	372,977	372,977	-	-
Departmental expenses				
Departmental appropriation ³	1,966	1,966	-	-
Expenses not requiring appropriation in the budget year ⁴	47	47	-	-
Total for Program 2.6	374,990	374,990	-	-
Program 2.7: Hospital Services¹				
Administered expenses				
Ordinary annual services ²	92,534	92,534	-	-
Non cash expenses ⁵	963	963	-	-
Departmental expenses				
Departmental appropriation ³	40,928	40,928	-	-
Expenses not requiring appropriation in the budget year ⁴	4,164	4,164	-	-
Total for Program 2.7	138,589	138,589	-	-

Table 2.2.1: Resource Summary – Outcome 2 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Outcome 2 totals by appropriation type				
Administered expenses				
Ordinary annual services ²	4,000,883	4,045,770	44,887	-
Non cash expenses ⁵	963	963	-	-
Departmental expenses				
Departmental appropriation ³	206,766	207,323	557	-
Expenses not requiring appropriation in the budget year ⁴	8,382	8,382	-	-
Total expenses for Outcome 2	4,216,994	4,262,438	45,444	-

	2016-17 Budget	2016-17 Revised
Average staffing level (number)	1,118	1,118

¹ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2016-17 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2016-17 Mid-Year Economic and Fiscal Outlook*.

² Appropriation (Bill No. 1 & 3) 2016-17.

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

⁴ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

⁵ 'Non cash expenses' relates to the depreciation of buildings.

Table 2.2.2: Variations Table – Outcome 2

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 2.1: Mental Health				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Digital Mental Health Gateway - development of a second pass business case	2,523	-	-	-
Measure - Management of Per- and Poly-Fluorinated Alkyl Substances at Defence Bases	1,610	1,690	1,000	-
Measure - Strengthening Mental Health Care in Australia	27,879	62,156	90,040	12,925
Programme of Assistance for Survivors of Torture and Trauma (PASTT) - Free Interpretation Service (FIS) - transfer from Department of Social Services	138	293	319	-
National Disability Insurance Scheme - impact on Mental Health	-	-	-	23,650
Price parameter adjustments ¹	-	(2,061)	(2,796)	(3,119)
	32,150	62,078	88,563	33,456
Program 2.2: Aboriginal and Torres Strait Islander Health				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Elimination of Trachoma in Indigenous Communities - extension	-	(848)	(693)	(714)
Price parameter adjustments ¹	-	(5,006)	(6,939)	(9,032)
	-	(5,854)	(7,632)	(9,746)
Program 2.3: Health Workforce				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Strengthening Mental Health Care in Australia	500	1,000	-	-
Price parameter adjustments ¹	-	(3,860)	(5,021)	(7,474)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Rural Health Commissioner and Pathway for Rural Professionals - establishment	557	1,278	1,278	1,288
	1,057	(1,582)	(3,743)	6,186

Table 2.2.2: Variations Table – Outcome 2 (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 2.4: Preventive Health and Chronic Disease Support				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Community Infrastructure Projects				
- new announcements	800	-	-	-
Measure - Develop Australia's Medical Research Capabilities - zero childhood cancer initiative	10,000	10,000	-	-
Measure - McGrath Foundation Breast Care Nurses				
- continued funding	-	5,007	5,077	5,149
National Bowel Cancer Screening Program				
- variation to reflect demand	1,437	4,267	8,438	13,948
Price parameter adjustments ¹	-	(1,019)	(1,409)	(2,115)
	12,237	18,255	12,106	16,982
Program 2.5: Primary Health Care Quality and Coordination				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ¹	-	(1,058)	(1,477)	(1,874)
	-	(1,058)	(1,477)	(1,874)
Program 2.6: Primary Care Practice Incentives				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ¹	-	(2,086)	(2,891)	(3,613)
	-	(2,086)	(2,891)	(3,613)
Program 2.7: Hospital Services				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ¹	-	(228)	(306)	(460)
	-	(228)	(306)	(460)

¹ See explanation in Portfolio Glossary.

Table 2.2.3: Program Expenses Table – Outcome 2¹

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 2.1: Mental Health				
Administered expenses				
Ordinary annual services	711,603	759,186	798,461	562,279
Program support	20,177	20,096	19,924	19,809
Total program expenses	731,780	779,282	818,385	582,088
Program 2.2: Aboriginal and Torres Strait Islander Health				
Administered expenses				
Ordinary annual services	780,207	843,293	876,396	911,834
Program support	41,889	41,905	42,263	42,184
Total program expenses	822,096	885,198	918,659	954,018
Program 2.3: Health Workforce				
Administered expenses				
Ordinary annual services	1,292,030	1,302,868	1,269,965	1,259,466
Program support	43,480	43,370	43,687	43,556
Total program expenses	1,335,510	1,346,238	1,313,652	1,303,022
Program 2.4: Preventive Health and Chronic Disease Support				
Administered expenses				
Ordinary annual services	390,543	363,344	369,753	375,523
Program support	38,992	38,478	38,759	38,629
Total program expenses	429,535	401,822	408,512	414,152
Program 2.5: Primary Health Care Quality and Coordination				
Administered expenses				
Ordinary annual services	405,876	356,736	373,512	315,775
Program support	24,062	23,972	24,172	24,094
Total program expenses	429,938	380,708	397,684	339,869

Table 2.2.3: Program Expenses Table – Outcome 2¹ (continued)

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 2.6: Primary Care Practice Incentives				
Administered expenses				
Ordinary annual services	372,977	351,716	365,309	365,015
Program support	2,013	2,012	2,026	2,020
Total program expenses	374,990	353,728	367,335	367,035
Program 2.7: Hospital Services				
Administered expenses				
Ordinary annual services	92,534	77,058	77,416	77,476
Non cash expenses	963	963	963	963
Program support	45,092	46,012	45,386	42,733
Total program expenses	138,589	124,033	123,765	121,172

¹ Actual expenses for 2015-16 are not supplied due to a change in the outcome and program structure for 2016-17. Details of the revised outcome structure can be found in Table 1.4.2 on page 34 of the *2016-17 Health Portfolio Budget Statements*.

Performance Criteria for Outcome 2

Table 2.2.4 details changes to the performance criteria for each program associated with Outcome 2. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.2.4: Performance Criteria for Outcome 2

There have been no changes to performance information for Outcome 2 since the 2016-17 Budget which require new or modified performance criteria. Refer to page 59 of the *2016-17 Health Portfolio Budget Statements* for current performance measures.

2.3 Budgeted Expenses and Performance

OUTCOME 3 – SPORT AND RECREATION

Outcome 3: Improved opportunities for community participation in sport and recreation, excellence in high-performance athletes, and protecting the integrity of sport through investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues

Table 2.3.1: Resource Summary – Outcome 3

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

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 3.1: Sport and Recreation¹				
Administered expenses				
Ordinary annual services ²	15,975	18,475	2,500	-
Special accounts				
Sport and Recreation	407	407	-	-
Departmental expenses				
Departmental appropriation ³	9,135	9,135	-	-
Expenses not requiring appropriation in the budget year ⁴	243	243	-	-
Total for Program 3.1	25,760	28,260	2,500	-
Outcome 3 totals by appropriation type				
Administered expenses				
Ordinary annual services ²	15,975	18,475	2,500	-
Special accounts	407	407	-	-
Departmental expenses				
Departmental appropriation ³	9,135	9,135	-	-
Expenses not requiring appropriation in the budget year ⁴	243	243	-	-
Total expenses for Outcome 3	25,760	28,260	2,500	-
	2016-17 Budget	2016-17 Revised		
Average staffing level (number)	54	54		

¹ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2016-17 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2016-17 Mid-Year Economic and Fiscal Outlook*.

² Appropriation (Bill No. 1 & 3) 2016-17.

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

⁴ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Table 2.3.2: Variations Table – Outcome 3

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 3.1: Sport and Recreation				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Support Australia's Surf Life Savers	2,500	2,500	2,500	2,500
Price parameter adjustments ¹	-	(41)	(59)	(81)
	2,500	2,459	2,441	2,419

¹ See explanation in Portfolio Glossary.

Table 2.3.3: Program Expenses Table – Outcome 3¹

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 3.1: Sport and Recreation				
Administered expenses				
Ordinary annual services	18,475	19,520	15,190	15,197
Special accounts				
Sport and Recreation	407	407	407	407
Program support	9,378	9,397	9,382	10,414
Total program expenses	28,260	29,324	24,979	26,018

¹ Actual expenses for 2015-16 are not supplied due to a change in the outcome and program structure for 2016-17. Details of the revised outcome structure can be found in Table 1.4.2 on page 34 of the *2016-17 Health Portfolio Budget Statements*.

Performance Criteria for Outcome 3

Table 2.3.4 details changes to the performance criteria for each program associated with Outcome 3. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.3.4: Performance Criteria for Outcome 3

There have been no changes to performance information for Outcome 3 since the 2016-17 Budget which require new or modified performance criteria. Refer to page 81 of the *2016-17 Health Portfolio Budget Statements* for current performance measures.

2.4 Budgeted Expenses and Performance

OUTCOME 4 – INDIVIDUAL HEALTH BENEFITS

Outcome 4: Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance

Table 2.4.1: Resource Summary – Outcome 4

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

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 4.1: Medical Benefits				
Administered expenses				
Ordinary annual services ¹	93,206	104,881	11,675	-
Special appropriations				
<i>Health Insurance Act 1973</i>				
- medical benefits	21,850,644	22,089,848	239,204	-
Departmental expenses				
Departmental appropriation ²	25,312	25,312	-	-
Expenses not requiring appropriation in the budget year ³	563	563	-	-
Total for Program 4.1	21,969,725	22,220,604	250,879	-
Program 4.2: Hearing Services				
Administered expenses				
Ordinary annual services ¹	555,768	516,141	(39,627)	-
Departmental expenses				
Departmental appropriation ²	8,547	8,547	-	-
Expenses not requiring appropriation in the budget year ³	167	167	-	-
Total for Program 4.2	564,482	524,855	(39,627)	-
Program 4.3: Pharmaceutical Benefits				
Administered expenses				
Ordinary annual services ¹	690,449	736,940	46,491	-
Special appropriations				
<i>National Health Act 1953</i>				
- pharmaceutical benefits	10,109,505	11,282,898	1,173,393	-
Departmental expenses				
Departmental appropriation ²	57,303	57,303	-	-
Expenses not requiring appropriation in the budget year ³	2,896	2,896	-	-
Total for Program 4.3	10,860,153	12,080,037	1,219,884	-

Table 2.4.1: Resource Summary – Outcome 4 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 4.4: Private Health Insurance				
Administered expenses				
Ordinary annual services ¹	3,768	3,768	-	-
Special appropriations				
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	6,249,233	6,179,867	-	69,366
Departmental expenses				
Departmental appropriation ²	7,767	7,767	-	-
Expenses not requiring appropriation in the budget year ³	132	132	-	-
Total for Program 4.4	6,260,900	6,191,534	-	69,366
Program 4.5: Medical Indemnity				
Administered expenses				
Ordinary annual services ¹	150	150	-	-
Special appropriations				
<i>Medical Indemnity Act 2002</i>	93,400	93,400	-	-
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	2,949	2,949	-	-
Departmental expenses				
Departmental appropriation ²	1,528	1,528	-	-
Expenses not requiring appropriation in the budget year ³	32	32	-	-
Total for Program 4.5	98,059	98,059	-	-
Program 4.6: Dental Services⁴				
Administered expenses				
Ordinary annual services ¹	-	-	-	-
Special appropriations				
<i>Dental Benefits Act 2008</i>	415,616	326,797	-	88,819
Departmental expenses				
Departmental appropriation ²	1,502	1,520	18	-
Expenses not requiring appropriation in the budget year ³	36	36	-	-
Total for Program 4.6	417,154	328,353	18	88,819

Table 2.4.1: Resource Summary – Outcome 4 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 4.7: Health Benefit Compliance				
Administered expenses				
Ordinary annual services ¹	12,000	12,000	-	-
Departmental expenses				
Departmental appropriation ²	65,902	65,902	-	-
Expenses not requiring appropriation in the budget year ³	1,475	1,475	-	-
Total for Program 4.7	79,377	79,377	-	-
Program 4.8: Targeted Assistance - Aids and Appliances				
Administered expenses				
Ordinary annual services ¹	592	592	-	-
Special appropriations <i>National Health Act 1953</i> - aids and appliances	292,219	354,493	62,274	-
Departmental expenses				
Departmental appropriation ²	2,784	2,784	-	-
Expenses not requiring appropriation in the budget year ³	63	63	-	-
Total for Program 4.8	295,658	357,932	62,274	-
Outcome 4 totals by appropriation type				
Administered expenses				
Ordinary annual services ¹	1,355,933	1,374,472	18,539	-
Special appropriations	39,013,566	40,330,252	1,316,686	-
Departmental expenses				
Departmental appropriation ²	170,645	170,663	18	-
Expenses not requiring appropriation in the budget year ³	5,364	5,364	-	-
Total expenses for Outcome 4	40,545,508	41,880,751	1,335,243	-
	2016-17 Budget	2016-17 Revised		
Average staffing level (number)	909	909		

¹ Appropriation Bill (No. 1 & 3) 2016-17.

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

³ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

⁴ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2016-17 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2016-17 Mid-Year Economic and Fiscal Outlook*.

Table 2.4.2: Variations Table – Outcome 4

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 4.1: Medical Benefits				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Investing in Medicare - Medicare Benefits Schedule - new and amended listings	100	260	260	-
Measure - Radiation Oncology Health Program Grants Scheme - efficiencies	-	(10,054)	(8,037)	(6,134)
Medicare Benefits Schedule Review - reprofile of funding	5,000	-	-	-
Medical Treatment Overseas - variation to reflect demand	2,011	-	-	-
Radiation Oncology Health Program Grants Scheme - variation to reflect demand	4,564	-	-	-
Price parameter adjustments ¹	-	(7)	(9)	(12)
	11,675	(9,801)	(7,786)	(6,146)
Program 4.2: Hearing Services				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Community Service Obligations - variation to reflect demand	-	674	924	3,211
Hearing Services Voucher Program - variation to reflect demand	(39,627)	(33,521)	(17,130)	(1,803)
Price parameter adjustments ¹	-	(1,348)	(1,890)	(2,969)
	(39,627)	(34,195)	(18,096)	(1,561)
Program 4.3: Pharmaceutical Benefits				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Life Saving Drugs Program - variation to reflect demand	7,500	1,000	1,000	1,000
Hepatitis C Registry - reprofile of funding	-	510	-	-
Pharmacy Trial Program - reprofile of funding	531	-	-	-
Community Pharmacy Programs under the Sixth Community Pharmacy Agreement including review of Pharmacy Remuneration and Regulation - reprofile of funding	38,460	(25,026)	-	-
Price parameter adjustments ¹	-	(7,055)	(9,009)	(9,790)
	46,491	(30,571)	(8,009)	(8,790)

Table 2.4.2: Variations Table – Outcome 4 (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 4.6: Dental Services				
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Revised Arrangements for Commonwealth				
Dental Funding	18	30	31	24
	18	30	31	24

¹ See explanation in Portfolio Glossary.

Table 2.4.3: Program Expenses Table – Outcome 4¹

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 4.1: Medical Benefits				
Administered expenses				
Ordinary annual services	104,881	67,464	69,595	71,235
Special appropriations				
<i>Health Insurance Act 1973</i>				
- medical benefits	22,089,848	22,608,367	23,633,372	25,078,254
Program support	25,875	23,460	23,594	23,513
Total program expenses	22,220,604	22,699,291	23,726,561	25,173,002
Program 4.2: Hearing Services				
Administered expenses				
Ordinary annual services	516,141	530,175	557,104	583,090
Program support	8,714	8,712	8,764	8,741
Total program expenses	524,855	538,887	565,868	591,831
Program 4.3: Pharmaceutical Benefits				
Administered expenses				
Ordinary annual services	736,940	667,731	683,519	691,380
Special appropriations				
<i>National Health Act 1953</i>				
- pharmaceutical benefits	11,282,898	10,599,429	10,681,766	10,671,055
Program support	60,199	59,005	51,385	46,870
Total program expenses	12,080,037	11,326,165	11,416,670	11,409,305
Program 4.4: Private Health Insurance				
Administered expenses				
Ordinary annual services	3,768	3,114	2,561	2,461
Special appropriations				
<i>Private Health Insurance Act 2007</i>				
- incentive payments and rebate	6,179,867	6,420,627	6,737,052	6,737,125
Program support	7,899	7,897	7,938	7,919
Total program expenses	6,191,534	6,431,638	6,747,551	6,747,505

Table 2.4.3: Program Expenses Table – Outcome 4¹ (continued)

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 4.5: Medical Indemnity				
Administered expenses				
Ordinary annual services	150	142	142	142
Special appropriations				
<i>Medical Indemnity Act 2002</i>	93,400	98,600	87,100	91,100
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	2,949	4,073	4,719	5,462
Program support	1,560	1,560	1,570	1,565
Total program expenses	98,059	104,375	93,531	98,269
Program 4.6: Dental Services				
Administered expenses				
Ordinary annual services	-	-	-	-
Special appropriations				
<i>Dental Benefits Act 2008</i>	326,797	307,820	315,500	329,170
Program support	1,556	1,566	2,318	2,306
Total program expenses	328,353	309,386	317,818	331,476
Program 4.7: Health Benefit Compliance				
Administered expenses				
Ordinary annual services	12,000	12,000	12,000	12,000
Program support	67,377	67,431	67,305	67,094
Total program expenses	79,377	79,431	79,305	79,094
Program 4.8: Targeted Assistance - Aids and Appliances				
Administered expenses				
Ordinary annual services	592	566	566	566
Special appropriations				
<i>National Health Act 1953</i>				
- aids and appliances	354,493	353,791	358,557	374,563
Program support	2,847	2,846	2,867	2,857
Total program expenses	357,932	357,203	361,990	377,986

¹ Actual expenses for 2015-16 are not supplied due to a change in the outcome and program structure for 2016-17. Details of the revised outcome structure can be found in Table 1.4.2 on page 34 of the *2016-17 Health Portfolio Budget Statements*.

Performance Criteria for Outcome 4¹

Table 2.4.4 below details changes to performance criteria for programs associated with Outcome 4, all other performance criteria remains unchanged – refer to page 90 of the *2016-17 Health Portfolio Budget Statements*. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.4.4: Performance Criteria for Program 4.3

Outcome	4: Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance				
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.				
Program	4.3: Pharmaceutical Benefits The Australian Government provides reliable, timely and affordable access to cost-effective, high quality medicines and sustainable pharmaceutical services by subsidising the cost of medicines through the Pharmaceutical Benefits Scheme (PBS) and Life Saving Drugs Program (LSDP), community pharmacy programs, and by supporting the provision of aids and appliances.				
Delivery	Program activities, intended to benefit the Australian community through affordable access to cost-effective medicines, will be delivered under the following program objectives: A. Supporting timely access to medicines and pharmacy services B. Listing cost-effective, innovative, clinically effective medicines on the PBS C. Increasing the sustainability of the PBS D. Providing access to new and existing medicines for patients with life threatening conditions E. Undertaking post-market surveillance F. Monitoring the use of diagnostics, therapeutics and pathology				
Changes to performance criteria					
A. Supporting timely access to medicines and pharmacy services					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Average cost per subsidised script funded by the PBS. ²	\$30.04	\$28.17	\$27.73	\$27.55	\$26.79
Average cost per script paid by consumers for PBS medicines. ³	\$9.76	\$10.15	\$10.31	\$10.58	\$10.84

¹ Changes to performance criteria only affect Program 4.3 – Objective A.

² The footnote for this performance criterion has been updated to provide clarity to better reflect what data is being captured in this criterion. The footnote has been updated to: This is the average across subsidised PBS prescriptions, including Government and patient co-payment contributions.

³ The footnote for this performance criterion has been updated to provide clarity to better reflect what data is being captured in this criterion. The footnote has been updated to: This is the average across all PBS prescriptions, including under co-payment prescriptions.

2.5 Budgeted Expenses and Performance

OUTCOME 5 – REGULATION, SAFETY AND PROTECTION

Outcome 5: Protection of the health and safety of the Australian community and preparedness to respond to national health emergencies and risks, including through immunisation, initiatives, and regulation of therapeutic goods, chemicals, gene technology, and blood and organ products

Table 2.5.1: Resource Summary – Outcome 5

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

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 5.1: Protect the Health and Safety of the Community Through Regulation				
Administered expenses				
Ordinary annual services ¹	-	-	-	-
Departmental expenses				
Departmental appropriation ²	11,328	11,941	613	-
to special accounts	(11,328)	(10,522)	806	-
Expenses not requiring appropriation in the budget year ³	-	-	-	-
Special accounts				
OGTR ⁴	7,996	7,973	-	23
NICNAS ⁵	19,676	19,676	-	-
TGA ⁶	155,119	154,313	-	806
Expense adjustment ⁷	(9,258)	(9,254)	4	-
Total for Program 5.1	173,533	174,127	1,423	829
Program 5.2: Health Protection and Emergency Response⁸				
Administered expenses				
Ordinary annual services ¹	86,016	88,699	2,683	-
Non cash expenses ⁹	17,577	21,515	3,938	-
Special accounts				
Human Pituitary Hormones - s78				
PGPA Act	160	160	-	-
Departmental expenses				
Departmental appropriation ²	19,827	19,827	-	-
Expenses not requiring appropriation in the budget year ³	615	615	-	-
Total for Program 5.2	124,195	130,816	6,621	-

Table 2.5.1: Resource Summary – Outcome 5 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 5.3: Immunisation⁸				
Administered expenses				
Ordinary annual services ¹	96,185	95,735	(450)	-
to Australian Childhood Immunisation Special Account	(5,913)	(5,913)	-	-
Special accounts				
Australian Childhood Immunisation Register - s78 PGPA Act	9,650	9,650	-	-
Special appropriations				
<i>National Health Act 1943</i>				
- essential vaccines	279,548	279,548	-	-
Departmental expenses				
Departmental appropriation ²	8,688	8,688	-	-
Expenses not requiring appropriation in the budget year ³	204	204	-	-
Total for Program 5.3	388,362	387,912	(450)	-
Outcome 5 totals by appropriation type				
Administered expenses				
Ordinary annual services ¹	182,201	184,434	2,233	-
to Special accounts	(5,913)	(5,913)	-	-
Non cash expenses ⁹	17,577	21,515	3,938	-
Special accounts	9,810	9,810	-	-
Special appropriations	279,548	279,548	-	-
Departmental expenses				
Departmental appropriation ²	39,843	40,456	613	-
to special accounts	(11,328)	(10,522)	806	-
Expenses not requiring appropriation in the budget year ³	819	819	-	-
Special accounts	173,533	172,708	-	825
Total expenses for Outcome 5	686,090	692,855	7,590	825
	2016-17 Budget	2016-17 Revised		
Average staffing level (number)	1,010	1,010		

¹ Appropriation (Bill No. 1 & 3) 2016-17.

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

³ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

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

⁵ National Industrial Chemicals Notification and Assessment Scheme (NICNAS) Special Account.

⁶ Therapeutic Goods Administration (TGA) Special Account.

⁷ Special accounts are reported on a cash basis. This adjustment reflects the differences between expense and cash, and eliminates inter-entity transactions between the core department and TGA.

⁸ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2016-17 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2016-17 Mid-Year Economic and Fiscal Outlook*.

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

Table 2.5.2: Variations Table – Outcome 5

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 5.1: Protect the Health and Safety of the Community Through Regulation				
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Regulation of Medicinal Cannabis - charging arrangements	613	912	908	910
	613	912	908	910
Program 5.2: Health Protection and Emergency Response				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Management of Per- and Poly-Fluorinated Alkyl Substances at Defence bases	2,233	6,497	600	400
Reallocation from Program 5.3	450	-	-	-
Price parameter adjustments ¹	-	(237)	(167)	(250)
	2,683	6,260	433	150
Program 5.3: Immunisation				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Improving Immunisation Coverage Rates - reprofile of funding	-	2,378	74	1,531
Reallocation to Program 5.2	(450)	-	-	-
Price parameter adjustments ¹	-	(98)	(97)	(145)
	(450)	2,280	(23)	1,386

¹ See explanation in Portfolio Glossary

Table 2.5.3: Program Expenses Table – Outcome 5¹

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 5.1: Protect the Health and Safety of the Community Through Regulation				
Administered expenses				
Ordinary annual services	-	-	-	-
Departmental appropriation to special accounts	11,941 (10,522)	10,079 (8,361)	10,016 (8,302)	10,019 (8,303)
Special accounts				
OGTR	7,973	7,671	7,635	7,635
NICNAS	19,676	16,938	14,456	14,356
TGA	154,313	148,759	145,671	146,315
Expense adjustment	(9,254)	(2,224)	6,251	5,836
Total program expenses	174,127	172,862	175,727	175,858
Program 5.2: Health Protection and Emergency Response				
Administered expenses				
Ordinary annual services	88,699	86,391	42,796	42,560
Non cash expenses	21,515	29,926	24,661	12,788
Special accounts				
Human Pituitary Hormones - s78 PGPA Act	160	170	170	-
Program support	20,442	20,438	20,596	20,506
Total program expenses	130,816	136,925	88,223	75,854
Program 5.3: Immunisation				
Administered expenses				
Ordinary annual services to Australian Childhood Immunisation Special Account	95,735 (5,913)	35,366 (5,966)	24,670 (5,966)	26,106 (5,966)
Special accounts				
Australian Childhood Immunisation Register - s78 PGPA Act	9,650	9,820	9,820	9,820
Special appropriations <i>National Health Act 1943</i> - essential vaccines	279,548	279,823	279,821	279,748
Program support	8,892	8,647	8,652	8,623
Total program expenses	387,912	327,690	316,997	318,331

¹ The 2015-16 actual expense is not supplied due to a change in the outcome and program structure for 2016-17. Details of the revised outcome structure can be found in Table 1.4.2 on page 34 of the *2016-17 Health Portfolio Budget Statements*.

Performance Criteria for Outcome 5

Table 2.5.4 details changes to performance criteria for each program associated with Outcome 5. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.5.4: Performance Criteria for Outcome 5

There have been no changes to performance information for Outcome 5 since the 2016-17 Budget which require new or modified performance criteria. Refer to page 116 of the *2016-17 Health Portfolio Budget Statements* for current performance information.

2.6 Budgeted Expenses and Performance

OUTCOME 6 – AGEING AND AGED CARE

Outcome 6: Improved wellbeing for older Australians through targeted support, access to quality care and related information services

Table 2.6.1: Resource Summary – Outcome 6

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

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 6.1: Access and Information				
Administered expenses				
Ordinary annual services ¹	195,875	195,875	-	-
Departmental expenses				
Departmental appropriation ²	45,385	56,371	10,986	-
Expenses not requiring appropriation in the budget year ³	1,106	1,106	-	-
Total for Program 6.1	242,366	253,352	10,986	-
Program 6.2: Home Support and Care⁴				
Administered expenses				
Ordinary annual services ¹	2,324,521	2,282,547	-	41,974
Special appropriations				
<i>Aged Care Act 1997</i>				
- Home Care Packages	1,725,382	1,726,419	1,037	-
<i>National Health Act 1953</i>				
- continence aids payments	86,661	83,980	-	2,681
Departmental expenses				
Departmental appropriation ²	59,863	62,610	2,747	-
Expenses not requiring appropriation in the budget year ³	1,414	1,414	-	-
Total for Program 6.2	4,197,841	4,156,970	3,784	44,655

Table 2.6.1: Resource Summary – Outcome 6 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Program 6.3: Residential and Flexible Care				
Administered expenses				
Ordinary annual services ^{1,5}	107,546	107,546	-	-
Zero Real Interest Loans				
- appropriation	67,040	67,040	-	-
- expense adjustment ⁶	(53,727)	(47,451)	6,276	-
Special appropriations				
<i>Aged Care Act 1997</i>				
- residential care	10,774,303	10,783,921	9,618	-
<i>Aged Care Act 1997</i>				
- flexible care	423,863	431,209	7,346	-
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	-	801	801	-
Departmental expenses				
Departmental appropriation ²	27,840	36,888	9,048	-
Expenses not requiring appropriation in the budget year ³	675	675	-	-
Total for Program 6.3	11,347,540	11,380,629	33,089	-
Program 6.4: Aged Care Quality				
Administered expenses				
Ordinary annual services ¹	133,603	131,432	-	2,171
Departmental expenses				
Departmental appropriation ²	58,745	63,703	4,958	-
Expenses not requiring appropriation in the budget year ³	1,436	1,436	-	-
Total for Program 6.4	193,784	196,571	4,958	2,171

Table 2.6.1: Resource Summary – Outcome 6 (continued)

	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Outcome 6 totals by appropriation type				
Administered expenses				
Ordinary annual services ¹	2,828,585	2,784,440	-	44,145
- expense adjustment ⁶	(53,727)	(47,451)	6,276	-
Special appropriations	13,010,209	13,026,330	16,121	-
Departmental expenses				
Departmental appropriation ²	191,833	219,572	27,739	-
Expenses not requiring appropriation in the budget year ³	4,631	4,631	-	-
Total expenses for Outcome 6	15,981,531	15,987,522	50,136	44,145
	2016-17 Budget	2016-17 Revised		
Average staffing level (number)	1,207	1,207		

¹ Appropriation (Bill No. 1 & 3) 2016-17.

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

³ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

⁴ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2016-17 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2016-17 Mid-Year Economic and Fiscal Outlook*.

⁵ Ordinary annual services (Bill 1) against Program 6.3 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

⁶ Payments under the Zero Real Interest Loans program are a loan to aged care providers and not accounted for as an expense. The concessional loan discount is the expense and represents the difference between an estimate of the market rate of interest, and that recovered under the loan agreement, over the life of the loan. This adjustment recognises the difference between the appropriation and the concessional loan discount expense.

Table 2.6.2: Variations Table – Outcome 6

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 6.1: Access and Information				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ¹	-	(599)	(819)	(1,273)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Transfer from capital to operational funding	10,986	-	-	-
	10,986	(599)	(819)	(1,273)
Program 6.2: Home Support and Care				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Continuity of Support model - variation to reflect demand and commencement date	(41,974)	(5,349)	25,899	2,809
Price parameter adjustments ¹	-	(11,477)	(14,489)	(20,245)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Transfer from capital to operational funding	2,747	-	-	-
	(39,227)	(16,826)	11,410	(17,436)
Program 6.3: Residential and Flexible Care				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Specialist Dementia Care Units				
- establishment	-	-	2,191	11,139
Zero Real Interest Loans - reprofile of funding and model updates	6,276	8,751	6,024	-
Price parameter adjustments ¹	-	(672)	(957)	(1,117)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Specialised Dementia Care Units				
- establishment	248	99	196	196
Transfer from capital to operational funding	8,800	-	-	-
	15,324	8,178	7,454	10,218

Table 2.6.2: Variations Table – Outcome 6 (continued)

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 6.4: Aged Care Quality				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Aged Care Provider Funding - addressing growth in residential aged care	(539)	(9,696)	(10,036)	(11,337)
Measure - Specialist Dementia Care Units - establishment	(1,632)	12	116	286
Price parameter adjustments ¹	-	(371)	(500)	(771)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Aged Care Provider Funding - addressing growth in residential aged care	4,958	1,601	93	93
	2,787	(8,454)	(10,327)	(11,729)

¹ See explanation in Portfolio Glossary.

Table 2.6.3: Program Expenses Table – Outcome 6¹

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 6.1: Access and Information				
Administered expenses				
Ordinary annual services	195,875	201,975	207,257	214,578
Program support	57,477	47,143	48,110	51,439
Total program expenses	253,352	249,118	255,367	266,017
Program 6.2: Home Support and Care				
Administered expenses				
Ordinary annual services	2,282,547	2,561,158	2,846,867	2,951,554
Special appropriations				
<i>Aged Care Act 1997</i>				
- Home Care Packages	1,726,419	1,967,125	2,293,309	2,654,165
<i>National Health Act 1953</i>				
- continence aids payments	83,980	86,674	83,476	72,406
Program support	64,024	61,512	65,624	68,622
Total program expenses	4,156,970	4,676,469	5,289,276	5,746,747
Program 6.3: Residential and Flexible Care				
Administered expenses				
Ordinary annual services ²	107,546	100,333	102,551	113,533
Zero Real Interest Loans				
- appropriation	67,040	34,200	17,960	-
- expense adjustment ³	(47,451)	(22,866)	(11,936)	-
Special appropriations				
<i>Aged Care Act 1997</i>				
- residential care	10,783,921	11,355,140	11,993,712	12,802,831
<i>Aged Care Act 1997</i>				
- flexible care	431,209	472,175	499,685	540,715
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	801	-	-	-
Program support ³	37,563	26,516	27,357	27,300
Total program expenses	11,380,629	11,965,498	12,629,329	13,484,379

Table 2.6.3: Program Expenses Table – Outcome 6¹ (continued)

	2016-17 Revised Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 6.4: Aged Care Quality				
Administered expenses				
Ordinary annual services	131,432	115,637	116,650	118,856
Program support	65,139	61,035	60,476	53,987
Total program expenses	196,571	176,672	177,126	172,843

¹ 2015-16 actual expenses are not supplied due to a change in the outcome and program structure for 2016-17. Details of the revised outcome structure can be found in Table 1.4.2 on page 34 of the *2016-17 Health Portfolio Budget Statements*.

² Ordinary annual services (Bill 1) against Program 6.3 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

³ 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.

Performance Criteria for Outcome 6

Table 2.6.4 below details changes to the performance criteria for programs associated with Outcome 6, all other performance criteria remains unchanged – refer to page 134 of the 2016-17 Health Portfolio Budget Statements. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.6.4: Performance Criteria for Outcome 6

Outcome	6: Improved wellbeing for older Australians through targeted support, access to quality care and related information services				
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.				
Program	6.3: Residential and Flexible Care The Australian Government provides a range of high quality and sustainable aged care options and accommodation, for older people who are unable to continue living independently in their own homes, on both a permanent and short term basis.				
Delivery	Program activities, which are intended to benefit older Australians and their families and carers, will be delivered under the following program objectives: A. Providing a range of residential and flexible care options and accommodation for older people who are unable to continue living independently in their own homes B. Administering the Accommodation Payment Guarantee Scheme				
Changes to performance criteria¹					
A. Providing a range of residential and flexible care options and accommodation for older people who are unable to continue living independently in their own homes					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of operational Residential Aged care places available by 30 June each year.	191,695	206,700 ²	TBA	TBA	TBA

¹ Changes to performance criteria only affect Program 6.3 – Objective A.

² The 2016-17 target has been included following the previous years’ stocktake of places. This performance criterion includes mainstream residential care places and residential places under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, the Multi-Purpose Services (MPS) Program, and the Innovative Pool Program. The expected number of places is based on existing operational places and the number of provisionally allocated places expected to become operational by 30 June 2017.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 Special Account Flows

Estimates of Special Account Flows

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

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2016-17 2015-16 \$'000	Other receipts 2016-17 2015-16 \$'000	Appropriation receipts 2016-17 2015-16 \$'000	Payments 2016-17 2015-16 \$'000	Closing balance 2016-17 2015-16 \$'000
	Outcome					
Australian Childhood Immunisation Register (A)	5	3,876 2,258	3,736 4,060	5,913 7,270	9,650 9,712	3,875 3,876
Health and Hospitals Fund Health Portfolio (A) ¹	1	- -	- 54,984	- -	- 54,984	- -
Human Pituitary Hormones (A)	5	2,570 2,675	- -	- -	160 105	2,410 2,570
Medical Research Future Fund (A)	1	- -	60,876 -	- -	60,876 -	- -
National Industrial Chemicals Notification and Assessment Scheme (D)	5	14,806 10,503	15,854 16,302	3,762 3,874	19,676 15,873	14,746 14,806
Office of the Gene Technology Regulator (D)	5	7,872 7,585	132 152	7,641 7,734	7,973 7,599	7,672 7,872
Services for Other Entities and Trust Moneys (S)	various	18,773 13,849	3,548 12,609	1,105 11,870	4,634 19,555	18,792 18,773
Sport and Recreation (A)	3	624 714	407 331	- -	407 421	624 624
Therapeutic Goods Administration (D)	5	66,039 61,059	138,384 134,552	2,574 4,177	154,313 133,749	52,684 66,039
Total special accounts 2016-17 estimate		114,560	222,937	20,995	257,689	100,803
<i>Total special accounts 2015-16 actual</i>		98,643	222,990	34,925	241,998	114,560

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

¹ The Health and Hospitals Fund Health Portfolio Special Account ceased from 29 October 2015.

3.2 Budgeted Financial Statements

3.2.1 Analysis of Budgeted Financial Statements

Departmental

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

2015 Administrative Arrangements Order (AAO) changes

The actuals in 2015-16 reflect a part year effect of the Ageing and Aged Care functions transferred from the Department of Social Services, and of the Medicare Provider Compliance function transferred from the Department of Human Services as a result of the AAO changes. Full year financial impacts are reflected in the outyears.

Comprehensive Income Statement

Measures affecting the departmental appropriation are provided in Table 1.2, and other variations since Budget 2016-17 are provided in the variation tables for each outcome and the cross outcome variations in Table 2.

Balance Sheet

The changes in the current and outyears reflect the full impact of the AAO changes as mentioned above.

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

Cash Flow

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

Administered

Major estimate changes

2015 Administrative Arrangements Order (AAO) changes

The actuals in 2015-16 reflect a part year effect of the Ageing and Aged Care functions transferred from the Department of Social Services as a result of the AAO changes. Full year financial impacts are reflected in the outyears.

Schedule of Budgeted Income and Expense

Revenue estimates include pharmaceutical and Medicare recoveries and medical indemnity levies.

Personal Benefits expenses include the Pharmaceutical Benefits Scheme, Medicare, Dental Benefits and the Private Health Insurance Rebate. Estimated expenses grow over the forward estimates due to anticipated growth in price and demand. Subsidies mainly include payments for the Ageing and Aged Care functions.

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

Schedule of budgeted assets and liabilities

The 30 June 2017 projected balance sheet reflects assets and liabilities incorporating the major changes referred to above including the addition of receivables for concessional loans provided to aged care providers.

Personal Benefit liabilities are expected to grow consistent with the growth in prices and demand as referred to above.

Schedule of Administered Capital Budget

Capital includes amounts provided for the replenishment and enhancement of the medical stockpile and intangible assets. Capital spending includes \$250 million for investments of the Biomedical Translation Fund.

Cash Flow

Cash flows are consistent with projected income and expense, capital injections from Government and investments in inventory.

Table 3.2.1: Budget Departmental Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	464,527	542,396	540,855	550,136	545,410
Supplier expenses	304,416	274,745	237,749	219,825	216,441
Depreciation and amortisation	23,984	28,821	29,122	33,428	30,262
Write-down and impairment of assets	2,745	-	-	-	-
Other expenses	1,105	11,900	4,000	4,000	4,000
Total expenses	796,777	857,862	811,726	807,389	796,113
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	174,561	173,130	175,986	182,837	183,333
Interest	-	-	2,110	2,154	2,154
Other revenue	2,063	2,428	2,450	2,473	2,498
Total revenue	176,624	175,558	180,546	187,464	187,985
Gains					
Sale of assets	78	-	-	-	-
Other	370	-	-	-	-
Total gains	448	-	-	-	-
Total own-source income	177,072	175,558	180,546	187,464	187,985
Net cost of (contribution by) services	619,705	682,304	631,180	619,925	608,128
Revenue from Government	594,997	654,585	607,304	598,325	589,852
Surplus (Deficit)	(24,708)	(27,719)	(23,876)	(21,600)	(18,276)
Surplus (Deficit) attributable to the Australian Government	(24,708)	(27,719)	(23,876)	(21,600)	(18,276)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(24,708)	(27,719)	(23,876)	(21,600)	(18,276)

Table 3.2.1: Budget Departmental Comprehensive Income Statement (Showing Net Cost of Services) for the period ended 30 June (continued)

Note: Reconciliation of comprehensive income attributable to the entity

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Total comprehensive income (loss) attributable to the Australian Government	(24,708)	(27,719)	(23,876)	(21,600)	(18,276)
plus non-appropriated expenses including depreciation and amortisation expenses	19,358	27,719	23,876	21,600	18,276
Total comprehensive income (loss) attributable to the agency	(5,350)	-	-	-	-

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	90,672	77,057	71,029	77,080	82,716
Receivables	137,120	117,835	114,099	113,799	113,799
Other	8,649	8,649	8,649	8,649	8,649
Total financial assets	236,441	203,541	193,777	199,528	205,164
Non-financial assets					
Land and buildings	53,278	49,571	47,627	40,144	33,478
Property, plant and equipment	6,316	7,397	8,345	8,745	9,053
Intangibles	106,146	121,836	118,384	108,880	106,674
Other	11,729	11,229	11,229	11,229	11,229
Total non-financial assets	177,469	190,033	185,585	168,998	160,434
Total assets	413,910	393,574	379,362	368,526	365,598
LIABILITIES					
Payables					
Suppliers	61,620	49,813	55,701	55,270	64,951
Other payables	45,196	43,685	40,360	37,037	33,772
Total payables	106,816	93,498	96,061	92,307	98,723
Provisions					
Employees	152,143	168,015	165,826	166,718	163,802
Other provisions	28,560	27,665	27,291	30,153	26,653
Total provisions	180,703	195,680	193,117	196,871	190,455
Total liabilities	287,519	289,178	289,178	289,178	289,178
Net Assets	126,391	104,396	90,184	79,348	76,420
EQUITY					
Contributed equity	246,925	252,649	262,313	273,077	288,425
Reserves	30,436	30,436	30,436	30,436	30,436
Accumulated deficits	(150,970)	(178,689)	(202,565)	(224,165)	(242,441)
Total equity	126,391	104,396	90,184	79,348	76,420

**Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement
(Budget Year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(150,970)	30,436	246,925	126,391
Surplus (deficit) for the period	(27,719)	-	-	(27,719)
Equity injection - appropriations	-	-	6,651	6,651
Departmental capital budget	-	-	9,828	9,828
Transfer to operational Bill 1 funding	-	-	(10,755)	(10,755)
Estimated closing balance as at 30 June 2017				
	(178,689)	30,436	252,649	104,396

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	161,373	217,816	217,986	223,837	223,333
Appropriations	678,390	652,377	609,051	597,236	588,651
Interest	-	-	2,110	2,154	2,154
Net GST received	25,816	24,810	24,010	20,570	20,000
Other cash received	2,063	1,782	1,380	1,403	1,428
Total cash received	867,642	896,785	854,537	845,200	835,566
Cash used					
Employees	471,954	426,734	455,400	469,480	456,045
Suppliers	339,331	385,181	323,309	298,957	300,398
Cash to the Official Public Account	58,550	65,147	64,980	64,192	62,000
Other	1,105	7,932	1,866	452	5,151
Total cash used	870,940	884,994	845,555	833,081	823,594
Net cash from (or used by) operating activities	(3,298)	11,791	8,982	12,119	11,972
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	9,210	-	-	-	-
Total cash received	9,210	-	-	-	-
Cash used					
Purchase of property, plant and equipment	35,438	41,885	24,674	16,841	21,698
Total cash used	35,438	41,885	24,674	16,841	21,698
Net cash from (or used by) investing activities	(26,228)	(41,885)	(24,674)	(16,841)	(21,698)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	40,567	16,479	9,664	10,773	15,362
Total cash received	40,567	16,479	9,664	10,773	15,362
Net cash from (or used by) financing activities	40,567	16,479	9,664	10,773	15,362
Net increase (or decrease) in cash held	11,041	(13,615)	(6,028)	6,051	5,636
Cash and cash equivalents at the beginning of the reporting period	79,631	90,672	77,057	71,029	77,080
Cash and cash equivalents at the end of the reporting period	90,672	77,057	71,029	77,080	82,716

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	32,290	6,651	1,866	1,866	1,866
Capital budget - Bill 1 (DCB)	7,621	9,828	7,798	8,898	13,482
Total capital appropriations	39,911	16,479	9,664	10,764	15,348
Total new capital appropriations represented by:					
Purchase of non-financial assets	39,911	16,479	9,664	10,764	15,348
Total items	39,911	16,479	9,664	10,764	15,348
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	11,113	6,261	5,404	2,166	1,866
Funded by capital appropriation - DCB ²	13,411	11,284	7,798	8,898	13,482
Funded internally from departmental resources	10,410	24,340	11,472	5,777	6,350
Total acquisitions of non-financial assets	34,934	41,885	24,674	16,841	21,698
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	34,934	41,885	24,674	16,841	21,698
Total cash used to acquire assets	34,934	41,885	24,674	16,841	21,698

¹ Includes both current Appropriation Bill No. 2 and prior Act 2/4/6 appropriations.

² Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

Table 3.2.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	60,676	8,564	225,870	295,110
Accumulated depreciation/amortisation and impairment	(7,398)	(2,248)	(119,724)	(129,370)
Opening net book balance	53,278	6,316	106,146	165,740
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	80	6,181	6,261
By purchase - appropriation ordinary annual services	2,195	539	8,550	11,284
By purchase - other	2,555	3,160	18,625	24,340
Sub-total	4,750	3,779	33,356	41,885
Other movements				
Depreciation/amortisation expense	(8,457)	(2,698)	(17,666)	(28,821)
Total other movements	(8,457)	(2,698)	(17,666)	(28,821)
As at 30 June 2017				
Gross book value	65,426	12,343	259,226	336,995
Accumulated depreciation/amortisation and impairment	(15,855)	(4,946)	(137,390)	(158,191)
Closing net book balance	49,571	7,397	121,836	178,804

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Suppliers	676,768	558,406	555,795	522,656	530,446
Subsidies	9,290,201	13,059,049	13,917,933	14,899,749	16,115,688
Personal benefits	39,507,641	41,542,342	41,516,979	43,011,730	44,502,595
Grants	5,818,319	7,725,822	8,002,311	8,464,611	8,531,306
Depreciation and amortisation	20,383	963	963	963	963
Write down and impairment of assets	107,326	21,515	29,926	24,661	12,788
Payments to corporate entities	328,658	405,074	404,204	274,486	250,740
Other expenses	10,149	19,589	11,334	6,024	-
Total expenses administered on behalf of Government	55,759,445	63,332,760	64,439,445	67,204,880	69,944,526
INCOME					
Revenue					
Taxation revenue					
Other taxes	17,799	15,300	15,600	15,900	16,300
Total taxation revenue	17,799	15,300	15,600	15,900	16,300
Non-taxation revenue					
Interest	4,757	10,874	13,694	15,348	15,408
Medical Research Future Fund	54,984	60,876	121,565	214,913	386,373
Other revenue	2,754,072	2,790,819	2,464,913	2,145,808	1,769,654
Total non-taxation revenue	2,813,813	2,862,569	2,600,172	2,376,069	2,171,435
Total own-source revenue administered on behalf of Government	2,831,612	2,877,869	2,615,772	2,391,969	2,187,735
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total revenue administered on behalf of Government	2,831,612	2,877,869	2,615,772	2,391,969	2,187,735

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	171,579	171,578	171,578	171,578	171,578
Receivables	1,373,517	1,583,024	1,421,893	1,390,493	1,307,642
Investments	380,117	589,110	589,110	589,110	589,110
Total financial assets	1,925,213	2,343,712	2,182,581	2,151,181	2,068,330
Non-financial assets					
Land and buildings	33,197	32,234	31,271	30,308	29,345
Intangibles	48,823	-	-	-	-
Inventories	111,265	115,287	85,361	60,700	47,912
Total non-financial assets	193,285	147,521	116,632	91,008	77,257
Total assets administered on behalf of Government	2,118,498	2,491,233	2,299,213	2,242,189	2,145,587
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	9,881	9,762	9,762	9,762	9,762
Subsidies	263,538	278,709	307,923	323,822	339,756
Personal benefits payable	898,425	1,067,570	1,046,465	1,082,116	1,074,020
Grants	378,070	398,365	398,222	398,455	399,743
Total payables	1,549,914	1,754,406	1,762,372	1,814,155	1,823,281
Provisions					
Subsidies	425,000	425,000	425,000	425,000	425,000
Personal benefits	1,280,045	1,280,045	1,280,045	1,280,045	1,280,045
Total payables	1,705,045	1,705,045	1,705,045	1,705,045	1,705,045
Total liabilities administered on behalf of Government	3,254,959	3,459,451	3,467,417	3,519,200	3,528,326

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	3,130	7,108	8,465	9,563	8,835
Taxes	17,799	15,300	15,600	15,900	16,300
GST received	359,467	485,529	489,514	501,335	494,536
Special account receipts	54,984	60,876	121,565	214,913	386,373
Other	2,087,477	2,613,439	2,627,683	2,165,680	1,825,996
Total cash received	2,522,857	3,182,252	3,262,827	2,907,391	2,732,040
Cash used					
Grants	5,823,759	7,713,387	8,004,121	8,462,362	8,528,232
Subsidies	9,180,994	13,037,959	13,882,761	14,882,045	16,101,792
Personal benefits	39,280,955	41,367,927	41,538,848	42,976,127	44,510,439
Suppliers	685,001	584,070	555,795	522,656	530,446
Payments to corporate entities	328,658	405,074	404,204	274,486	250,740
GST paid	380,296	485,529	489,514	501,335	494,536
Total cash used	55,679,663	63,593,946	64,875,243	67,619,011	70,416,185
Net cash from (or used by) operating activities	(53,156,806)	(60,411,694)	(61,612,416)	(64,711,620)	(67,684,145)
INVESTING ACTIVITIES					
Cash received					
Repayment of advances	16,402	18,953	26,318	29,116	33,082
Total cash used	16,402	18,953	26,318	29,116	33,082
Cash used					
Advances made	22,298	67,040	34,200	17,960	-
Purchase of PP&E	31,626	-	-	-	-
Purchase of investment	-	250,000	-	-	-
Total cash used	53,924	317,040	34,200	17,960	-
Net cash from (or used by) investing activities	(37,522)	(298,087)	(7,882)	11,156	33,082
Net increase (or decrease) in cash held	(53,194,328)	(60,709,781)	(61,620,298)	(64,700,464)	(67,651,063)
Cash at beginning of reporting period	336,648	171,577	171,578	171,578	171,578
Cash from Official Public Account for:					
- appropriations	55,105,285	63,213,638	64,297,957	66,920,316	69,534,869
- capital injections	33,202	150,537	-	-	-
- GST appropriations	380,296	485,529	489,514	501,335	494,536
Cash to the Official Public Account					
- return of GST	(354,421)	(485,529)	(489,514)	(501,335)	(494,536)
- other	(2,135,105)	(2,654,393)	(2,677,659)	(2,219,852)	(1,883,806)
Cash at end of reporting period	171,577	171,578	171,578	171,578	171,578

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Administered assets	33,202	150,537	-	-	-
Total capital appropriations	33,202	150,537	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	33,202	25,537	-	-	-
Purchase of investments	-	125,000	-	-	-
Total items	33,202	150,537	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Non-financial assets	33,202	25,537	-	-	-
Total acquisition of non-financial assets	33,202	25,537	-	-	-

Table 3.2.11: Statement of Administered Asset Movements (Budget year 2016-17)

	Land \$'000	Buildings \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	1,895	33,228	123,170	158,293
Accumulated depreciation/amortisation and impairment	-	(1,926)	(74,347)	(76,273)
Opening net book balance	1,895	31,302	48,823	82,020
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	-	-	-	-
Sub-total	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	(963)	-	(963)
Restructuring			(48,823)	(48,823)
As at 30 June 2017				
Gross book value	1,895	33,228	-	35,123
Accumulated depreciation/amortisation and impairment	-	(2,889)	-	(2,889)
Closing net book balance	1,895	30,339	-	32,234

AUSTRALIAN AGED CARE QUALITY AGENCY

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Australian Aged Care Quality Agency

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Aged Care Quality Agency (AACQA) is a statutory agency established under the *Australian Aged Care Quality Agency Act 2013*. AACQA was established in January 2014, as the accreditation body for residential aged care and for the quality review of care in the home services.

For a full outline of AACQA's Strategic Direction, refer page 164 of the *2016-17 Health Portfolio Budget Statements*.

1.2 Entity Resource Statement

The Entity Resource Statement details the resourcing for AACQA at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

Table 1.1: Australian Aged Care Quality Agency Resource Statement – Additional Estimates for 2016-17 as at Additional Estimates February 2017

	Actual available appropriation 2015-16 \$'000	Estimate as at Budget 2016-17 \$'000	Proposed Additional Estimate 2016-17 \$'000	Total estimate at AEs 2016-17 \$'000
DEPARTMENTAL				
Prior year appropriation available ¹	32,388	6,755	-	6,755
Annual appropriations				
Ordinary annual services				
Departmental appropriation ²	27,842	28,317	-	28,317
s74 retained revenue receipts ³	10,368	6,893	-	6,893
Departmental capital budget ⁴	1,085	1,195	-	1,195
Other services ⁵				
Equity injection	-	-	18,496	18,496
Total departmental annual appropriations	39,295	36,405	18,496	54,901
Total resourcing for AACQA	71,683	43,160	18,496	61,656

All figures are GST exclusive.

¹ The estimate at Budget has been updated to reflect the Department's *2015-16 Annual Report*.

² Appropriation Bill (No. 1 & 3) 2016-17.

³ Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

⁴ Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.2.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁵ Appropriation Bill (No. 2 & 4) 2016-17.

1.3 Entity Measures Since the 2016-17 Budget

Table 1.2 summarises new Government measures taken since the 2016-17 Budget.

Table 1.2: Australian Aged Care Quality Agency 2016-17 Measures Since Budget

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Aged Care Provider Funding - addressing growth in residential aged care					
Australian Aged Care Quality Agency					
Departmental revenues	1.1	-	(10,791)	-	-
Total		-	(10,791)	-	-

1.4 Additional Estimates and Variations

The following table details the changes to the resourcing for the Australian Aged Care Quality Agency at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in Appropriation Bills No. 3 and No. 4.

Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the Budget 2016-17

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Program 1.1: Accrediting, Monitoring and Promoting High Quality Care Through Information, Education and Training for Australian Government Funded Aged Care Homes and Community Care Providers				
Changes to departmental appropriations				
<i>Appropriation Bill No.3 and No. 4</i>				
Measure - Aged Care Provider Funding				
- addressing growth in residential aged care	-	10,791	-	-
Equity Injection - to cover liability	18,496	-	-	-
Price parameter adjustments	-	(87)	(114)	(153)
Efficiency dividend adjustments	-	(273)	(499)	(602)
	18,496	10,611	(613)	(755)

1.5 Breakdown of Additional Estimates by Appropriation Bill

The following tables detail the Additional Estimates sought for the Australian Aged Care Quality Agency through Appropriation Bills No. 3 and No. 4.

Table 1.4: Appropriation Bill (No. 3) 2016-17

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Departmental					
Outcome 1					
Australian Aged Care Quality Agency	28,927	29,512	29,512	-	-
Total Appropriation Bill No. 3 departmental	28,927	29,512	29,512	-	-

Table 1.5: Appropriation Bill (No. 4) 2016-17

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Departmental					
Outcome 1					
Australian Aged Care Quality Agency	-	-	18,496	18,496	-
Total Appropriation Bill No. 4 departmental	-	-	18,496	18,496	-

Section 2: Revisions to Outcomes and Planned Performance

2.1 Budgeted Expenses and Performance

OUTCOME 1

Outcome 1: High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector

Table 2.1.1: Budgeted Expenses and Resources

	2015-16 Actual	2016-17 Revised Budget	2017-18 Forward Year 1	2018-19 Forward Year 2	2019-20 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: Accrediting, Monitoring and Promoting High Quality Care Through Information, Education and Training for Australian Government Funded Aged Care Homes and Community Care Providers					
Departmental expenses					
Departmental appropriation ¹	38,210	35,210	45,840	41,633	42,027
Expenses not requiring appropriation in the budget year ²	957	1,196	1,195	1,193	1,198
Operating deficit (surplus)	(139)	-	-	-	-
Total program expenses	39,028	36,406	47,035	42,826	43,225
	Actual 2015-16	Budget 2016-17			
Average staffing level (number)	243	248			

¹ Departmental appropriation combines 'Ordinary annual services (Appropriation Bill Nos. 1 & 3)' and 'Revenue from independent sources (s74)'.

² Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses, makegood expenses and audit fees.

Performance Criteria for AACQA

Table 2.1.2 details changes to performance criteria for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Table 2.1.2: Performance Criteria for AACQA

There have been no changes to performance information for AACQA since the 2016-17 Budget which require new or modified performance criteria. Refer to page 169 of the 2016-17 Health Portfolio Budget Statements for current performance information.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 Special Account Flows

Estimates of Special Account Flows

The Australian Aged Care Quality Agency does not manage any special accounts.

3.2 Budgeted Financial Statements

An analysis of Australian Aged Care Quality Agency (AACQA) budgeted financial statements for 2016-17 is provided below.

3.2.1 Analysis of Budgeted Financial Statements

Departmental

Income and Expenses

The AACQA is budgeting for a break-even position in 2016-17 and the forward years after adjusting for depreciation and amortisation expenses.

Total own-source revenue for 2016-17 is expected to be \$6.9 million. Revenue from Government is expected to be \$28.3 million.

Total expenses for 2016-17 are expected to be \$36.4 million, compared to \$39.0 million for 2015-16.

The 2016-17 MYEFO measure *Aged Care Provider Funding - addressing growth in residential aged care* will provide \$10.8 million in Government funding in 2017-18 for unannounced compliance site visits.

Balance Sheet

AACQA has a budgeted net asset position of \$19.4 million in 2016-17. This is a result of the assets and liabilities of Aged Care Standards and Accreditation Agency Ltd becoming the assets and liabilities of the Commonwealth, through AACQA, on 1 January 2014 and surpluses from subsequent financial years. Cash transferred from the Aged Care Standards and Accreditation Agency Ltd has been returned to the official public account and an equivalent amount re-appropriated to AACQA through *Appropriation Bill (No.4) 2016-17*.

Total assets for 2016-17 are estimated to be \$29.0 million, comprising \$26.3 million of financial assets (cash and receivables) and \$2.7 million in non-financial assets.

Total liabilities for 2016-17 are estimated to be \$9.6 million made up of accrued employee entitlements \$6.6 million, suppliers payables \$0.8 million, other payables \$1.9 million and other provisions of \$0.3 million.

3.2.2 Budgeted Financial Statements

Table 3.2.1: Comprehensive Income Statement (showing Net Cost of Service) for the period ended 30 June

	2015-16 Actual	2016-17 Revised Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	26,471	24,747	35,992	33,747	36,205
Supplier expenses	11,604	10,463	9,848	7,886	5,822
Depreciation and amortisation	919	1,196	1,195	1,193	1,198
Other expenses	34	-	-	-	-
Total expenses	39,028	36,406	47,035	42,826	43,225
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	10,264	6,893	18,581	23,510	23,887
Other revenue	104	-	-	-	-
Total revenue	10,368	6,893	18,581	23,510	23,887
Gains					
Other	38	-	-	-	-
Total gains	38	-	-	-	-
Total own-source income	10,406	6,893	18,581	23,510	23,887
Net cost of (contribution by) services	28,622	29,513	28,454	19,316	19,338
Revenue from Government	27,842	28,317	27,259	18,123	18,140
Surplus (Deficit)	(780)	(1,196)	(1,195)	(1,193)	(1,198)
Surplus (Deficit) attributable to the Australian Government	(780)	(1,196)	(1,195)	(1,193)	(1,198)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(780)	(1,196)	(1,195)	(1,193)	(1,198)

Table 3.2.1: Comprehensive Income Statement (showing Net Cost of Service) for the period ended 30 June (continued)

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
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Note: Reconciliation of comprehensive income attributable to the entity

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(780)	(1,196)	(1,195)	(1,193)	(1,198)
plus non-appropriated expenses					
depreciation and amortisation expenses	919	1,196	1,195	1,193	1,198
Total comprehensive income (loss) attributable to the agency	139	-	-	-	-

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

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	21,147	2,275	2,212	2,212	2,212
Receivables	4,363	23,997	25,135	25,135	25,135
Total financial assets	25,510	26,272	27,347	27,347	27,347
Non-financial assets					
Property, plant and equipment	1,393	1,428	1,440	1,677	1,630
Intangibles	654	681	707	1,131	1,140
Other	630	630	630	630	630
Total non-financial assets	2,677	2,739	2,777	3,438	3,400
Total assets	28,187	29,011	30,124	30,785	30,747
LIABILITIES					
Payables					
Suppliers	812	812	812	1,512	1,512
Other payables	2,180	1,867	1,867	1,867	1,867
Total payables	2,992	2,679	2,679	3,379	3,379
Provisions					
Employees	6,670	6,670	6,670	6,670	6,670
Other provisions	280	280	280	280	280
Total provisions	6,950	6,950	6,950	6,950	6,950
Total liabilities	9,942	9,629	9,629	10,329	10,329
Net assets	18,245	19,382	20,495	20,456	20,418
EQUITY					
Contributed equity	16,889	18,084	19,254	20,408	21,568
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	1,356	1,298	1,241	48	(1,150)
Total equity	18,245	19,382	20,495	20,456	20,418

Table 3.2.3: Departmental Statements of Changes in Equity – Summary of Movement (Budget Year 2016-17)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	1,356	-	16,889	18,245
Surplus (deficit) for the period	(1,196)	-	-	(1,196)
Contribution of Equity	-	-	18,496	18,496
Capital budget - Bill 1 (DCB)	-	-	1,195	1,195
Other movements ¹	-	-	(18,496)	(18,496)
Restructuring	1,138	-	-	1,138
Estimated closing balance as at 30 June 2017				
	1,298	-	18,084	19,382

DCB = Department Capital Budget

¹ Amount returned to the Official Public Account. This amount will be re-appropriated through Appropriation Bill (No.4) 2016-17.

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

	2015-16 Actual	2016-17 Revised Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	35,538	27,179	26,121	18,123	18,140
Goods and services	7,203	6,580	18,581	23,510	23,887
Net GST received	1,007	1,138	1,138	-	-
Other cash received	139	-	-	-	-
Total cash received	43,887	34,897	45,840	41,633	42,027
Cash used					
Employees	29,603	24,747	35,992	33,747	36,205
Suppliers	14,093	10,463	9,848	7,186	5,822
Net GST paid	-	-	-	-	-
Other cash used	16	-	-	-	-
Total cash used	43,712	35,210	45,840	40,933	42,027
Net cash from (or used by) operating activities	175	(313)	-	700	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from the sale of property plant and equipment	2	-	-	-	-
Total cash received	2	-	-	-	-
Cash used					
Purchase of property, plant and equipment	703	1,258	1,233	1,854	1,160
Total cash used	703	1,258	1,233	1,854	1,160
Net cash from (or used by) investing activities	(701)	(1,258)	(1,233)	(1,854)	(1,160)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	450	1,195	1,170	1,154	1,160
Total cash received	450	1,195	1,170	1,154	1,160
Cash used					
Other financing activity ¹	-	18,496	-	-	-
Total cash used	-	18,496	-	-	-
Net cash from (or used by) financing activities	450	(17,301)	1,170	1,154	1,160
Net increase (or decrease) in cash held	(76)	(18,872)	(63)	-	-
Cash and cash equivalents at the beginning of the reporting period	21,223	21,147	2,275	2,212	2,212
Cash and cash equivalents at the end of the reporting period	21,147	2,275	2,212	2,212	2,212

DCB = Departmental Capital Budget.

¹ Amount returned to the Official Public Account. This amount will be re-appropriated through Appropriation Bill (No. 4) 2016-17.

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

	2015-16 Actual	2016-17 Revised Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 4	-	18,496	-	-	-
Capital budget - Bill 1 (DCB)	1,085	1,195	1,172	1,162	1,162
Total capital appropriations	1,085	19,691	1,172	1,162	1,162
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,085	1,195	1,172	1,162	1,162
Other items	-	18,496	-	-	-
Total items	1,085	19,691	1,172	1,162	1,162
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	450	1,195	1,196	1,197	1,205
Funded internally from departmental resources	253	63	-	-	-
Total acquisitions of non-financial assets	703	1,258	1,196	1,197	1,205
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	703	1,258	1,233	1,854	1,160
Total cash used to acquire assets	703	1,258	1,233	1,854	1,160

DCB = Departmental Capital Budget.

¹ Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

Table 3.2.6: Statement of Departmental Asset Movements (Budget Year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	3,745	3,789	7,534
Accumulated depreciation amortisation and impairment	-	(2,352)	(3,135)	(5,487)
Opening net book balance	-	1,393	654	2,047
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	457	801	1,258
Total additions	-	457	801	1,258
Other movements				
Depreciation/amortisation expense	-	(422)	(774)	(1,196)
Total other movements	-	(422)	(774)	(1,196)
As at 30 June 2017				
Gross book value	-	4,202	4,590	8,792
Accumulated depreciation amortisation and impairment	-	(2,774)	(3,909)	(6,683)
Closing net book balance	-	1,428	681	2,109

PORTFOLIO GLOSSARY

Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional Estimates	The Additional Estimates process updates estimates from the previous Budget update.
Additional Estimates Bills or Acts	Where amounts appropriated in the annual appropriation acts at Budget time are insufficient, Parliament may appropriate more funds to Portfolios through the Additional Estimates Acts. These are Appropriation Bills No. 3 and No. 4, and a separate Bill for Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No.2)). These Bills are introduced into the Parliament sometime after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by entities on behalf of the Australian Government. Entities do not control administered items. Administered items include grants, subsidies and benefits (for example, funding for the Pharmaceutical Benefits Scheme).
Annotated appropriation	A form of appropriation which allows a department access to certain money it receives in payment of services. The nature and extent of the amount to be appropriated are specified in Rules under s74 of the <i>Public Governance, Performance and Accountability Act 2013</i> .
Annual appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget. Further Bills are introduced later in the financial year as part of the additional estimates process. Parliamentary departments have their own appropriations.
Appropriation	The amount of public moneys authorised by Parliament for expenditure from Consolidated Revenue Fund (CRF). Appropriations authorise expenditure by the Australian Government for particular purposes.
ASL (Average Staffing Levels)	The average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.
Assets	Future economic benefits controlled by an entity as a result of past transactions or past events.

Available appropriation	Available appropriation is used to allow a comparison of the current year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget appropriation + Additional Estimates appropriation + Advance to the Finance Minister (AFM) – section 51 withholdings – administrative quarantines +/- Machinery of Government transfers.
Budget measure	A decision by Cabinet or Ministers in the Budget process that has resulted in a change in expenditure in the current year and or the forward years. <u>See also cross-Portfolio budget measure.</u>
Capital Budget Statement	A statement of the entities estimated capital funding, through Appropriation Act No. 1 Departmental Capital Budget funding or Appropriation Act No. 2 equity injection funding and the entities estimated expenditures on non-financial assets.
Capital expenditure	Expenditure by an entity on non-financial assets, for example purchasing a building.
Cross-Portfolio Budget measure	This is a <u>Budget measure</u> which affects outcomes administered in a number of Portfolios.
Departmental Capital Budget	Departmental Capital Budget funding appropriated to non-corporate PGPA Act entities through their Appropriation Act 1 Departmental appropriation, for the ongoing replacement of Departmental assets which cost less than \$10 million.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
Efficiency dividend	An annual deduction of a percentage of running costs from an entity's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an entity in the previous year.
Equity or net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	The value of resources consumed or lost during the reporting period.
Fair value	Fair values are prices in arm's lengths transactions between willing buyers and sellers in an active market.
Forward estimates	A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another year is added to the forward estimates.

Historical cost	The original cost of acquisition of an asset, including any costs associated with acquisition. Under AASB 116, <i>Property, Plant and Equipment</i> are required to be reported initially at the cost of acquisition (historical cost). The Australian Government's financial reporting requirements issued under the Finance Minister's Orders require the revaluation of noncurrent assets with sufficient regularity to ensure that the carrying amount of assets does not differ materially from fair value as at reporting date.
Liabilities	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
MYEFO	Mid-Year Economic and Fiscal Outlook
Operating result	Equals income less expenses.
Outcomes	Outcomes are the results of events, actions or circumstances including in particular, the impact of the Australian Government on the Australian community. Outcomes may be linked with both the outputs of entities using the departmental expenses under their control, and with the administered expenses which entities manage on behalf of the Australian Government. Planned outcomes represent the changes desired by Government. The achievement of actual outcomes is assessed and reported in the Annual Report.
Performance indicators	A concise list of indicators, which are used to measure entity effectiveness in achieving the Government's outcomes. Indicators must be measurable, but may be qualitative or quantitative. Indicators in the Portfolio Budget Statement are reported in the Annual Report for the same year. Outcomes are generally measured by performance indicators relating to effectiveness and equity, but may include efficiency and access indicators.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i> An Act about the governance, performance and accountability of, and the use and management of public resources by, the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes.
Portfolio Budget Statements	Statements prepared by Portfolios to explain the Budget appropriations in terms of <u>outcomes</u> and programs.
PP&E	Property, Plant and Equipment.

Price parameter adjustment	Expenses are indexed by a price parameter for anticipated increases in costs over the estimates period. Changes in indexation are annotated to each outcome as 'Price parameter adjustment' or 'Application of indexation parameters'.
Programs	Commonwealth programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for Government entities to achieve the intended results of their outcome statements. Commencing from the 2009-10 Budget entities were required to report to Parliament by program.
Quality	Relates to the characteristics by which customers or stakeholders judge a product or service. Assessment of quality involves the use of information gathered from a range of sources including customers and stakeholders.
Quantity	A measure of how many, or how much, of a product or service is produced. Quantities specified in the Portfolio Budget Statements are usually estimates based on the best available evidence. Entities report on actual quantities in their annual reports.
Revenue	Total value of resources earned or received during the reporting period.
Special account	A special account is an appropriation mechanism that notionally sets aside an amount within the CRF to be expended for specific purposes. The amount of appropriation that may be drawn from the CRF by means of a special account is limited to the balance of each special account. Special accounts are not bank accounts. However, amounts forming the balance of a special account may be held in the Official Public Account, an entity official bank account or by an outsider authorised in a manner consistent with the PGPA Act.
Special appropriation	Special appropriations are provisions within an Act, other than the annual appropriation Acts, that authorise expenditure for particular purposes. Special appropriations may state a maximum amount that is appropriated for the particular purpose or may specify the legislative criteria that will determine the amount to be paid.