

**PORTFOLIO BUDGET STATEMENTS 2014-15**  
**BUDGET RELATED PAPER NO. 1.10**

**HEALTH PORTFOLIO**

**BUDGET INITIATIVES AND EXPLANATIONS OF  
APPROPRIATIONS SPECIFIED BY OUTCOMES  
AND PROGRAMMES BY AGENCY**

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Director, Performance Section, Policy Strategies Branch, Department of Health on (02) 6289 7181.



**THE HON PETER DUTTON MP  
MINISTER FOR HEALTH  
MINISTER FOR SPORT**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Madam Speaker

I hereby submit Portfolio Budget Statements in support of the 2014-15 Budget for the Health portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Dutton'.

PETER DUTTON

## Abbreviations and conventions

The following notation 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nfp	not for publication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

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

## Enquiries

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

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**USER GUIDE  
TO THE  
PORTFOLIO BUDGET  
STATEMENTS**





## USER GUIDE

The purpose of the 2014-15 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2014-15 (or Appropriation Bill [Parliamentary Departments] No. 1 2014-15 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.



# **PORTFOLIO OVERVIEW**



## HEALTH PORTFOLIO OVERVIEW

### Ministers and Portfolio Responsibilities

The Health Portfolio works towards achieving better health and wellbeing for all Australians.

The Portfolio's services are delivered through the 29 Outcomes set by the Australian Government for the 2014-15 Budget cycle (refer to Figure 1: Portfolio Structure and Outcomes for a full listing). Each Portfolio agency has developed performance information to determine its effectiveness in achieving agency-specific Outcomes. Outcome and Programme reporting, and resource allocations for each agency, are presented in the respective Agency Resources and Planned Performance (Budget Statements) sections.

### Ministerial Changes

On 18 September 2013, the Government Ministry led by the Prime Minister the Hon Tony Abbott MP was sworn in. The Ministry included the appointment of the Hon Peter Dutton MP as the Minister for Health (with responsibility also for Mental Health) and the Minister for Sport, and Senator the Hon Fiona Nash as the Assistant Minister for Health.

### Portfolio Responsibilities Changes

The Administrative Arrangements Order issued on 18 September 2013 included the following changes to the Health Portfolio:

- the Department's name changed from the Department of Health and Ageing, to the Department of Health;
- responsibility for aged care, including the Aged Care Standards and Accreditation Agency Ltd and the Aged Care Complaints Commissioner, transferred to the new Department of Social Services;
- the Department of Health assumed responsibility for sport and recreation policy from the former Department of Regional Australia, Local Government, Arts and Sport. Three portfolio agencies also transferred to the Health Portfolio: the Australian Sports Anti-Doping Authority (ASADA), the Australian Sports Commission (ASC) and the Australian Sports Foundation Limited (ASF);
- the National Mental Health Commission (NMHC) transferred from the Prime Minister and Cabinet Portfolio to the Health Portfolio; and
- responsibility for a number of Indigenous specific programmes and functions were transferred to the Department of the Prime Minister and Cabinet.

The Department's Outcome and Programme structure has also been revised following Machinery of Government changes (refer Section 1.4 Changes to Outcome and Programme Structure).

## **Changes to Portfolio Agencies**

In line with its commitment to reducing red tape, the Australian Government will reduce the number of agencies within the Health portfolio. This will cut the size of the health bureaucracy and free up resources to fund frontline services.

### **Australian Organ and Tissue Donation and Transplantation Authority, and National Blood Authority**

The Government will merge the functions of the National Blood Authority (NBA) and the Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA) with a view to establishing a new independent authority by 1 July 2015. Further information can be found in the AOTDTA and NBA chapters of these Portfolio Budget Statements.

### **Australian National Preventive Health Agency**

The Government will transfer essential functions of the Australian National Preventive Health Agency (ANPHA) to the Department of Health by 30 June 2014 with a view to closing the agency. Further information can be found in the Population Health (Outcome 1) chapter of these Portfolio Budget Statements.

### **General Practice Education and Training**

The Government will transfer essential functions of the General Practice Education and Training (GPET) to the Department by 1 January 2015, with a view to closing the agency. Further information can be found in the Health Workforce Capacity (Outcome 8) and GPET chapters of these Portfolio Budget Statements.

### **Health Workforce Australia**

The Government will transfer essential functions of Health Workforce Australia (HWA) to the Department of Health as soon as possible, with a view to closing the agency. Further information can be found in the Health Workforce Capacity (Outcome 8) chapter of these Portfolio Budget Statements.

### **Private Health Insurance Ombudsman**

The Government will transfer the responsibilities of the Private Health Insurance Ombudsman (PHIO) to the Office of the Commonwealth Ombudsman by 1 July 2015. Further information can be found in the Private Health (Outcome 6) and PHIO chapters of these Portfolio Budget Statements.

### **Private Health Insurance Administration Council**

The Government will transfer the functions of the Private Health Insurance Administration Council (PHIAC) to the Australian Prudential Regulation Authority and the Department of Health by 1 July 2015, with a view to closing the agency. Further information can be found in the Private Health (Outcome 6) and PHIAC chapters of these Portfolio Budget Statements.

**Figure 1: Portfolio Structure and Outcomes**

<p><b>The Hon Peter Dutton MP</b> Minister for Health Minister for Sport</p> <p><b><u>Portfolio Responsibilities</u></b></p> <p><i>Department of Health:</i> Outcomes: 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10</p> <p><i>Agencies:</i> ACSQHC, AIHW, ASADA, ASC, ASF, CA, GPET, IHPA, NHFB, NHMRC, NHPA, NMHC, PHIAC, PHIO and PSR</p>	<p><b>Senator the Hon Fiona Nash</b> Assistant Minister for Health</p> <p><b><u>Portfolio Responsibilities</u></b></p> <p><i>Department of Health:</i> Outcomes 1, 3, 5, 7 and 9</p> <p><i>Agencies:</i> AOTDTA, ARPANSA, FSANZ and NBA</p>
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**Department of Health – Professor Jane Halton PSM Secretary****Outcome 1. Population Health**

A reduction in the incidence of preventable mortality and morbidity, including through national public health initiatives, promotion of healthy lifestyles, and approaches covering disease prevention, health screening and immunisation.

**Outcome 2. Access to Pharmaceutical Services**

Access to cost-effective medicines, including through the Pharmaceutical Benefits Scheme and related subsidies, and assistance for medication management through industry partnerships.

**Outcome 3. Access to Medical and Dental Services**

Access to cost-effective medical, dental, allied health and hearing services, including through implementing targeted medical assistance strategies, and providing Medicare subsidies for clinically relevant services and hearing devices to eligible people.

**Outcome 4. Acute Care**

Improved access to, and efficiency of, public hospitals, acute and subacute care services, including through payments to state and territory governments.

**Outcome 5. Primary Health Care**

Access to comprehensive primary and mental health care services, and health care services for Aboriginal and Torres Strait Islander peoples and rural and remote populations, including through first point of call services for the prevention, diagnosis and treatment of ill-health and ongoing services for managing chronic disease.

**Outcome 6. Private Health**

Improved choice in health services by supporting affordable quality private health care, including through private health insurance rebates and a regulatory framework.

**Outcome 7. Health Infrastructure, Regulation, Safety and Quality**

Improved capacity, quality and safety of Australia's health care system to meet current and future health needs including through investment in health infrastructure, regulation, international health policy engagement, research into health care, and support for blood and organ donation services.

**Outcome 8. Health Workforce Capacity**

Improved capacity, quality and mix of the health workforce to meet the requirements of health services, including through training, registration, accreditation and distribution strategies.

**Outcome 9. Biosecurity and Emergency Response**

Preparedness to respond to national health emergencies and risks, including through surveillance, regulation, prevention, detection and leadership in national health coordination.

**Outcome 10. Sport and Recreation**

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

**Figure 1: Portfolio Structure and Outcomes (Cont.) – Portfolio Agencies**

<b>Australian Commission on Safety and Quality in Health Care</b>	<b>Australian Sports Foundation Limited</b>
<b>Professor Debora Picone AM</b> Chief Executive Officer	<b>Rod Philpot</b> General Manager
<b>Outcome 1.</b> 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.	<b>Outcome 1.</b> Improved Australian sporting infrastructure through assisting eligible organisations to raise funds for registered sporting projects.
<b>Australian Institute of Health and Welfare</b>	<b>Cancer Australia</b>
<b>David Kalisch</b> Director	<b>Professor Helen Zorbas AO</b> Chief Executive Officer
<b>Outcome 1.</b> A robust evidence-base for the health, housing and community sectors, including through developing and disseminating comparable health and welfare information and statistics.	<b>Outcome 1.</b> Minimised impacts of cancer, including through national leadership in cancer control with targeted research, cancer service development, education and consumer support.
<b>Australian Organ and Tissue Donation and Transplantation Authority</b>	<b>Food Standards Australia New Zealand</b>
<b>Yael Cass</b> Chief Executive Officer	<b>Stephen McCutcheon</b> Chief Executive Officer
<b>Outcome 1.</b> Improved access to organ and tissue transplants, including through a nationally coordinated and consistent approach and system.	<b>Outcome 1.</b> 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.
<b>Australian Radiation Protection and Nuclear Safety Agency</b>	<b>General Practice Education and Training Ltd</b>
<b>Dr Carl-Magnus Larsson</b> Chief Executive Officer	<b>Megan Cahill</b> Chief Executive Officer
<b>Outcome 1.</b> Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation.	<b>Outcome 1.</b> Improved quality and access to primary care across Australia, including through general practitioner vocational education and training for medical graduates.
<b>Australian Sports Anti-Doping Authority</b>	<b>Independent Hospital Pricing Authority</b>
<b>Ben McDevitt AM APM</b> Chief Executive Officer	<b>Dr Tony Sherbon</b> Chief Executive Officer
<b>Outcome 1.</b> Protection of the health of athletes and the integrity of Australian sport, including through deterrence, detection and enforcement to eliminate doping.	<b>Outcome 1.</b> Promote improved efficiency in, and access to, public hospital services primarily through setting efficient national prices and levels of block funding for hospital activities.
<b>Australian Sports Commission</b>	<b>National Blood Authority</b>
<b>Simon Hollingsworth</b> Chief Executive Officer	<b>Leigh McJames</b> General Manager
<b>Outcome 1.</b> Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity.	<b>Outcome 1.</b> 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.
<b>Outcome 2.</b> Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research.	<b>National Health Funding Body</b>
	<b>Lynton Norris</b> Chief Executive Officer
	<b>Outcome 1.</b> 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.



**Figure 1: Portfolio Structure and Outcomes (Cont.) – Portfolio Agencies****National Health and Medical Research Council**

**Professor Warwick Anderson AM** 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 Health Performance Authority**

**Dr Diane Watson** Chief Executive Officer

**Outcome 1.** Contribute to transparent and accountable health care services in Australia, including through the provision of independent performance monitoring and reporting; the formulation of performance indicators; and conducting and evaluating research.

**National Mental Health Commission**

**David Butt** Acting 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.

**Private Health Insurance Administration Council**

**Shaun Gath** Chief Executive Officer

**Outcome 1.** Prudential safety and competitiveness of the private health insurance industry in the interests of consumers, including through efficient industry regulation.

**Private Health Insurance Ombudsman**

**Samantha Gavel** Ombudsman

**Outcome 1.** Public confidence in private health insurance, including through consumer and provider complaint and enquiry investigations, and performance monitoring and reporting.

**Professional Services Review**

**Dr William Coote** 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.

## Portfolio Resources

Table 1 shows the total resources provided to the portfolio in the 2014-15 budget year by agency.

**Table 1: Portfolio Resources 2014-15**

	Appropriations			Receipts	Total
	Bill No.1 \$'000	Bill No.2 \$'000	Special \$'000	\$'000	\$'000
Departmental					
Department of Health					
Departmental appropriations	479,703	-	-	169,237	648,940
Australian Commission on Safety & Quality in Health Care					
Departmental appropriations	-	-	-	7,282	7,282
Australian Institute of Health and Welfare <sup>2</sup>					
Departmental appropriations	15,800	-	-	33,788	49,588
Australian Organ and Tissue Donation and Transplantation Authority					
Departmental appropriations	6,052	-	-	-	6,052
Australian Radiation Protection and Nuclear Safety Agency					
Departmental appropriations	15,261	-	-	10,046	25,307
Australian Sports Anti-Doping Authority					
Departmental appropriations	13,313	-	-	1,762	15,075
Australian Sports Commission					
Departmental appropriations	263,656	1,500	-	32,410	297,566
Cancer Australia					
Departmental appropriations	12,051	-	-	1,474	13,525
Food Standards Australia New Zealand <sup>2</sup>					
Departmental appropriations	17,495	-	-	2,169	19,664
General Practice Education and Training Limited					
Departmental appropriations	-	-	-	-	-
Independent Hospital Pricing Authority					
Departmental appropriations	13,449	-	-	314	13,763
National Blood Authority					
Departmental appropriations	6,638	-	-	3,468	10,106
National Health Funding Body					
Departmental appropriations	4,348	-	-	-	4,348

Table 1: Portfolio Resources 2014-15 (Cont.)

	Appropriations		Special \$'000	Receipts	Total
	Bill No.1 \$'000	Bill No.2 \$'000		\$'000	\$'000
<b>National Health and Medical Research Council</b>					
Departmental appropriations	42,159	-		2,000	44,159
<b>National Health Performance Authority</b>					
Departmental appropriations	11,112	-		-	11,112
<b>National Mental Health Commission</b>					
Departmental appropriations	2,866	-		-	2,866
<b>Private Health Insurance Administration Council<sup>2</sup></b>					
Departmental appropriations	-	-	6,768	163	6,931
<b>Private Health Insurance Ombudsman</b>					
Departmental appropriations	3,079	-		10	3,089
<b>Professional Services Review</b>					
Departmental appropriations	5,742	-		-	5,742
<b>Total Departmental</b>	<b>912,724</b>	<b>1,500</b>	<b>6,768</b>	<b>264,123</b>	<b>1,185,115</b>

Table 1: Portfolio Resources 2014-15 (Cont.)

	Appropriations			Receipts	Total
	Bill No.1 \$'000	Bill No.2 \$'000	Special \$'000	\$'000	\$'000
<b>Administered</b>					
<b>Department of Health</b>					
Administered appropriations	5,830,767	-	37,218,273	811,103	43,860,143
<b>Australian Organ and Tissue Donation and Transplantation Authority</b>					
Administered appropriations	40,394	-	-	-	40,394
<b>Cancer Australia</b>					
Administered appropriations	16,744	-	-	-	16,744
<b>Independent Hospital Pricing Authority</b>					
Administered appropriations	12,277	-	-	150	12,427
<b>National Blood Authority</b>					
Administered appropriations	7,178	-	-	430,756	437,934
<b>National Health and Medical Research Council</b>					
Administered appropriations	905,715	-	-	10,600	916,315
<b>National Health Performance Authority</b>					
Administered appropriations	22,738	-	-	-	22,738
<b>National Mental Health Commission</b>					
Administered appropriations	3,617	-	-	-	3,617
<b>Private Health Insurance Administration Council<sup>2</sup></b>					
Administered appropriations	-	-	504,376	46	504,422
<b>Total Administered</b>	<b>6,839,430</b>	<b>-</b>	<b>37,722,649</b>	<b>1,252,655</b>	<b>45,814,734</b>
<b>Total Portfolio</b>	<b>7,752,154</b>	<b>1,500</b>	<b>37,729,417</b>	<b>1,516,778</b>	<b>46,999,849</b>
				Equity injections	8,440
				Non operating administered assets and liabilities	5,682
				<b>Total Portfolio appropriations and receipts</b>	<b>47,013,971</b>

Notes:

All figures are GST exclusive.

1 Excludes receipts from related entities from within the Portfolio.

2 These agencies are not directly appropriated as they are currently CAC Act Bodies. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014.



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# **DEPARTMENT OF HEALTH**

## **Agency Resources and Planned Performance**





## DEPARTMENT OF HEALTH

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## DEPARTMENT OF HEALTH

### Section 1: Agency Overview and Resources

#### 1.1 STRATEGIC DIRECTION STATEMENT

Australia has a world class health system, which has helped support better health and longer life expectancy for Australians over many decades. That system is under continuing pressure from the rising demands of an ageing population, the growing prevalence of chronic and lifestyle-related diseases, and the emergence of new, innovative and increasingly personalised health care technologies that bring better treatment but also increase the costs of care.

In the 2014-15 Budget, the Australian Government is moving to reinforce the key financing mechanisms of the health system, streamline bureaucracy and administration, and make significant forward-looking investments in medical research. This will enable our health system to continue to deliver better health outcomes and access to care for all Australians in the decades ahead.

#### **Reinforcing financing mechanisms**

Total expenditure on health care in Australia increased by 122 per cent in the ten years to 2011-12, when it totalled \$140 billion. Into the future, according to the 2010 Intergenerational Report, without policy change Australian Government spending on health is projected to increase as a proportion of GDP from 4 per cent in 2009-10 to 7 per cent. That is why the Government is moving now to reinforce some of the major health financing mechanisms – Medicare, the Pharmaceutical Benefits Scheme (PBS) and funding for public hospitals – and put them on a more sustainable footing.

Expenditure on Medicare, and demand for Medicare-funded services, is growing. In the five years from 2007-08 to 2012-13, Medicare spending increased from just over \$13 billion to more than \$18.5 billion, growth of more than 42 per cent. Some 263 million free to patient services were provided in 2012-13.

From 1 July next year, all patients will be asked to contribute to their own health care costs. While the Government will continue to subsidise a majority of the costs of Medicare services, the rebate for most GP and out-of-hospital pathology and diagnostic imaging services will be reduced by \$5.

Previously bulk-billed patients can expect to make a contribution of at least \$7 to the cost of most visits to the GP and out-of-hospital pathology and diagnostic imaging services.

Doctors will be paid a low gap incentive – equivalent to the current bulk-billing incentive – to encourage them to charge Commonwealth Concession Card holders and children under 16 no more than the \$7 contribution for the first 10 visits. After the first 10 visits, the doctor will be paid an incentive if they provide the service to the concessional patient for free.

Existing complex safety nets will be replaced by a simple Medicare Safety Net to help more people and ensure that safety net benefits are available to people who have serious medical conditions or have prolonged health care needs.

States and Territories will be permitted to charge a small patient contribution for GP-type attendances at public hospital emergency departments.

Over the past decade, the cost of the PBS has increased 80 per cent, with growth expected to average 4-5 per cent per annum in coming years. The listing of new high-cost and increasingly specialised medicines delivering better patient outcomes will continue to drive growth in PBS expenditure. Recently approved treatments for melanoma, for example, cost the Government up to \$110,000 per patient per year, yet general patients currently pay less than \$40 per prescription for this treatment and concessional patients pay only \$6.

To relieve this pressure and ensure that expensive new medicines can continue to be listed, the Government is asking patients to contribute more to the costs. From 1 January 2015, patient contributions to PBS medicines will be increased, with the concessional co-payment increasing by 80 cents and the general co-payment increasing by \$5.00. There will also be a small increase in the number of prescriptions per patient before the PBS safety net thresholds are reached.

Expenditure on public hospitals, which are owned and managed by state and territory governments, is one of the fastest growing areas of health expenditure. In 2014-15, the Australian Government will provide \$14.8 billion to the States and Territories for public hospitals. Ten years ago the Commonwealth was providing \$7.5 billion a year for public hospitals, and by 2024 the figure is \$35 billion. That level of increase is unsustainable.

The Australian Government is urging the States and Territories to drive productivity and efficiency improvements in public hospitals to rein in expenditure growth. Commonwealth funding to public hospitals will increase every year but to provide a stronger incentive to increase efficiency, the Government will no longer proceed with the previous government's guarantees to increase funding regardless of how many or how few public hospital services are delivered. And from 2017-18 the Australian Government will introduce revised public hospital funding arrangements, to better recognise States' and Territories' responsibility for managing an efficient public hospital sector.

### **Streamlining bureaucracy to support better services**

In the 2014-15 Budget, the Government is taking a number of initiatives to cut red tape and duplication, streamline administration and reduce bureaucracy so that resources can be directed back to health. The previous government had created an additional 12 new bureaucracies in just six years.

The Government will establish new Primary Health Networks from 1 July 2015, with a smaller number of more efficient local networks replacing Medicare Locals. In line with the recommendations of the Medicare Locals review, the Primary Health Networks will have General Practice as the cornerstone and be clinically focused and responsible for ensuring that services across the primary, community and specialist sectors work together in patients' interests.

The Government will also explore innovative models of primary health care funding and coordinated delivery, including partnerships with private insurers, as part of its commitment to rebuild primary care.

On top of existing efforts to streamline PBS listing processes, the Government will cut red tape and administrative burden for health professionals prescribing, processing and claiming payments for PBS medicines. This will enable clinicians to spend more time with patients and less time completing duplicate paperwork, and simplify the prescription process for a number of complex medicines, delivering over \$47 million in red tape reductions each year.

To reduce bureaucracy and duplication, the Government will transfer essential functions of the Australian National Preventive Health Agency, Health Workforce Australia and General Practice Education and Training Ltd to the Department of Health, with a view to closing these agencies. The functions of the Australian Organ and Tissue Donation and Transplantation Authority and the National Blood Authority will be merged with a view to establishing a new independent authority. The Private Health Insurance Ombudsman's responsibilities will be transferred to the Office of the Commonwealth Ombudsman. The functions of the Private Health Insurance Administration Council will be transferred to the Australian Prudential Regulation Authority and the Department of Health with a view to closing the agency. Further efficiencies will be achieved through the sharing of back office functions between the Department of Health and the Australian Sports Commission.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

The Department of Health will continue to implement the Government's deregulation agenda, and will undergo a Capability Review from June 2014 to ensure it has the processes, systems and expertise in place to deliver the Government's policies and achieve results for the Australian public.

The Government is also moving to get the Personally Controlled Electronic Health Record (PCEHR) system back on track. The Government will provide \$140 million in 2014-15 to support the operation of eHealth and the PCEHR, while it continues to work with stakeholders with regard to the recommendations from the recent PCEHR review to determine how best to proceed. The Government is committed to supporting improved productivity across the health sector and greater convenience for providers and patients.

In the 2014-15 Budget, the Australian Government is providing \$95.9 million to expand the National Bowel Cancer Screening Programme from 2015, to enable all Australians aged 50-74 to be offered free bowel cancer screening every two years. When fully implemented, over 4 million Australians will be invited to undertake screening annually and more than 12,000 suspected or confirmed cancers will be detected each year, saving thousands of lives.

GP training will receive significant additional support. The Government will support training for up to 300 extra GPs a year by boosting GP training places from 1,200 to 1,500 places in 2015. The Practice Incentive Payment for teaching medical students will be doubled from \$100 to \$200 per session, with funding support of \$238.4 million over five years. New infrastructure funding of \$52.5 million will enable regional and rural GP practices to build the facilities they need to take on more trainees.

The Government will also train more nurses and allied health care workers by expanding the number of scholarships available, providing \$13.4 million over three years to support about 500 more scholarships.

In mental health, the Government is providing \$14.9 million to expand the highly successful headspace youth mental health network by 10 sites, taking it to 100 across Australia by 2015-16. The Government will also support cutting edge research into youth mental health through an \$18 million investment in a National Centre of Excellence for Research into Youth Mental Health at the Orygen Youth Health Research Centre in Victoria.

To encourage participation in sport and physical activity and help address growing rates of overweight and obesity, the Government is providing \$100 million for the Sporting Schools Initiative, encouraging school children to take part in sport-based physical activity before, during or after school. The funding will directly link schools with sporting clubs to assist them to run activities across 35 major sports such as football, netball, tennis and gymnastics.

The Government will also provide \$156 million predominantly to support infrastructure development for the 2018 Gold Coast Commonwealth Games, the first in a regional city in Australia.

### **Forward-looking investments in medical research**

A world class health system needs to be on the cutting edge of innovation and clinical breakthroughs. The Government is making record investments in medical research to set Australia's health system up for the future. Properly funded and coordinated research, including clinical trials, is critical to finding new treatments and better systems of care.

The landmark \$20 billion capital-protected Medical Research Future Fund being established by the Government from 1 January 2015 will provide a vital platform to support Australian researchers. The interest earned on the fund, amounting to an estimated \$1 billion per year when fully mature, will support basic, applied and translational research in priority clinical areas that will benefit patients. Initial funding will come from efficiencies found in the 2014-15 Health Budget and funds left after winding up the Health and Hospitals Fund established under the previous government.

The Government will also support further work to make Australia a more attractive venue for clinical trials and other research, drawing on the McKeon review of health and medical research.

An additional \$200 million investment in dementia research delivers on the Government's election commitment. More than 320,000 Australians suffer from dementia, a condition which causes great distress for patients and their families, and which with the ageing population has become the third leading cause of death in Australia.

The Government is committed to strengthening and rebalancing Australia's health system to position it for the future. The strategies outlined in this Statement – reinforcing health financing, streamlining bureaucracy to better support frontline health services, and making forward-looking investments in medical research – will together work to modernise Australia's health system in the interests of patients and of all Australians.

## 1.2 DEPARTMENT RESOURCE STATEMENT

Table 1.2.1 shows the total resources from all sources. The table summarises how resources will be applied by Outcome and by administered and departmental classification.

**Table 1.2.1: Department Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total Estimate 2014-15 \$'000	Estimated Available 2013-14 <sup>1</sup> \$'000
<b>Departmental resources</b>				
<b>Ordinary annual services<sup>2</sup></b>				
Prior year departmental appropriation <sup>2</sup>	63,232	-	63,232	168,981
Departmental appropriation <sup>3,4</sup>	-	479,703	479,703	471,410
s31 Relevant agency receipts	-	24,103	24,103	16,790
<b>Total</b>	<b>63,232</b>	<b>503,806</b>	<b>567,038</b>	<b>657,181</b>
<b>Other Services<sup>5</sup></b>				
<b>Non-operating</b>				
Equity injections	-	8,440	8,440	15,130
<b>Total</b>	<b>-</b>	<b>8,440</b>	<b>8,440</b>	<b>15,130</b>
<b>Departmental Special Accounts<sup>6</sup></b>				
Opening balance	71,351	-	71,351	75,489
Appropriation receipts	-	15,848	15,848	13,310
Non-appropriation receipts to Special Accounts	-	145,134	145,134	143,096
<b>Total Special Accounts</b>	<b>71,351</b>	<b>160,982</b>	<b>232,333</b>	<b>231,895</b>
<b>Total departmental resourcing</b>	<b>134,583</b>	<b>673,228</b>	<b>807,811</b>	<b>904,206</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations <sup>7</sup>	-	(15,848)	(15,848)	(13,310)
<b>Total net departmental resourcing for Health</b>	<b>134,583</b>	<b>657,380</b>	<b>791,963</b>	<b>890,896</b>



**Table 1.2.1: Department Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (Cont.)**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total Estimate 2014-15 \$'000	Estimated Available 2013-14 <sup>1</sup> \$'000
<b>Administered expenses</b>				
<b>Ordinary annual services<sup>2</sup></b>				
Outcome 1: Population Health	-	327,461	327,461	392,192
Outcome 2: Access to Pharmaceutical Services	-	755,437	755,437	705,690
Outcome 3: Access to Medical and Dental Services	-	586,451	586,451	558,913
Outcome 4: Acute Care	-	108,048	108,048	103,653
Outcome 5: Primary Health Care	-	2,206,963	2,206,963	2,123,145
Outcome 6: Private Health	-	2,247	2,247	5,247
Outcome 7: Health Infrastructure, Regulation, Safety and Quality	-	348,479	348,479	355,234
Outcome 8: Health Workforce Capacity	-	1,396,752	1,396,752	1,386,285
Outcome 9: Biosecurity and Emergency Response	-	58,005	58,005	20,695
Outcome 10: Sport and Recreation	-	40,924	40,924	17,757
Payments to CAC Act Bodies	-	296,283	296,283	198,178
<b>Total</b>	-	<b>6,127,050</b>	<b>6,127,050</b>	<b>5,866,989</b>
<b>Other services - Bill 2<sup>5</sup></b>				
<b>Payments to States, ACT, NT and     local government</b>				
Outcome 1: Population Health	-	-	-	11,058
<b>Total</b>	-	-	-	<b>11,058</b>
<b>Administered non-operating</b>				
Administered assets and liabilities	-	5,682	5,682	16,579
<b>Total</b>	-	<b>5,682</b>	<b>5,682</b>	<b>16,579</b>
<b>Total other services</b>	-	<b>5,682</b>	<b>5,682</b>	<b>27,637</b>

**Table 1.2.1: Department Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (Cont.)**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total Estimate 2014-15 \$'000	Estimated Available 2013-14 <sup>1</sup> \$'000
<b>Special appropriations limited by criteria/entitlement</b>				
<i>National Health Act 1953 - Essential vaccines</i>	-	134,309	134,309	134,994
<i>National Health Act 1953 - Pharmaceutical benefits</i>	-	9,247,686	9,247,686	9,259,663
<i>National Health Act 1953 - Aids and appliances</i>	-	324,988	324,988	302,765
<i>Health Insurance Act 1973 - Medical benefits</i>	-	20,307,671	20,307,671	19,079,033
<i>Dental Benefits Act 2008</i>	-	594,607	594,607	244,034
<i>Private Health Insurance Act 2007</i>	-	5,788,508	5,788,508	5,529,862
<i>National Health Act 1953 - Blood fractionation, products and blood related products - to the National Blood Authority</i>	-	718,906	718,906	716,039
<i>Medical Indemnity Act 2002</i>	-	100,148	100,148	93,902
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	-	1,450	1,450	410
<b>Payments to CAC Act Bodies</b>				
<i>Private Health Insurance Act 2007</i>				
- Risk equalisation trust fund	-	504,376	504,376	455,241
- Council administration levy	-	6,768	6,768	6,590
<b>Total special appropriations</b>	-	<b>37,729,417</b>	<b>37,729,417</b>	<b>35,822,533</b>

**Table 1.2.1: Department Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (Cont.)**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total Estimate 2014-15 \$'000	Estimated Available 2013-14 <sup>1</sup> \$'000
<b>Administered Special Accounts<sup>6</sup></b>				
Opening balance	8,657	-	8,657	8,778
Appropriation receipts	-	5,802	5,802	5,747
Non-appropriation receipts to Special Accounts <sup>8</sup>	-	811,103	811,103	604,029
<b>Total Special Accounts</b>	<b>8,657</b>	<b>816,905</b>	<b>825,562</b>	<b>618,554</b>
<b>Total administered resourcing</b>	<b>8,657</b>	<b>44,679,054</b>	<b>44,687,711</b>	<b>42,335,713</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations <sup>7</sup>	-	(813,229)	(813,229)	(665,756)
<b>Total net administered resourcing for Health</b>	<b>8,657</b>	<b>43,865,825</b>	<b>43,874,482</b>	<b>41,669,957</b>
<b>Total net resourcing for Health</b>	<b>143,240</b>	<b>44,523,205</b>	<b>44,666,445</b>	<b>42,560,853</b>

Notes:

- <sup>1</sup> Excludes the Ageing and Aged Care function that was transferred to the Department of Social Services as a result of the revised Administrative Arrangements Orders issued in September 2013.
- <sup>2</sup> Appropriation Bill (No.1) 2014-15.
- <sup>3</sup> The estimate of prior year amounts available includes opening balance at bank and appropriation receivable for the core department.
- <sup>4</sup> 2014-15 and 2013-14 contains an amount of \$6.028m and \$6.564m respectively for the Departmental Capital Budget (see Table 3.2.5).
- <sup>5</sup> Appropriation Bill (No.2) 2014-15.
- <sup>6</sup> Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health. See Table 3.1.2.
- <sup>7</sup> Appropriation receipts from Health annual and special appropriations included above.
- <sup>8</sup> The Health and Hospitals Fund (HHF) is established and funded under the *Nation-building Funds Act 2008*. Following the transfer of the uncommitted balance of the HHF to the Medical Research Future Fund, the *Nation-building Funds Act 2008* is due to be repealed and funding for existing activity is expected to be met by Special Appropriation provisions from 1 January 2015.

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

*Budget Paper No. 2, Budget Measures 2014-15* can be located on the [Australian Government Budget website](#)

**Table 1.3.1: Department of Health 2014-15 Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Outcome 1: Population Health</b>						
<b>Discretionary Grant Programmes - cessation of certain programmes</b>						
Department of Health						
Administered expenses	1.2	(70)	(70)	-	-	-
Administered expenses	5.4	(3,453)	-	-	-	-
Administered expenses	7.1	(220)	-	-	-	-
Administered expenses	7.4	-	(141)	(144)	(146)	(146)
<b>Total expenses</b>		<b>(3,743)</b>	<b>(211)</b>	<b>(144)</b>	<b>(146)</b>	<b>(146)</b>
<b>Full implementation of National Bowel Cancer Screening Programme</b>						
Department of Health						
Administered expenses	1.1	-	3,770	6,349	23,015	34,843
Administered expenses	3.1	-	-	1,022	6,014	9,047
Department of Human Services						
Departmental expenses		-	-	5	33	50
Department of Veterans' Affairs						
Administered expenses		-	-	37	172	255
Department of the Treasury						
Administered expenses		-	-	235	4,747	6,352
<b>Total expenses</b>		<b>-</b>	<b>3,770</b>	<b>7,648</b>	<b>33,981</b>	<b>50,547</b>
<b>Good Sports Programme - continuation</b>						
Department of Health						
Administered expenses	1.2	-	4,622	4,696	4,780	4,867
<b>Total expenses</b>		<b>-</b>	<b>4,622</b>	<b>4,696</b>	<b>4,780</b>	<b>4,867</b>
<b>National Partnership Agreement on Preventive Health - cessation</b>						
Department of the Treasury						
Administered expenses	1.1	-	(53,512)	(53,512)	(130,412)	(130,512)
<b>Total expenses</b>		<b>-</b>	<b>(53,512)</b>	<b>(53,512)</b>	<b>(130,412)</b>	<b>(130,512)</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>National Tobacco Campaign - a new and lower cost media campaign</b>						
Department of Health						
Administered expenses	1.2	1,500	-	-	-	-
The Australian National Preventive Health Agency						
Administered expenses		(4,400)	-	-	-	-
<b>Total expenses</b>		<b>(2,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Smaller Government - Australian National Preventive Health Agency - abolish</b>						
Department of Health						
Administered expenses	1.1	-	18,703	18,183	18,511	18,844
Departmental expenses		1,027	4,902	3,106	2,456	2,480
The Australian National Preventive Health Agency						
Administered expenses		-	(18,703)	(18,183)	(18,511)	(18,844)
Departmental expenses		-	(5,129)	(5,080)	(5,048)	(5,098)
<b>Total expenses</b>		<b>1,027</b>	<b>(227)</b>	<b>(1,974)</b>	<b>(2,592)</b>	<b>(2,618)</b>
<b>Tobacco Plain Packaging Litigation</b>						
Department of Health						
Administered expenses	1.2	nfp	nfp	nfp	nfp	nfp
Departmental expenses		nfp	nfp	nfp	nfp	nfp
<b>Total expenses</b>		<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Outcome 2: Access to Pharmaceutical Services</b>						
<b>Pharmaceutical Benefits Scheme - increase in co-payments and safety net thresholds</b>						
Department of Health						
Administered expenses	2.2	-	(143,298)	(301,311)	(361,037)	(442,585)
Department of Human Services						
Departmental expenses		80	(13)	(934)	(1,302)	(1,775)
Department of Veterans' Affairs						
Administered expenses		-	(2,091)	(4,894)	(4,824)	(4,975)
<b>Total expenses</b>		<b>80</b>	<b>(145,402)</b>	<b>(307,139)</b>	<b>(367,163)</b>	<b>(449,335)</b>
<b>Pharmaceutical Benefits Scheme - medication charts for public and private hospitals</b>						
Department of Health						
Administered expenses	2.1	-	3,780	804	-	-
Departmental expenses		-	559	553	367	371
Departmental capital		-	95	-	-	-
Department of Human Services						
Departmental expenses		102	4,630	3,311	1,340	595
<b>Total</b>		<b>102</b>	<b>9,064</b>	<b>4,668</b>	<b>1,707</b>	<b>966</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Pharmaceutical Benefits Scheme - new and amended listings</b>						
Department of Health						
Administered expenses	2.2	6,181	69,037	82,663	94,439	106,775
Administered expenses	3.1	2	200	214	260	329
Department of Human Services						
Departmental expenses		571	1,752	1,430	1,865	2,488
Department of Veterans' Affairs						
Administered expenses		132	2,185	2,445	2,691	3,027
<b>Total expenses</b>		<b>6,886</b>	<b>73,174</b>	<b>86,752</b>	<b>99,255</b>	<b>112,619</b>
Department of Health						
Administered revenue	2.2	nfp	nfp	nfp	nfp	nfp
<b>Total revenue</b>		<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Pharmaceutical Benefits Scheme - price amendments</b>						
Department of Health						
Administered expenses	2.2	353	1,331	1,162	1,210	1,240
Department of Veterans' Affairs						
Administered expenses		14	52	42	42	42
Department of the Treasury						
COAG Reform Fund	1.3	140	579	591	623	630
<b>Total expenses</b>		<b>507</b>	<b>1,962</b>	<b>1,795</b>	<b>1,875</b>	<b>1,912</b>
<b>Stoma Appliance Scheme - new listing and amendments</b>						
Department of Health						
Administered expenses	2.4	-	(31)	(40)	(53)	(70)
<b>Total expenses</b>		<b>-</b>	<b>(31)</b>	<b>(40)</b>	<b>(53)</b>	<b>(70)</b>
<b>Transfer of Payment Administration Functions for Professional Pharmacy Programmes</b>						
Department of Health						
Administered expenses	2.1	400	1,250	-	-	-
Departmental expenses		214	199	-	-	-
Department of Human Services						
Departmental expenses		(614)	(1,449)	-	-	-
<b>Total expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Outcome 3: Access to Medical and Dental Services</b>						
<b>Dental Flexible Grants Programme - cessation</b>						
Department of Health						
Administered expenses	3.6	-	(49,755)	(54,623)	(60,721)	(61,936)
Departmental expenses		-	(511)	(495)	(493)	(498)
<b>Total expenses</b>		-	<b>(50,266)</b>	<b>(55,118)</b>	<b>(61,214)</b>	<b>(62,434)</b>
<b>Diagnostic Imaging Quality Programme - cessation</b>						
Department of Health						
Administered expenses	3.3	(1,000)	(3,000)	(3,366)	(3,469)	(3,533)
<b>Total expenses</b>		<b>(1,000)</b>	<b>(3,000)</b>	<b>(3,366)</b>	<b>(3,469)</b>	<b>(3,533)</b>
<b>Full implementation of National Bowel Cancer Screening Programme</b>						
Department of Health						
Administered expenses	1.1	-	3,770	6,349	23,015	34,843
Administered expenses	3.1	-	-	1,022	6,014	9,047
Department of Human Services						
Departmental expenses		-	-	5	33	50
Department of Veterans' Affairs						
Administered expenses		-	-	37	172	255
Department of the Treasury						
Administered expenses		-	-	235	4,747	6,352
<b>Total expenses</b>		-	<b>3,770</b>	<b>7,648</b>	<b>33,981</b>	<b>50,547</b>
<b>Market testing of the payment of health services by commercial payment service providers</b>						
Department of Health						
Administered expenses	3.1	-	500	-	-	-
<b>Total expenses</b>		-	<b>500</b>	-	-	-
<b>Medicare Benefits Schedule - comprehensive eye examinations</b>						
Department of Health						
Administered expenses	3.1	-	(8,567)	(12,619)	9,541	(2,194)
Departmental expenses		-	66	-	-	-
Department of Human Services						
Departmental expenses		13	647	(43)	165	(10)
Department of Veterans' Affairs						
Administered expenses		-	472	1,318	867	718
<b>Total expenses</b>		<b>13</b>	<b>(7,382)</b>	<b>(11,344)</b>	<b>10,573</b>	<b>(1,486)</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Medicare Benefits Schedule - introducing patient contributions for general practitioner, pathology and diagnostic imaging services</b>						
Department of Health						
Administered expenses	3.1	-	-	(1,165,329)	(1,181,993)	(1,226,899)
Administered expenses	3.3	-	(208)	(212)	(215)	(218)
Departmental expenses	3.1	-	1,576	1,158	610	270
Department of Human Services						
Departmental expenses		249	7,398	34,228	28,576	26,034
Departmental capital		-	5,406	2,353	-	-
<b>Total</b>		<b>249</b>	<b>14,172</b>	<b>(1,127,802)</b>	<b>(1,153,022)</b>	<b>(1,200,813)</b>
<b>Medicare Benefits Schedule - new and amended listings</b>						
Department of Health						
Administered expenses	3.1	-	1,140	(675)	(345)	1,089
Department of Human Services						
Departmental expenses		-	13	(6)	(8)	(1)
Department of Veterans' Affairs						
Administered expenses		-	768	1,478	1,744	2,211
<b>Total expenses</b>		<b>-</b>	<b>1,921</b>	<b>797</b>	<b>1,391</b>	<b>3,299</b>
Department of Health						
Administered revenue	2.2	nfp	nfp	nfp	nfp	nfp
<b>Total revenue</b>		<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Medicare Benefits Schedule - reduced optometry rebates and removal of charging cap</b>						
Department of Health						
Administered expenses	3.1	-	(11,114)	(24,848)	(26,284)	(27,752)
Departmental expenses		-	225	79	-	-
Department of Human Services						
Departmental expenses		-	86	-	-	-
<b>Total expenses</b>		<b>-</b>	<b>(10,803)</b>	<b>(24,769)</b>	<b>(26,284)</b>	<b>(27,752)</b>
<b>Medicare Benefits Schedule - revised capital sensitivity provisions for diagnostic imaging equipment</b>						
Department of Health						
Administered expenses	3.1	-	212	462	499	518
Department of Human Services						
Departmental expenses		-	625	-	-	-
Department of Veterans' Affairs						
Administered expenses		-	2	4	4	4
<b>Total expenses</b>		<b>-</b>	<b>839</b>	<b>466</b>	<b>503</b>	<b>522</b>



**Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>National Partnership Agreement for adult public dental services - deferral</b>						
Department of Health						
Departmental expenses	3.6	-	(480)	(172)	(85)	(86)
Department of the Treasury						
Administered expenses	3.6	-	(200,000)	(95,000)	(95,000)	-
<b>Total expenses</b>		<b>-</b>	<b>(200,480)</b>	<b>(95,172)</b>	<b>(95,085)</b>	<b>(86)</b>
<b>Pharmaceutical Benefits Scheme - new and amended listings</b>						
Department of Health						
Administered expenses	2.2	6,181	69,037	82,663	94,439	106,775
Administered expenses	3.1	2	200	214	260	329
Department of Human Services						
Departmental expenses		571	1,752	1,430	1,865	2,488
Department of Veterans' Affairs						
Administered expenses		132	2,185	2,445	2,691	3,027
<b>Total expenses</b>		<b>6,886</b>	<b>73,174</b>	<b>86,752</b>	<b>99,255</b>	<b>112,619</b>
Department of Health						
Administered revenue	2.2	nfp	nfp	nfp	nfp	nfp
<b>Total revenue</b>		<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds</b>						
Department of Health						
Administered expenses	3.1	-	(131,894)	(279,744)	(290,752)	(307,210)
Administered expenses	6.1	-	-	(98,833)	(189,392)	(290,105)
Departmental expenses		-	422	33	-	-
Department of Human Services						
Departmental expenses		9	32	87	33	-
Department of Veterans' Affairs						
Administered expenses		-	(10,191)	(16,029)	(16,832)	(23,519)
<b>Total expenses</b>		<b>9</b>	<b>(141,631)</b>	<b>(394,486)</b>	<b>(496,943)</b>	<b>(620,834)</b>
Australian Taxation Office						
Departmental revenue		-	-	-	7,000	14,000
<b>Total revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7,000</b>	<b>14,000</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Simplifying Medicare safety net arrangements</b>					
Department of Health					
Administered expenses 3.1	-	-	(54,198)	(115,521)	(116,981)
Departmental expenses	-	916	753	562	692
Department of Human Services					
Departmental capital	-	1,963	1,616	-	-
Departmental expenses	180	2,481	8,737	1,847	207
<b>Total</b>	<b>180</b>	<b>5,360</b>	<b>(43,092)</b>	<b>(113,112)</b>	<b>(116,082)</b>
<b>Outcome 4: Acute Care</b>					
<b>Commonwealth Public Hospitals - change to funding arrangements</b>					
Department of the Treasury					
Administered expenses 4.1	-	(217,253)	(260,469)	(133,375)	(1,162,768)
<b>Total expenses</b>	<b>-</b>	<b>(217,253)</b>	<b>(260,469)</b>	<b>(133,375)</b>	<b>(1,162,768)</b>
<b>Mersey Community Hospital - additional funding</b>					
Department of Health					
Administered expenses 4.1	-	13,600	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>13,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>National Partnership Agreement on Improving Public Hospital Services - cessation</b>					
Department of the Treasury					
Administered expenses 4.1	-	(99,489)	(99,489)	(2,039)	-
<b>Total expenses</b>	<b>-</b>	<b>(99,489)</b>	<b>(99,489)</b>	<b>(2,039)</b>	<b>-</b>
<b>Outcome 5: Primary Health Care</b>					
<b>Discretionary Grant Programmes - cessation of certain programmes</b>					
Department of Health					
Administered expenses 1.2	(70)	(70)	-	-	-
Administered expenses 5.4	(3,453)	-	-	-	-
Administered expenses 7.1	(220)	-	-	-	-
Administered expenses 7.4	-	(141)	(144)	(146)	(146)
<b>Total expenses</b>	<b>(3,743)</b>	<b>(211)</b>	<b>(144)</b>	<b>(146)</b>	<b>(146)</b>
<b>Doubling the Practice Incentive Programme Teaching Payment</b>					
Department of Health					
Administered expenses 5.2	-	19,926	59,253	75,101	82,572
Department of Human Services					
Departmental expenses	233	537	198	288	318
<b>Total expenses</b>	<b>233</b>	<b>20,463</b>	<b>59,451</b>	<b>75,389</b>	<b>82,890</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Establishment of Primary Health Networks</b>						
Department of Health						
Administered expenses	5.2	-	-	-	-	-
Departmental expenses		-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>headspace Programme - additional funding</b>						
Department of Health						
Administered expenses	5.4	-	4,500	1,382	1,872	7,191
<b>Total expenses</b>		-	<b>4,500</b>	<b>1,382</b>	<b>1,872</b>	<b>7,191</b>
<b>Indigenous Affairs Programme - rationalisation</b>						
Department of Health						
Administered expenses	5.3	(40,700)	(67,300)	(45,960)	(11,827)	44,020
<b>Total expenses</b>		<b>(40,700)</b>	<b>(67,300)</b>	<b>(45,960)</b>	<b>(11,827)</b>	<b>44,020</b>
<b>Indigenous teenage sexual and reproductive health and young parent support - continuation</b>						
Department of Health						
Administered expenses	5.3	-	310	-	-	-
Departmental expenses		-	133	-	-	-
Department of the Treasury						
COAG Reform Fund	5.3	-	25,500	-	-	-
<b>Total expenses</b>		-	<b>25,943</b>	-	-	-
<b>Mental Health Nurse Incentive Programme - continuation</b>						
Department of Health						
Administered expenses	5.4	-	22,010	-	-	-
Departmental expenses		-	408	-	-	-
Department of Human Services						
Departmental expenses		-	965	-	-	-
<b>Total expenses</b>		-	<b>23,383</b>	-	-	-
<b>National Centre of Excellence in Youth Mental Health - establishment</b>						
Department of Health						
Administered expenses	5.4	-	4,150	4,288	4,603	4,959
<b>Total expenses</b>		-	<b>4,150</b>	<b>4,288</b>	<b>4,603</b>	<b>4,959</b>
<b>Partners in Recovery - reduced funding</b>						
Department of Health						
Administered expenses	5.4	(25,300)	(28,500)	-	-	-
<b>Total expenses</b>		<b>(25,300)</b>	<b>(28,500)</b>	-	-	-

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Rebuilding general practice education and training to deliver more GPs</b>						
Department of Health						
Administered expenses	5.3	-	2,201	2,231	2,271	2,311
Administered expenses	8.1	-	110,436	214,187	225,497	244,558
Departmental expenses		-	7,638	7,129	5,541	5,087
General Practice Education and Training						
Administered expenses		-	(136,703)	(264,471)	(269,232)	(274,077)
<b>Total expenses</b>		-	<b>(16,428)</b>	<b>(40,924)</b>	<b>(35,923)</b>	<b>(22,121)</b>
<b>Supporting the Royal Flying Doctor Service</b>						
Department of Health						
Administered expenses	5.5	-	6,000	-	-	-
<b>Total expenses</b>		-	<b>6,000</b>	-	-	-
<b>Outcome 6: Private Health</b>						
<b>Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds</b>						
Department of Health						
Administered expenses	3.1	-	(131,894)	(279,744)	(290,752)	(307,210)
Administered expenses	6.1	-	-	(98,833)	(189,392)	(290,105)
Departmental expenses		-	422	33	-	-
Department of Human Services						
Departmental expenses		9	32	87	33	-
Department of Veterans' Affairs						
Administered expenses		-	(10,191)	(16,029)	(16,832)	(23,519)
<b>Total expenses</b>		<b>9</b>	<b>(141,631)</b>	<b>(394,486)</b>	<b>(496,943)</b>	<b>(620,834)</b>
Australian Taxation Office						
Departmental revenue		-	-	-	7,000	14,000
<b>Total revenue</b>		-	-	-	<b>7,000</b>	<b>14,000</b>
<b>Outcome 7: Health Infrastructure, Regulation, Safety and Quality</b>						
<b>Aligning Australia and New Zealand Therapeutic Arrangements</b>						
Department of Health						
Departmental expenses	7.7	-	nfp	-	-	-
Departmental capital		-	nfp	-	-	-
<b>Total</b>		-	<b>nfp</b>	-	-	-

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Charles Sturt University - dental and oral health clinic developments in New South Wales - reversal</b>						
Department of Health						
Administered expenses	7.5	(4,500)	(7,000)	(3,500)	-	-
Departmental expenses		(55)	(55)	(56)	-	-
<b>Total expenses</b>		<b>(4,555)</b>	<b>(7,055)</b>	<b>(3,556)</b>	<b>-</b>	<b>-</b>
<b>Discretionary Grant Programmes - cessation of certain programmes</b>						
Department of Health						
Administered expenses	1.2	(70)	(70)	-	-	-
Administered expenses	5.4	(3,453)	-	-	-	-
Administered expenses	7.1	(220)	-	-	-	-
Administered expenses	7.4	-	(141)	(144)	(146)	(146)
<b>Total expenses</b>		<b>(3,743)</b>	<b>(211)</b>	<b>(144)</b>	<b>(146)</b>	<b>(146)</b>
<b>Improving local access to health care on Phillip Island</b>						
Department of the Treasury						
Administered expenses	7.5	-	2,500	-	-	-
<b>Total expenses</b>		<b>-</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Medical Research Future Fund - investments</b>						
Department of Health						
Administered expenses	7.4	-	-	19,909	76,982	179,327
<b>Total expenses</b>		<b>-</b>	<b>-</b>	<b>19,909</b>	<b>76,982</b>	<b>179,327</b>
<b>Personally Controlled Electronic Health Record System - continuation</b>						
Department of Health						
Administered expenses	7.1	-	108,327	-	-	-
Departmental expenses		-	10,451	-	-	-
Department of Human Services						
Departmental expenses		-	20,757	-	-	-
Departmental capital		-	1,000	-	-	-
Department of Veterans' Affairs						
Departmental expenses		-	104	-	-	-
<b>Total</b>		<b>-</b>	<b>140,639</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rural and Regional General Practice Teaching Infrastructure Grants</b>						
Department of Health						
Administered expenses	7.5	-	21,000	21,000	10,500	-
<b>Total expenses</b>		<b>-</b>	<b>21,000</b>	<b>21,000</b>	<b>10,500</b>	<b>-</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>World Health Organization - reduced funding</b>					
Department of Health					
Administered expenses	7.3	(2,337)	-	-	-
<b>Total expenses</b>		<b>(2,337)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Outcome 8: Health Workforce Capacity</b>					
<b>General Practice Rural Incentives Programme - additional funding</b>					
Department of Health					
Administered expenses	8.1	-	35,000	-	-
Department of Human Services					
Departmental expenses		390	41	-	-
<b>Total expenses</b>		<b>390</b>	<b>35,041</b>	<b>-</b>	<b>-</b>
<b>Investing in nursing and allied health workforce</b>					
Department of Health					
Administered expenses	8.1	-	3,399	4,947	5,036
<b>Total expenses</b>		<b>-</b>	<b>3,399</b>	<b>4,947</b>	<b>5,036</b>
<b>Northern Territory Medical Program - consolidation</b>					
Department of Health					
Administered expenses	8.1	-	2,187	2,224	2,266
Department of the Treasury					
COAG Reform Fund		-	(2,286)	(2,323)	(2,365)
<b>Total expenses</b>		<b>-</b>	<b>(99)</b>	<b>(99)</b>	<b>(99)</b>
<b>Rebuilding general practice education and training to deliver more GPs</b>					
Department of Health					
Administered expenses	5.3	-	2,201	2,231	2,271
Administered expenses	8.1	-	110,436	214,187	225,497
Departmental expenses		-	7,638	7,129	5,541
General Practice Education and Training					
Administered expenses		-	(136,703)	(264,471)	(269,232)
<b>Total expenses</b>		<b>-</b>	<b>(16,428)</b>	<b>(40,924)</b>	<b>(35,923)</b>
<b>Smaller Government - More Efficient Health Workforce Development</b>					
Department of Health					
Administered expenses	8.1	-	-	(17,100)	(21,400)
Administered expenses	8.2	-	170,471	173,120	175,922
Departmental expenses		5,127	17,486	13,881	11,914
Health Workforce Australia					
Departmental expenses		-	(211,541)	(214,064)	(216,782)
<b>Total expenses</b>		<b>5,127</b>	<b>(23,584)</b>	<b>(44,163)</b>	<b>(50,346)</b>

**Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Tasmanian nursing and allied health scholarship and support scheme - cessation</b>						
Department of Health						
Administered expenses	8.1	-	(2,000)	(2,600)	(2,600)	(2,700)
<b>Total expenses</b>		-	<b>(2,000)</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(2,700)</b>
<b>Outcome 9: Biosecurity and Emergency Response</b>						
<b>Ensuring the Supply of Antivenoms, Q fever vaccine and Pandemic Influenza vaccines</b>						
Department of Health						
Administered expenses	9.1	nfp	nfp	nfp	nfp	nfp
<b>Total expenses</b>		<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Reform of the Operation and Management of the National Medical Stockpile</b>						
Department of Health						
Administered expenses	9.1	-	1,475	5,069	4,582	4,227
<b>Total expenses</b>		-	<b>1,475</b>	<b>5,069</b>	<b>4,582</b>	<b>4,227</b>
<b>Routine Replenishment of the National Medical Stockpile</b>						
Department of Health						
Administered expenses	9.1	-	1,787	-	-	-
Administered capital		-	5,682	-	-	-
<b>Total</b>		-	<b>7,469</b>	-	-	-
<b>Outcome 10: Sport and Recreation</b>						
<b>Australian Government Commonwealth Games Funding Commitment</b>						
Department of the Treasury						
Administered expenses	10.1	156,000	-	-	-	-
<b>Total expenses</b>		<b>156,000</b>	-	-	-	-
<b>Australian Sports Commission - redirection</b>						
Department of Health						
Departmental expenses	10.1	-	3,583	917	914	923
Australian Sports Commission						
Departmental expenses		-	(63)	(9,686)	(9,652)	(9,738)
<b>Total expenses</b>		-	<b>3,520</b>	<b>(8,769)</b>	<b>(8,738)</b>	<b>(8,815)</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>2018 Gold Coast Commonwealth Games - operational support</b>						
Department of Health						
Departmental expenses	10.1	-	-	-	-	-
Attorney-Generals' Department						
Departmental expenses		-	-	-	-	-
Department of Immigration and Border Protection						
Departmental expenses		-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Water Safety - reduce drownings</b>						
Department of Health						
Administered expenses	10.1	1,000	3,000	3,000	3,000	5,000
<b>Total expenses</b>		<b>1,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>5,000</b>
<b>Cross Outcome Measures</b>						
<b>Health Flexible Funds - pausing indexation and achieving efficiencies</b>						
Department of Health						
Administered expenses	various <sup>1</sup>	-	-	(46,366)	(69,732)	(81,029)
<b>Total expenses</b>		-	-	<b>(46,366)</b>	<b>(69,732)</b>	<b>(81,029)</b>
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent<sup>2</sup></b>						
Department of Health		-	(1,139)	(2,166)	(3,211)	(3,299)
Australian Institute of Health & Welfare		-	(41)	(80)	(120)	(121)
Australian Organ and Tissue Donation and Transplantation Authority		-	(16)	(30)	(46)	(46)
Australian Radiation Protection and Nuclear Safety Agency		-	(39)	(77)	(115)	(117)
Australian Sports Commission		-	(624)	(1,152)	(1,722)	(1,738)
Australian Sports Anti-Doping Authority		-	(34)	(65)	(97)	(99)
Cancer Australia		-	(31)	(61)	(92)	(93)
Food Standards Australia New Zealand		-	(45)	(89)	(133)	(134)
Independent Hospital Pricing Authority		-	(35)	(68)	(102)	(103)
National Blood Authority		-	(17)	(30)	(50)	(52)
National Health Funding Body		-	(11)	(22)	(33)	(34)
National Health and Medical Research Council		-	(103)	(205)	(306)	(309)
National Health Performance Authority		-	(28)	(56)	(85)	(86)
National Mental Health Commission		-	(7)	(14)	(21)	(22)
Private Health Insurance Ombudsman		-	(6)	(12)	(18)	(18)
Professional Services Review		-	(15)	(28)	(43)	(44)
<b>Total expenses</b>		-	<b>(2,191)</b>	<b>(4,155)</b>	<b>(6,194)</b>	<b>(6,315)</b>



**Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Other Portfolio Measures</b>						
<b>Commonwealth Seniors Health Card - annual indexation of income thresholds</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	2.2	-	1,923	4,145	6,757	9,392
<b>Total expenses</b>		-	<b>1,923</b>	<b>4,145</b>	<b>6,757</b>	<b>9,392</b>
<b>Commonwealth Seniors Health Card - include untaxed superannuation income in the eligibility assessment</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	2.2	-	(310)	(1,656)	(3,786)	(6,088)
Administered expenses	3.1	-	(57)	(349)	(642)	(950)
<b>Total expenses</b>		-	<b>(367)</b>	<b>(2,005)</b>	<b>(4,428)</b>	<b>(7,038)</b>
<b>Family Payment Reform - limit the Large Family Supplement to families with four or more children</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	3.1	-	-	(217)	(221)	(228)
Administered expenses	3.6	-	-	-	(809)	(2,611)
<b>Total expenses</b>		-	<b>-</b>	<b>(217)</b>	<b>(1,030)</b>	<b>(2,839)</b>
<b>Family Payment Reform - maintain Family Tax Benefit payment rates for two years</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	3.1	-	(272)	(524)	(541)	(562)
Administered expenses	3.6	-	-	(658)	(3,979)	(4,170)
<b>Total expenses</b>		-	<b>(272)</b>	<b>(1,182)</b>	<b>(4,520)</b>	<b>(4,732)</b>
<b>Family Payment Reform - remove the Family Tax Benefit Part A per child add-on</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	3.1	-	-	(474)	(440)	(21)
	3.6	-	-	-	(1,092)	(3,208)
<b>Total expenses</b>		-	<b>-</b>	<b>(474)</b>	<b>(1,532)</b>	<b>(3,229)</b>

Table 1.3.1: Department of Health 2014-15 Budget Measures (Cont.)

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Family Payment Reform - revise Family Tax Benefit end-of-year supplements</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	3.1	-	-	(796)	(810)	(1,068)
	3.6	-	-	-	(2,008)	(6,445)
<b>Total expenses</b>		-	-	<b>(796)</b>	<b>(2,818)</b>	<b>(7,513)</b>
<b>Maintain eligibility thresholds for Australian Government payments for three years</b>						
<i>Department of Social Services</i>						
<i>Department of Health</i>						
Administered expenses	3.1	-	(66)	(67)	(69)	(71)
Administered expenses	3.6	-	-	(147)	(469)	(484)
<b>Total expenses</b>		-	<b>(66)</b>	<b>(214)</b>	<b>(538)</b>	<b>(555)</b>
<b>Migration Programme - allocation of places for 2014-15</b>						
<i>Department of Immigration and Border Protection</i>						
<i>Department of Health</i>						
Administered expenses	2.2	(477)	(2,878)	(5,297)	(7,926)	(10,788)
Administered expenses	3.1	(1,532)	(4,851)	(8,743)	(12,982)	(17,050)
Administered expenses	3.5	(74)	(102)	(104)	(106)	(109)
<b>Total expenses</b>		<b>(2,083)</b>	<b>(7,831)</b>	<b>(14,144)</b>	<b>(21,014)</b>	<b>(27,947)</b>
<b>Support Services and Mutual Obligations Arrangements for Illegal Maritime Arrivals</b>						
<i>Department of Immigration and Border Protection</i>						
<i>Department of Health</i>						
Administered expenses	2.2	-	1,719	2,314	5,802	7,914
Administered expenses	3.1	-	(44)	1,188	3,472	4,980
Administered expenses	5.4	1,177	5,667	6,333	5,704	6,447
Departmental expenses		153	104	75	74	104
<b>Total expenses</b>		<b>1,330</b>	<b>7,446</b>	<b>9,910</b>	<b>15,052</b>	<b>19,445</b>

1 This measure has been notionally allocated to programs but is subject to change.

2 This measure was announced in the 2013-14 MYEFO but has not previously been reported in a portfolio statement.

## 1.4 CHANGES TO OUTCOME AND PROGRAMME STRUCTURE

**Figure 1.4.1: Comparison of 2013-14 and 2014-15 Outcome Structures**

<u>2013-14</u>	<u>2014-15</u>
<b>Outcome 1 Population Health</b> A reduction in the incidence of preventable mortality and morbidity in Australia, including through regulation and national initiatives that support healthy lifestyles and disease prevention.	<b>Outcome 1 Population Health</b> A reduction in the incidence of preventable mortality and morbidity, including through national public health initiatives, promotion of healthy lifestyles, and approaches covering disease prevention, health screening and immunisation.
<b>Outcome 2 Access to Pharmaceutical Services</b> Access to cost-effective medicines, including through the Pharmaceutical Benefits Scheme and related subsidies, and assistance for medication management through industry partnerships.	<b>Outcome 2 Access to Pharmaceutical Services</b> Access to cost-effective medicines, including through the Pharmaceutical Benefits Scheme and related subsidies, and assistance for medication management through industry partnerships.
<b>Outcome 3 Access to Medical Services</b> Access to cost-effective medical, practice nursing and allied health services, including through Medicare subsidies for clinically relevant services.	<b>Outcome 3 Access to Medical and Dental Services</b> Access to cost-effective medical, dental, allied health and hearing services, including through implementing targeted medical assistance strategies, and providing Medicare subsidies for clinically relevant services and hearing devices to eligible people.
<b>Outcome 4 Aged Care and Population Ageing</b> <i>Transferred to the Department of Social Services</i>	<b>Outcome 4 Acute Care</b> Improved access to, and efficiency of, public hospitals, acute and subacute care services, including through payments to state and territory governments.
<b>Outcome 5 Primary Care</b> Access to comprehensive, community-based health care, including through first point of call services for prevention, diagnosis and treatment of ill-health, and for ongoing management of chronic disease.	<b>Outcome 5 Primary Health Care</b> Access to comprehensive primary and mental health care services, and health care services for Aboriginal and Torres Strait Islander peoples and rural and remote populations, including through first point of call services for the prevention, diagnosis and treatment of ill-health and ongoing services for managing chronic disease.
<b>Outcome 6 Rural Health</b> Access to health services for people living in rural, regional and remote Australia, including through health infrastructure and outreach services.	<b>Outcome 6 Private Health</b> Improved choice in health services by supporting affordable quality private health care, including through private health insurance rebates and a regulatory framework.
<b>Outcome 7 Hearing Services</b> A reduction in the incidence and consequence of hearing loss, including through research and prevention activities, and access to hearing services and devices for eligible people.	<b>Outcome 7 Health Infrastructure, Regulation, Safety and Quality</b> Improved capacity, quality and safety of Australia's health care system to meet current and future health needs including through investment in health infrastructure, regulation, international health policy engagement, research into health care, and support for blood and organ donation services.
<b>Outcome 8 Indigenous Health<sup>1</sup></b> Closing the gap in life expectancy and child mortality rates for Indigenous Australians, including through primary health care, child and maternal health, and substance use services.	
<b>Outcome 9 Private Health</b> Improved choice in health services by supporting affordable quality private health care, including through private health insurance rebates and a regulatory framework.	

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<sup>1</sup> Following Machinery of Government changes, Indigenous policies, programmes and service delivery was consolidated into the Department of the Prime Minister and Cabinet. The Department of Health has retained responsibility for health care services for Aboriginal and Torres Strait Islander people (refer to Outcome 5 Primary Health Care).

**Figure 1.4.1: Comparison of 2013-14 and 2014-15 Outcome Structures (Cont.)**

<u>2013-14</u>	<u>2014-15</u>
<p><b>Outcome 10 Health System Capacity and Quality</b></p> <p>Improved long-term capacity, quality and safety of Australia's health care system to meet future health needs, including through investment in health infrastructure, international engagement, consistent performance reporting and research.</p> <p><b>Outcome 11 Mental Health</b></p> <p>Improved mental health and suicide prevention, including through targeted prevention, identification, early intervention and health care services.</p> <p><b>Outcome 12 Health Workforce Capacity</b></p> <p>Improved capacity, quality and mix of the health workforce to meet the requirements of health services, including through training, registration, accreditation and distribution strategies.</p> <p><b>Outcome 13 Acute Care</b></p> <p>Improved access to public hospitals, acute care services and public dental services, including through targeted strategies, and payments to state and territory governments.</p> <p><b>Outcome 14 Biosecurity and Emergency Response</b></p> <p>Preparedness to respond to national health emergencies and risks, including through surveillance, regulation, prevention, detection and leadership in national health coordination.</p>	<p><b>Outcome 8 Health Workforce Capacity</b></p> <p>Improved capacity, quality and mix of the health workforce to meet the requirements of health services, including through training, registration, accreditation and distribution strategies.</p> <p><b>Outcome 9 Biosecurity and Emergency Response</b></p> <p>Preparedness to respond to national health emergencies and risks, including through surveillance, regulation, prevention, detection and leadership in national health coordination.</p> <p><b>Outcome 10 Sport and Recreation</b></p> <p><i>Transferred from the former Department of Regional Australia, Local Government, Arts and Sport</i></p> <p>Improved opportunities for community participation in sport and recreation, and excellence in high-performance athletes, through initiatives to help protect the integrity of sport, investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues.</p>

**Figure 1.4.2: Mapping 2013-14 to 2014-15 Outcome and Programme Structure**

2013-14 <sup>2</sup>	2014-15 <sup>3</sup>
<b>Outcome 1 Population Health (1)</b> <i>Programmes:</i> 1.1 Prevention, Early Detection and Service Improvement (1.1) 1.2 Communicable Disease Control (1.1) 1.3 Drug Strategy (1.2) 1.4 Regulatory Policy (1.1 & 7.7) 1.5 Immunisation (1.3) 1.6 Public Health (1.1)	<b>Outcome 1 Population Health (1)</b> <i>Programmes:</i> 1.1 Public Health, Chronic Disease and Palliative Care (1.1, 1.2, 1.4 <sup>4</sup> , 1.6, 10.1 <sup>5</sup> ) 1.2 Drug Strategy (1.3 <sup>6</sup> ) 1.3 Immunisation (1.5)
<b>Outcome 2 Access to Pharmaceutical Services (2)</b> <i>Programmes:</i> 2.1 Community Pharmacy and Pharmaceutical Awareness (2.1) 2.2 Pharmaceuticals and Pharmaceutical Services (2.2) 2.3 Targeted Assistance – Pharmaceuticals (2.3) 2.4 Targeted Assistance – Aids and Appliances (2.4)	<b>Outcome 2 Access to Pharmaceutical Services (2)</b> <i>Programmes:</i> 2.1 Community Pharmacy and Pharmaceutical Awareness (2.1) 2.2 Pharmaceuticals and Pharmaceutical Services (2.2) 2.3 Targeted Assistance – Pharmaceuticals (2.3) 2.4 Targeted Assistance – Aids and Appliances (2.4)
<b>Outcome 3 Access to Medical Services (3)</b> <i>Programmes:</i> 3.1 Medicare Services (3.1 & 3.6) 3.2 Targeted Assistance – Medical (3.2) 3.3 Diagnostic Imaging Services (3.3) 3.4 Pathology Services (3.3) 3.5 Chronic Disease – Radiation Oncology (3.3)	<b>Outcome 3 Access to Medical and Dental Services (3)</b> <i>Programmes:</i> 3.1 Medicare Services (3.1 <sup>7</sup> ) 3.2 Targeted Assistance – Medical (3.2) 3.3 Pathology and Diagnostic Imaging Services and Radiation Oncology (3.3, 3.4 & 3.5) 3.4 Medical Indemnity (13.2) 3.5 Hearing Services (7.1) 3.6 Dental Services (3.1 & 13.3) <sup>8</sup>
<b>Outcome 4 Aged Care and Population Ageing</b> <i>Transferred to Department of Social Services</i>	<b>Outcome 4 Acute Care (13)</b> <i>Programme:</i> 4.1 Public Hospitals and Information (13.3 <sup>9</sup> )

<sup>2</sup> Bracketed numbers indicate where Outcome and Programme(s) have **moved to** in 2014-15 structure.

<sup>3</sup> Bracketed numbers indicate where Outcome and Programme(s) have **moved from** 2013-14 structure.

<sup>4</sup> Excludes food regulation - transferred to Programme 7.7.

<sup>5</sup> Excludes infrastructure elements - transferred to Programme 7.5.

<sup>6</sup> Excludes combating petrol sniffing and Indigenous drug and alcohol treatment services - transferred to the Department of the Prime Minister and Cabinet.

<sup>7</sup> Excludes dental benefits and teen dental elements - transferred to Programme 3.6.

<sup>8</sup> Includes only dental elements.

<sup>9</sup> Excludes dental - transferred to Programme 3.6.

**Figure 1.4.2: Mapping 2013-14 to 2014-15 Outcome and Programme Structure (Cont.)**

2013-14 <sup>10</sup>	2014-15 <sup>11</sup>
<b>Outcome 5 Primary Care (5)</b> <i>Programmes:</i> 5.1 Primary Care Education and Training (5.4) 5.2 Primary Care Financing, Quality and Access (5.1 & 7.5) 5.3 Primary Care Practice Incentives (5.2)	<b>Outcome 5 Primary Health Care (5)</b> <i>Programmes:</i> 5.1 Primary Care Financing Quality and Access (5.2 <sup>12</sup> ) 5.2 Primary Care Practice Incentives (5.3) 5.3 Aboriginal and Torres Strait Islander Health (8.1 <sup>13</sup> ) 5.4 Mental Health (5.1 & 11.1 <sup>14</sup> ) 5.5 Rural Health Services (6.1)
<b>Outcome 6 Rural Health (5.5)</b> <i>Programme:</i> 6.1 Rural Health Services (5.5)	<b>Outcome 6 Private Health (9)</b> <i>Programme:</i> 6.1 Private Health Insurance (9.1)
<b>Outcome 7 Hearing Services (3.5)</b> <i>Programme:</i> 7.1 Hearing Services (3.5)	<b>Outcome 7 Health Infrastructure, Regulation, Safety and Quality (10)</b> <i>Programmes:</i> 7.1 e-Health Implementation (10.2) 7.2 Health Information (10.3) 7.3 International Policy Engagement (10.4) 7.4 Research Capacity and Quality (10.5 <sup>15</sup> ) 7.5 Health Infrastructure (5.2, 10.1, 10.5 & 10.6) <sup>16</sup> 7.6 Blood and Organ Donation (13.1) 7.7 Regulatory Policy (1.4 <sup>17</sup> )
<b>Outcome 8 Indigenous Health (5.3 &amp; PM&amp;C)</b> <i>Programme:</i> 8.1 Aboriginal and Torres Strait Islander Health (5.3 and PM&C)	<b>Outcome 8 Health Workforce Capacity (12)</b> <i>Programmes:</i> 8.1 Workforce and Rural Distribution (11.1 <sup>18</sup> & 12.1) 8.2 Workforce Development and Innovation (12.2)
<b>Outcome 9 Private Health (6)</b> <i>Programme:</i> 9.1 Private Health Insurance (6.1)	<b>Outcome 9 Biosecurity and Emergency Response (14)</b> <i>Programme:</i> 9.1 Health Emergency Planning and Response (14.1)

<sup>10</sup> Bracketed numbers indicate where Outcome and Programme(s) have **moved to** in 2014-15 structure.

<sup>11</sup> Bracketed numbers indicate where Outcome and Programme(s) have **moved from** 2013-14 structure.

<sup>12</sup> Excludes infrastructure elements – transferred to programme 7.5 and mental health in rural and remote areas transferred to Programme 5.4.

<sup>13</sup> Excludes social and emotional wellbeing Programmes – transferred to Department of the Prime Minister and Cabinet.

<sup>14</sup> Excludes COAG Mental Health Additional Education Places Scholarships and Clinical Training – transferred to Programme 8.1.

<sup>15</sup> Excludes HHF medical research – transferred to Programme 7.5.

<sup>16</sup> Includes only infrastructure elements.

<sup>17</sup> Excludes food policy – transferred to Programme 1.1.

<sup>18</sup> Includes only COAG Mental Health Additional Education Places Scholarships and Clinical Training.

**Figure 1.4.2: Mapping 2013-14 to 2014-15 Outcome and Programme Structure (Cont.)**

2013-14 <sup>19</sup>	2014-15 <sup>20</sup>
<b>Outcome 10 Health System Capacity and Quality (7)</b> <i>Programmes:</i> 10.1 Chronic Disease – Treatment (1.1 & 7.5) 10.2 e-Health Implementation (7.1) 10.3 Health Information (7.2) 10.4 International Policy Engagement (7.3) 10.5 Research Capacity and Quality (7.4 & 7.5) 10.6 Health Infrastructure (7.5)	<b>Outcome 10 Sport and Recreation</b> <i>Transferred from the former Department of Regional Australia, Local Government, Arts and Sport</i> <i>Programme:</i> 10.1 Sport and Recreation
<b>Outcome 11 Mental Health (5.4)</b> <i>Programme:</i> 11.1 Mental Health (5.4 & 8.1)	
<b>Outcome 12 Health Workforce Capacity (8)</b> <i>Programmes:</i> 12.1 Workforce and Rural Distribution (8.1) 12.2 Workforce Development and Innovation (8.2)	
<b>Outcome 13 Acute Care (4)</b> <i>Programmes:</i> 13.1 Blood and Organ Donation Services (7.6) 13.2 Medical Indemnity (3.4) 13.3 Public Hospitals and Information (4.1 & 3.6)	
<b>Outcome 14 Biosecurity and Emergency Response (9)</b> <i>Programme:</i> 14.1 Health Emergency Planning and Response (9.1)	

<sup>19</sup> Bracketed numbers indicate where Outcome and Programme(s) have **moved to** in 2014-15 structure.

<sup>20</sup> Bracketed numbers indicate where Outcome and Programme(s) have **moved from** 2013-14 structure.

## Section 2: Department Outcomes and Planned Performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Health in achieving Government outcomes.





## Outcome 1

# POPULATION HEALTH

**A reduction in the incidence of preventable mortality and morbidity, including through national public health initiatives, promotion of healthy lifestyles, and approaches covering disease prevention, health screening and immunisation**

## Outcome Strategy

The Australian Government, through Outcome 1, aims to reduce the incidence of preventable mortality and morbidity in Australia.<sup>1</sup>

The health system is under pressure from the demands of the ageing population and the increasing prevalence of chronic disease. Expenditure on health care in Australia has increased by 122 per cent in the 10 years to 2011-12. One-third of Australia's burden of disease is due to lifestyle health risks such as poor diet, obesity, physical inactivity, smoking and alcohol misuse. More emphasis is needed on prevention to ensure our health system is sustainable for the long term.

To help improve sustainability and reduce the burden of chronic disease, the Government will invest in programmes and strategies aimed at preventing illness and encouraging people to lead healthier lifestyles. The Government will place a particular focus on disease prevention, screening, disease control, immunisation, public health and reducing the impact of substance misuse. The Government will also support a range of palliative and end of life care projects. This approach will improve the lives of many Australians and reduce pressure on the health system.

Key initiatives for 2014-15 include: implementing national blood borne virus and sexually transmissible infection strategies; developing a new National Diabetes Strategy; providing a range of cancer screening services; providing vaccines through the National Immunisation Programme; and delivering programmes and communication campaigns aimed at discouraging the use and misuse of alcohol, tobacco, prescription and illicit drugs.

In the 2014-15 Budget, the Government is fast-tracking the full implementation of biennial bowel cancer screening for all Australians aged 50 to 74. Around 4,000 Australians die each year from bowel cancer. It is the second most common cause of cancer-related deaths in Australia. Evidence has shown that regular screening can improve treatment outcomes and survival.

In 2014-15, the Government will finalise the National Diabetes Strategy to identify gaps in diabetes prevention and care, and outline strategies to more effectively address these gaps. It will include consideration of service coordination and integration as well as the particular needs of population groups.

To ensure a more efficient approach to prevention, and remove duplication, the essential functions of the Australian National Preventive Health Agency will be transferred to the Department of Health by 30 June 2014 with a view to closing the

<sup>1</sup> Mortality denotes the number of deaths in a given population. Morbidity denotes a condition causing poor health such as injury or illness.

agency. The components of the National Partnership Agreement on Preventive Health involving payments to States and Territories will be terminated.

Outcome 1 is the responsibility of Population Health Division, the Office of Health Protection, Acute Care Division and Primary and Mental Health Care Division.

## Programmes Contributing to Outcome 1

**Programme 1.1: Public Health, Chronic Disease and Palliative Care**

**Programme 1.2: Drug Strategy**

**Programme 1.3: Immunisation**

## Outcome 1 Budgeted Expenses and Resources

Table 1.1 provides an overview of the total expenses for Outcome 1 by Programme.

**Table 1.1: Budgeted Expenses and Resources for Outcome 1**

	2013-14 Estimated actual \$'000	2014-15 Estimated expenses \$'000
<b>Programme 1.1: Public health, chronic disease &amp; palliative care<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	170,054	168,909
Other services (Appropriation Bill No. 2)	11,058	-
Departmental expenses		
Departmental appropriation <sup>2</sup>	33,355	35,048
Expenses not requiring appropriation in the budget year <sup>3</sup>	2,423	2,376
<b>Total for Programme 1.1</b>	<b>216,890</b>	<b>206,333</b>
<b>Programme 1.2: Drug strategy<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	201,623	138,415
Departmental expenses		
Departmental appropriation <sup>2</sup>	21,100	21,012
Expenses not requiring appropriation in the budget year <sup>3</sup>	1,583	1,552
<b>Total for Programme 1.2</b>	<b>224,306</b>	<b>160,979</b>
<b>Programme 1.3: Immunisation<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1) to Australian Childhood Immunisation Register	20,515	20,137
Special Account	(5,747)	(5,802)
Special appropriations		
<i>National Health Act 1953</i> - essential vaccines	134,994	134,309
Special accounts		
Australian Childhood Immunisation Register Special Account	9,388	9,475
Departmental expenses		
Departmental appropriation <sup>2</sup>	7,456	7,258
Expenses not requiring appropriation in the budget year <sup>3</sup>	570	559
<b>Total for Programme 1.3</b>	<b>167,176</b>	<b>165,936</b>

Table 1.1: Budgeted Expenses and Resources for Outcome 1 (Cont.)

	2013-14 Estimated actual \$'000	2014-15 Estimated expenses \$'000
<b>Outcome 1 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	392,192	327,461
to special accounts	(5,747)	(5,802)
Other services (Appropriation Bill No. 2)	11,058	-
Special appropriations	134,994	134,309
Special accounts	9,388	9,475
Departmental expenses		
Departmental appropriation <sup>2</sup>	61,911	63,318
Expenses not requiring appropriation in the budget year <sup>3</sup>	4,576	4,487
<b>Total expenses for Outcome 1</b>	<b>608,372</b>	<b>533,248</b>
<b>Average staffing level (number)</b>		
	390	388

- 1 This Programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each Programme. For budget estimates relating to the National Partnership component of the Programme, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.
- 2 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 3 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Programme 1.1: Public Health, Chronic Disease and Palliative Care

### Programme Objectives

*Reduce the incidence of chronic disease and promote healthier lifestyles*

Chronic diseases are the leading cause of preventable death and disease in Australia, and present a major challenge for the sustainability of Australia's health care system. The Government will increase the capacity of the health system to prevent and better manage chronic disease in accordance with evidence-based best practice.

The Government has committed to develop a new National Diabetes Strategy to inform better targeted health spending in diabetes prevention and management. During 2014-15, a National Diabetes Strategy Advisory Group will work with the Department, and in consultation with stakeholders, to develop this strategy.

Complementing this work, in 2014-15 the Department will complete the Diabetes Care Project pilot, involving over 7,500 patients from around 150 general practices in Queensland, Victoria and South Australia. The pilot is evaluating a new, comprehensive, patient-centred model of care which allows for local flexibility, improved coordination of care and access to a range of multidisciplinary services.

The Government will also fund a range of chronic disease prevention projects, particularly in the primary and community care sectors.

*Develop evidence-based food regulatory policy*

The Australian Government will administer a strong, evidence-based food regulatory system to ensure that food sold in Australia is safe. The Department will ensure that all food regulatory policy is considered in the context of the Government's deregulation agenda and will promote the reduction of unnecessary regulatory burden and red tape. The Department collaborates with the Department of Agriculture, States and Territories and New Zealand to develop robust policy to assist Food Standards Australia New Zealand to develop, and the States and Territories to implement, the food standards necessary to ensure a safe food supply for Australia.

Food labelling plays an integral role in informing healthy food purchasing decisions by consumers. In 2014-15, the Australian Government will work with the States and Territories and New Zealand to implement the outcomes of the independent report: Labelling Logic: Review of Food Labelling Law and Policy. Implementation over the next three years will endeavour to balance improving the information on food labels to meet consumers' needs, while maintaining marketing flexibility and minimising the regulatory burden on industry and barriers to trade.

*Improve detection, treatment and survival outcomes for people with cancer*

The Australian Government recognises the importance of cancer screening in the early detection and treatment of cancer.

In 2014-15, the Australian Government is providing \$95.9 million over four years to expand the National Bowel Cancer Screening Program to a biennial screening interval for all Australians aged 50 to 74 years of age by 2020. This expansion will bring the programme in line with the National Health and Medical Research Council Guidelines. Over the next four years, up to 7.8 million Australians will be invited to undertake free bowel cancer screening as part of the programme. From 2015, people turning 70 and 74 years will commence screening through the program. 72 and 64 year olds will be added in 2016 and 68, 58 and 54 year olds in 2017. The remaining cohorts will be included from 2018 to 2020.

The Australian Government will also work with State and Territory Governments to provide breast and cervical cancer screening for women in the eligible age cohorts<sup>2</sup>. Funding for the McGrath Foundation will provide trained breast care nurses to assist and care for women diagnosed with breast cancer and their families.

*Reduce the incidence of blood borne viruses and sexually transmissible infections*

The Australian Government is committed to preventing the spread of blood borne viruses (BBVs) and sexually transmissible infections (STIs).

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<sup>2</sup> Further information available at: [Cancer Screening website](#)

In 2014-15, the Australian Government will commence the implementation of the 2014-17 National Strategies for HIV, hepatitis B, hepatitis C, STI, and Aboriginal and Torres Strait Islander BBVs and STIs. These strategies will guide policies and programmes related to the prevention, testing, management and treatment of BBVs and STIs.

In 2014-15, the Australian Government's support for the strategies includes investment in a prevention programme to address increasing rates of STIs and BBVs including HIV, hepatitis B and hepatitis C.

The Government will also support non-government organisations to deliver activities aimed at raising awareness of BBVs and STIs and encouraging an increase in diagnosis and treatment uptake. In 2014-15, the Department will continue to support quality assurance programmes for medical laboratories using in-vitro diagnostic devices, and the Australian Red Cross for the screening of fresh blood donations.

#### *Improve palliative care in Australia*

The Government will also seek to support a range of national palliative care projects, to improve the provision of high quality palliative care in Australia by supporting projects primarily focusing on education, training, quality improvement and advance care planning.

Programme 1.1 is linked as follows:

- This Programme includes National Partnership payments for:
  - *National bowel cancer screening;*
  - *Expansion of BreastScreen Australia Programme;* and
  - *Victorian Cytology Service.*

These Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For budget estimates relating to the National Partnership component of the programme, please refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.
- The Department of Human Services (Services to the Community - Programme 1.2) is funded to administer the National Bowel Cancer Screening Register and support cervical cancer screening.

### **Programme 1.1: Expenses**

**Table 1.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	170,054	168,909	168,212	182,527	196,680
Other services	11,058	-	-	-	-
Programme support	35,778	37,424	34,688	33,185	33,573
<b>Total Programme 1.1 expenses</b>	<b>216,890</b>	<b>206,333</b>	<b>202,900</b>	<b>215,712</b>	<b>230,253</b>

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Reduce the incidence of chronic disease and promote healthier lifestyles

Qualitative Deliverables	2014-15 Reference Point or Target
New National Diabetes Strategy in place to support better prevention and management of diabetes	National Diabetes Strategy finalised
Review the evaluation findings from the Diabetes Care Project pilot to test a more comprehensive, patient-centred approach to improve the care of patients with diabetes	Evaluation findings from the Diabetes Care Project are provided to the Australian Government

#### Develop evidence-based food regulatory policy

Qualitative Deliverable	2014-15 Reference Point or Target
Develop advice and policy for the Australian Government on food regulatory issues	Relevant, evidence-based advice produced in a timely manner

#### Improve detection, treatment and survival outcomes for people with cancer

Qualitative Deliverables	2014-15 Reference Point or Target
Implement the expansion of the National Bowel Cancer Screening Program to a biennial screening interval	Negotiation and execution of appropriate funding contracts and funding agreements to be completed by June 2015 to enable commencement of invitations to 70 and 74 year olds in 2015
Support the expansion of BreastScreen Australia to invite Australian women 70-74 years of age through the implementation of a nationally consistent communication strategy	Delivery of communication activities such as print, radio and online promotion

#### Reduce the incidence of blood borne viruses and sexually transmissible infections

Qualitative Deliverable	2014-15 Reference Point or Target
Implement priority actions contained in the National BBVs and STIs Strategies 2014-17	Commence implementation of programmes which support delivery of priority action areas to reduce BBVs and STIs

**Quantitative Deliverables for Programme 1.1****Improving detection, treatment and survival outcomes for people with cancer**

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of breast care nurses employed through the McGrath Foundation	53	57	57	57	57

**Programme 1.1: Key Performance Indicators****Qualitative Key Performance Indicators for Programme 1.1****Develop evidence-based food regulatory policy**

Qualitative Indicator	2014-15 Reference Point or Target
Promote a nationally consistent, evidence-based approach to food policy and regulation	Consistent regulatory approach across Australia through nationally agreed evidence-based policies and standards

**Reduce the incidence of blood borne viruses and sexually transmissible infections**

Qualitative Indicator	2014-15 Reference Point or Target
Provide funding to non-government organisations to support programmes which are effective in reducing the spread of communicable disease and achieving the national strategy targets	Organisations funded in accordance with the priorities outlined in the National BBVs and STIs Strategies 2014-17 Progress reports from contracted organisations indicate that activities are being implemented in accordance with contractual arrangements and are achieving expected outcomes

**Quantitative Key Performance Indicators for Programme 1.1****Improve detection, treatment and survival outcomes for people with cancer**

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of people invited to take part in the National Bowel Cancer Screening Program who participated <sup>3</sup>	41.0%	41.0%	41.0%	41.0%	41.0%

<sup>3</sup> Australian Institute of Health and Welfare and the Australian Government Department of Health and Ageing, 2012. *National Bowel Cancer Screening Program: Monitoring Report Phase 2, July 2008-June*



Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of women 50-69 years of age participating in BreastScreen Australia <sup>4</sup>	55.2%	55.2%	55.2%	55.2%	55.2%
Percentage of women 70-74 years of age participating in BreastScreen Australia <sup>5</sup>	34.0%	51.0%	53.0%	55.2%	55.2%
Percentage of women in the target age group participating in the National Cervical Screening Programme <sup>6</sup>	57%	57%	57%	57%	57%

## Programme 1.2: Drug Strategy

### Programme Objectives

*Reduce harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs*

In 2014-15, the Department will work with States and Territories, experts and communities under the guidance of the National Drug Strategy 2010-2015 to minimise the harms associated with alcohol, tobacco and other drug use.

The rapid emergence and widespread availability of new psychoactive substances (aka 'synthetic drugs') presents challenges for health regulation and law enforcement in Australia and overseas. The Department is working with other Commonwealth agencies, and State and Territory health and law enforcement agencies to implement a national framework for responding to new psychoactive drugs and introduce broad based bans on new substances. The Department will implement the next phase of the National Drugs Campaign, focusing on the range of currently prevalent drugs, including new psychoactive substances and illicit 'pills'.

The Government will support drug and alcohol misuse prevention and early intervention activities as well as treatment services to build, provide and deliver quality, evidence-based services.

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2011. Cancer series no. 65. cat. no. CAN 61. Canberra, AIHW. These targets reflect the most recent data (2008-2011) on participation in the National Bowel Cancer Screening Programme.

<sup>4</sup> AIHW 2013. *BreastScreen Australia Monitoring Report 2010-2011*. Cancer series no. 72. cat. no. CAN 68. Canberra: AIHW. These targets reflect the most recent data (2010-2011) on participation in BreastScreen Australia Programme. Small changes in these figures are unlikely to be statistically significant. Participation data for the programme cannot be projected into the future.

<sup>5</sup> From 2013-14, the programme will start actively inviting women 70-74 years of age to participate in BreastScreen Australia. Estimated participation rates are expected to reach 55.2 per cent by 2016-17.

<sup>6</sup> AIHW 2014. *Cervical screening in Australia 2011-12*. Cancer series no. 82. cat. no. CAN 79. Canberra: AIHW. These targets reflect the most recent data (2011-2012) on participation in the National Cervical Screening Programme. Small changes in these figures are unlikely to be statistically significant. Participation data for the programme cannot be projected into the future.

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A review of the drug and alcohol prevention and treatment services sector concludes in mid-2014. Commissioned by the Department and being conducted by the University of New South Wales, it is expected that the review's findings will help support better planning and targeting of funds to alcohol and drug treatment services.

The Department will also support service delivery and education initiatives promoting responsible alcohol consumption, including promotion of evidence-based messages about the harms of drinking alcohol during pregnancy, and undertake other activities to reduce the prevalence and impact of Fetal Alcohol Spectrum Disorders in Australia.

*Reduce the harmful effects of tobacco use*

The Australian Government recognises that smoking continues to be one of the leading causes of preventable disease and premature death in Australia. In 2014-15, the Government will continue to fund the defence of legal challenges to the tobacco plain packaging legislation in international forums. The Department will also undertake a post-implementation review of the tobacco plain packaging measure. The review will commence by December 2014.

The Government will also continue to support national social marketing campaigns to reduce smoking prevalence.

Programme 1.2 is linked as follows:

- This Programme includes National Partnership Payments for:
  - *National coronial information system.*
 Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.

## Programme 1.2: Expenses

**Table 1.3: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	201,623	138,415	114,815	109,818	110,691
Programme support	22,683	22,564	19,597	19,352	19,901
<b>Total Programme 1.2 expenses</b>	<b>224,306</b>	<b>160,979</b>	<b>134,412</b>	<b>129,170</b>	<b>130,592</b>

## Programme 1.2: Deliverables

### Qualitative Deliverables for Programme 1.2

Reduce harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs

Qualitative Deliverable	2014-15 Reference Point or Target
Provide up-to-date information to young people on the risks and harms of illicit drug use	Dissemination of materials and delivery of the National Drugs Campaign including provision of resources for parents, teachers and students

### Reduce the harmful effects of tobacco use

Qualitative Deliverable	2014-15 Reference Point or Target
Implement social marketing campaigns to raise awareness of the dangers of smoking and encourage and support attempts to quit	Deliver a National Tobacco Campaign within agreed timeframes

## Programme 1.2: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.2

Reduce harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs

Qualitative Indicator	2014-15 Reference Point or Target
Availability of prevention and early intervention substance misuse resources for teachers, parents and students	Enhanced access to materials on the National Drugs Campaign website <sup>7</sup>

### Quantitative Key Performance Indicators for Programme 1.2

Reduce harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of population 14 years of age and older recently (in the last 12 months) using an illicit drug <sup>8</sup>	<13.4%	<13.4%	<13.4%	<13.4%	<13.4%

<sup>7</sup> Further information available at: [National Drugs Campaign website](#)

<sup>8</sup> Data on this target is currently taken from the National Drug Strategy Household Survey, which is published every three years.

**Reduce the harmful effects of tobacco use**

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of population 18 years of age and over who are daily smokers <sup>9</sup>	15.2%	13.9%	12.6%	11.3%	10%

**Programme 1.3: Immunisation****Programme Objectives***Strengthen immunisation coverage*

The National Immunisation Programme is a critical means of preventing disease across the population. In 2014-15, the Australian Government will work with States and Territories through the National Partnership Agreement on Essential Vaccines (NPEV) and implement priorities under the National Immunisation Strategy to monitor and increase already high immunisation coverage rates to reduce the incidence of vaccine preventable diseases, address any vaccine safety concerns that may arise, and use data to better monitor and evaluate programme outcomes, vaccine efficacy and safety.

A review of the NPEV was undertaken in 2013-14 which will inform discussions in partnership with the States and Territories, and ensure the cost-effective delivery of essential vaccines under the National Immunisation Programme.

In 2014-15, the Australian Government will undertake work to increase immunisation coverage rates especially to reduce the gap in one year immunisation rates between Indigenous and non-Indigenous children, and increase the rate for children aged five years to that of younger cohorts. The Government will also consider issues associated with incentives to reduce vaccine refusal. The Department will develop tools and communication materials to assist immunisation providers, such as general practitioners, having conversations with vaccine hesitant parents.

The Department will work with organisations providing primary health services to maintain and improve immunisation coverage at the local level in particular in pockets of low coverage.

*Improve the efficiency of the National Immunisation Programme*

In 2014-15, the Department will continue to work with States and Territories towards completing the Council of Australian Governments (COAG) agreed activity of transitioning to a centralised procurement process for the supply of vaccines under the NIP to ensure security of supply and value for money.

<sup>9</sup> Targets for 2013-14 onwards are based on a straight line projection to reach COAGs 10 per cent adult daily smoking prevalence by 2018, using the 2012-13 figures of 16.5 per cent from the Australian Health Survey 2011-13 (released October 2012) age standardised rate. On 30 July 2013, the ABS updated the previous age-standardised rate of 16.3 per cent.

Performance against contracts for those vaccines for which procurement processes have been completed will continue to be monitored and reviewed.

Programme 1.3 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Essential vaccines.*
 Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.
- The Department of Social Services to administer the FTB(A) supplement to eligible parents; eligibility is linked to satisfying the requirements for age-related immunisation.
- The Department of Human Services (Services to the Community - Programme 1.2) to administer the Australian Childhood Immunisation Register.
- The Department of Education (Support for the Child Care System - Programme 1.1) to support access to quality early childhood education and child care services; (Child Care Benefit - Programme 1.2) to administer child care benefits to eligible parents; eligibility for which is linked to satisfying the requirements for age-related immunisation; and (Child Care Rebate - Programme 1.3) to support low income families with the cost of child care.

### Programme 1.3: Expenses

Table 1.4: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	20,515	20,137	20,258	20,606	20,962
to Australian Childhood Immunisation Register Special Account	(5,747)	(5,802)	(5,858)	(5,913)	(5,966)
Special appropriations					
<i>National Health Act 1953</i>					
- essential vaccines	134,994	134,309	138,297	139,279	142,650
Special accounts					
Australian Childhood Immunisation Register Special Account	9,388	9,475	9,563	9,650	9,820
Programme support	8,026	7,817	7,631	7,541	7,737
<b>Total Programme 1.3 expenses</b>	<b>167,176</b>	<b>165,936</b>	<b>169,891</b>	<b>171,163</b>	<b>175,203</b>

**Programme 1.3: Deliverables****Qualitative Deliverables for Programme 1.3****Strengthen immunisation coverage**

Qualitative Deliverables	2014-15 Reference Point or Target
The priority actions contained in the National Immunisation Strategy are being undertaken	Implement priority actions in accordance with timeframes set out in the National Immunisation Strategy
Provide up-to-date information to health professionals, providers and consumers about the National Immunisation Programme (NIP)	Development of materials on the NIP and provide information through the Immunise Australia website and the Immunise Australia Information Line to encourage up-take of vaccines

**Quantitative Deliverables for Programme 1.3****Improve the efficiency of the National Immunisation Programme**

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of completed tenders under the National Partnership Agreement on Essential Vaccines (Essential Vaccines Procurement Strategy)	2	2	2	2	1

**Programme 1.3: Key Performance Indicators****Qualitative Key Performance Indicators for Programme 1.3****Strengthen immunisation coverage**

Qualitative Indicator	2014-15 Reference Point or Target
States and Territories meet requirements of the National Partnership Agreement on Essential Vaccines	<p>The performance benchmarks are used to assess State and Territory performance and consist of:</p> <ul style="list-style-type: none"> <li>maintaining or increasing vaccine coverage for Indigenous Australians</li> <li>maintaining or increasing coverage in agreed areas of low immunisation coverage</li> <li>maintaining or decreasing wastage and leakage</li> <li>maintaining or increasing vaccination coverage for four year olds</li> </ul>

### Quantitative Key Performance Indicators for Programme 1.3

#### Strengthen immunisation coverage

Quantitative Indicators <sup>10</sup>	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Increase the immunisation coverage rates among children 12-15 months of age	91.8%	92.0%	92.3%	92.5%	92.8%
Increase the immunisation coverage rates among children 24-27 months of age	92.7%	92.9%	93.2%	93.4%	93.7%
Increase the immunisation coverage rates among children 60-63 months of age	90.0%	91.5%	91.7%	92.0%	92.2%

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<sup>10</sup> Forward targets may be revisited as part of the outcomes of the NPEV review conducted in 2013-14.

## Outcome 2

# ACCESS TO PHARMACEUTICAL SERVICES

**Access to cost-effective medicines, including through the Pharmaceutical Benefits Scheme and related subsidies, and assistance for medication management through industry partnerships**

Outcome 1 02

## Outcome Strategy

The Australian Government, through Outcome 2, aims to provide reliable, timely and affordable access to cost-effective, high quality medicines and pharmaceutical services. The Government does this through subsidising the cost of medicines through the Pharmaceutical Benefits Scheme (PBS) and Life Saving Drugs Programme and by supporting the provision of aids and appliances.

Under the National Medicines Policy, in 2014-15, the Government will introduce a range of measures that ensure timely access to the medicines Australians need; at a cost individuals and the community can afford; that those medicines meet appropriate standards of quality, safety and efficacy; and are underpinned by programmes that support quality use of medicines; and help maintain a responsible and viable medicines industry.

Over the past decade the cost of the PBS has increased 80 per cent. Whilst the 2007 PBS Reforms have been a highly effective mechanism for ensuring the ongoing sustainability of the PBS by returning over \$9 billion to the programme, growth in the PBS is still expected to average between four and five per cent a year over the medium to long term.

The Australian Government has a fiscal responsibility to ensure the ongoing sustainability and strength of the programme and will therefore increase patient contributions in 2014-15, putting the PBS on a more sustainable footing, and ensuring the Government's capacity to list new and innovative medicines now and into the future.

From 1 January 2015, changes to co-payment and safety net arrangements for general and concessional patients will provide for the continued listing of new high cost medicines on the PBS. Medicines like the recently approved everolimus (Afinitor®) for the treatment of breast cancer and teriflunomide (Aubagio®) and dimethyl fumarate (Tecfidera®) for the treatment of multiple sclerosis which would otherwise cost patients up to \$38,000 per year.

In 2014-15, through the Fifth Community Pharmacy Agreement (the Fifth Agreement), the Government will provide funding to over 5,000 pharmacies to dispense PBS medicines, as well as fund a range of programmes to support the quality use of medicines and access to services.

The Government is also committed to working closely with community pharmacies and the pharmaceutical industry to ensure the ongoing viability of these sectors and in 2014-15 will look to build on their valued role in the community. Preparations for the expiry of the Fifth Agreement on 30 June 2015



will be a priority. The Access to Medicines Working Group will also be reinvigorated as a forum for discussion of PBS policies with the pharmaceutical sector, with initial discussions focused on four priority areas: managed entry scheme; interpretation of section 99ACB of the *National Health Act 1953*; transparency for PBS listing processes; and post-market reviews.

Building upon its work to date to list medicines faster on the PBS, the Government intends to improve patient safety and care in 2014-15 by removing unnecessary red tape and administrative burden for health professionals when prescribing, processing and claiming payments for PBS medicines. These changes will enable clinicians to spend more time with their patients and less time completing duplicate paperwork, and simplify the prescription process for a number of complex medicines.

Outcome 2 is the responsibility of Pharmaceutical Benefits Division.

### **Programmes Contributing to Outcome 2**

**Programme 2.1: Community Pharmacy and Pharmaceutical Awareness**

**Programme 2.2: Pharmaceuticals and Pharmaceutical Services**

**Programme 2.3: Targeted Assistance – Pharmaceuticals**

**Programme 2.4: Targeted Assistance – Aids and Appliances**

## Outcome 2 Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for Outcome 2 by Programme.

**Table 2.1: Budgeted Expenses and Resources for Outcome 2**

	2013-14 Estimated actual \$'000	2014-15 Estimated expenses \$'000
<b>Programme 2.1: Community pharmacy and pharmaceutical awareness</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	367,530	405,929
Departmental expenses		
Departmental appropriation <sup>1</sup>	7,677	7,533
Expenses not requiring appropriation in the budget year <sup>2</sup>	553	542
<b>Total for Programme 2.1</b>	<b>375,760</b>	<b>414,004</b>
<b>Programme 2.2: Pharmaceuticals and pharmaceutical services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	195,105	197,488
Special appropriations		
<i>National Health Act 1953</i> - pharmaceutical benefits	9,259,663	9,247,686
Departmental expenses		
Departmental appropriation <sup>1</sup>	48,498	42,317
Expenses not requiring appropriation in the budget year <sup>2</sup>	4,108	4,263
<b>Total for Programme 2.2</b>	<b>9,507,374</b>	<b>9,491,754</b>
<b>Programme 2.3: Targeted assistance -pharmaceuticals</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	141,504	151,424
Departmental expenses		
Departmental appropriation <sup>1</sup>	2,435	2,251
Expenses not requiring appropriation in the budget year <sup>2</sup>	166	163
<b>Total for Programme 2.3</b>	<b>144,105</b>	<b>153,838</b>
<b>Programme 2.4: Targeted assistance - aids and appliances</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,551	596
Special appropriations		
<i>National Health Act 1953</i> - aids and appliances	302,765	324,988
Departmental expenses		
Departmental appropriation <sup>1</sup>	2,147	1,928
Expenses not requiring appropriation in the budget year <sup>2</sup>	156	153
<b>Total for Programme 2.4</b>	<b>306,619</b>	<b>327,665</b>

**Table 2.1: Budgeted Expenses and Resources for Outcome 2 (Cont.)**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Outcome 2 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	705,690	755,437
Special appropriations	9,562,428	9,572,674
Departmental expenses		
Departmental appropriation <sup>1</sup>	60,757	54,029
Expenses not requiring appropriation in the budget year <sup>2</sup>	4,983	5,121
<b>Total expenses for Outcome 2</b>	<b>10,333,858</b>	<b>10,387,261</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	<b>274</b>	<b>253</b>

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

2 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## **Programme 2.1: Community Pharmacy and Pharmaceutical Awareness**

### **Programme Objectives**

*Support timely access to medicines and pharmacy services through the Fifth Community Pharmacy Agreement*

The Fifth Agreement, which ceases on 30 June 2015, remunerates pharmacists for dispensing PBS medicines and to provide a range of professional programmes and services that aim to improve consumer health outcomes. These include services to support medication management, programmes to assist the pharmacy workforce, activities to support improved service quality, and ongoing research and development work to inform future service delivery models.

In 2014-15, \$145.6 million will be provided to fund over 20 programmes to support the delivery of pharmaceutical services and quality use of medicines through community pharmacies and pharmacists. This includes \$23 million to support the sustainability of community pharmacies in rural and remote Australia. These targeted programmes will address challenges specific to rural pharmacists including continuing professional education, locum services and undergraduate support.

In 2014-15, the Government will spend \$42 million to deliver over 353,000 Medication Management Reviews (MMR) and medication management services, to improve the quality use of medicines, reduce medication misadventure among people using multiple medicines, as well as improve consumer education to optimise self-management of medicines.

The effectiveness of all the Fifth Agreement programmes will be reviewed in 2014-15 under the Fifth Agreement Evaluation Framework. Programmes with a medication management focus will be specifically reviewed under the Combined Review of Fifth Agreement Medication Management Programmes.

In 2014-15, the Government will also remove unnecessary red tape for health professionals by working with the Australian Commission on Safety and Quality in Health Care to introduce the supply and claiming of PBS medicines from medication charts in all public and private hospitals, aligning with arrangements being implemented in Residential Aged Care Facilities. This initiative will deliver medication safety benefits to patients, improving the quality use of medicines and health outcomes through reductions in transcription errors. It will both complement and harness the useability of the eHealth record in the primary and acute care setting. This measure is expected to deliver at least \$40 million per year worth of red tape reductions.

## Programme 2.1: Expenses

**Table 2.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	367,530	405,929	401,722	400,940	400,961
Programme support	8,230	8,075	7,883	7,610	7,804
<b>Total Programme 2.1 expenses</b>	<b>375,760</b>	<b>414,004</b>	<b>409,605</b>	<b>408,550</b>	<b>408,765</b>

## Programme 2.1: Deliverables

### Qualitative Deliverables for Programme 2.1

**Support timely access to medicines and pharmacy services through the Fifth Community Pharmacy Agreement**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Phased roll out of measure: Supply and PBS Claiming from a Medication Chart in Residential Aged Care Facilities and public and private hospitals	Continue measure phase in, as the Government is working to expand the supply and claiming of PBS medicines dispensed from medication charts to include all public and private hospitals

### Quantitative Deliverables for Programme 2.1

**Support timely access to medicines and pharmacy services through the Fifth Community Pharmacy Agreement**

<b>Quantitative Deliverable</b>	<b>2013-14 Revised Budget</b>	<b>2014-15 Budget Target</b>	<b>2015-16 Forward Year 1</b>	<b>2016-17 Forward Year 2</b>	<b>2017-18 Forward Year 3</b>
Number of medication management services provided under the Fifth Agreement <sup>1</sup>	307,189	353,492	- <sup>2</sup>	-	-

<sup>1</sup> Traditionally, this deliverable is measured against the Home Medicines Review Programme. However, it is worth noting that the Residential Medication Management Review Programme and MedsCheck/Diabetes MedsCheck are also medication management services funded under the Fifth Community Pharmacy Agreement and have been included in this deliverable. The revised targets have increased because they are now based on the number of services that can be funded each year.

<sup>2</sup> Fifth Community Pharmacy Agreement ceases 30 June 2015.

## Programme 2.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 2.1

Support timely access to medicines and pharmacy services through the Fifth Community Pharmacy Agreement

Qualitative Indicator	2014-15 Reference Point or Target
Medication Management Review Programmes are achieving individual programme objectives	Finalisation of the <i>Combined Review of Fifth Community Pharmacy Agreement Medication Management Programmes</i>

### Quantitative Key Performance Indicators for Programme 2.1

Support timely access to medicines and pharmacy services through the Fifth Community Pharmacy Agreement

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of rural community pharmacies accessing targeted rural programmes to support the sustainability of community pharmacy in rural and remote Australia <sup>3</sup>	75%	77%	~ <sup>4</sup>	-	-
Percentage of community pharmacies participating in the Pharmacy Practice Incentives Programme	90%	91%	~ <sup>5</sup>	-	-

Outcome 1 02

<sup>3</sup> Targets have been revised following an update of the Pharmacy Access/Remoteness Index of Australia classifications, which resulted in a number of pharmacies being reclassified from rural to urban.

<sup>4</sup> Fifth Community Pharmacy Agreement ceases 30 June 2015.

<sup>5</sup> Fifth Community Pharmacy Agreement ceases 30 June 2015.

## **Programme 2.2: Pharmaceuticals and Pharmaceutical Services**

### **Programme Objectives**

*List cost-effective, innovative, clinically effective medicines on the PBS*

The PBS is the primary means through which the Australian Government ensures Australians have timely and affordable access to pharmaceuticals. The PBS is expected to cost \$9.25 billion in 2014-15. Approximately 294 million PBS prescriptions will be dispensed through community pharmacy in 2014-15.<sup>6</sup>

The listing of medicines on the PBS is based on the advice of the Pharmaceutical Benefits Advisory Committee (PBAC), an independent, expert advisory body comprising doctors, other health professionals and a consumer representative. The PBAC assesses the safety, therapeutic benefits and cost-effectiveness of the medicine for the intended use, in comparison with other available treatments.

Since the Mid-Year Economic and Fiscal Outlook in December 2013, the Government has approved 133 new or amended PBS listings, at an overall cost of \$436.2 million over five years, to treat a range of illnesses from rare forms of cancer to skin conditions. This includes \$49.5 million for the Medicare Benefits Schedule for the co-dependant technologies package for botulinum toxin (Botox®).

At its March 2014 meeting, the PBAC recommended a further \$550 million in new listings for Government consideration in 2014-15. The PBAC will meet three times in 2014-15 to provide Government advice on requests for new listings on the PBS and National Immunisation Program.

*Increase the sustainability of the PBS*

The current fiscal environment, compounded by factors such as an ageing population, the increasing prevalence of chronic disease and the listing of new and expensive medicines in Australia are expected to continue to drive PBS growth of between four and five per cent over the medium to long term. As more high cost medicines are listed and more patients require access to these treatments, the cost to Government will increase.

For example, while patients have been paying \$6.00 or \$36.90 (depending on patient status) per prescription, they can access PBS medicines such as:

- treatments for melanoma (such as ipilimumab or dabrafenib) which cost up to \$110,000 a year;
- treatment for prostate cancer (abiraterone) which costs around \$27,000 a year; or
- treatments for macular degeneration (such as ranibizumab or aflibercept) which cost up to \$17,000 a year.

The Government needs to ensure that the PBS is managed in a fiscally responsible way, so that the Australian community has access to new, innovative and affordable medicines now and into the future. To put the PBS on a more

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<sup>6</sup> This includes subsidised prescriptions and those below the general co-payment.

sustainable footing, Australians will need to make a modest additional contribution to the cost of their medicine under the PBS. From 1 January 2015:

- the concessional co-payment will increase by 80 cents and the general co-payment will increase by \$5.00, in addition to the annual indexation; and
- the safety net threshold for general patients will increase by 10 per cent above annual indexation each year for four years, and the concessional safety net threshold will increase by two prescriptions each year from the current 60 prescriptions to 62 in 2015 and up to 68 in 2018.

#### *Post-market surveillance*

In 2014-15, the Government will progress several reviews of medicines in use, focusing on the appropriate and quality use of medicines to help improve health outcomes for patients and ensure continued value for money for taxpayers. The reviews of medicines used to treat asthma in children and medicines and products used to manage diabetes are expected to be completed in 2014-15.

The Government will systematically review all PBS authority required medicines, as announced on 30 November 2013. The review will be undertaken with input from key stakeholders including the Australian Medical Association and the Royal Australian College of General Practitioners and will remove unnecessary red tape and administrative burden for health professionals.

The review will be undertaken in stages to expedite red tape reduction for prescribers and dispensers. There are currently 447 phone or complex authority required medicines on the PBS. This number is expected to be significantly reduced over time, with the first priority area being authorities relating to the use of drugs in cancer. The review's outcomes are expected to provide over \$7 million per year worth of red tape reductions.

Programme 2.2 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer the PBS, including payment of script benefits, authority approvals, new and other PBS items.

## **Programme 2.2: Expenses**

**Table 2.3: Program Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	195,105	197,488	200,404	199,967	202,377
Special appropriations					
<i>National Health Act 1953 -</i>					
pharmaceutical benefits	9,259,663	9,247,686	9,406,281	9,910,361	10,264,643
Programme support	52,606	46,580	44,393	43,833	44,606
<b>Total Programme 2.2 expenses</b>	<b>9,507,374</b>	<b>9,491,754</b>	<b>9,651,078</b>	<b>10,154,161</b>	<b>10,511,626</b>



## Programme 2.2: Deliverables

### Qualitative Deliverables for Programme 2.2

List cost-effective, innovative, clinically effective medicines on the PBS

Qualitative Deliverables	2014-15 Reference Point or Target
The PBAC provides recommendations to the Minister on new listings for the PBS, and the National Immunisation Program	The PBAC recommendations for listing on the PBS are based on the clinical effectiveness and cost-effectiveness of new medicines, and provided in a timely manner
Price negotiations with sponsors and conditions for listing finalised, and quality and availability checks undertaken for new PBS listings	All negotiations and listing activity completed in a timely manner and consistent with PBAC outcomes

#### Post-market surveillance

Qualitative Deliverable	2014-15 Reference Point or Target
Undertake reviews of medicines in use, focusing on the appropriate and quality use of medicines	Complete reviews of medicines used to treat asthma in children, medicines and products used to manage diabetes, the Life Saving Drugs Programme and phased outcomes from the PBS Authorities review

### Quantitative Deliverables for Programme 2.2

List cost-effective, innovative, clinically effective medicines on the PBS

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of the community's (public) comments included for consideration at each PBAC meeting	100%	100%	100%	100%	100%

## Programme 2.2: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 2.2

List cost-effective, innovative, clinically effective medicines on the PBS

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Revenue received from the cost recovery of the PBS listing process <sup>7</sup>	\$10.0m	\$10.0m	\$10.0m	\$10.0m	\$10.0m

Increase the sustainability of the PBS

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Estimated savings to Government from PBS Reforms <sup>8, 9</sup>	\$1,477.7m	\$2,074.6m	\$2,423.3m	\$2,595.6m	\$2,767.9m

Outcome 1 02

## Programme 2.3: Targeted Assistance – Pharmaceuticals

### Programme Objectives

*Provide access to new and existing medicines for patients with life threatening conditions*

The Australian Government will provide fully subsidised access for eligible patients to expensive and 'lifesaving' drugs for rare and life threatening medical conditions through the Life Saving Drugs Programme (LSDP).

Ten drugs are currently funded through the programme to treat seven serious and very rare medical conditions. These conditions are: Fabry, Gaucher, Mucopolysaccharidosis Types I, II and VI, Infantile Pompe disease and Paroxysmal Nocturnal Haemoglobinuria.

On 9 April 2014, the Government announced a post-market review of this programme to ensure it continues to provide Australians with very rare conditions with access to much needed but very expensive medicines. The review will examine issues such as access and equity, value for money and the future administration of the programme. The review will also examine the existing LSDP criteria and conditions for funding, identify processes to facilitate data collection for rare diseases and look at ways to better engage with consumers. The review is expected to be completed in late 2014-15.

<sup>7</sup> Targets have been revised to reflect lower than estimated revenue received from cost recovery.

<sup>8</sup> This quantitative key performance indicator is new and replaces the previous key performance indicator under the same heading.

<sup>9</sup> Includes all ongoing savings from PBS Reforms.

As part of the Government's commitment to the reduction of red tape and administrative burden, the new administration arrangements for prescribing medicines on the LSDP announced in conjunction with the review will be fully implemented in 2014-15. These changes are expected to reduce red tape for prescribers by around \$29,700 per annum.

Whilst the review of the LSDP is under way, the Department will continue to facilitate and monitor access for new and continuing patients to these medicines.

## Programme 2.3: Expenses

**Table 2.4: Program Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	141,504	151,424	158,178	161,679	167,119
Programme support	2,601	2,414	2,358	2,332	2,389
<b>Total Programme 2.3 expenses</b>	<b>144,105</b>	<b>153,838</b>	<b>160,536</b>	<b>164,011</b>	<b>169,508</b>

## Programme 2.3: Deliverables

### Qualitative Deliverables for Programme 2.3

**Provide access to new and existing medicines for patients with life threatening conditions**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Review programme guidelines to ensure they remain current and relevant	Programme guidelines reviewed within agreed timeframes

### Quantitative Deliverables for Programme 2.3

**Provide access to new and existing medicines for patients with life threatening conditions**

<b>Quantitative Deliverable</b>	<b>2013-14 Revised Budget</b>	<b>2014-15 Budget Target</b>	<b>2015-16 Forward Year 1</b>	<b>2016-17 Forward Year 2</b>	<b>2017-18 Forward Year 3</b>
Number of patients assisted through the Life Saving Drugs Programme	245	260	275	290	305

## Program 2.3: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 2.3

**Provide access to new and existing medicines for patients with life threatening conditions**

Qualitative Indicator	2014-15 Reference Point or Target
Eligible patients have timely access to the Life Saving Drugs Programme	Patient applications are processed within 30 calendar days of receipt

### Quantitative Key Performance Indicators for Programme 2.3

**Provide access to new and existing medicines for patients with life threatening conditions**

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of eligible patients with access to fully subsidised medicines through the Life Saving Drugs Programme	100%	100%	100%	100%	100%

Outcome 1 02

## Programme 2.4: Targeted Assistance – Aids and Appliances

### Programme Objectives

*Provide support for people with diabetes*

The Australian Government, through the National Diabetes Services Scheme (NDSS), aims to ensure that people with diabetes have timely, reliable and affordable access to products and services that help them effectively self-manage their condition. The NDSS is administered by Diabetes Australia through a funding agreement. In 2014-15, the Department, in conjunction with Diabetes Australia, will implement the outcomes of an integrated review of the NDSS which is due to be completed in late 2013-14.

The Government also provides support to the families of children with type 1 diabetes through the Type 1 Diabetes Insulin Pump Programme. This programme subsidises the cost of insulin pump therapy for those families with children under the age of 18 who have type 1 diabetes and who meet the income limits. The outcomes of the post-market review of insulin pumps are expected in 2014-15 and the findings from this review will be provided to Government for consideration.

*Assist people with a stoma by providing stoma related products*

The Australian Government assists over 40,000 people each year by providing them with stoma<sup>10</sup> related appliances (such as pouches, products to assist irrigation, protective films and seals) through the Stoma Appliance Scheme. There are already over 400 products available on the scheme with the Government approving a further three new products and three price increases for implementation on 1 July 2014.

*Improve the quality of life for people with Epidermolysis Bullosa*

The Australian Government aims to improve the quality of life for people with Epidermolysis Bullosa<sup>11</sup> and to reduce unnecessary hospitalisation through the National Epidermolysis Bullosa Dressing Scheme. The scheme provides access to subsidised clinically necessary dressings for eligible people and provides education on best treatment practices. The Department works with clinical experts to ensure dressing treatment methods are consistent with best practice.

In 2014-15, the contract for the supply and administration of these products will be subject to an open approach to the market.

Programme 2.4 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer payment of claims from Stoma Associations for stoma related appliances.

## Programme 2.4: Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	1,551	596	596	596	596
Special appropriations					
<i>National Health Act 1953 -</i>					
aids and appliances	302,765	324,988	349,091	352,568	356,179
Programme support	2,303	2,081	2,029	2,004	2,057
<b>Total Programme 2.4 expenses</b>	<b>306,619</b>	<b>327,665</b>	<b>351,716</b>	<b>355,168</b>	<b>358,832</b>

<sup>10</sup> An opening in the abdomen for evacuation of products from the bowel or bladder.

<sup>11</sup> A genetic disease characterised by extremely fragile and blister prone skin.

## Programme 2.4: Deliverables

### Qualitative Deliverables for Programme 2.4

#### Provide support for people with diabetes

Qualitative Deliverable	2014-15 Reference Point or Target
Provide access to insulin pumps and associated consumables for children under 18 years of age with type 1 diabetes	Work with the scheme administrator to ensure insulin pump subsidies are provided efficiently

### Quantitative Deliverables for Programme 2.4

#### Provide support for people with diabetes

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of people with diabetes receiving benefit from the NDSS	1,280,000	1,400,000	1,526,000	1,656,000	1,797,000
Number of people under 18 years of age with type 1 diabetes receiving a subsidised insulin pump	204 <sup>12</sup>	68	68	68	68

#### Assist people with a stoma by providing stoma related products

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of people receiving stoma related products	41,750	42,500	43,250	44,000	44,750

#### Improve the quality of life for people with Epidermolysis Bullosa

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of people with Epidermolysis Bullosa receiving subsidised dressings <sup>13</sup>	79	115	125	135	145

<sup>12</sup> An additional 136 subsidies were allocated in 2013-14.

<sup>13</sup> Figures for 2014-15 and subsequent years have been increased to reflect current patient uptake of the National Epidermolysis Bullosa Dressing Scheme.

## Programme 2.4: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 2.4

Provide support for people with diabetes

Qualitative Indicator	2014-15 Reference Point or Target
The NDSS meets the needs of stakeholders	Annual survey of registrants conducted by Diabetes Australia demonstrates that the needs of stakeholders are being met

### Quantitative Key Performance Indicators for Programme 2.4

Provide support for people with diabetes

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of diabetes related products provided to eligible people through the NDSS	5,172,666	5,598,785	6,060,008	- <sup>14</sup>	-

Assist people with a stoma by providing stoma related products

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
The number of stoma products supplied to eligible people on the Stoma Appliance Scheme	34,000,000	35,500,000	37,500,000	39,500,000	41,500,000

<sup>14</sup> The current NDSS Agreement ends on 30 June 2016.

### Outcome 3

## ACCESS TO MEDICAL AND DENTAL SERVICES

**Access to cost-effective medical, dental, allied health and hearing services, including through implementing targeted medical assistance strategies, and providing Medicare subsidies for clinically relevant services and hearing devices to eligible people**

### Outcome Strategy

The Australian Government, through Outcome 3, provides Australians with access to high quality and clinically relevant medical, dental, hearing and associated services. The main way this access is provided is through Medicare.

The health system is under pressure from the demands of the ageing population, the increasing prevalence of chronic disease and increasing costs often associated with new technologies. In the five years from 2007-08 to 2012-13, expenditure on Medicare benefits increased from just over \$13 billion to more than \$18.5 billion, a growth of more than 42 per cent. In 2012-13, Medicare funded 263 million free to patient services, for a population of around 22 million people. In 2014-15, an estimated 373 million medical and associated services, or an average of 15.6 services per capita, will be funded through Medicare.<sup>1</sup>

In the 2014-15 Budget, the Government is moving to put health expenditure on a more sustainable footing, to ensure that Australia can continue to afford a strong Medicare system. From 1 July next year, all patients will be asked to contribute to their own health care costs. While the Government will continue to subsidise a majority of the costs of Medicare services, the rebate for most GP and out-of-hospital pathology and diagnostic imaging services will be reduced by \$5.

Previously bulk-billed patients can expect to make a contribution of at least \$7 to the cost of most visits to the GP and out-of-hospital pathology and diagnostic imaging services.

Doctors will be paid a low gap incentive – equivalent to the current bulk-billing incentive – to encourage them to charge Commonwealth Concession Card holders and children under 16 no more than the \$7 contribution for the first 10 visits. After the first 10 visits, the doctor will be paid an incentive if they provide the service to the concessional patient for free.

The Government will ensure new and existing items on the MBS are reviewed for clinical-effectiveness and cost-effectiveness by the Medical Services Advisory Committee (MSAC).

The quality and effective use of diagnostic imaging, pathology and radiation oncology services is an essential part of any contemporary health system. The Government will support these services through improvements to accreditation

<sup>1</sup> Medicare Benefits Schedule service volumes: projected figures as at Pre-ERC (2014-15). Projected ERP: ABS publication 'Population Projection Australia, 2012 (base) to 2101 (cat. No. 3222.01), released November 2013.



processes, increased stakeholder engagement and funding for procedures and infrastructure.

The Australian Government is alleviating pressure on public dental waiting lists through the National Partnership on Treating More Public Dental Patients with the States and Territories. In addition, the Child Dental Benefits Schedule provides means-tested financial support for basic dental services for eligible children.

The Government will also work toward reducing the incidence and consequences of avoidable hearing loss in the Australian community by providing access to high quality hearing services and devices.

Through Outcome 3, the Australian Government also seeks to ensure the stability of the medical insurance industry, and that medical indemnity insurance products are available and affordable.

Outcome 3 is the responsibility of Acute Care Division, Medical Benefits Division and Population Health Division.

### **Programmes Contributing to Outcome 3**

**Programme 3.1: Medicare Services**

**Programme 3.2: Targeted Assistance – Medical**

**Programme 3.3: Pathology and Diagnostic Imaging Services and Radiation Oncology**

**Programme 3.4: Medical Indemnity**

**Programme 3.5: Hearing Services**

**Programme 3.6: Dental Services**

## Outcome 3 Budgeted Expenses and Resources

Table 3.1 provides an overview of the total expenses for Outcome 3 by Programme.

**Table 3.1: Budgeted Expenses and Resources for Outcome 3**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000
<b>Programme 3.1: Medicare services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	10,859	9,187
Special appropriations		
<i>Health Insurance Act 1973</i> - medical benefits	19,079,033	20,307,671
Departmental expenses		
Departmental appropriation <sup>1</sup>	23,725	26,562
Expenses not requiring appropriation in the budget year <sup>2</sup>	1,825	1,790
<b>Total for Programme 3.1</b>	<b>19,115,442</b>	<b>20,345,210</b>
<b>Programme 3.2: Targeted assistance - medical</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	42,223	12,689
Departmental expenses		
Departmental appropriation <sup>1</sup>	2,334	2,332
Expenses not requiring appropriation in the budget year <sup>2</sup>	173	170
<b>Total for Programme 3.2</b>	<b>44,730</b>	<b>15,191</b>
<b>Programme 3.3: Pathology and diagnostic imaging services and radiation oncology</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	79,690	80,051
Departmental expenses		
Departmental appropriation <sup>1</sup>	7,297	7,442
Expenses not requiring appropriation in the budget year <sup>2</sup>	541	531
<b>Total for Programme 3.3</b>	<b>87,528</b>	<b>88,024</b>
<b>Programme 3.4: Medical indemnity</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150	150
Special appropriations		
<i>Medical Indemnity Act 2002</i>	93,902	100,148
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	410	1,450
Departmental expenses		
Departmental appropriation <sup>1</sup>	335	337
Expenses not requiring appropriation in the budget year <sup>2</sup>	24	23
<b>Total for Programme 3.4</b>	<b>94,821</b>	<b>102,108</b>

Table 3.1: Budgeted Expenses and Resources for Outcome 3 (Cont.)

	2013-14 Estimated actual \$'000	2014-15 Estimated expenses \$'000
<b>Programme 3.5: Hearing services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	420,841	479,224
Departmental expenses		
Departmental appropriation <sup>1</sup>	11,361	10,748
Expenses not requiring appropriation in the budget year <sup>2</sup>	820	804
<b>Total for Programme 3.5</b>	<b>433,022</b>	<b>490,776</b>
<b>Programme 3.6: Dental Services<sup>3</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,150	5,150
Special appropriations <i>Dental Benefits Act 2008</i>	244,034	594,607
Departmental expenses		
Departmental appropriation <sup>1</sup>	2,301	1,004
Expenses not requiring appropriation in the budget year <sup>2</sup>	156	153
<b>Total for Programme 3.6</b>	<b>251,641</b>	<b>600,914</b>
<b>Outcome 3 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	558,913	586,451
Special appropriations	19,417,379	21,003,876
Departmental expenses		
Departmental appropriation <sup>1</sup>	47,353	48,425
Expenses not requiring appropriation in the budget year <sup>2</sup>	3,539	3,471
<b>Total expenses for Outcome 3</b>	<b>20,027,184</b>	<b>21,642,223</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	<b>300</b>	<b>304</b>

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 2 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.
- 3 This Programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each Programme. For budget estimates relating to the National Partnership component of the Programme, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.

## Programme 3.1: Medicare Services

### Programme Objectives

#### *Sustainability of the Medicare System – Patient Contributions*

To address the growing pressure on the health system from the ageing population, the increasing incidence of chronic disease, and increases in costs generated by new technologies, the Government is moving to put Medicare on a more sustainable footing.

From 1 July 2015, the Government will introduce a patient contribution of \$7 for General Practitioner (GP) attendances, out of hospital pathology episodes and diagnostic imaging services.

While the Government will continue to subsidise a majority of costs of Medicare services, the rebate for most GP and out-of-hospital pathology and diagnostic imaging services, will be reduced by \$5. Doctors will retain their discretion to charge their patients more, or less, as is currently the case. They will be paid a low gap incentive – equivalent to the current bulk-billing incentive – to encourage them to charge Commonwealth Concession Card holders and children under 16 no more than the \$7 contribution for the first 10 visits. After the first 10 visits, the doctor will be paid an incentive if they provide the service to the concessional patient for free. In the first six months of implementation from July to December 2015, this will apply for concessional patients who have more than five services where the \$7 contribution applies.

In addition, the Government will give optometrists the capacity to set their own fees, just as other health providers do, by changing the rules around Medicare eligible optometry services. At the same time, Medicare rebates for optometry will be reduced. To ensure older people get access to regular eye care, Medicare rebates will be payable for comprehensive eye examinations for asymptomatic people aged over 65 years every year, while younger people will be eligible every three years.

Over time, indexation adds significant costs to Medicare. Annual indexation will be deferred until 1 July 2016 for all services, except GP services.

#### *Medicare Safety Net*

The Government will introduce a new simple Medicare Safety Net from 1 January 2016. This will simplify safety net arrangements and replace the original Medicare Safety Net and the Extended Medicare Safety Net which are complex and difficult for both patients and practitioners to navigate and understand.

The thresholds to access the new Medicare Safety Net will be lower than current thresholds, which will help more people and better ensure that Safety Net benefits are available to people who have serious medical conditions or have prolonged health care needs. The new thresholds will be \$400 per year for individual and family concession card holders, \$700 for FTB(A) families and non-concessional individuals and \$1,000 for non-concessional families. The new Medicare Safety Net will introduce a cap on out-of-pocket costs that accumulate to a threshold and a

cap on benefits received – both caps limit the Commonwealth’s liability and contribute to restricting growth in Medicare.

*Evidence-based and cost-effective care*

The Comprehensive Management Framework for the Medicare Benefits Schedule (MBS) will ensure that the MBS supports cost-effective, evidence-based best practice. In 2014-15, the Department will continue to undertake evidence-based assessments of new health services and technologies, and identify and review existing services on the MBS to ensure that items listed on the MBS remain clinically relevant and consistent with best practice.

To support these activities, the Australian Government will seek independent expert advice from the Medical Services Advisory Committee (MSAC) on the circumstances under which public funds should be used to support medical services.

Programme 3.1 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) for administering Medicare services and benefit payments.
- The Department of Social Services (Disability, Mental Health and Carers’ – Programme 5.1) for administering related Medicare Benefits Schedule items.

### Programme 3.1: Expenses

**Table 3.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	10,859	9,187	549	560	572
Special appropriations					
<i>Health Insurance Act 1973 - medical benefits</i>	19,079,033	20,307,671	20,175,324	21,479,199	22,646,023
Programme support	25,550	28,352	24,986	22,767	22,074
<b>Total Programme 3.1 expenses</b>	<b>19,115,442</b>	<b>20,345,210</b>	<b>20,200,859</b>	<b>21,502,526</b>	<b>22,668,669</b>

### Programme 3.1: Deliverables

#### Qualitative Deliverables for Programme 3.1

##### Evidence-based and cost-effective care

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
MBS reviews will analyse the best available evidence to ensure safety, quality and sustainability of the MBS	Any amendments to the MBS recommended by each review reflect current clinical practice based on best available evidence

## Programme 3.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 3.1

#### Evidence-based and cost-effective care

Qualitative Indicator	2014-15 Reference Point or Target
Continuation of MSAC process improvement to ensure ongoing improvement in rigour, transparency, consistency, efficiency and timeliness	Greater stakeholder engagement and improved timeliness of the MSAC application assessment process

## Programme 3.2: Targeted Assistance – Medical

### Programme Objectives

*Provide medical assistance to Australians who travel overseas*

The Australian Government's Reciprocal Health Care Agreements with 11 countries provides access to health services for Australian residents for medically necessary treatment for ill health or injury while travelling overseas.

*Support access to necessary medical services which are not available through mainstream mechanisms*

The Government provides financial assistance, through the Medical Treatment Overseas Program, for Australians with life threatening medical conditions to receive treatment that is not available in Australia. Before assistance to receive the potentially life-saving treatment can be provided, applicants must meet four mandatory eligibility criteria. The criteria are that the life-saving treatment or an effective alternative treatment must not be available in Australia in time to benefit the applicant; the treatment must be significantly life extending and potentially curative; there must be a real prospect of success for the applicant; and the treatment must be accepted by the Australian medical profession as a standard form of treatment. The Department will assess applications for eligibility for financial assistance as they arise during 2014-15.

*Provide medical assistance following overseas disasters*

Through the Disaster Health Care Assistance Scheme, the Australian Government provides assistance for out-of-pocket health care costs for ill health or injury arising from an act of international terrorism, civil disturbance, or natural disaster.

*National External Breast Prostheses Reimbursement Programme*

The national External Breast Prostheses Reimbursement Programme provides reimbursement of up to \$400 for new and replacement external breast prostheses for women who have had a mastectomy as a result of breast cancer.

Programme 3.2 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer breast cancer external prostheses reimbursements, telehealth financial incentive payments and ex-gratia payments for the Disaster Health Care Assistance Schemes.

## Programme 3.2: Expenses

**Table 3.3: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	42,223	12,689	12,724	12,761	12,798
Programme support	2,507	2,502	2,444	2,416	2,476
<b>Total Programme 3.2 expenses</b>	<b>44,730</b>	<b>15,191</b>	<b>15,168</b>	<b>15,177</b>	<b>15,274</b>

## Programme 3.2: Deliverables

### Qualitative Deliverables for Programme 3.2

Provide medical assistance following overseas disasters

Qualitative Deliverable	2014-15 Reference Point or Target
Provide health care assistance to eligible Australians overseas in the event of overseas disasters	Assistance is provided in a timely manner

## Programme 3.2: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 3.2

National External Breast Prostheses Reimbursement Programme

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of claims by eligible women under the national External Breast Prostheses Reimbursement Programme processed within ten days of lodgement	90%	90%	90%	90%	90%

### **Programme 3.3: Pathology and Diagnostic Imaging Services and Radiation Oncology**

#### **Programme Objectives**

##### *Access to pathology services*

From 1 July 2015 the Government will introduce a patient contribution of \$7 for out-of-hospital pathology episodes. While a number of different pathology tests may be included in a single episode (or visit), only one patient contribution of \$7 will apply. For concession card holders and children under 16, each of these services will count towards the ten services within a calendar year (including GP, pathology and diagnostic imaging services) after which these patients will receive a higher rebate and are no longer expected to pay the patient contribution.

The Australian Government aims to ensure access to high quality, clinically relevant and cost-effective pathology services, including by requiring pathology laboratories providing Medicare eligible services to be accredited.

##### *Access to diagnostic imaging services*

The Government will also introduce a patient contribution of \$7 for out-of-hospital diagnostic imaging services from 1 July 2015. For concession card holders and children under 16, each of these services will count towards the ten services within a calendar year (including GP, pathology and diagnostic imaging services) after which these patients will receive a higher rebate and are no longer expected to pay the patient contribution.

In 2014-15, patient access to Medicare-eligible magnetic resonance imaging (MRI) services will be monitored through analysis of Medicare data and consultation with relevant organisations. The uptake of the four new GP referred MRI items for patients 16 years and older, introduced from 1 November 2013, will continue to be monitored.

The Department will work with the Diagnostic Imaging Advisory Committee, a consultative committee comprising a range of diagnostic imaging stakeholders, on policies to support high quality, affordable and cost-effective diagnostic imaging services.

##### *Access to quality radiation oncology services*

The Australian Government aims to improve access to high quality radiation oncology services by funding approved equipment, quality programmes and initiatives to support the radiotherapy workforce. The Department will work with industry to ensure an appropriate balance between the regulation and safety of Medicare funded radiation oncology services. This includes exploring the need to continue the Australian Clinical Dosimetry Service after its trial period.



The Government also funds approved workforce activities to increase training capacity, improve the efficiency of the existing workforce and attract staff to areas of need.<sup>2</sup>

*Expert stakeholder engagement in pathology, diagnostic imaging and radiation oncology*

Effective engagement of stakeholder expertise is particularly important for this programme. Pathology, diagnostic imaging and radiation oncology are complex areas where expert advice is needed both about appropriate accreditation standards and about how to respond to evolving technology. All involve sophisticated and expensive technologies that offer substantial benefits to health outcomes, but also involve some risks to patients. The Department will continue to seek input from experts and service providers to ensure Medicare arrangements and associated quality requirements appropriately balance costs, benefits and risks.

Programme 3.3 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) for administering Radiation Oncology Health Programme Grants.

### Programme 3.3: Expenses

**Table 3.4: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	79,690	80,051	119,259	119,409	119,609
Programme support	7,838	7,973	7,791	7,705	7,892
<b>Total Programme 3.3 expenses</b>	<b>87,528</b>	<b>88,024</b>	<b>127,050</b>	<b>127,114</b>	<b>127,501</b>

### Programme 3.3: Deliverables

#### Qualitative Deliverables for Programme 3.3

**Expert stakeholder engagement in pathology, diagnostic imaging and radiation oncology**

Qualitative Deliverable	2014-15 Reference Point or Target
Stakeholder engagement in programme and/or policy development	Engagement of stakeholders through public consultation and stakeholder meetings

<sup>2</sup> For further information on the Government's workforce initiatives, refer to Outcome 8 Health Workforce Capacity in these Portfolio Budget Statements.

### Quantitative Deliverables for Programme 3.3

#### Access to pathology services

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of new and/or revised national accreditation standards produced for pathology laboratories	14	4	4	4	4

### Programme 3.3: Key Performance Indicators<sup>3</sup>

#### Qualitative Key Performance Indicators for Programme 3.3

##### Access to diagnostic imaging services

Qualitative Indicators	2014-15 Reference Point or Target
Diagnostic radiology services are effective and safe	Patients have access to diagnostic imaging services that are performed by a suitably qualified professional
The Diagnostic Imaging Accreditation Scheme will be reviewed and the standards updated to ensure that Medicare funding is directed to diagnostic imaging services that are safe, effective and responsive to the needs of health care consumers	Enhanced access to high quality and sustainable diagnostic imaging services

#### Quantitative Key Performance Indicators for Programme 3.3

##### Access to quality radiation oncology services

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
The number of sites delivering radiation oncology	69	69	71	74	76

<sup>3</sup> As result of changes to the Department's outcome and programme structure key performance indicators have been reviewed and amended to align with the work now undertaken in this programme.

## Programme 3.4: Medical Indemnity

### Programme Objectives

*Ensure the stability of the medical indemnity insurance industry*

Medical indemnity insurance provides surety to medical practitioners and their patients in the event of an adverse incident resulting from negligence. Affordable and stable medical indemnity insurance allows the medical workforce to focus on the delivery of high quality medical services.

*Ensure that insurance products are available and affordable*

To assist eligible doctors meet the cost of their medical indemnity insurance, the Government funds the Premium Support Scheme (PSS). PSS assists eligible doctors through a subsidy, paid via their medical indemnity insurer, by reducing their medical indemnity costs when a doctor's gross indemnity premium exceeds 7.5 per cent of their income.

The Government will ensure that the medical indemnity industry remains stable and secure by subsidising claims resulting in insurance payouts over \$300,000 (High Cost Claims Scheme) and by providing a guarantee to cover claims above the limit of doctors' medical indemnity contracts of insurance, so doctors are not personally liable for very high claims (Exceptional Claims Scheme).

Government-supported, affordable professional indemnity insurance is also available for qualified and experienced privately practising midwives. For eligible claims the Government contributes 80 per cent to the costs of claims above \$100,000 and 100 per cent of costs above \$2 million.

Programme 3.4 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer medical indemnity activities including indemnity for eligible midwives.

### Programme 3.4: Expenses

**Table 3.5: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	150	150	150	150	150
Special appropriations					
<i>Medical Indemnity Act 2002</i>	93,902	100,148	106,495	113,442	121,089
<i>Midwife Professional Indemnity (Run-off Cover Support Payment) Act 2010</i>	410	1,450	4,564	8,132	10,090
Programme support	359	360	352	348	356
<b>Total Programme 3.4 expenses</b>	<b>94,821</b>	<b>102,108</b>	<b>111,561</b>	<b>122,072</b>	<b>131,685</b>

## Programme 3.4: Deliverables

### Quantitative Deliverables for Programme 3.4

Ensure that insurance products are available and affordable

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of eligible applicants receiving a premium subsidy through the Premium Support Scheme	100%	100%	100%	100%	100%
Percentage of eligible midwife applicants covered by the Midwife Professional Indemnity Scheme	100%	100%	100%	100%	100%

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## Programme 3.4: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 3.4

Ensure that insurance products are available and affordable

Qualitative Indicator	2014-15 Reference Point or Target
The continued availability of professional indemnity insurance for eligible midwives	Maintain contract with Medical Insurance Group Australia to provide professional indemnity insurance to eligible midwives

### Quantitative Key Performance Indicators for Programme 3.4

Ensure the stability of the medical indemnity insurance industry

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of medical indemnity insurers who have a Premium Support Scheme contract with the Commonwealth that meets the Australian Prudential Regulation Authority's Minimum Capital Requirement	100%	100%	100%	100%	100%

**Ensure that insurance products are available and affordable**

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of doctors that receive a premium subsidy support through the Premium Support Scheme <sup>4</sup>	2,200	2,100	2,000	2,000	2,000

### Programme 3.5: Hearing Services

#### Programme Objectives

*Support access for eligible clients to quality hearing services*

The Government, through the Hearing Services Programme, provides access to free hearing services for eligible people with a measurable hearing loss above a specified threshold. In 2014-15, the Department will continue to engage with industry and build upon improvements which have been implemented to minimise risk and reduce red tape. This includes refining processes and systems to assist service providers to meet their contractual and legal obligations under the programme and to support the delivery of hearing services to clients in a clinically appropriate and timely way.

In 2014-15, the Department will further develop the Hearing Service Programme's online portal (released in early 2014) to enhance clients' and providers' access to information and build capacity for service providers to manage their own information. The Department will manage, monitor, and evaluate the operation of the programme to ensure timeliness, quality, and consistency in the delivery of hearing services to eligible clients. The Department will help support the roll out of the National Disability Insurance Scheme in relation to the arrangements put in place for participants with hearing loss.

*Support research into hearing loss prevention and management*

Research aimed at reducing the incidence of avoidable hearing loss in the community will continue to be supported through the National Health and Medical Research Council (NHMRC)<sup>5</sup> and the National Acoustic Laboratory. The Department will also support research into strategies to encourage uptake of fitted devices and optimise clinical outcomes for clients.

<sup>4</sup> Premium support is demand driven, with subsidies paid in response to applications from eligible doctors. Therefore, actual funding may vary from estimates over the forward years. However, a decrease in the number of doctors requiring premium support would indicate that medical indemnity premiums are becoming more affordable.

<sup>5</sup> For further information on the work of the National Health and Medical Research Council, refer to the NHMRC chapter in these Portfolio Budget Statements.

Programme 3.5 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) administers payments to hearing services providers against services provided under the Programme's vouchers.

### Programme 3.5: Expenses

**Table 3.6: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	420,841	479,224	535,068	560,833	574,704
Programme support	12,181	11,552	11,277	11,147	11,429
<b>Total Programme 3.5 expenses</b>	<b>433,022</b>	<b>490,776</b>	<b>546,345</b>	<b>571,980</b>	<b>586,133</b>

### Programme 3.5: Deliverables

#### Qualitative Deliverables for Programme 3.5

##### Support access for eligible clients to quality hearing services

Qualitative Deliverable	2014-15 Reference Point or Target
Engagement of providers in the risk-based audit programme supports client outcomes and quality service provision	The provider self-assessment process is managed in accordance with contractual requirements

##### Support research into hearing loss prevention and management

Qualitative Deliverable	2014-15 Reference Point or Target
Research projects under way that aim to contribute to the development of improved policies and service delivery and/or enables the Department to better identify the needs of the community in relation to hearing loss	Research projects are managed in accordance with NHMRC research management guidance

#### Quantitative Deliverables for Programme 3.5

##### Support access for eligible clients to quality hearing services

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of people who receive voucher services nationally	660,000	713,000	775,000	799,000	802,000

## Programme 3.5: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 3.5

#### Support access for eligible clients to quality hearing services

Qualitative Indicator	2014-15 Reference Point or Target
Policies and programme improvements are developed and implemented in consultation with consumers and service providers	Opportunity for stakeholders to participate in consultations

### Quantitative Key Performance Indicators for Programme 3.5

#### Support access for eligible clients to quality hearing services

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Proportion of voucher applications processed within 14 days	85%	90%	90%	95%	95%
Proportion of claims for a hearing aid fitting that relate to voucher clients who have a hearing loss of greater than 23 decibels	95%	95%	95%	95%	95%

## Programme 3.6: Dental Services

### Programme Objectives

#### *Improve access to public dental services*

Up to \$344 million in Commonwealth funding is being provided to States and Territories to treat an additional 400,000 patients of public dental services through the National Partnership Agreement on Treating More Public Dental Patients. The Government is also supporting the provision of *pro bono* dental services for disadvantaged groups.

#### *Improve access to dental services for children*

The Child Dental Benefit Schedule commenced on 1 January 2014, and provides up to \$1,000 in benefits, capped over two calendar years, for basic dental services for eligible children 2-17 years of age who meet a means test.

#### *Improve access to clinically relevant dental services*

In 2014-15, a statutory review of the *Dental Benefits Act 2008* will proceed.

Programme 3.6 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Treating more public dental patients.*
 Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.
- The Department of Human Services (Services to the Community – Programme 1.2) administers the Child Dental Benefits Schedule.

### Programme 3.6: Expenses

Table 3.7: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	5,150	5,150	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	244,034	594,607	619,531	637,583	665,301
Programme support	2,457	1,157	948	840	803
<b>Total Programme 3.6 expenses</b>	<b>251,641</b>	<b>600,914</b>	<b>620,479</b>	<b>638,423</b>	<b>666,104</b>

### Programme 3.6: Deliverables

#### Qualitative Deliverables for Programme 3.6

##### Improve access to clinically relevant dental services

Qualitative Deliverable	2014-15 Reference Point or Target
In accordance with legislation, undertake an independent review of the operation of the <i>Dental Benefits Act 2008</i>	Review undertaken as soon as practicable after the sixth anniversary of the <i>Dental Benefits Act 2008</i> , 26 June 2014



## Programme 3.6: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 3.6

#### Improve access to public dental services

Qualitative Indicator	2014-15 Reference Point or Target
Improve access to public dental services for public dental patients	Evaluation of the National Partnership Agreement on Treating More Public Dental Patients and associated data, to determine if increased access to dental services has occurred following the conclusion of the Agreement (June 2015)

### Quantitative Key Performance Indicators for Programme 3.6

#### Improve access to clinically relevant dental services

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of children accessing the Child Dental Benefits Schedule	N/A	2.4m	2.4m	2.4m	2.4m

#### Improve access to public dental services

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of additional public dental patients treated, under the National Partnership on Treating More Public Dental Patients, by the States and Territories above agreed baseline <sup>6</sup>	177,778	133,333	N/A	N/A	N/A

<sup>6</sup> Indicator has been revised to reflect the agreed National Partnership Agreement.

## Outcome 4

# ACUTE CARE

**Improved access to, and efficiency of, public hospitals, acute and subacute care services, including through payments to state and territory governments**

## Outcome Strategy

The Australian Government, through Outcome 4, aims to improve access to, and the efficiency of, public hospitals through the provision of funding to States and Territories. The Australian Government will provide funding of \$14.8 billion to States and Territories for public hospitals in 2014-15.

Public hospital expenditure is one of the most rapidly growing areas of health expenditure. States and Territories are responsible for the delivery of public hospital services and have significant control over their costs. Under previous policy settings, Australian Government contributions to public hospital funding would grow unsustainably, by more than 10 per cent per annum, from 2014-15. Consistent with the Government's strategy of fiscal responsibility and health system sustainability, the Australian Government will implement changes to public hospital financing arrangements to incentivise States and Territories to address the growth in public hospital costs. In 2014-15 the Australian Government will remove the funding guarantees provided under the National Health Reform Agreement, in order to provide States and Territories with a stronger incentive to increase the efficiency of their public hospitals. From 2017-18 the Australian Government will introduce revised public hospital funding arrangements, to recognise States' and Territories' responsibility for managing an efficient public hospital sector.

In the National Partnership Agreement on Improving Public Hospital Services (NPA IPHS), States and Territories committed to achieving targets related to elective surgery and emergency department performance. In light of States' and Territories' limited performance to date against these targets, the NPA IPHS will cease on 1 July 2015.

As a result of changes to the Medicare Benefits Scheme, the Australian Government will allow State and Territory Governments to introduce a small patient contribution for General Practitioner (GP)-type patients attending public hospital emergency departments. The Department will work with State and Territory counterparts to implement these arrangements and help develop policy approaches to improving public hospital efficiency.

Outcome 4 is the responsibility of Acute Care Division.

## Programmes Contributing to Outcome 4

### Programme 4.1: Public Hospitals and Information

## Outcome 4 Budgeted Expenses and Resources

Table 4.1 provides an overview of the total expenses for Outcome 4 by Programme.

**Table 4.1: Budgeted Expenses and Resources for Outcome 4**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 4.1: Public hospitals and information<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	103,653	108,048
Departmental expenses		
Departmental appropriation <sup>2</sup>	46,862	47,027
Expenses not requiring appropriation in the budget year <sup>3</sup>	2,159	2,127
<b>Total for Programme 4.1</b>	<b>152,674</b>	<b>157,202</b>
<b>Outcome 4 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	103,653	108,048
Departmental expenses		
Departmental appropriation <sup>2</sup>	46,862	47,027
Expenses not requiring appropriation in the budget year <sup>3</sup>	2,159	2,127
<b>Total expenses for Outcome 4</b>	<b>152,674</b>	<b>157,202</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	169	160

1 This programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each programme. For budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.

2 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

3 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 4.1: Public Hospitals and Information

### Programme Objectives

#### *Supporting states to deliver efficient public hospital services*

States and Territories are responsible for the delivery of efficient public hospital services. To assist States and Territories in fulfilling this responsibility, the Commonwealth will, in 2014-15, increase its funding contribution to public hospital services to \$14.8 billion. The Department will work with States and Territories and relevant national agencies to support the efficient pricing, funding, delivery and accountability of public hospital services.

Work will be undertaken in 2014-15, in collaboration with States and Territories, to introduce arrangements where from 1 July 2015 public hospitals may introduce a patient contribution for GP-type patients attending emergency departments. This will assist in ensuring that public hospitals are not impacted by changes to GP financing arrangements under the Medicare Benefits Schedule (MBS).

Under the NPA on Improving Public Hospital Services, the Commonwealth has paid States and Territories an additional \$2.8 billion since 2010 to support improvements in the public hospital system. As system managers, the States and Territories have committed to reducing waiting times for elective surgery, improving emergency department treatment times and increasing access to subacute care services. Overall, the outputs and outcomes achieved by States and Territories with these funds have fallen short of expectations, leading to a decision to terminate this NPA from 1 July 2015.

#### *Improving health services in Tasmania*

The Australian and Tasmanian Governments will work together to improve the effectiveness and efficiency of the State's health services. This will be achieved through a range of investments to be confirmed in discussions between the two governments in 2014-15.

#### *Mersey Community Hospital*

The Australian Government currently funds the Tasmanian Government to operate the Mersey Community Hospital at Latrobe, to provide a range of public hospital services for people in the north-west region of Tasmania. This arrangement will be extended for twelve months, to 30 June 2015, to allow time for the Australian Government to work with the Tasmanian Government to develop the most appropriate long term arrangement for the hospital.

Programme 4.1 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Health care grants for the Torres Strait – contribution to Queensland for the treatment of Papua New Guinea nationals in the Torres Strait;*
  - *Improving health services in Tasmania – reducing elective surgery waiting lists in Tasmania; improving patient pathways through clinical and system redesign; better access to community-based palliative care services; and*
  - *Improving public hospital services – National Elective Surgery Target and National Emergency Access Target – reward funding.*National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.
- This Programme includes the Department of Health working with relevant Commonwealth agencies to identify and address cross-border health issues in the Torres Strait Treaty zone.

## Programme 4.1: Expenses

**Table 4.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	103,653	108,048	88,489	69,873	69,940
Programme support	49,021	49,154	47,668	46,721	46,828
<b>Total Programme 4.1 expenses</b>	<b>152,674</b>	<b>157,202</b>	<b>136,157</b>	<b>116,594</b>	<b>116,768</b>

## Programme 4.1: Deliverables

### Quantitative Deliverables for Programme 4.1

Improving health services in Tasmania

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Minimum number of additional elective surgery operations for Tasmania	500	500	N/A <sup>1</sup>	N/A	N/A

## Programme 4.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 4.1

Supporting states to deliver efficient public hospital services

Qualitative Indicators	2014-15 Reference Point or Target
Improve appropriate utilisation of Emergency Departments	Agreement reached between the Commonwealth, States and Territories on the national framework for patient contributions in Emergency Departments
Ensure that residents of north-west Tasmania have ongoing access to local hospital services	Agreement reached with the Tasmanian Government on the long term arrangement for Mersey Community Hospital

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<sup>1</sup> Funding for this measure not agreed beyond 2015-16.

## Outcome 5

# PRIMARY HEALTH CARE

**Access to comprehensive primary and mental health care services, and health care services for Aboriginal and Torres Strait Islander peoples and rural and remote populations, including through first point of call services for the prevention, diagnosis and treatment of ill-health and ongoing services for managing chronic disease**

## Outcome Strategy

Through Outcome 5, the Australian Government aims to provide cost-effective primary and mental health care services. In 2014-15, a key focus will be to strengthen primary care by redirecting funding to frontline health services. This will help greater numbers of patients better manage chronic disease, support preventive health approaches, and ease pressure on more expensive hospital services.

The Government will move to establish Primary Health Networks (PHNs) from 1 July 2015, in line with the recommendations of the Review of Medicare Locals. There will be fewer, but larger, PHNs in the new network that will replace Medicare Locals. PHNs will be clinically-focused and responsible for improving patient outcomes in their geographical area by ensuring that services across the primary, community and specialist sectors align and work together in patients' interests.

The Government will also explore innovative models of primary health care funding and delivery, including partnerships with private insurers, as part of its commitment to rebuild primary care.

The Government is also committed to developing a more effective and efficient mental health system that improves the lives of Australians with a mental illness and their families. The Government is providing \$18 million over four years to establish a National Centre for Excellence in Youth Mental Health in Parkville, Victoria, and an additional \$14.9 million to expand the highly successful *headspace* youth mental health network by 10 sites, taking it to 100 across Australia by 2015-16. In 2014-15, the Department will also work to support the Government's consideration of the National Mental Health Commission review of mental health programmes.

Building on the commitment to more efficient delivery of frontline services, in 2014-15, the Government will establish the Indigenous Australians' Health Programme. The programme will bring together funding streams enabling improved focus on local health needs, reduced overheads and better support for efforts to achieve health equality between Indigenous and non-Indigenous Australians.

In 2014-15, the Department will heighten its focus on improving programmes for Aboriginal and Torres Strait Islander mothers and children.



This outcome also aims to improve access to effective health care services for people living in rural and remote regions. This includes providing outreach primary health care services such as the Royal Flying Doctors Service (RFDS) and the Rural Women's GP Service. The Government is providing an additional \$6 million to the RFDS in 2014-15 to enable it to meet demand for essential emergency and other primary health care services.

Outcome 5 is the responsibility of Primary and Mental Health Care Division and Indigenous and Rural Health Division.

### **Programmes Contributing to Outcome 5**

**Programme 5.1: Primary Care Financing Quality and Access**

**Programme 5.2: Primary Care Practice Incentives**

**Programme 5.3: Aboriginal and Torres Strait Islander Health**

**Programme 5.4: Mental Health**

**Programme 5.5: Rural Health Services**

## Outcome 5 Budgeted Expenses and Resources

Table 5.1 provides an overview of the total expenses for Outcome 5 by Programme.

**Table 5.1: Budgeted Expenses and Resources for Outcome 5**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 5.1: Primary care financing quality and access</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	525,393	542,134
Departmental expenses		
Departmental appropriation <sup>1</sup>	28,303	26,758
Expenses not requiring appropriation in the budget year <sup>2</sup>	2,137	2,096
<b>Total for Programme 5.1</b>	<b>555,833</b>	<b>570,988</b>
<b>Programme 5.2: Primary care practice incentives</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	208,477	243,460
Departmental expenses		
Departmental appropriation <sup>1</sup>	5,008	4,036
Expenses not requiring appropriation in the budget year <sup>2</sup>	371	364
<b>Total for Programme 5.2</b>	<b>213,856</b>	<b>247,860</b>
<b>Programme 5.3: Aboriginal and Torres Strait Islander health<sup>3</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	759,524	681,052
Departmental expenses		
Departmental appropriation <sup>1</sup>	50,162	46,675
Expenses not requiring appropriation in the budget year <sup>2</sup>	3,755	3,683
<b>Total for Programme 5.3</b>	<b>813,441</b>	<b>731,410</b>
<b>Programme 5.4: Mental health<sup>3</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	540,899	643,120
Departmental expenses		
Departmental appropriation <sup>1</sup>	18,909	16,637
Expenses not requiring appropriation in the budget year <sup>2</sup>	1,410	1,383
<b>Total for Programme 5.4</b>	<b>561,218</b>	<b>661,140</b>

**Table 5.1: Budgeted Expenses and Resources for Outcome 5 (Cont.)**

	<b>2013-14 Estimated actual\$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 5.5: Rural health services</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	88,852	97,197
Departmental expenses		
Departmental appropriation <sup>1</sup>	5,347	4,910
Expenses not requiring appropriation in the budget year <sup>2</sup>	400	392
<b>Total for Programme 5.5</b>	<b>94,599</b>	<b>102,499</b>
<b>Outcome 5 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,123,145	2,206,963
Departmental expenses		
Departmental appropriation <sup>1</sup>	107,729	99,016
Expenses not requiring appropriation in the budget year <sup>2</sup>	8,073	7,918
<b>Total expenses for Outcome 5</b>	<b>2,238,947</b>	<b>2,313,897</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	689	593

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 2 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.
- 3 This programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each program. For budget estimates relating to the National Partnership component of the program, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.

## Programme 5.1: Primary Care Financing Quality and Access

### Programme Objectives

#### *Primary Health Networks*

In 2014-15, PHNs will be established through an open and competitive tender process in readiness for operation from 1 July 2015. The Commonwealth will no longer fund the Australian Medicare Local Alliance from 30 June 2014. There will be fewer PHNs than Medicare Locals. They will be larger and better focused on improving patient health outcomes. PHNs will be aligned to Local Hospital Networks (LHNs) and will improve frontline service delivery by working to integrate the primary, community and secondary sectors for the benefit of patients. PHNs will actively engage General Practitioners (GPs), health professionals and the community through local level structures to identify and respond to local health priorities, establish care pathways and monitor the quality and performance of services. A key focus of the PHNs will be working collaboratively with LHNs to reduce hospital admissions and re-admissions.

In 2014-15, the Government will target funding under the *Regionally Tailored Primary Health Care Initiatives through Medicare Locals programme* to address current and emerging regional health priorities.

#### *Improve access to after-hours primary health care*

The Government will support the 24 hour nurse-based triage telephone service provided by Healthdirect Australia and the *after hours GP helpline*. These initiatives are complemented by the National Health Services Directory (NHSD), a comprehensive national directory of public and private health and human services, also delivered by Healthdirect Australia on behalf of all Australian Governments. In 2014-15, the NHSD will be expanded to include more telehealth and secure messaging addresses.

The delivery of after-hours services and support will be reviewed in 2014-15 to ensure mechanisms are appropriate, efficient and optimise patient access to care.

#### *Improving models of primary care*

In line with the Government's commitments to rebuild primary care and to address the growing burden of chronic disease in an ageing population, the Department will explore innovative, sustainable and flexible models of primary health care delivery. This will include strategies to maximise and expand professional scope of practice, develop alternative funding models with incentive mechanisms, and partner with private insurers.

## Programme 5.1: Expenses

Table 5.2: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	525,393	542,134	547,753	534,635	543,341
Programme support	30,440	28,854	28,142	27,354	27,639
<b>Total Programme 5.1 expenses</b>	<b>555,833</b>	<b>570,988</b>	<b>575,895</b>	<b>561,989</b>	<b>570,980</b>

## Programme 5.1: Deliverables

### Qualitative Deliverables for Programme 5.1

#### Primary Health Networks

Qualitative Deliverable	2014-15 Reference Point or Target
Establishment of Primary Health Networks	Primary Health Networks established by 1 July 2015

## Programme 5.1: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 5.1

#### Improve access to after-hours primary health care

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of calls to the <i>after hours GP helpline</i>	220,000	220,000	220,000	220,000	220,000

## Programme 5.2: Primary Care Practice Incentives

### Programme Objectives

#### *Provide general practice incentive payments*

The Australian Government will continue to provide incentive payments to general practices and GPs through the Practice Incentives Programme (PIP), to support activities that encourage continuing improvements, increase quality of care, enhance capacity, and improve access and health outcomes for patients.

In 2014-15, the Government will double the PIP teaching payment, which supports general practices to provide teaching sessions to medical students, to \$200 to better compensate practices. This will allow more students to experience general practice and is expected to result in more students pursuing a career in primary care, bolstering the general practice workforce.

The Government will continue to provide financial incentives for better health care for Aboriginal and Torres Strait Islander patients, including best practice management of chronic disease to participating general practices and Indigenous health services.

Other incentives are provided to GPs to ensure that older people receive appropriate and timely access to primary health care services, improving health outcomes and reducing avoidable hospital admissions and readmissions. To receive the incentives, GPs must provide a minimum specified number of services to residents of aged care facilities.

Programme 5.2 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer incentives payments to general practices, GPs and Indigenous health services.

## Programme 5.2: Expenses

Table 5.3: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	208,477	243,460	272,416	288,977	296,213
Programme support	5,379	4,400	4,278	4,023	3,954
<b>Total Programme 5.2 expenses</b>	<b>213,856</b>	<b>247,860</b>	<b>276,694</b>	<b>293,000</b>	<b>300,167</b>

## Programme 5.2: Deliverables

### Qualitative Deliverables for Programme 5.2

Provide general practice incentive payments

Qualitative Deliverable	2014-15 Reference Point or Target
Implement the increased PIP teaching payment	Provide general practices with access to the increased PIP teaching incentive from 1 January 2015

## Programme 5.2: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 5.2

Provide general practice incentive payments

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of GP patient care provided by PIP practices <sup>1</sup>	83.7%	84.0%	84.1%	84.2%	84.2%
Number of general practices signed on to the Indigenous Health Incentive	3,000	3,100	3,200	3,200	3,300

## Programme 5.3: Aboriginal and Torres Strait Islander Health

During 2013-14, under the Machinery of Government changes, responsibility for the Social and Emotional Wellbeing Programme and for Indigenous specific alcohol and other drug programmes, including the petrol sniffing prevention strategy, were transferred to the Department of the Prime Minister and Cabinet (PM&C). Responsibility for strategic policy for Aboriginal and Torres Strait Islander health was also transferred to PM&C, including setting and measuring of outcomes and targets in line with the Aboriginal and Torres Strait Islander Health Performance Framework.

### Programme Objectives

*Improving access to Aboriginal and Torres Strait Islander health care in areas of need*

The Australian Government is committed to the delivery of high quality essential services for Aboriginal and Torres Strait Islander Australians aligned with need, reducing red tape for services and ensuring services produce tangible outcomes. In 2014-15, the Department will establish the Indigenous Australians' Health Programme (the Programme), consolidating Indigenous health funding, streamlining arrangements and better addressing basic health needs at a local level to improve health outcomes. This Programme will complement and support whole-of-government efforts to improve school attendance, employment and community safety outcomes as the focus of reducing Indigenous disadvantage. The Department will also develop a new funding allocation methodology for Indigenous health grant funding for implementation from 2015-16.

In 2014-15, funding will be provided to more than 240 Aboriginal and Torres Strait Islander specific primary health care organisations for culturally appropriate, multidisciplinary frontline services in urban, regional and remote settings.

<sup>1</sup> This is calculated as the proportion of total Medicare Benefit Schedule (MBS) schedule fees for non-referred attendances provided by PIP practices, standardised for age and sex.

Aboriginal and Torres Strait Islander peoples of working age with chronic disease will be supported to be healthier and engage in training and employment through increased access from 2015-16 to the Howard Government's Healthy For Life Programme.

The Government will address persistent challenges to accessing primary health care services for Aboriginal and Torres Strait Islander peoples in the Northern Territory. Funding will be provided to support access and quality of primary health care service delivery in remote areas and facilitate delivery of specialist and allied health services for high disease burden conditions such as oral health and hearing health.

*Reduce chronic disease*

Aboriginal and Torres Strait Islander peoples experience more than twice the burden of disease than other Australians. A large part of the burden of disease is due to high rates of chronic diseases such as cardiovascular disease, diabetes, cancer and chronic respiratory disease.

In 2014-15, the Government will continue to focus on improving the prevention, detection and management of chronic disease to improve health outcomes. The Government is committed to addressing the high rates of smoking in Indigenous Australians and in 2014-15 will review the Tackling Indigenous Smoking Programme with a view to ensuring it is being implemented efficiently and in line with the best available evidence.

*Improve child and maternal health*

The Government is committed to overcoming Indigenous disadvantage, particularly in the first five years of life, through programmes that contribute to improved health, education and employment outcomes across the lifespan.

In 2014-15, the Department will develop a Better Start to Life approach, to help ensure more Aboriginal and Torres Strait Islander children are healthy and ready for school. The approach will build on the Nurse Family Partnership and New Directions: Mothers and Babies Services programmes. The Department will also enhance the capacity of New Directions: Mothers and Babies Services to identify and manage Fetal Alcohol Spectrum Disorder in affected communities.

In addition, the Department will work with States and Territories in 2014-15 to implement and evaluate activities to increase access to teenage sexual and reproductive health and young parent support services. This will help ensure that Indigenous young people have the information, skills and resources to make informed choices.

Programme 5.3 is linked as follows:

- This Programme includes National Partnership Payments for:
  - *Stronger Futures in the Northern Territory – health*
    - *Hearing health services;* and
    - *Oral health services.*
  - *Indigenous early childhood development – antenatal and reproductive health;*



- *Improving trachoma control services for Indigenous Australians (multilateral project agreements with SA, WA, NT and NSW);*
- *Reducing acute rheumatic heart fever among Indigenous children;*
- *Renal dialysis service in Central Australia; and*
- *Torres Strait health protection strategy – Saibai Island Health Clinic.*

Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Programme 1.2) to administer Indigenous access to the Pharmaceutical Benefits Scheme.
- The Department of Health (Aboriginal and Torres Strait Islander Health – Programme 5.3) works in conjunction with the Department of the Prime Minister and Cabinet (Indigenous Advancement – Safety and Wellbeing – Programme 2.3) in the delivery of Australian Government Indigenous programmes.

## Programme 5.3: Expenses

Table 5.4: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	759,524	681,052	731,840	800,420	892,746
Programme support	53,917	50,358	49,327	48,762	50,082
<b>Total Programme 5.3 expenses</b>	<b>813,441</b>	<b>731,410</b>	<b>781,167</b>	<b>849,182</b>	<b>942,828</b>

## Programme 5.3: Deliverables

### Qualitative Deliverables for Programme 5.3

Improving access to Aboriginal and Torres Strait Islander health care in areas of need

Qualitative Deliverables	2014-15 Reference Point or Target
High quality, comprehensive primary health care is provided to Aboriginal and Torres Strait Islander peoples	Increased focus on the delivery of high quality, frontline core essential services
Consolidate Indigenous health funding and establish the Indigenous Australians' Health Programme	Indigenous Health Australians' Programme is established on 1 July 2014

### Quantitative Deliverables for Programme 5.3

#### Reduce chronic disease

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of Indigenous adult and child health checks completed	149,185	156,644	164,476	172,700	181,335

#### Improve child and maternal health

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of organisations funded to provide New Directions: Mothers and Babies Services	85	85	110	124	136

### Programme 5.3: Key Performance Indicators

#### Quantitative Key Performance Indicators for Programme 5.3

#### Reduce chronic disease

Quantitative Indicators	2012 Revised Budget	2013 Budget Target	2014 Forward Year 1	2015 Forward Year 2	2016 <sup>2</sup> Forward Year 3
Chronic disease related mortality rate per 100,000 <sup>3</sup>					
• Aboriginal and Torres Strait Islander	856-940	823-908	792-874	761-841	729-807
• Non-Aboriginal and Torres Strait Islander	448-454	437-448	428-439	419-430	410-421
• Rate difference	405-489	380-466	358-441	336-417	314-392

<sup>2</sup> Note that this data is reported on a calendar year basis, reflecting the ABS mortality data collection and publication processes.

<sup>3</sup> Source: AIHW *National Mortality Database, calendar years 1998-2011* (which is the most up-to-date data available) and includes jurisdictions for which data are available and of sufficient quality to publish (NSW, Qld, WA, SA and NT combined). The targets are amended each year as new mortality data becomes available. The Non-Indigenous figures are a trajectory based on previous trends and the Indigenous figures after 2012 are a trajectory based on what will be required to halve the gap by 2018.

**Improve child and maternal health**

Quantitative Indicators	2012 Revised Budget	2013 Budget Target	2014 Forward Year 1	2015 Forward Year 2	2016 <sup>4</sup> Forward Year 3
Child 0-4 mortality rate per 100,000 <sup>5</sup>					
• Aboriginal and Torres Strait Islander	155-222	127-188	121-179	115-171	109-162
• Non-Aboriginal and Torres Strait Islander	82-94	70-81	68-78	66-76	64-74
• Rate difference	67-135	52-113	48-107	43-100	39-94

**Programme 5.4: Mental Health****Programme Objectives**

*Invest in more and better coordinated services for people with mental illness*

The Australian Government is committed to developing a mental health system that improves the lives of Australians with a mental illness and their families.

In 2014-15, the Government will provide funding for the Orygen Youth Health Research Centre to establish and operate a National Centre for Excellence in Youth Mental Health. The Centre will be a nationally shared resource that will build on Australia's strengths in youth mental health including by focusing on workforce development and developing new interventions for young people experiencing mental illness.

The Government will also improve mental health services for teenagers and young adults through the *headspace* program with an additional 10 locations established to bring the expanded network to 100 sites across Australia by 2015-16. This will provide young people with pathways to treatment and ensure young people are accessing the best available services for their situation.

The Government has tasked the National Mental Health Commission to review mental health programmes in Australia. The review will examine the range of existing health programmes across the Government and non-government sectors, including service gaps in the current system. It will also identify where services overlap or duplicate each other, where there is opportunity to reduce red tape for service providers and will help to ensure that services are best targeted to meet people's needs. In 2014-15 the Department will provide support to the Government in considering the review.

<sup>4</sup> Note that this data is reported on a calendar year basis, reflecting the ABS mortality data collection and publication processes.

<sup>5</sup> Source: AIHW *National Mortality Database, calendar years 1998-2011* (which is the most up to date data available) and includes jurisdictions for which data are available and of sufficient quality to publish (NSW, Qld, WA, SA and NT combined). The targets are amended each year as mortality data becomes available. The Non-Indigenous figures are a trajectory based on previous trends and the Indigenous figures after 2012 are a trajectory based on what will be required to halve the gap by 2018.

The Government will support a range of existing mental health and suicide prevention services in 2014-15, while it considers the outcomes of the National Mental Health Commission's review.

Mental health nurses have a key role to play in supporting people with severe mental illness during periods of significant disability and help maintain long term mental health, wellbeing and resilience. The 2014-15 Budget also provides funding of \$23.4 million to the Mental Health Nurse Incentive Programme (MHNIP) to allow services to be maintained at existing levels.

Programme 5.4 is linked as follows:

- This Programme includes National Partnership Payments for:
  - *Supporting national mental health reform;*
  - *The national perinatal depression initiative; and*
  - *Improving health services in Tasmania – Innovative flexible funding for mental health.*

Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Programme 1.1) to administer the Mental Health Nurse Incentive Programme.
- The Department of Social Services (Social and Community Services – Programme 2.3) to administer the Social and Community Services.

## Programme 5.4: Expenses

Table 5.5: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	540,899	643,120	708,330	707,298	725,429
Programme support	20,319	18,020	17,070	16,734	17,137
<b>Total Programme 5.4 expenses</b>	<b>561,218</b>	<b>661,140</b>	<b>725,400</b>	<b>724,032</b>	<b>742,566</b>

## Programme 5.4: Deliverables

### Qualitative Deliverables for Programme 5.4

Invest in more and better coordinated services for people with mental illness

Qualitative Deliverable	2014-15 Reference Point or Target
Support the National Mental Health Commission to undertake a review of mental health programmes	The review is completed by November 2014

## Quantitative Deliverables for Programme 5.4

Invest in more and better coordinated services for people with mental illness

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Total number of <i>headspace</i> youth-friendly service sites funded	85	95	100	100	100

## Programme 5.4: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 5.4

Invest in more and better coordinated services for people with mental illness

Qualitative Indicator	2014-15 Reference Point or Target
Improve uptake of primary mental health care by groups with lower usage such as young people, men and people living in rural and remote areas	Primary mental health care services are increasingly used by groups with lower uptake, such as young people, men and people living in rural and remote areas

### Quantitative Key Performance Indicators for Programme 5.4

Invest in more and better coordinated services for people with mental illness

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Increase the number of schools participating in the KidsMatter Primary Initiative	2,000	2,600	3,000	3,200	3,300

## Programme 5.5: Rural Health Services

### Programme Objectives

*Improve access to primary health care and specialist services*

The Australian Government will provide support for the delivery of a range of medical specialities and primary health care services for people in regional, rural and remote Australia through the Rural Health Outreach Fund (RHOF). Services will be delivered across priority areas such as support for chronic disease management, mental health, eye health, and maternity and paediatric health.

The Government will also support the delivery of essential health services to people in rural and remote areas through support for the Royal Flying Doctor Service (RFDS). An additional \$6 million has been provided in 2014-15 to enable the RFDS to maintain essential services such as primary aero-medical evacuations,

primary and community health care clinics, remote consultations (including by telephone) and medical chests containing pharmaceutical and medical supplies for remote locations.

*Improve access to health information services in regional, rural and remote areas*

Through the Rural and Regional Health Australia (RRHA) website<sup>6</sup>, the Department provides Australians living in rural and remote areas with a centralised point where they can obtain health information and access services. In 2014-15, the Department will continue to provide information to the public as well as maintain a role in developing health care initiatives targeted at rural and regional Australia.

## Programme 5.5: Expenses

**Table 5.6: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	88,852	97,197	93,049	90,344	91,569
Programme support	5,747	5,302	5,148	5,015	5,082
<b>Total Programme 5.5 expenses</b>	<b>94,599</b>	<b>102,499</b>	<b>98,197</b>	<b>95,359</b>	<b>96,651</b>

## Programme 5.5: Deliverables

### Qualitative Deliverables for Programme 5.5

**Improve access to primary health care and specialist services**

Qualitative Deliverable	2014-15 Reference Point or Target
Fund holders for the Rural Health Outreach Fund deliver services as required to meet the objectives of the Fund	Services are targeted to the health priorities established for the Rural Health Outreach Fund

### Quantitative Deliverables for Programme 5.5

**Improve access to primary health care and specialist services**

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of communities receiving outreach services through the Rural Health Outreach Fund	300 <sup>7</sup>	325	350	375	390

<sup>6</sup> Available at: [rural health Australia website](http://rural.health.australia.gov.au)

<sup>7</sup> The deliverable targets have been revised upwards as a result of strong performance in exceeding the target in 2012-13.

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of rural locations visited by female GPs <sup>8</sup>	145	140	N/A	N/A	N/A

## Programme 5.5: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 5.5

#### Improve access to primary health care and specialist services

Qualitative Indicator	2014-15 Reference Point or Target
Medical specialist, GP, and allied and other health services provided through the Rural Health Outreach Fund meet the needs of regional, rural and remote communities	Organisations funded to support rural outreach will consult with stakeholder groups, and will be guided by advisory forums and Indigenous Health Partnership forums, to identify community needs

#### Improve access to health information services in regional, rural and remote areas

Qualitative Indicator	2014-15 Reference Point or Target
Through the Rural and Regional Health Australia website, the Department provides accurate, quality place-based information	Regular revision of the Rural and Regional Health Australia website to maintain information accuracy and quality

### Quantitative Key Performance Indicators for Programme 5.5

#### Improve access to primary health care and specialist services

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of patient contacts supported <sup>9</sup> through the Rural Health Outreach Fund	150,000 <sup>10</sup>	160,000	165,000	170,000	174,000
Number of patients attending Royal Flying Doctor Service clinics	40,000	40,000	40,000	40,000	40,000

<sup>8</sup> Funding for the RFDS to continue to manage the Rural Women's GP programme has been extended to 2014-15. From 1 July 2015, funding will be incorporated into the Rural Health Outreach Fund.

<sup>9</sup> Number of patients seen by participating health practitioners per annum.

<sup>10</sup> Target has been revised upwards following strong increases in patient contacts in 2012-13.

## Outcome 6

# PRIVATE HEALTH

**Improved choice in health services by supporting affordable quality private health care, including through private health insurance rebates and a regulatory framework**

## Outcome Strategy

The Australian Government, through Outcome 6, aims to promote affordable quality private health insurance, and provide more choices for consumers. This will help improve the sustainability of the health system as a whole.

The Government is committed to ensuring that Australians can access private health insurance through a viable and cost-effective private health industry. The Government will encourage and support individuals and families to purchase private health insurance and is committed to restoring the Australian Government Rebate on private health insurance when fiscal circumstances allow. In line with the Government's approach to fiscal responsibility and sustainability, the income tier thresholds applying to the rebate will remain at 2014-15 levels until 1 July 2018.

The Government will implement reforms to cut regulatory red tape, including for prostheses sponsors, and ensure a fair reimbursement framework for surgically implanted prostheses remains in place.

In line with its commitment to reducing red tape, the Australian Government will review the private health insurance regulatory framework to ensure it does not place an unnecessary regulatory burden on providers, while ensuring consumer and health system needs are protected. To remove duplication and reduce impost on industry, the functions of the Private Health Insurance Administration Council (PHIAC) will be transferred to the Australian Prudential Regulation Authority (APRA) and the Department of Health by 1 July 2015, with a view to closing the agency. Further information can be found within the PHIAC chapter of these Portfolio Budget Statements. Similarly, the responsibilities of the Private Health Insurance Ombudsman (PHIO) will be transferred to the Office of the Commonwealth Ombudsman by 1 July 2015. Further information can be found in the PHIO chapter of these Portfolio Budget Statements.

Outcome 6 is the responsibility of Medical Benefits Division.



## Programmes Contributing to Outcome 6

### Programme 6.1: Private Health Insurance

## Outcome 6 Budgeted Expenses and Resources

Table 6.1 provides an overview of the total expenses for Outcome 6 by Programme.

**Table 6.1: Budgeted Expenses and Resources for Outcome 6**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 6.1: Private health insurance</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,247	2,247
Special appropriations		
<i>Private Health Insurance Act 2007</i>		
- private health insurance rebate	5,529,862	5,788,508
- risk equalisation trust fund	455,241	504,376
- council administration levy	6,590	6,768
Departmental expenses		
Departmental appropriation <sup>1</sup>	13,169	13,683
Expenses not requiring appropriation in the budget year <sup>2</sup>	887	870
<b>Total for Programme 6.1</b>	<b>6,010,996</b>	<b>6,316,452</b>
<b>Outcome 6 totals by appropriation type:</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	5,247	2,247
Special appropriations	5,991,693	6,299,652
Departmental expenses		
Departmental appropriation <sup>1</sup>	13,169	13,683
Expenses not requiring appropriation in the budget year <sup>2</sup>	887	870
<b>Total expenses for Outcome 6</b>	<b>6,010,996</b>	<b>6,316,452</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	<b>75</b>	<b>77</b>

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 6.1: Private Health Insurance

### Programme Objectives

#### *The private health insurance rebate*

The private health insurance rebate helps make private health insurance more affordable, provides greater choice and accessibility for Australians to access private health care options, and reduces pressure on the public hospital system.

#### *Promote an affordable and sustainable private health insurance sector*

An efficient, competitive private health insurance industry is vital to supporting consumer choice. The Australian Government will develop options for improvements to premium setting to drive competition and deliver strong consumer protections. The Department publishes information about the premium approval process annually<sup>1</sup>, including average premium increases for individual insurers.

#### *Improve access to surgically implanted prostheses through private health insurance*

The Government will revise the prostheses reimbursement framework to ensure private health insurance expenditure is directed to clinically appropriate and cost-effective prostheses. The evidence-based processes for listing new prostheses and for reviewing listed prostheses will be refined to enhance public confidence in the process and improve outcomes. The Department is developing an online system for submitting and processing applications to list prostheses and will consult with stakeholders on ways to improve prostheses list arrangements to achieve cost-effective and clinically appropriate outcomes.

#### *Ensure the Australian Government rebate on private health insurance covers clinically proven treatments*

The review of natural therapies is due for completion in 2014-15. The review, overseen by the Chief Medical Officer, is examining the evidence of the clinical efficacy, cost-effectiveness, safety and quality of in scope therapies that currently attract the Australian Government rebate on private health insurance. The Department is working with the National Health and Medical Research Council and the Natural Therapies Review Advisory Committee to complete a full evidence-based review.

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<sup>1</sup> Further information available at: [Department of Health website](http://www.health.gov.au)

Programme 6.1 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer Lifetime Health Cover mail out and the private health insurance rebate.

## Programme 6.1: Expenses

**Table 6.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	5,247	2,247	2,247	2,247	2,247
Special appropriations					
<i>Private Health Insurance     Act 2007</i>					
- private health insurance rebate	5,529,862	5,788,508	5,999,198	6,250,290	6,504,143
- risk equalisation trust fund	455,241	504,376	557,080	613,372	673,240
- council administration levy	6,590	6,768	6,974	7,186	7,404
Programme support	14,056	14,553	13,846	13,624	13,881
<b>Total Programme 6.1 expenses</b>	<b>6,010,996</b>	<b>6,316,452</b>	<b>6,579,345</b>	<b>6,886,719</b>	<b>7,200,915</b>

## Programme 6.1: Deliverables

### Qualitative Deliverables for Programme 6.1

#### The private health insurance rebate

Qualitative Deliverable	2014-15 Reference Point or Target
Consultation with stakeholders on ways to ensure that the private health insurance rebate is communicated and delivered through private health insurance products	Ongoing stakeholder discussions to assist in the timeliness and streamlining of processes to enable consistent advice to consumers

#### Improve access to surgically implanted prostheses through private health insurance

Qualitative Deliverable	2014-15 Reference Point or Target
Ensure consumers have access to cost-effective surgically implanted prostheses under the prostheses list	Prostheses listing arrangements are streamlined for all stakeholders and consumers have access to clinically appropriate and cost-effective surgically implanted prostheses with a group benefit <sup>2</sup>

### Quantitative Deliverables for Programme 6.1

#### The private health insurance rebate

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of insurers' average premium increases publicly released in a timely manner	100%	100%	100%	100%	100%

<sup>2</sup> Group benefit is the reimbursement price (benefit) paid for all products listed in a specific group on the Prostheses List.

## Programme 6.1: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 6.1

Promote an affordable and sustainable private health insurance sector

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Increase the number of people covered by private health insurance hospital treatment cover	10.3m	10.5m	10.7m	10.9m	11.1m

Improve access to surgically implanted prostheses through private health insurance

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of applications to list devices on the Prostheses List completed <sup>3</sup> within 22 weeks	N/A	85%	86%	87%	88%

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<sup>3</sup> 'Completed' to be interpreted as a decision taken to: 1) recommend to list, or 2) recommend not to list, or 3) recommend to be deferred.

## Outcome 7

# HEALTH INFRASTRUCTURE, REGULATION, SAFETY AND QUALITY

**Improved capacity, quality and safety of Australia's health care system to meet current and future health needs including through investment in health infrastructure, regulation, international health policy engagement, research into health care, and support for blood and organ donation services**

## Outcome Strategy

The Australian Government, through Outcome 7, aims to support a sustainable world class health system in Australia through support for deregulation, effective regulation, quality and safety, and strategic investments in health infrastructure and research.

The establishment of the \$20 billion capital-protected Medical Research Future Fund from 1 January 2015 is a landmark investment to enable targeted resourcing of national research priorities into the future. The creation of this Fund reflects the Government's recognition of the central role of medical research in driving innovation and improvements in the delivery of health care for Australians.

Consistent with the Government's broader Deregulation Agenda, the Department will ensure the delivery of appropriate and effective regulation across the portfolio, which maintains desired outcomes while safeguarding the health and wellbeing of the community. The Government is aiming for tangible reductions in red tape for businesses, not-for-profit organisations and individuals.

In 2014-15, the Government will fund the Personally Controlled Electronic Health Record (PCEHR). The Government will continue to work with stakeholders with regard to the recommendations from the recent review of the PCEHR to determine how best to proceed with national shared electronic health records, to support improved productivity across the health sector and greater convenience for providers and patients.

Under Outcome 7, the Government also aims to provide Australians with access to an adequate, safe, secure and affordable blood supply and access to life saving and life-transforming organ and tissue transplants.

Outcome 7 is the responsibility of Acute Care Division, Best Practice Regulation and Deregulation Division, eHealth Policy Change and Adoption Division, Office of Health Protection, Pharmaceutical Benefits Division, Population Health Division, Portfolio Strategies Division, Primary and Mental Health Care Division, the Therapeutic Goods Administration, the National Industrial Chemicals Notification and Assessment Scheme, and the Office of the Gene Technology Regulator.

## **Programmes Contributing to Outcome 7**

**Programme 7.1: eHealth Implementation**

**Programme 7.2: Health Information**

**Programme 7.3: International Policy Engagement**

**Programme 7.4: Research Capacity and Quality**

**Programme 7.5: Health Infrastructure**

**Programme 7.6: Blood and Organ Donation**

**Programme 7.7: Regulatory Policy**

## Outcome 7 Budgeted Expenses and Resources

Table 7.1 provides an overview of the total expenses for Outcome 7 by Programme.

**Table 7.1: Budgeted Expenses and Resources for Outcome 7**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 7.1: e-Health implementation<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	112,115	135,221
	18,309	18,309
Departmental expenses		
Departmental appropriation <sup>3</sup>	18,776	22,420
Expenses not requiring appropriation in the budget year <sup>4</sup>	1,433	1,405
<b>Total for Programme 7.1</b>	<b>150,633</b>	<b>177,355</b>
<b>Programme 7.2: Health information</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	29,042	28,314
Departmental expenses		
Departmental appropriation <sup>3</sup>	1,742	1,353
Expenses not requiring appropriation in the budget year <sup>4</sup>	131	129
<b>Total for Programme 7.2</b>	<b>30,915</b>	<b>29,796</b>
<b>Programme 7.3: International policy engagement</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	12,575	14,912
Departmental expenses		
Departmental appropriation <sup>3</sup>	12	11
Expenses not requiring appropriation in the budget year <sup>4</sup>	1	1
<b>Total for Programme 7.3</b>	<b>12,588</b>	<b>14,924</b>
<b>Programme 7.4: Research capacity and quality<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	83,027	82,159
Medical Research Future Fund	-	-
Departmental expenses		
Departmental appropriation <sup>3</sup>	7,320	6,213
Expenses not requiring appropriation in the budget year <sup>4</sup>	543	532
<b>Total for Programme 7.4</b>	<b>90,890</b>	<b>88,904</b>



**Table 7.1: Budgeted Expenses and Resources for Outcome 7 (Cont.)**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 7.5: Health infrastructure<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	100,797	69,710
Special Accounts		
Health and Hospitals Fund Health Portfolio Special Account <sup>5, 6</sup>	599,801	795,233
Departmental expenses		
Departmental appropriation <sup>3</sup>	10,237	9,895
Expenses not requiring appropriation in the budget year <sup>4</sup>	770	756
<b>Total for Programme 7.5</b>	<b>711,605</b>	<b>875,594</b>
<b>Programme 7.6: Blood and organ donation<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	16,374	18,058
Special appropriations		
National Health Act 1953 - blood fractionation, products and blood related products - to National Blood Authority	716,039	718,906
Departmental expenses		
Departmental appropriation <sup>3</sup>	5,063	4,035
Expenses not requiring appropriation in the budget year <sup>4</sup>	361	354
<b>Total for Programme 7.6</b>	<b>737,837</b>	<b>741,353</b>
<b>Programme 7.7: Regulatory policy</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,304	105
Departmental expenses		
Departmental appropriation <sup>3</sup>	30,026	29,548
to special accounts	(13,310)	(15,848)
Expenses not requiring appropriation in the budget year <sup>4</sup>	922	905
Special accounts		
Special accounts		
OGTR Special Account <sup>7</sup>	8,142	8,001
NICNAS Special Account <sup>8</sup>	15,068	13,267
TGA Special Account <sup>9</sup>	137,334	147,736
Expense adjustment <sup>10</sup>	(3,637)	(8,521)
<b>Total for Programme 7.7</b>	<b>175,849</b>	<b>175,193</b>

**Table 7.1: Budgeted Expenses and Resources for Outcome 7 (Cont.)**

	2013-14 Estimated actual \$'000	2014-15 Estimated expenses \$'000
<b>Outcome 7 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	355,234	348,479
Non cash expenses <sup>2</sup>	18,309	18,309
Special accounts	599,801	795,233
Special appropriations	716,039	718,906
Departmental expenses		
Departmental appropriation <sup>3</sup>	73,176	73,475
to Special accounts	(13,310)	(15,848)
Expenses not requiring appropriation in the budget year <sup>4</sup>	4,161	4,082
Special accounts	156,907	160,483
<b>Total expenses for Outcome 7</b>	<b>1,910,317</b>	<b>2,103,119</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	1,156	1,149

- 1 This programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each program. For budget estimates relating to the National Partnership component of the programme, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.
- 2 "Non cash expenses" relates to the depreciation of computer software.
- 3 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 4 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.
- 5 The Health and Hospitals Fund is recorded as an expense by this department and by the Treasury. For more detailed estimates relating to this program refer Budget Paper 3.
- 6 The Health and Hospitals Fund (HHF) is established and funded under the *Nation-building Funds Act 2008*. Following the transfer of the uncommitted balance of the HHF to the Medical Research Future Fund, the *Nation-building Funds Act 2008* is due to be repealed and funding for existing activity is expected to be met by Special Appropriation provisions from 1 January 2015.
- 7 Office of the Gene Technology Regulator Special Account.
- 8 National Industrial Chemicals Notification and Assessment Scheme Special Account.
- 9 Therapeutic Goods Administration Special Account.
- 10 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.

## **Programme 7.1: eHealth Implementation**

### **Programme Objectives**

#### *Operate a national eHealth system*

The Australian Government is committed to strengthening the ability to share health care information. In November 2013, the Government commissioned an external review of the PCEHR to examine issues with the existing PCEHR system. In 2014-15, the Government will continue to work with stakeholders with regard to the review recommendations to see how they can best be implemented to maximise the benefits of eHealth for the Australian community.

#### *Provide national eHealth leadership*

The Australian Government will lead the national roll out of eHealth technology and services and work with States and Territories to support eHealth foundations. This will include maintaining the eHealth national infrastructure and standards necessary for clinically safe, secure and inter-operable eHealth for adoption by public and private health care providers.

In 2014-15, the Practice Incentive Payment (PIP) eHealth incentive will be used to encourage general practices to safely and securely participate in the use of eHealth systems.

In 2014-15, an evaluation of the Telehealth Pilots Programme will be conducted, with the pilots concluding at the end of September 2014.

Programme 7.1 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Tasmanian electronic patient information sharing.*Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.
- The Department of Human Services (Services to the Community – Programme 1.2) to support operation of the Personally Controlled Electronic Health Record system.
- The Department of Industry (Innovative Industry – Programme 1.2) to administer clinical trial reform in Australia.

## Programme 7.1: Expenses

**Table 7.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	112,115	135,221	12,859	-	-
Non cash expenses <sup>1</sup>	18,309	18,309	18,309	18,308	-
Programme support	20,209	23,825	12,785	11,708	11,351
<b>Total Programme 7.1 expenses</b>	<b>150,633</b>	<b>177,355</b>	<b>43,953</b>	<b>30,016</b>	<b>11,351</b>

1 "Non cash expenses" relates to the depreciation of computer software.

## Programme 7.1: Deliverables

### Qualitative Deliverables for Programme 7.1

#### Operate a national eHealth system

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
The Department, as the PCEHR system operator, applies good practice principles and methods for the operation and support of the PCEHR system	The PCEHR system operations and practices are regularly reviewed

#### Provide national eHealth leadership

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Telehealth services are trialled in the home for aged care, palliative care and cancer care	The Department will evaluate the pilot programme on the use of telehealth services in the home

## Programme 7.1: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 7.1

#### Operate a national eHealth system

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
System availability <sup>1</sup>	N/A	99% of the time (excluding planned outages)	- <sup>2</sup>	-	-

## Programme 7.2: Health Information

### Programme Objectives

*Provide support to the Council of Australian Governments (COAG) Health Council and the Australian Health Ministers' Advisory Council (AHMAC)*

To ensure a nationally consistent focus on achieving better health outcomes, the Australian Government facilitates collaborative policy development with States and Territories through the COAG Health Council, AHMAC and its six Principal Committees.

In 2014-15, taking account of COAG's endorsed terms of reference for the Health Council, the Department will work to ensure that relevant Australian Government priorities are reflected in the activities of the Health Council.

## Programme 7.2: Expenses

Table 7.3: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	29,042	28,314	24,431	23,734	23,768
Programme support	1,873	1,482	1,438	1,417	1,462
<b>Total Programme 7.2 expenses</b>	<b>30,915</b>	<b>29,796</b>	<b>25,869</b>	<b>25,151</b>	<b>25,230</b>

<sup>1</sup> This KPI has changed from 2014 to reflect the operation of the PCEHR system as the Department's core business.

<sup>2</sup> Funding provided for 2014-15 for operating the system. Targets will be considered following Government decisions on forward year funding.

## Programme 7.2: Deliverables

### Qualitative Deliverables for Programme 7.2

Provide support to the COAG Health Council and Australian Health Ministers' Advisory Council (AHMAC)

Qualitative Deliverable	2014-15 Reference Point or Target
Australian Government initiated activities undertaken by AHMAC and its Principal Committees support the COAG Health Council in providing leadership on national health issues	Relevant Australian Government priorities are highlighted and progressed in the activities of the Health Council

## Programme 7.2: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 7.2

Provide support to the COAG Health Council and Australian Health Ministers' Advisory Council (AHMAC)

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of COAG Health Council meetings that address Australian Government priorities	N/A	2	2	2	2

## Programme 7.3: International Policy Engagement

### Programme Objectives

*Facilitate international engagement on global health issues*

The Australian Government, through the Department, will continue to monitor international health policy trends and actively participate in international dialogue on global health policy challenges. Australia's influence and responsibility for international health issues continues through its position on the World Health Organization (WHO) Executive Board over the three year term (2012-2015).

In 2014-15, the Department will continue to manage Australia's bilateral relationships with health ministries and with international multilateral organisations such as the WHO, the Organisation for Economic Cooperation and Development (OECD) and the Asia-Pacific Economic Cooperation (APEC).

During this period, the Department will ensure that Australia continues to have strong participation in international fora focusing on promoting and protecting Australia's priority health interests in the Indo-Pacific region and globally. Priority issues include communicable disease control, including pandemic influenza preparedness and response, malaria, tuberculosis and HIV/AIDS, tobacco control, non-communicable disease prevention and control, and health systems. The

Department will continue to participate in United Nations discussions to finalise the post 2015 global development agenda by promoting substantive country and regional input to health related goals.

The Department will also continue to work with the Department of Foreign Affairs and Trade to promote Australia's strategic and development goals, including managing bilateral health cooperation relationships with China, India and Indonesia and engaging with Pacific Island nations. The Department will continue to bring a health perspective to the development of whole-of-government positions on free trade agreements. To support international collaboration on best practice approaches to reducing cancer incidence and mortality, the Department engages and supports the WHO's specialist cancer agency, the International Agency for Research on Cancer (IARC). Australia has been a participating member of the IARC since 1965 and in 2014-15, will be represented at the IARC Governing Council meetings by the Chief Medical Officer.

To support international collaboration, the Department will facilitate the participation of senior health officials and technical experts at international meetings, host international delegations and visitors, and respond to requests from multilateral and regional agencies for data and policy information on Australia's health system and health status.

### Programme 7.3: Expenses

Table 7.4: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year3 \$'000
Annual administered expenses					
Ordinary annual services	12,575	14,912	14,912	14,912	14,912
Programme support	13	12	12	12	12
<b>Total Programme 7.3 expenses</b>	<b>12,588</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>	<b>14,924</b>

### Programme 7.3: Deliverables

#### Qualitative Deliverables for Programme 7.3

##### Facilitate international engagement on global health issues

Qualitative Deliverable	2014-15 Reference Point or Target
Australia's interests secured at relevant meetings of key international health bodies and organisations	Departmental representatives will have actively engaged in meetings of the WHO governing bodies, OECD Health Committee, APEC Health Working Group and other international fora

### Quantitative Deliverables for Programme 7.3

#### Facilitate international engagement on global health issues

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of international health delegation visits facilitated by the Department	20-25	20-25	20-25	20-25	20-25

### Programme 7.3: Key Performance Indicators

#### Qualitative Key Performance Indicators for Programme 7.3

#### Facilitate international engagement on global health issues

Qualitative Indicator	2014-15 Reference Point or Target
Australia's health interests are advanced through participation in the WHO Executive Board <sup>3</sup>	Departmental representatives will have made effective interventions on key agenda items at the WHO Executive Board

### Programme 7.4: Research Capacity and Quality

#### Programme Objectives

##### *Improve research capacity*

The establishment of the landmark \$20 billion capital-protected Medical Research Future Fund will provide a vital platform to support Australian researchers to work on the leading edge of basic and applied medical research.

Medical research is vital for the future of the Australian health system, and the Australian economy. It will inform strategies to address the challenges facing our health services and to deliver high quality health care into the future. A world class health system needs to be on the cutting edge of innovation and clinical breakthroughs. The rapid translation of national and international research into improved patient care, and more efficient systems of care is critical to improving outcomes for Australian patients and the sustainability of Australia's health system.

Medical research also makes good economic sense. It is a key driver of productivity and innovation in the health care sector, which employs more than one million Australians. Every \$1 spent on health and medical research generates a health benefit valued at \$2.17 – a return on investment for the nation of well over 100 per cent.

<sup>3</sup> This KPI has been updated to better reflect the Department's current international role.



Clinical trials are a critical element of translating research into better care. The Department is working with the Department of Industry and the National Health and Medical Research Council (NHMRC)<sup>4</sup> to progress recommendations of the Clinical Trials Action Group to reduce the time taken for clinical trial approvals.

The recommendations of the *Strategic Review of Health and Medical Research – Better Health through Research* (McKeon Review released in April 2013) are also informing future policy directions.

*Maintain effective health surveillance*

The Australian Government funds activities to collect, analyse and publish statistics and information on vaccine preventable diseases and zoonoses, foodborne, and emerging infectious diseases as well as activities to collect, analyse and publish statistics and information on chronic diseases, drug usage, and injury. In 2014-15, the Government will continue to fund the four national research centres for blood borne viruses and sexually transmissible infections, the national drug strategy household survey, the production of small area statistics and estimates of burden of disease and human papillomavirus monitoring. This research will assist in assessing progress with the associated national strategies or plans.

*Monitor the use of diagnostics, therapeutics and pathology*

The Australian Government supports National Prescribing Service (NPS) MedicineWise to provide information to consumers and health professionals on quality use of medicines and medical testing. This is aimed at improving health outcomes and assisting the ongoing sustainability of the Pharmaceutical Benefits Scheme and the Medicare Benefits Schedule. Support is also provided to the National Return and Disposal of Unwanted Medicines (NatRUM) Programme to collect consumers' expired and unwanted medicines and help avoid accidental childhood poisoning and medication misuse.

In 2014-15, the NPS will continue the development of the MedicineInsight project and deliver reports from this dataset to the Australian Government. The MedicineInsight project will capture, store and analyse General Practitioner (GP) data to better inform GPs on how medicines are being used in clinical practice, and has the potential to improve clinical practice and inform policy development in the quality use of medicines.

Funding available through the Quality Use of Diagnostics, Therapeutics and Pathology programme will be subject to a competitive tender process prior to current funding agreements expiring on 30 June 2015.

*Improve safety and quality in health care*

In 2014-15, the Department, with States and Territories, will provide policy direction and funding to the Australian Commission on Safety and Quality in Health Care (ACSQHC)<sup>5</sup> to continue its work on improving safety and quality in

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<sup>4</sup> For further information on the work of the NHMRC, refer to the NHMRC chapter in these Portfolio Budget Statements.

<sup>5</sup> Further information on the work of the ACSQHC is in the ACSQHC chapter in these Portfolio Budget Statements.

the hospital system. In 2014-15, the Australian Government will implement safety and quality initiatives in priority areas such as clinical management of blood, addressing antimicrobial resistance<sup>6</sup>, reducing unnecessary radiation exposure from diagnostic imaging and identifying clinical variation. This work will strengthen safety and quality arrangements across the health system to reduce patient risks and generate efficiencies.

Programme 7.4 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Vaccine-preventable diseases surveillance.*
 Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.

## Programme 7.4: Expenses

Table 7.5: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	83,027	82,159	81,819	83,564	83,576
Medical Research Future Fund	-	-	19,909	76,982	179,327
Programme support	7,863	6,745	6,563	6,477	6,664
<b>Total Programme 7.4 expenses</b>	<b>90,890</b>	<b>88,904</b>	<b>108,291</b>	<b>167,023</b>	<b>269,567</b>

## Programme 7.4: Deliverables

### Qualitative Deliverables for Programme 7.4

#### Improve research capacity

Qualitative Deliverable	2014-15 Reference Point or Target
Facilitate research translation into improved health care	Agreement reached by jurisdictions on addressing barriers to streamlined approval of clinical trials

<sup>6</sup> For more information relating to work on antimicrobial resistance, refer to the Outcome 9 chapter in these Portfolio Budget Statements.

**Maintain effective health surveillance**

Qualitative Deliverable	2014-15 Reference Point or Target
Produce relevant and timely evidence-based disease surveillance data, information and research	Surveillance information available to inform national strategies

**Monitor the use of diagnostics, therapeutics and pathology**

Qualitative Deliverable	2014-15 Reference Point or Target
Information regarding quality use of medicines newly listed on the PBS is provided to health professionals where appropriate	The Department will produce information in a variety of formats throughout the year, including the <i>Rational Assessment of Drugs and Research</i> , the <i>Australian Prescriber</i> and an annual evaluation report

**Programme 7.4: Key Performance Indicators**

**Quantitative Key Performance Indicators for Programme 7.4**

**Monitor the use of diagnostics, therapeutics and pathology**

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of general practitioners participating in education initiatives <sup>7</sup>	14,000	14,500	N/A	N/A	N/A <sup>8</sup>

**Programme 7.5: Health Infrastructure**

**Programme Objectives**

*Improve primary health care infrastructure*

In 2014-15, the Government will provide new Rural and Regional Teaching Infrastructure Grants totalling \$52.5 million to enable regional and rural GP practices to build facilities to take on more trainees. The grants will support the provision of additional consultation rooms and space for teaching medical students and supervising GP registrars.<sup>9</sup>

<sup>7</sup> The educational initiatives that GPs participate in are conducted by the NPS, and the Australian Government funding agreement which they are operating under ceases on 30 June 2015.

<sup>8</sup> Funding in the forward years is subject to negotiation of a new funding agreement.

<sup>9</sup> This initiative will be supported by the doubling of the Practice Incentives Programme (PIP) teaching payments in 2014-15 to support general practices to provide teaching sessions to medical students.

### *Invest in other major health infrastructure*

In 2014-15, the Government will work with States and Territories, non-government organisations, universities and medical research institutes to progress existing Health and Hospitals Fund (HHF) projects. The Department will pursue negotiations for the remaining projects under the HHF Regional Priority Rounds, with a view to finalising agreements with successful applicants.

The Department will monitor the progress of major cancer infrastructure projects receiving Australian Government funding, including the Chris O'Brien Lifehouse at the Royal Prince Alfred Hospital in Sydney, and the Victorian Comprehensive Cancer Centre in Melbourne. These centres will enhance Australia's world class cancer care and research.

The Department will also monitor the progress of 13 Regional Cancer Centre projects, five of which are expected to reach practical completion in 2014-15. These Australian Government-funded projects will allow cancer patients living outside metropolitan areas to access treatment and support services close to their community and family.

Programme 7.5 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Health and Hospitals Fund - hospital infrastructure and other projects of national significance; and*
  - *Health and Hospitals Fund - regional priority round.*

Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework.

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.

## **Programme 7.5: Expenses**

**Table 7.6: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	100,797	69,710	33,959	11,459	7,059
Special account expenses					
Health and Hospital Fund					
Health Portfolio <sup>1,2</sup>	599,801	795,233	360,238	70,588	10,318
Programme support	11,007	10,651	10,393	10,279	10,496
<b>Total Programme 7.5 expenses</b>	<b>711,605</b>	<b>875,594</b>	<b>404,590</b>	<b>92,326</b>	<b>27,873</b>

- 1 The Health and Hospitals Fund is recorded as an expense by this department and by the Treasury. For more detailed estimates relating to this programme refer Budget Paper 3.
- 2 The Health and Hospitals Fund (HHF) is established and funded under the *Nation-building Funds Act 2008*. Following the transfer of the uncommitted balance of the HHF to the Medical Research Future Fund, the *Nation-building Funds Act 2008* is due to be repealed and funding for existing activity is expected to be met by Special Appropriation provisions from 1 January 2015.

## Programme 7.5: Deliverables

### Qualitative Deliverables for Programme 7.5

#### Invest in other major health infrastructure

Qualitative Deliverable	2014-15 Reference Point or Target
Funding arrangements in place for all successful projects under the 2010 and 2011 Regional Priority Round of HHF grants	Remaining funding agreements signed by 31 December 2014

## Programme 7.5: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 7.5

#### Improve primary health care infrastructure

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of grants to support the provision of additional space for teaching and training to strengthen the rural workforce <sup>10</sup>	N/A	100	75	N/A	N/A

### Qualitative Key Performance Indicators for Programme 7.5

#### Invest in other major health infrastructure

Qualitative Indicator	2014-15 Reference Point or Target
Effective monitoring of HHF projects for compliance with agreed outputs	Reports are received for all projects in the required timeframe and remedial action taken as required

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<sup>10</sup> These grants are subject to only one funding round, with expenditure spread over 2014-15 and 2015-16.

## Programme 7.6: Blood and Organ Donation

### Programme Objectives

#### *Improve Australians' access to organ and tissue transplants*

Australians' access to life-saving and life-transforming organ and tissue transplants continues to steadily increase. The Government will support the Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA)<sup>11</sup> in implementing, coordinating and monitoring a national approach to organ and tissue donation for transplantation. The functions of AOTDTA and the National Blood Authority will be merged with a view to establishing a new independent authority by 1 July 2015.

To provide patients in need of life-saving stem cell transplants with the best possible chance of finding a suitable stem cell match, the Government will support the Australian Bone Marrow Donor Registry and Bone Marrow Transplant Programme, the National Cord Blood Collection Network, and the expanding Bone Marrow Transplant Programme. In 2014-15, the Department will also consider the findings of an evaluation of the Supporting Leave for Living Organ Donors scheme.

#### *Support access to blood and blood products*

The Australian Government will work with States and Territories supported by the National Blood Authority (NBA)<sup>12</sup> to ensure that blood products funded by governments are used as efficiently as possible to achieve evidence-based, best clinical practice. During 2014-15, the Government will work with States and Territories and the NBA to develop and implement waste reduction strategies and options to improve supply chain efficiencies. Work will also be undertaken with the NBA to merge the functions of the NBA and the AOTDTA with a view to establishing a new independent authority by 1 July 2015.

Other priorities in 2014-15, include reducing unnecessary clinical variation in transfusion practice, developing and implementing a National Blood Management Collaborative, and stronger governance arrangements for access to funded intravenous immunoglobulin.

Programme 7.6 is linked as follows:

- This Programme includes National Partnership Payments for:
  - *Hepatitis C settlement fund.*
- Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.

<sup>11</sup> For further information on the work of the AOTDTA, refer to the AOTDTA chapter in these Portfolio Budget Statements.

<sup>12</sup> For further information on the work of the NBA, refer to the NBA chapter in these Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Programme 1.2) to administer the Australian Organ Donor Register and the Supporting Leave for Living Organ Donors Scheme.

## Programme 7.6: Expenses

**Table 7.7: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	16,374	18,058	18,780	20,724	20,880
Special appropriations					
<i>National Health Act 1953 -</i> Blood fractionation, products and blood related products to National Blood Authority	716,039	718,906	764,536	811,816	863,258
Programme support	5,424	4,389	3,900	3,706	3,694
<b>Total Programme 7.6 expenses</b>	<b>737,837</b>	<b>741,353</b>	<b>787,216</b>	<b>836,246</b>	<b>887,832</b>

## Programme 7.6: Deliverables

### Qualitative Deliverables for Programme 7.6

#### Improve Australians' access to organ and tissue transplants

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Support the Australian Bone Marrow Donor Registry and the National Cord Blood Collection Network to identify matched donors and stem cells for transplant	Increased diversity of tissue types of donors and cord blood units available for transplant

#### Support access to blood and blood products

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Effective planning of the annual blood supply through the National Supply Plan and Budget	Implementation of the 2014-15 National Supply Plan and Budget agreed by all Health Ministers in 2013-14

## Quantitative Deliverables for Programme 7.6

### Improve Australians' access to organ and tissue transplants

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2 <sup>13</sup>	2017-18 Forward Year 3 <sup>14</sup>
Number of banked cord blood units					
• Total	2,379	2,379	2,379	N/A	N/A
• Indigenous	129	129	129	N/A	N/A

## Programme 7.6: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 7.6

#### Improve Australians' access to organ and tissue transplants

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of legitimate Bone Marrow Transplant Programme applications assessed and approved within four days of receipt	100%	100%	100%	100%	100%

## Programme 7.7: Regulatory Policy

### Programme Objectives

*Provide direction and national leadership in gene technology regulatory policy issues, as well as maintain and improve the therapeutic goods and industrial chemicals regulatory frameworks.*

<sup>13</sup> Targets for forward years to be determined by Health Ministers following a review scheduled for late 2014.

<sup>14</sup> Targets for forward years to be determined by Health Ministers following a review scheduled for late 2014.



## Programme 7.7: Expenses

**Table 7.8: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	1,304	105	274	279	284
Programme support	17,638	14,605	11,876	11,730	12,047
Departmental special accounts					
OGTR Special Account <sup>1</sup>	8,142	8,001	7,969	9,932	8,019
NICNAS Special Account <sup>2</sup>	15,068	13,267	13,583	13,533	13,533
TGA Special Account <sup>3</sup>	137,334	147,736	139,265	137,237	135,452
Expense adjustment <sup>4</sup>	(3,637)	(8,521)	(3,393)	(1,978)	2,833
<b>Total Programme 7.7 expenses</b>	<b>175,869</b>	<b>175,211</b>	<b>169,592</b>	<b>170,751</b>	<b>172,186</b>

1 Office of the Gene Technology Regulator Special Account.

2 National Industrial Chemicals Notification and Assessment Scheme Special Account.

3 Therapeutic Goods Administration Special Account.

4 Special accounts are reported on a cash basis. This adjustment reflects the differences between expense and cash and the elimination of interagency transactions.

## Therapeutic Goods

*Ensure that therapeutic goods are safe, effective and of high quality*

In 2014-15, the Therapeutic Goods Administration (TGA) will continue to identify opportunities for reducing regulatory burden on industry, consistent with the Government's deregulation and red tape reduction agenda, while continuing to meet the objectives of safeguarding and enhancing the health of the Australian community.

*International harmonisation and work sharing*

The TGA participates in international harmonisation and work sharing activities with many international agencies and overseas regulators. These activities will help to reduce effort in pre- and post-market evaluation of therapeutic goods, while enabling the TGA to make more informed and consistent regulatory decisions about the safety, quality and efficacy of therapeutic products available in Australia.

*Continue therapeutic goods reform process*

In 2014-15, the TGA will continue to implement a comprehensive reform agenda which will improve the way the TGA communicates with the public about the benefits and risks of therapeutic goods and will optimise a range of regulatory processes. The reforms will enhance public trust in the TGA's post-market surveillance capacity. The TGA will continue publishing a half-yearly report on the progress of these reforms.

In a related area, the Department is supporting an industry-led Advisory Group to guide implementation of a range of reforms to strengthen the therapeutic goods industry's self-regulatory framework for the promotion of therapeutic goods to health care professionals.

## Deliverables

### Qualitative Deliverables for Therapeutic Goods

**Ensure that therapeutic goods are safe, effective and of high quality**

Qualitative Deliverable	2014-15 Reference Point or Target
Contribute to the Government's deregulation and red tape reduction agenda by identifying and progressing opportunities to reduce red tape	Complete a review to identify opportunities to reduce regulatory burden and red tape

**International harmonisation and work sharing**

Qualitative Deliverable	2014-15 Reference Point or Target
Implement international harmonisation, work sharing and joint operations with comparable international regulators	Enhanced cooperation and work sharing including increased reliance on information from international regulators

**Continue therapeutic goods reform process**

Qualitative Deliverable	2014-15 Reference Point or Target
Implement reforms that enhance TGA's current regulatory processes	Reforms implemented in accordance with the published plan for <i>TGA Reforms: A blueprint for TGA's future</i>

**Quantitative Deliverables for Therapeutic Goods**

**Continue therapeutic goods reform process**

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of reforms implemented to enhance TGA's regulatory processes <sup>15</sup>	10	3	7	N/A	N/A

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<sup>15</sup> The TGA Reform Blueprint included 48 recommendations for implementation over the financial years 2011-12 to 2015-16. All of the recommendations are expected to be implemented by 2015-16.

## Key Performance Indicators

### Quantitative Key Performance Indicators for Therapeutic Goods

Ensure that therapeutic goods are safe, effective and of high quality

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of evaluations/assessments completed within legislated timeframes <sup>16</sup> : <ul style="list-style-type: none"> <li>a) Applications lodged under prescription medicines registration (Category 1 applications) processed within 255 working days</li> <li>b) Quality related evaluations of prescription medicines (Category 3 applications) processed within 45 working days</li> <li>c) Conformity assessments for medical devices processed within 255 working days</li> </ul>	100%	100%	100%	100%	100%
Percentage of alleged breaches of the <i>Therapeutic Goods Act 1989</i> received that are assessed within 10 working days and an appropriate response initiated	100%	100%	100%	100%	100%

<sup>16</sup> Further information available at: [The Australian Register of Therapeutic Goods website](http://www.tga.gov.au/therapeutic-goods-register)  
 Legislated timeframes refers to various timeframes specified in *Therapeutic Goods Act 1989* and subordinate regulations. The KPIs relating to evaluations that appeared in the 2013-14 Portfolio Budget Statements have been consolidated into one to draw all aspects of TGA evaluations together.

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of licensing and surveillance inspections completed within target timeframes:					
• Domestic	100%	100%	100%	100%	100%
• Overseas	90%	90%	90%	90%	90%

### Industrial Chemicals

*Aid in the protection of the Australian people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use*

The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) registers introducers of industrial chemicals, assesses industrial chemicals for their risks to human health and the environment and, where relevant, makes recommendations to relevant regulatory authorities regarding risk mitigation. NICNAS assesses the risks to human health and the environment of selected chemicals already in use, prioritised based on volume of use, risk management requirements in comparable countries, and detection in human cord blood. In 2014-15, NICNAS will continue to work with international partners on regulatory harmonisation and efficiency projects.

Consistent with the Government's deregulation agenda, the Department will implement reforms to improve the efficiency and effectiveness of the regulation of industrial chemicals. The reforms will remove unnecessary regulatory burden while maintaining the protection of public health, worker safety and the environment.

Programme 7.7 is linked as follows:

- The Department of Immigration and Border Protection (Border Management - Programme 1.2) for reviewing importation of industrial chemicals.
- The Department of Industry (Programme Support - Programme 1.3) in relation to COAG chemical reforms.
- The Attorney-General's Department (National Security - Programme 1.2) for managing chemicals of security concern.
- The Department of the Environment (Management of Hazardous Wastes, Substances and Pollutants - Programme 1.6), the Department of Employment (Safe Work Australia) and the Treasury (Australian Competition and Consumer Commission) for managing risks arising from industrial chemicals.

## Deliverables

### Qualitative Deliverables for Industrial Chemicals

**Aid in the protection of the Australian people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use**

Qualitative Deliverables	2014-15 Reference Point or Target
Scientifically robust assessments of new and existing industrial chemicals	Peer review and stakeholder feedback support assessment outcomes
High quality assessment outcomes are produced through effective use of the Multi-tiered Assessment and Prioritisation (IMAP) framework	Stakeholder engagement and communication strategies continue to be effectively implemented to contribute to the quality and uptake of assessment outcomes
Contribution to the international harmonisation of regulatory approaches and methodologies for assessing industrial chemicals by reviewing Australian processes	Review international regulatory approaches and methodologies from three key sub-committees of the OECD Chemicals Committee for their application to NICNAS assessments of industrial chemicals
All introducers of industrial chemicals are aware of their legal obligations	Register identified introducers and provide regular information updates
The costs associated with the regulation of industrial chemicals are adequately balanced against the benefits to worker health and safety, public health and the environment	Reforms to NICNAS more efficiently and effectively achieve the objects of the <i>Industrial Chemicals (Notification and Assessment) Act 1989</i>

## Key Performance Indicators

### Qualitative Key Performance Indicators for Industrial Chemicals

**Aid in the protection of the Australian people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use**

Qualitative Indicator	2014-15 Reference Point or Target
Effective use of international information	International hazard assessment information incorporated into assessments Guidance and training on the use of international information provided to assessors

### Quantitative Key Performance Indicators for Industrial Chemicals

**Aid in the protection of the Australian people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use**

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of new chemical assessments completed within legislated timeframes	96%	96%	96%	96%	96%
Cumulative percentage of Stage One chemicals assessed through effective application of IMAP framework	50%	90%	95%	N/A <sup>17</sup>	N/A <sup>17</sup>
Percentage of NICNAS registrants introducing over \$500,000 of industrial chemicals assessed for compliance with new chemicals obligations	35%	40%	45%	45%	45%

### Gene Technology Regulation

*Protect the health and safety of people and the environment by regulating work with genetically modified organisms (GMOs)*

The Australian Government, through the Gene Technology Regulator, will administer the national scheme for the regulation of gene technology to protect the health and safety of people and the environment.

In 2014-15, the Office of the Gene Technology Regulator (OGTR) will implement operational changes agreed in the all of Australian Governments' response to the 2011 *Review of the Gene Technology Act 2000*. OGTR will work with the Department to progress other recommendations to improve flexibility and reduce regulatory burden. OGTR will also review guidelines and processes, in consultation with stakeholders, to enhance efficiency and effectiveness.

During 2014-15, OGTR will ensure that all risk assessments are based on current scientific evidence and represent international best practice by consulting with experts and key stakeholders, and by keeping pace with advances in scientific knowledge and regulatory practice. OGTR will engage in international harmonisation activities and capacity building in the region. Bilateral arrangements with other Australian Government regulators will enhance the reciprocal provision of advice on applications to support timely, efficient and comprehensive assessment of GMOs and genetically modified products.

<sup>17</sup> Subject to the outcome of the programme review in 2015-16.

## Deliverables

### Qualitative Deliverables for Gene Technology Regulation

Protect the health and safety of people and the environment by regulating work with genetically modified organisms (GMOs)

Qualitative Deliverables	2014-15 Reference Point or Target
Progress improvements to OGTR operations recommended by all Australian Governments' response to the Review of the <i>Gene Technology Act 2000</i>	Implementation completed within agreed timeframes Progress of agreed minor and technical amendments to increase flexibility and reduce regulatory burden
Provide effective regulation of GMOs that is open and transparent	Risk assessments and risk management plans prepared for all applications for licensed dealings Stakeholders, including the public, consulted on all assessments for proposed release of GMOs into the environment Record of GMO dealings and maps of all field trial sites maintained and made publicly available on the OGTR website <sup>18</sup>

### Quantitative Deliverables for Gene Technology Regulation

Protect the health and safety of people and the environment by regulating work with genetically modified organisms GMOs

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of field trial sites and higher level containment facilities inspected	≥20%	≥20%	≥20%	≥20%	≥20%

<sup>18</sup> Further information available at: [Office of the Gene Technology Regulator website](http://www.ogtr.gov.au)



## Key Performance Indicators

### Qualitative Key Performance Indicators for Gene Technology Regulation

Protect the health and safety of people and the environment by regulating work with genetically modified organisms (GMOs)

Qualitative Indicators	2014-15 Reference Point or Target
Protect people and the environment through identification and management of risks from GMOs	Comprehensive and effective risk assessment and risk management of GMOs <sup>19</sup> High level of compliance with the gene technology legislation and no adverse effect on human health or environment from authorised GMOs
Facilitate cooperation and provision of advice between relevant regulatory agencies with responsibilities for GMOs and/or genetically modified products <sup>20</sup>	High degree of cooperation with relevant regulatory agencies and provision of timely advice

### Quantitative Key Performance Indicators for Gene Technology Regulation

Protect the health and safety of people and the environment by regulating work with genetically modified organisms (GMOs)

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of licence decisions made within statutory timeframes	100%	100%	100%	100%	100%

<sup>19</sup> This KPI has been amended to include additional information for the reference point or target against the qualitative indicator.

<sup>20</sup> This KPI has been amended to provide a more specific qualitative indicator and reference point or the target.

## Outcome 8

# HEALTH WORKFORCE CAPACITY

**Improved capacity, quality and mix of the health workforce to meet the requirements of health services, including through training, registration, accreditation and distribution strategies**

## Outcome Strategy

The Australian Government, through Outcome 8, aims to ensure that Australia has the workforce necessary to meet the needs of a sustainable health system.

The Government is working to boost the nation's health workforce, direct funding to frontline services, and ensure the workforce can deliver these services. The Government will support the training of more health professionals at lower cost through better training programmes, with a focus on primary care and rural health.

In 2014-15, the Government will support training for up to 300 extra General Practitioners (GPs) a year by boosting GP training places from 1,200 to 1,500 places in 2015. This will address current shortages, particularly in regional and rural Australia. GP training places will continue increasing in future years, as the Government works in partnership with business and the medical profession to reduce the costs of GP training, and slash red tape.

Other Budget measures will assist more GPs to train the future workforce. Investing \$238.4 million over five years will double the Practice Incentive Payment for teaching medical students from \$100 to \$200 per session. New infrastructure funding totalling \$52.5 million will enable regional and rural GP practices to build the facilities they need to take on more trainees (see outcomes 5 and 7).

Around 500 new nursing and allied health scholarships will be delivered over three years, costing \$13.4 million, to target workforce shortages in regional and rural areas. The Government has already committed \$40 million over four years to support extra medical intern places in private hospitals and regional and rural areas. Seventy-six interns began their one year placements in January 2014.

The Department of Health will take on the functions of two existing agencies. The essential functions of Health Workforce Australia (HWA) will be transferred to the Department as soon as possible, with a view to closing the agency. The essential functions of General Practice Education and Training Ltd (GPET) will be transferred to the Department by 1 January 2015, with a view to closing the agency. This will cut the size of the health bureaucracy and free up resources to fund frontline services.

Outcome 8 is the responsibility of Health Workforce Division.

## Programmes Contributing to Outcome 8

Programme 8.1: Workforce and Rural Distribution

Programme 8.2: Workforce Development and Innovation

## Outcome 8 Budgeted Expenses and Resources

Table 8.1 provides an overview of the total expenses for Outcome 8 by Programme.

**Table 8.1: Budgeted Expenses and Resources for Outcome 8**

	2013-14 Estimated actual \$'000	2014-15 Estimate expenses \$'000
<b>Programme 8.1: Workforce and Rural Distribution</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,113,605	1,181,972
Departmental expenses		
Departmental appropriation <sup>1</sup>	19,663	26,222
Expenses not requiring appropriation in the budget year <sup>2</sup>	1,477	1,449
<b>Total for Programme 8.1</b>	<b>1,134,745</b>	<b>1,209,643</b>
<b>Programme 8.2: Workforce Development and Innovation</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	272,680	214,780
Departmental expenses		
Departmental appropriation <sup>1</sup>	11,041	23,288
Expenses not requiring appropriation in the budget year <sup>2</sup>	450	441
<b>Total for Programme 8.2</b>	<b>284,171</b>	<b>238,509</b>
<b>Outcome 8 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,386,285	1,396,752
Departmental expenses		
Departmental appropriation <sup>1</sup>	30,704	49,510
Expenses not requiring appropriation in the budget year <sup>2</sup>	1,927	1,890
<b>Total expenses for Outcome 8</b>	<b>1,418,916</b>	<b>1,448,152</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	<b>163</b>	<b>255</b>

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

2 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 8.1: Workforce and Rural Distribution

### Programme Objectives

#### *Increased investment in medical training and education*

Demand for GP training is now exceeding available places. The Government is moving immediately to increase GP vocational training positions by 300 every year from 2015. The increase in places will be funded by redirecting funding from the Prevocational General Practice Placements Programme (PGPPP) which will cease. In future years, the Government will work to further expand the number of GP training places by freeing up resources currently supporting unnecessary administration and bureaucracy, and developing innovative approaches to allow employers to contribute more to the development of their future workforce. This work will be done in consultation with the medical profession.

#### *Increase the supply of, and support for, health professionals in regional, rural and remote Australia*

The Government will support the longstanding rural training network made up of 17 rural clinical schools, 11 University Departments of Rural Health and six dental schools that offer rural dental placements.

The Government will implement its election commitment to deliver an extra 500 scholarships to nursing and allied health students and professionals, to support professional training, continuing professional education, clinical placements and return or transition to practice. The new scholarships will target key Government priorities:

- increasing training in the private sector, and supporting the private sector workforce;
- increasing training opportunities in rural areas, and supporting the rural workforce; and
- developing skills needed for the health workforce to deliver primary care, aged care and mental health care.

The Government will cease funding scholarships that are only available to nurses and allied health students in Tasmania, ensuring that students and health professionals from all parts of Australia have equitable opportunities for training and professional development.

The Government will deliver a range of programmes to support primary care in regional, rural and remote areas. These include the General Practice Rural Incentives Programme, and the Northern Territory Medical Programme (NTMP), which is allowing students to complete their medical education entirely within the Northern Territory, and has a strong focus on training Indigenous doctors, and doctors able to provide services in remote communities. The Government will reduce red tape for the NTMP, by ceasing its complex National Partnership Agreement funding arrangements, and directly funding Flinders University to deliver the programme in future. This will reduce reporting obligations and allow the programme to be delivered at a lower cost.

Programme 8.1 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.1) to administer the General Practice Rural Incentives Programme, HECS Reimbursement Scheme, Practice Nurse Incentive Programme, Rural Procedural Grants Programme, Rural Locum Education Assistance Programme and Scaling of Rural Workforce Programme.
- The Department of Veterans' Affairs (General Medical Consultations and Services - Programme 2.1) contributes to the implementation of the Practice Nurse Incentive Programme.

## Programme 8.1: Expenses

**Table 8.2: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	1,113,605	1,181,972	1,138,752	1,166,096	1,216,779
Programme support	21,140	27,671	26,669	24,635	24,477
<b>Total Programme 8.1 expenses</b>	<b>1,134,745</b>	<b>1,209,643</b>	<b>1,165,421</b>	<b>1,190,731</b>	<b>1,241,256</b>

## Programme 8.1: Deliverables

### Qualitative Deliverables for Programme 8.1

**Increase the supply of, and support for, health professionals in regional, rural and remote Australia**

Qualitative Deliverables	2014-15 Reference Point or Target
Support general practices and Aboriginal Medical Services across Australia to employ practice nurses and Aboriginal and Torres Strait Islander Health Workers in an enhanced role	Incentive payments paid quarterly to all eligible practices
New nursing and allied health scholarships delivered	Nursing and Allied Health Scholarship and Support Scheme arrangements varied to deliver up to 500 additional scholarships over three years

## Quantitative Deliverables for Programme 8.1

### Increased investment in medical training and education

Quantitative Deliverables <sup>1</sup>	Academic Year 2013 Revised Budget	Academic Year 2014 Target	Academic Year 2015	Academic Year 2016	Academic Year 2017
Number of new GP training positions funded through the Australian General Practice Program	1,108	1,192	1,500	1,500	1,500
Number of training positions funded through the Specialist Training Program	750	900	900	900	900
Number of additional emergency medicine specialist trainee positions delivered in emergency departments	66	88	110	110	110

### Increase the supply of, and support for, health professionals in regional, rural and remote Australia

Quantitative Deliverables <sup>2</sup>	Academic Year 2013 Revised Budget	Academic Year 2014 Target	Academic Year 2015	Academic Year 2016	Academic Year 2017
Percentage of medical students participating in the Rural Clinical Training and Support Programme – 1 year rural clinical placement	≥25%	≥25%	≥25%	≥25%	≥25%
Number of rural placements by University Departments of Rural Health	3,700	3,700	3,700	3,700	3,700

<sup>1</sup> Placements are allocated on an academic year basis.

<sup>2</sup> Placements are allocated on an academic year basis.

## Programme 8.1: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 8.1

**Increase the supply of, and support for, health professionals in regional, rural and remote Australia**

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of practices supported through the Practice Nurse Incentive Programme <sup>3</sup>	4,100	4,100	4,100	4,100	4,100
Number of suitably qualified overseas-trained doctors recruited under the International Recruitment Strategy	119	125	131	131	131

## Programme 8.2: Workforce Development and Innovation

### Programme Objectives

*More efficient health workforce development<sup>4</sup>*

The Government will reduce the size of the health bureaucracy by transferring policy, programme and funding responsibilities of Health Workforce Australia (HWA) to the Department as soon as possible, with a view to closing the agency. Some HWA staff will have the opportunity to move with their functions into the Department.

This will produce efficiencies by removing the corporate costs and overheads associated with running a separate agency, reducing overall staffing levels and combining and streamlining overlapping HWA and Department programmes. HWA's International Health Professionals programme will be combined with the Department's International Recruitment Strategy, reducing costs and creating a more streamlined, flexible programme to support the recruitment and retention of health professionals.

The Government will honour all funding agreements entered into by HWA, and these will transfer to the Department for administration. This includes funding agreements supporting expanded clinical training for health students.

HWA has been responsible for developing workforce projections to allow all governments, education providers and employers to match their investments in health workforce development with the future needs of the community. The

<sup>3</sup> The targets for this key performance indicator have been revised to reflect updated data.

<sup>4</sup> For further information on the work of the General Practice Education and Training Ltd (GPET), refer to the GPET chapter in these Portfolio Budget Statements.

Department will continue this work by developing and regularly updating workforce projections, and developing National Medical Training Plans.

Consistent with its commitment to red tape reduction, the Government will be working to streamline health workforce accreditation arrangements reducing the red tape associated with multiple layers of accreditation for training. The Government will cease funding the Confederation of Postgraduate Medical Education Councils from 1 July 2014. Postgraduate Medical Councils are the responsibility of State Governments, and primarily undertake accreditation work for public hospital training.

#### *Investment in the dental workforce*

The Government will continue to support the dental workforce. The Voluntary Dental Graduate Year Programme provides dental graduates with a 12 month professional development programme to support their entry to the profession.

The Oral Health Therapist Graduate Year Programme commenced in 2014 and provides 50 placements a year. This programme provides structured transition to practice and professional development opportunities for oral health therapists.

## **Programme 8.2: Expenses**

**Table 8.3: Programme Expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	272,680	214,780	227,064	230,822	230,049
Programme support	11,491	23,729	19,795	17,757	18,027
<b>Total Programme 8.2 expenses</b>	<b>284,171</b>	<b>238,509</b>	<b>246,859</b>	<b>248,579</b>	<b>248,076</b>

## **Programme 8.2: Deliverables**

### **Qualitative Deliverables for Programme 8.2**

#### **More efficient health workforce development<sup>5</sup>**

Qualitative Deliverable	2014-15 Reference Point or Target
HWA wound up and functions transferred to the Department	Health Workforce Australia (Abolition) Bill 2014 introduced to Parliament, HWA functions, assets and liabilities successfully transferred to the Department

<sup>5</sup> For further information on the work of the General Practice Education and Training Ltd (GPET), refer to the GPET chapter in these Portfolio Budget Statements.



## Programme 8.2: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 8.2

#### Investment in the dental workforce

Quantitative Indicators	Academic Year 2014 Revised Budget	Academic Year 2015 Target	Academic Year 2016	Academic Year 2017	Academic Year 2018
Number of dental graduates participating in the Voluntary Dental Graduate Year Programme <sup>6</sup>	50	50	50	50	50
Number of oral health therapist graduates participating in the Oral Health Therapist Graduate Year Programme	50	50	50	50	50

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<sup>6</sup> Targets for this key performance indicator have been revised as a proposed expansion to the programme will not proceed.

## Outcome 9

# BIOSECURITY AND EMERGENCY RESPONSE

**Preparedness to respond to national health emergencies and risks, including through surveillance, regulation, prevention, detection and leadership in national health coordination**

Outcome | 9

## Outcome Strategy

The Australian Government, through Outcome 9, aims to strengthen the nation's capacity and capability to protect the health of all Australians from threats posed by communicable disease outbreaks, natural disasters, environmental hazards, acts of terrorism and other incidents that may lead to mass casualties. This is achieved by developing and maintaining effective systems to identify and monitor risks, and through effective response planning across the health system. In 2014-15 the Government will make a major investment to replenish the National Medical Stockpile and streamline its operations, working with the States and Territories.

The Department will work with other Australian Government, State and Territory and international agencies, to monitor and assess current and emerging population health risks. The Department will also maintain robust and timely communicable disease surveillance to detect, assess and respond to communicable disease threats in Australia and to Australians overseas.

In a health emergency, the Government will respond using established and tested plans and protocols. The Department provides national leadership and coordination in national health emergencies through chairing the Australian Health Protection Principal Committee, working with States and Territories to prioritise the use of resources, and providing a clearing house for critical emergency response information.

The Department will also provide human health risk assessment and advice on the regulation of agricultural and veterinary chemical products, drugs and poisons, and the import, export and manufacture of controlled drugs and chemicals.

Outcome 9 is the responsibility of the Office of Health Protection.

## Programmes Contributing to Outcome 9

### Programme 9.1: Health Emergency Planning and Response

## Outcome 9 Budgeted Expenses and Resources

Table 9.1 provides an overview of the total expenses for Outcome 9 by Programme.

**Table 9.1: Budgeted Expenses and Resources for Outcome 9**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 9.1: Health Emergency Planning and Response<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	20,695	nfp
Special accounts		
Human Pituitary Hormones	150	160
Non cash expenses - write-down of assets <sup>2</sup>	17,301	25,978
Departmental expenses		
Departmental appropriation <sup>3</sup>	26,059	25,299
Expenses not requiring appropriation in the budget year <sup>4</sup>	2,068	2,046
<b>Total for Programme 9.1</b>	<b>66,273</b>	<b>nfp</b>
<b>Outcome 9 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	20,695	nfp
Non cash expenses - write down of assets <sup>2</sup>	17,301	25,978
Special accounts	150	160
Departmental expenses		
Departmental appropriation <sup>3</sup>	26,059	25,299
Expenses not requiring appropriation in the budget year <sup>4</sup>	2,068	2,046
<b>Total expenses for Outcome 9</b>	<b>66,273</b>	<b>nfp</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average staffing level (number)</b>	<b>156</b>	<b>148</b>

1 This programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each programme. For budget estimates relating to the National Partnership component of the programme, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.

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

3 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

4 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 9.1: Health Emergency Planning and Response

### Programme Objectives

#### *National health emergency planning and response*

The Department works with the States and Territories to manage national health emergencies through the Australian Health Protection Principal Committee of the Australian Health Ministers' Advisory Council. The Department also contributes to the development of emergency response plans under the National Health Emergency Response Arrangements.

In 2014-15, the Department will revise the *National Action Plan for Human Influenza Pandemic* (National Action Plan) in collaboration with Australian Government, State and Territory and local government agencies. The National Action Plan establishes pandemic influenza response arrangements for all levels of government in line with the Australian Government Crisis Coordination Arrangements.

#### *National Medical Stockpile*

The Government will invest \$22.8 million in the 2014-15 Budget to replenish the National Medical Stockpile and streamline its operations. The Department will work with the States and Territories to find ways to reduce waste and duplication, cut red tape in an emergency and improve the cost effectiveness of national stockpiling arrangements through operational and management efficiencies. This will enhance Australia's world-class health emergency protection arrangements.

#### *Improve biosecurity, drug and chemical safety*

In 2014-15, the Government will continue implementing the Security Sensitive Biological Agent Regulatory Scheme to reduce the risk of access to biological agents with potential use in terrorism.

Under the scheme, the Department administers a licensing and permit regime for controlled drugs in line with Australian legislation and international conventions; provides human health risk assessment advice on the regulation of agricultural and veterinary chemical products, drugs and poisons; and determines the need for medicines and chemicals to be included in the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP).

#### *Minimise the risks posed by communicable diseases*

The Australian Government is committed to strengthening Australia's defences against communicable diseases, including the spread of mosquito-borne diseases, such as dengue fever. In 2014-15, the Government will provide funding to continue an exotic mosquito detection, control and elimination programme and support cross border communications between Queensland and Papua New Guinea to reduce communicable disease risk in the Torres Strait.

To ensure efficiency in communicable disease prevention and control, in 2014-15 the Government will test the global market for the guaranteed timely supply of key products, including uniquely Australian antivenoms, and Q fever and pandemic influenza vaccines, ahead of the expiry of current supply arrangements in 2016.

The Australian Government will ensure that Australia's ports and airports are able to respond to public health events, in compliance with the World Health Organization (WHO) *International Health Regulations (2005)* (IHR). In 2014-15, the Department will continue to exchange information with the States and Territories and other countries to enable the tracing and management of potentially infected people through the IHR National Focal Point. The Department will work with border agencies, such as the Department of Agriculture and the Australian Customs and Border Protection Service, to implement human health policies at the border and develop strategies for raising public awareness of travel health issues and emerging diseases that may have an impact on travellers.

*Antimicrobial Resistance (AMR)*

The Australian Government is providing national and international leadership to help prevent and contain the spread of AMR. In 2014-15 the Government will implement activities to respond to AMR, including through funding the Australian Commission on Safety and Quality in Health Care to improve national surveillance of antibiotic usage and resistance, and initiatives to reduce costs relating to health care associated infections (funded under Outcome 7). The Department will consult with key stakeholders on the development of a National AMR Strategy which aims to coordinate Australia's efforts across human and animal health to reduce, monitor and respond to AMR.

Programme 9.1 is linked as follows:

- This Programme includes National Partnership payments for:
  - *Health Services – Critical Care and Trauma Response Centre at Royal Darwin Hospital: Equipped, Prepared and Ready;*
  - *OzFoodNet;* and
  - *Continuation of mosquito control and cross border liaison in the Torres Strait.*Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.10 of the Treasury's Portfolio Budget Statements.
- The Department of Immigration and Border Protection (Australian Customs and Border Protection Service – Border Management – Programme 1.2) for drug imports and exports.

## Programme 9.1: Expenses

Table 9.2: Programme Expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward Year 1 \$'000	2016-17 Forward Year 2 \$'000	2017-18 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	20,695	nfp	nfp	nfp	nfp
Special accounts					
Human Pituitary Hormones	150	160	160	160	170
Non cash expenses <sup>1</sup>	17,301	25,978	6,407	12,814	12,814
Programme support	28,127	27,345	26,687	26,377	27,051
<b>Total Programme 9.1 expenses</b>	<b>66,273</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>

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

## Programme 9.1: Deliverables

### Qualitative Deliverables for Programme 9.1

#### National health emergency planning and response

Qualitative Deliverable	2014-15 Reference Point or Target
Develop, exercise and refine national health emergency policy under the National Health Emergency Response Arrangements	National Health Emergency Response Arrangements will be exercised and revised and an emergency response plan for communicable diseases and environmental health threats of national significance will be developed

#### Improve biosecurity, drug and chemical safety

Qualitative Deliverable	2014-15 Reference Point or Target
Update and maintain the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP)	SUSMP to be amended as soon as practicable after the Secretary's, or the Secretary's delegate's, final decision under the <i>Therapeutic Goods Regulations 1990</i>

#### Antimicrobial Resistance (AMR)

Qualitative Deliverable	2014-15 Reference Point or Target
Stakeholders are consulted on the development of the National AMR Strategy	A discussion paper on the National AMR Strategy released for stakeholder input by the end of 2014

## Quantitative Deliverables for Programme 9.1

### Improve biosecurity, drug and chemical safety

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of applications for the import, export, and manufacture of controlled substances that are assessed and processed within agreed timeframes	95%	95%	95%	95%	95%

## Programme 9.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 9.1

#### National health emergency planning and response

Qualitative Indicator	2014-15 Reference Point or Target
Containment of national health emergencies through the timely engagement of national health coordination mechanisms and response plans	National responses to health emergencies are successfully managed

#### Improve biosecurity, drug and chemical safety

Qualitative Indicator	2014-15 Reference Point or Target
Perform human health risk assessments and regulate access to chemicals and drugs	Chemical assessments completed in a timely manner and authorisation to access drugs and chemicals issued in accordance with legislative requirements

### Quantitative Key Performance Indicators for Programme 9.1

#### Minimise the risks posed by communicable diseases

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of designated points of entry into Australia capable of responding to public health events, as defined in the <i>International Health Regulations (2005)</i>	100%	100%	100%	100%	100%

## Outcome 10

# SPORT AND RECREATION

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

Outcome 10

## Outcome Strategy

The Australian Government, through Outcome 10, aims to increase participation in sport and recreation activities by all Australians and foster excellence in Australia's high-performance athletes.

In 2012, 65 per cent of adults aged over 15 years and 60 per cent of children aged 5 to 14 years participated in sport and physical recreation.<sup>1</sup> The Department will work closely with States and Territories, the Australian Sports Commission (ASC)<sup>2</sup> and national sporting organisations to develop initiatives to encourage increased participation in sport and physical activity by all Australians. The Government's new Sporting Schools initiative will encourage school children to take part in sport-based physical activity before, during and after school.

The Department will coordinate the Australian Government's involvement in the staging of major international sporting events held in Australia, including the 2015 Asian Football Confederation (AFC) Asian Cup, the International Cricket Council (ICC) Cricket World Cup 2015 and the Gold Coast 2018 Commonwealth Games. The Department will work closely with relevant Australian Government agencies, States and Territories, organising committees and other key stakeholders to ensure the delivery of safe and successful events that leave a lasting legacy for Australia.

For the 2018 Commonwealth Games, the Government is providing funding of \$156 million predominately to support the development of critical sports infrastructure that will boost economic activity in Southeast Queensland and leave a lasting legacy for sport in the region.

The Department will implement the Government's commitment to reduce drowning around Australia, working with Surf Life Saving Australia, the Royal Life Saving Society – Australia and AUSTSWIM.

The Government is committed to protecting the integrity of Australian sport. The Department will work with stakeholders across government, law enforcement, sporting bodies, betting providers and international counterparts on existing and emerging sport integrity issues. The Department will support the activities of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and

<sup>1</sup> Source: ABS, 4177.0 *Participation in Sport and Physical Recreation 2011-12*. Children participation source: ABS, *Children's Participation in Cultural and Leisure Activities*, April 2012.

<sup>2</sup> For further information on the work of the Australian Sports Commission (ASC), refer to the ASC chapter in these Portfolio Budget Statements.



the World Anti-Doping Agency, consistent with Australia's obligations under the UNESCO International Convention against Doping in Sport.

To reduce duplication, the Government will put in place arrangements for sharing back office functions between the Australian Sports Commission and the Department of Health.

Outcome 10 is the responsibility of the Office for Sport.

### Programme Contributing to Outcome 10

### Programme 10.1: Sport and Recreation

## Outcome 10 Budgeted Expenses and Resources

Table 10.1 provides an overview of the total expenses for Outcome 10 by Programme.

**Table 10.1: Budgeted Expenses and Resources for Outcome 10**

	2013-14 Estimated actual \$'000	2014-15 Estimated expenses \$'000
<b>Programme 10.1: Sport and Recreation<sup>1</sup></b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	17,757	40,924
Special Accounts		
Sport and Recreation Special Account	558	12,168
Departmental expenses		
Departmental appropriation <sup>2</sup>	10,002	14,629
Expenses not requiring appropriation in the budget year <sup>3</sup>	748	737
<b>Total for Programme 10.1</b>	<b>29,065</b>	<b>68,458</b>
<b>Outcome 10 totals by appropriation type</b>		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	17,757	40,924
Special Accounts	558	12,168
Departmental expenses		
Departmental appropriation <sup>2</sup>	10,002	14,629
Expenses not requiring appropriation in the budget year <sup>3</sup>	748	737
<b>Total expenses for Outcome 10</b>	<b>29,065</b>	<b>68,458</b>

	2013-14	2014-15
Average staffing level (number)	51	75

- 1 This programme includes National Partnerships paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National partnerships are listed in this chapter under each programme. For budget estimates relating to the National Partnership component of the programme, please refer to Budget Paper 3 or Programme 1.10 of the Treasury Portfolio Budget Statements.
- 2 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 3 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 10.1: Sport and Recreation

### Programme Objectives

#### *Increase participation in sport and recreation*

The Australian Government recognises the benefits associated with participation in sport and physical recreation, including the contribution of sport to helping all Australians live active and healthy lives.

The Department works to develop, implement and promote policies and strategies to support participation in sport and physical activity. This includes working with Australian Government agencies, States and Territories, academia and other stakeholders to support increased participation in sport for all Australians.

In 2014-15, the Department will support the Australian Sports Commission as it implements the Government's new \$100 million Sporting Schools initiative to encourage school children to take part in sport-based physical activity before, during and after school. The initiative which replaces the Active After-School Communities programme from 1 January 2015, will help schools run activities across up to 35 major sports for three terms each year.

#### *Support for upcoming major sporting events*

The Department will support the hosting of selected major international sporting events in Australia, including the 2015 AFC Asian Cup, the ICC Cricket World Cup 2015 (co-hosted by New Zealand), the 2015 International Netball Federation (INF) Netball World Cup, the Rugby League International Federation (RLIF) 2017 Rugby League World Cup (co-hosted by New Zealand) and the Gold Coast 2018 Commonwealth Games. The Department will coordinate across Government to support the delivery of safe and successful events that maintain and enhance Australia's reputation as a host of world class major events.

In addition to delivering critical operational support, the Australian Government is providing \$156 million to support the development of sports infrastructure for the 2018 Gold Coast Commonwealth Games.

#### *Improve water and snow safety*

The Australian Government is committed to reducing the number of water and snow injuries and deaths in Australia. In 2014-15, the Department will provide policy support to key water and snow safety organisations to improve water and snow safety in Australia, including through implementation of the Government's commitment to reduce drownings. In implementing this commitment, the Department will provide support for initiatives to improve water safety among community groups known to miss out and high risk areas of population increase. The Department will also work with key stakeholders to provide funding to surf lifesaving clubs to purchase needed rescue equipment, first aid and medical supplies.

#### *Protecting the integrity of sport*

The Australian Government will ensure Australia's anti-doping legislative framework is consistent with the new World Anti-Doping Code. In 2014-15, the

Government will implement strategies to address a range of integrity threats and will work with partner organisations and stakeholders to help protect the integrity of major events to be held in 2015. The Department will provide support to State and Territory Governments, sports and other relevant organisations to increase their capacity to address match-fixing and other sports integrity issues in their jurisdictions.

## Programme 10.1: Expenses

**Table 10.2: Programme Expenses**

	<b>2013-14 Estimated actual \$'000</b>	<b>2014-15 Budget \$'000</b>	<b>2015-16 Forward Year 1 \$'000</b>	<b>2016-17 Forward Year 2 \$'000</b>	<b>2017-18 Forward Year 3 \$'000</b>
Annual administered expenses					
Ordinary annual services	17,757	40,924	15,220	17,007	19,179
Special account expenses					
Sport and Recreation					
Special Account	558	12,168	558	587	587
Program support	10,750	15,366	8,963	8,845	9,104
<b>Total Program 10.1 expenses</b>	<b>29,065</b>	<b>68,458</b>	<b>24,741</b>	<b>26,439</b>	<b>28,870</b>

## Programme 10.1: Deliverables

### Qualitative Deliverables for Programme 10.1

#### Increase participation in sport and recreation

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Develop, implement and promote policies and strategies to support participation in sport and physical activity	Input provided to ensure that strategies developed by relevant Australian Government agencies, States and Territories, the Australian Sports Commission and other relevant stakeholders, support increased participation, encompass health and broader whole-of-government objectives

### Support for upcoming major sporting events

Qualitative Deliverable	2014-15 Reference Point or Target
<p>Implement strategies and policies to support the hosting of major international sporting events in Australia</p> <p>Assist other government agencies in measuring success of strategies and policies</p>	<p>Strategies and policies are implemented in consultation with stakeholders, including State and Territory Governments, the New Zealand Government and event organising committees</p> <p>Contribute to the Australian Government's security plan to deliver a safe and secure event environment for athletes and spectators</p> <p>Economic, tourism and community impacts of events are measured</p>

### Protecting the integrity of sport

Qualitative Deliverables	2014-15 Reference Point or Target
Provide education and support services on sports integrity for sporting organisations	Initiate and convene regular Australian Sports Integrity Network meetings with sports relevant law enforcement and anti-doping agencies
Ensure Australia's anti-doping legislative framework is consistent with the new World-Anti Doping Code	Review and implement necessary changes to Australia's anti-doping legislation prior to commencement of the new World-Anti Doping Code on 1 January 2015

## Programme 10.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 10.1

#### Increase participation in sport and recreation

Qualitative Indicator	2014-15 Reference Point or Target
Input provided towards the development and implementation of key participation initiatives and strategies, including water and snow safety strategies, to meet the Government's priority objectives	<p>Participation strategies and initiatives reflect whole-of-government and health objectives</p> <p>Increased water and snow safety awareness, as reported by water and snow safety organisations</p>

**Support for upcoming major sporting events**

<b>Qualitative Indicator</b>	<b>2014-15 Reference Point or Target</b>
Safe and successful delivery of the 2015 AFC Asian Cup and co-delivery of the 2015 ICC Cricket World Cup Well coordinated preparation for the safe and successful delivery of the 2015 INF Netball World Cup, the RLIF 2017 Rugby League World Cup and the Gold Coast 2018 Commonwealth Games	Safe and secure delivery of both the Asian Cup and the Cricket World Cup Post event analysis indicates that trade, tourism, diplomatic and community objectives were achieved

**Protecting the integrity of sport**

<b>Qualitative Indicators</b>	<b>2014-15 Reference Point or Target</b>
Successful development and implementation of major events integrity strategies	The major events are conducted without integrity compromise of the competition or individuals involved
Increase in the capacity of Australian sports and governments to address match-fixing in their jurisdictions	Range of templates, tools and resources provided for use by sports, governments and other relevant organisations to address match-fixing

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### 3.1 Explanatory tables

#### 3.1.1 Movement of Administered Funds Between Years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

**Table 3.1.1: Movement of Administered Funds Between Years**

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Outcome 7</b>					
7.5 Health Infrastructure	(109,631)	131,465	56,147	25,017	9,296
<b>Total movement of administered funds</b>	<b>(109,631)</b>	<b>131,465</b>	<b>56,147</b>	<b>25,017</b>	<b>9,296</b>

### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

**Table 3.1.2: Estimates of Special Account Cash Glows and Balances**

		Opening balance <b>2014-15</b>	Appropriation receipts 2014-15	Other receipts 2014-15	Payments 2014-15	Closing balance 2014-15
	Outcome	2013-14 \$'000	2013-14 \$'000	2013-14 \$'000	2013-14 \$'000	2013-14 \$'000
Australian Childhood Immunisation Register (A)	1	<b>2,517</b> 2,517	<b>5,802</b> 5,747	<b>3,673</b> 3,641	<b>9,475</b> 9,388	<b>2,517</b> 2,517
Health and Hospitals Fund Heath Portfolio <sup>1</sup> (A)	7	- -	- -	<b>795,233</b> 599,801	<b>795,233</b> 599,801	- -
Local Hospital Network (A)	4	1,261 1,261	- -	- -	- -	<b>1,261</b> 1,261
Human Pituitary Hormones (A)	9	<b>2,837</b> 2,987	- -	- -	<b>160</b> 150	<b>2,677</b> 2,837
National Industrial Chemicals Notification and Assessment Scheme (D)	7	<b>9,717</b> 10,319	<b>354</b> 436	<b>12,969</b> 14,030	<b>13,267</b> 15,068	<b>9,773</b> 9,717
Office of Gene Technology Regulator (D)	7	<b>6,828</b> 6,828	<b>7,830</b> 7,976	<b>171</b> 166	<b>8,001</b> 8,142	<b>6,828</b> 6,828
Services for Other Entities and Trust Moneys (S)	various	<b>8,350</b> 26,581	<b>5,976</b> 12,277	<b>9,164</b> 12,606	<b>17,546</b> 43,114	<b>5,944</b> 8,350
Sport and Recreation (A)	10	<b>2,042</b> 2,013	- -	<b>12,197</b> 587	<b>12,168</b> 558	<b>2,071</b> 2,042
Therapeutic Goods Administration (D)	7	<b>54,806</b> 58,342	<b>7,664</b> 4,898	<b>131,994</b> 128,900	<b>147,736</b> 137,334	<b>46,728</b> 54,806
<b>Total Special Accounts 2014-15 Estimate</b>		<b>88,358</b>	<b>27,626</b>	<b>965,401</b>	<b>1,003,586</b>	<b>77,799</b>
<i>Total Special Accounts 2013-14 estimated actual</i>		<i>110,848</i>	<i>31,334</i>	<i>759,731</i>	<i>813,555</i>	<i>88,358</i>

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

- 1 The Health and Hospitals Fund (HHF) is established and funded under the *Nation-building Funds Act 2008*. Following the transfer of the uncommitted balance of the HHF to the Medical Research Future Fund, the *Nation-building Funds Act 2008* is due to be repealed and funding for existing activity is expected to be met by Special Appropriation provisions from 1 January 2015.



### 3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000		
Department of Health						
Outcome 1						
Administered 2014-15	3,931		6,900	10,831		10,831
Administered 2013-14	3,710		7,100	10,810		10,810
Departmental 2014-15				-		-
Departmental 2013-14				-		-
Total outcome 2014-15	3,931	-	6,900	10,831	-	10,831
Total outcome 2013-14	3,710	-	7,100	10,810	-	10,810
Outcome 2						
Administered 2014-15	3,120		45,500	48,620		48,620
Administered 2013-14	3,111		43,500	46,611		46,611
Departmental 2014-15				-		-
Departmental 2013-14				-		-
Total outcome 2014-15	3,120	-	45,500	48,620	-	48,620
Total outcome 2013-14	3,111	-	43,500	46,611	-	46,611
Outcome 3						
Administered 2014-15	9,439		42,273	51,712		51,712
Administered 2013-14	9,309		34,312	43,621		43,621
Departmental 2014-15				-		-
Departmental 2013-14				-		-
Total outcome 2014-15	9,439	-	42,273	51,712	-	51,712
Total outcome 2013-14	9,309	-	34,312	43,621	-	43,621
Outcome 5						
Administered 2014-15	731,189			731,189		731,189
Administered 2013-14	798,999			798,999		798,999
Departmental 2014-15	48,886			48,886		48,886
Departmental 2013-14	53,917			53,917		53,917
Total outcome 2014-15	780,075	-	-	780,075	-	780,075
Total outcome 2013-14	852,916	-	-	852,916	-	852,916

Table 3.1.3: Australian Government Indigenous Expenditure (Cont.)

Outcome	Appropriations			Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special appro \$'000		
	Total appro \$'000				
Department of Health					
Outcome 7					
Administered 2014-15	277			277	277
Administered 2013-14	1,025			1,025	1,025
Departmental 2014-15				-	-
Departmental 2013-14				-	-
Total outcome 2014-15	277	-	-	277	277
Total outcome 2013-14	1,025	-	-	1,025	1,025
Outcome 8					
Administered 2014-15	31,682			31,682	31,682
Administered 2013-14	14,854			14,854	14,854
Departmental 2014-15				-	-
Departmental 2013-14				-	-
Total outcome 2014-15	31,682	-	-	31,682	31,682
Total outcome 2013-14	14,854	-	-	14,854	14,854
Total administered 2014-15	779,638	-	94,673	874,310	874,310
Total administered 2013-14	831,008	-	84,912	915,919	915,919
Total departmental 2014-15	48,886	-	-	48,886	48,886
Total departmental 2013-14	53,917	-	-	53,917	53,917
Total AGIE 2014-15	828,524	-	94,673	923,196	923,196
Total AGIE 2013-14	884,925	-	84,912	969,836	969,836

## **3.2 Budgeted Financial Statements**

### **3.2.1 Analysis of Budgeted Financial Statements**

#### **Departmental**

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

#### **Comprehensive Income Statement**

The Department is anticipating a break-even position net of unfunded depreciation from 2014-15 to 2017-18, and an approved operating loss of \$5.1 million in 2013-14 net of unfunded depreciation.

The revenues and expense estimates reflect the transfer of the aged care function to the Department of Social Services (DSS), the transfer of some Indigenous policy functions to the Department of the Prime Minister and Cabinet (PM&C), and the transfer of the sport policy and programmes from the former Department of Regional Australia, Local Government, Arts and Sport, as part of the September 2013 Administrative Arrangements Order (AAO).

Net movements in appropriation revenues are consistent with Government decisions. Measures for the 2014-15 Budget are reported in Table 1.3.1.

Revenues from external sources primarily relate to the cost recovery operations of TGA and NICNAS.

Expenses are consistent with income projections driven by Government decisions and external sources.

#### **Balance Sheet**

The changes to asset and liability estimates are largely a result of the transfer of functions under the AAO referred to above.

Assets and liabilities are generally estimated to remain relatively stable across the forward years.

#### **Cash Flow**

Cash flows are consistent with projected income and expense, capital injections from Government and investments in property, infrastructure, plant and equipment.

## Administered

### Schedule of Budgeted Income and Expenses

The administered revenues and expense estimates reflect the transfer of the aged care function to DSS, the transfer of some Indigenous policy functions to PM&C, and the transfer of the sport policy and programmes from the former Department of Regional Australia, Local Government, Arts and Sport, as part of the September 2013 AAO changes.

#### Income

Revenue estimates include levies for the run-off cover scheme, the private health insurance risk equalisation and administration levy and revenues relating to pharmaceutical and Medicare recoveries.

Revenue reduces from 2013-14 to 2014-15 as a result of the aged care programme being transferred to DSS as noted above.

#### Subsidies and Grants expense

Subsidy and grant estimates also reduce from 2013-14 to 2014-15 as a result of the aged care programme revenues being transferred to DSS as noted above.

#### Personal Benefits expense

Personal benefits include Pharmaceutical and Medicare benefits and the Private Health Insurance rebate.

### Schedule of Budgeted Assets and Liabilities

The Administered Balance Sheet primarily reports movements in liabilities, including estimates for accrued liabilities for unpaid amounts relating to; medical benefits, pharmaceutical benefits, and the private health insurance rebate. The Administered Balance Sheet also includes estimates for the value of the National Medical Stockpile inventories.

### Schedule of Administered Capital Budget

An additional \$5.7 million for capital funding in 2014-15 to provide for the replenishment of the National Medical Stockpile.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	533,139	454,860	432,832	424,949	428,533
Supplier expenses	199,320	179,363	159,643	160,121	162,956
Depreciation and amortisation	39,124	38,456	33,082	27,387	28,209
Other expenses	2,000	2,032	2,032	2,032	2,032
<b>Total expenses</b>	<b>773,583</b>	<b>674,711</b>	<b>627,589</b>	<b>614,489</b>	<b>621,730</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	154,195	156,444	158,367	159,923	161,496
Interest	-	-	2,300	2,300	2,300
Other revenue	3,166	10,558	10,863	11,168	11,468
<b>Total revenue</b>	<b>157,361</b>	<b>167,002</b>	<b>171,530</b>	<b>173,391</b>	<b>175,264</b>
<b>Gains</b>					
Other	964	964	964	964	964
<b>Total gains</b>	<b>964</b>	<b>964</b>	<b>964</b>	<b>964</b>	<b>964</b>
<b>Total own-source income</b>	<b>158,325</b>	<b>167,966</b>	<b>172,494</b>	<b>174,355</b>	<b>176,228</b>
<b>Net cost of (contribution by) services</b>	<b>615,258</b>	<b>506,745</b>	<b>455,095</b>	<b>440,134</b>	<b>445,502</b>
Revenue from Government	575,568	473,675	428,470	420,337	426,014
<b>Surplus (Deficit)</b>	<b>(39,690)</b>	<b>(33,070)</b>	<b>(26,625)</b>	<b>(19,797)</b>	<b>(19,488)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(39,690)</b>	<b>(33,070)</b>	<b>(26,625)</b>	<b>(19,797)</b>	<b>(19,488)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(39,690)</b>	<b>(33,070)</b>	<b>(26,625)</b>	<b>(19,797)</b>	<b>(19,488)</b>

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

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

	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>-39,690</b>	<b>-33,070</b>	<b>-26,625</b>	<b>-19,797</b>	<b>-19,488</b>
plus non-appropriated expenses depreciation and amortisation expenses	34,590	33,070	26,625	19,797	19,488
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-5,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June) – Department of Health**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,096	4,015	4,006	4,006	4,006
Receivables	154,178	141,014	136,218	125,263	136,117
Other	437	437	437	437	437
<b>Total financial assets</b>	<b>158,711</b>	<b>145,466</b>	<b>140,661</b>	<b>129,706</b>	<b>140,560</b>
<b>Non-financial assets</b>					
Land and buildings	52,359	47,973	43,489	44,296	41,551
Property, plant and equipment	13,692	9,205	8,147	8,393	8,030
Inventories	186	186	186	186	186
Intangibles	113,754	113,680	108,254	97,597	91,403
Other	5,005	5,005	5,005	5,005	5,005
<b>Total non-financial assets</b>	<b>184,996</b>	<b>176,049</b>	<b>165,081</b>	<b>155,477</b>	<b>146,175</b>
<b>Total assets</b>	<b>343,707</b>	<b>321,515</b>	<b>305,742</b>	<b>285,183</b>	<b>286,735</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	59,810	59,810	59,810	59,810	59,810
Other payables	36,893	37,425	37,425	29,425	37,425
<b>Total payables</b>	<b>96,703</b>	<b>97,235</b>	<b>97,235</b>	<b>89,235</b>	<b>97,235</b>
<b>Provisions</b>					
Employees	111,724	110,890	110,649	110,653	110,846
Other provisions	20,241	16,953	16,953	16,453	16,453
<b>Total provisions</b>	<b>131,965</b>	<b>127,843</b>	<b>127,602</b>	<b>127,106</b>	<b>127,299</b>
<b>Total liabilities</b>	<b>228,668</b>	<b>225,078</b>	<b>224,837</b>	<b>216,341</b>	<b>224,534</b>
<b>Net Assets</b>	<b>115,039</b>	<b>96,437</b>	<b>80,905</b>	<b>68,842</b>	<b>62,201</b>
<b>EQUITY</b>					
Contributed equity	216,587	231,055	242,148	249,882	262,729
Reserves	14,088	14,088	14,088	14,088	14,088
Retained surpluses or accumulated deficits	(115,636)	(148,706)	(175,331)	(195,128)	(214,616)
<b>Total equity</b>	<b>115,039</b>	<b>96,437</b>	<b>80,905</b>	<b>68,842</b>	<b>62,201</b>

**Table 3.2.3: Budgeted Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(115,636)	14,088	-	216,587	<b>115,039</b>
Surplus (deficit) for the period	(33,070)	-	-	-	<b>(33,070)</b>
Contribution/(Distribution) of equity	-	-	-	-	-
Appropriation (equity injection)	-	-	-	8,440	<b>8,440</b>
Capital budget - Bill 1 (DCB) <sup>1</sup>	-	-	-	6,028	<b>6,028</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(148,706)</b>	<b>14,088</b>	<b>-</b>	<b>231,055</b>	<b>96,437</b>

1 DCB = Departmental Capital Budget.



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

	<b>Estimated actual 2013-14 \$'000</b>	<b>Budget estimate 2014-15 \$'000</b>	<b>Forward estimate 2015-16 \$'000</b>	<b>Forward estimate 2016-17 \$'000</b>	<b>Forward estimate 2017-18 \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	156,492	155,769	158,367	159,923	161,496
Appropriations	779,164	574,318	521,927	520,168	501,170
Interest	-	-	2,300	2,300	2,300
Net GST received	28,767	24,429	24,164	23,847	25,001
Other cash received	3,837	14,090	13,649	11,168	11,468
<b>Total cash received</b>	<b>968,260</b>	<b>768,606</b>	<b>720,407</b>	<b>717,406</b>	<b>701,435</b>
<b>Cash used</b>					
Employees	597,086	458,695	433,073	432,945	420,340
Suppliers	215,040	178,451	161,414	159,657	161,992
Net GST paid	28,048	24,429	24,164	23,847	25,001
Cash to the Official Public Account	90,528	86,804	88,712	88,876	86,010
Other	20,997	5,267	2,032	2,032	2,032
<b>Total cash used</b>	<b>951,699</b>	<b>753,646</b>	<b>709,395</b>	<b>707,357</b>	<b>695,375</b>
<b>Net cash from (or used by) operating activities</b>	<b>16,561</b>	<b>14,960</b>	<b>11,012</b>	<b>10,049</b>	<b>6,060</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	40,853	29,509	22,114	17,783	18,907
<b>Total cash used</b>	<b>40,853</b>	<b>29,509</b>	<b>22,114</b>	<b>17,783</b>	<b>18,907</b>
<b>Net cash from (or used by) investing activities</b>	<b>(40,853)</b>	<b>(29,509)</b>	<b>(22,114)</b>	<b>(17,783)</b>	<b>(18,907)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	19,252	14,468	11,093	7,734	12,847
<b>Total cash received</b>	<b>19,252</b>	<b>14,468</b>	<b>11,093</b>	<b>7,734</b>	<b>12,847</b>
<b>Net cash from (or used by) financing activities</b>	<b>19,252</b>	<b>14,468</b>	<b>11,093</b>	<b>7,734</b>	<b>12,847</b>
Net cash from AAO transfers	5,188				
<b>Net increase (or decrease) in cash held</b>	<b>148</b>	<b>(81)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,948	4,096	4,015	4,006	4,006
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>4,096</b>	<b>4,015</b>	<b>4,006</b>	<b>4,006</b>	<b>4,006</b>

Table 3.2.5: Departmental Capital Budget Statement – Department of Health

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB) <sup>1</sup>	6,564	6,028	6,227	5,868	10,981
Equity injections - Bill 2	15,130	8,440	4,866	1,866	1,866
<b>Total capital appropriations</b>	<b>21,694</b>	<b>14,468</b>	<b>11,093</b>	<b>7,734</b>	<b>12,847</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	19,252	14,468	11,093	7,734	12,847
Other	2,442	-	-	-	-
<b>Total items</b>	<b>21,694</b>	<b>14,468</b>	<b>11,093</b>	<b>7,734</b>	<b>12,847</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	25,245	8,840	4,866	1,866	1,866
Funded by capital appropriation - DCB <sup>1</sup>	6,564	6,028	6,227	7,857	10,981
Funded internally from departmental resources	9,044	14,641	11,021	8,060	6,060
<b>Total acquisitions of non-financial assets</b>	<b>40,853</b>	<b>29,509</b>	<b>22,114</b>	<b>17,783</b>	<b>18,907</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>40,853</b>	<b>29,509</b>	<b>22,114</b>	<b>17,783</b>	<b>18,907</b>
<b>Total cash used to acquire assets</b>	<b>52,533</b>	<b>61,966</b>	<b>31,269</b>	<b>25,782</b>	<b>18,068</b>

1 DCB = Departmental Capital Budget.

**Table 3.2.6: Statement of Asset Movements (2014-15) – Department of Health**

	Buildings	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>				
Gross book value	107,395	34,661	203,101	<b>345,157</b>
Accumulated depreciation/amortisation and impairment	55,036	20,969	89,347	<b>165,352</b>
<b>Opening net book balance</b>	<b>52,359</b>	<b>13,692</b>	<b>113,754</b>	<b>179,805</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	8,840	<b>8,840</b>
By purchase - appropriation ordinary annual services	2,188	513	3,327	<b>6,028</b>
By purchase - other	3,248	2,063	9,330	<b>14,641</b>
<b>Sub-total</b>	<b>5,436</b>	<b>2,576</b>	<b>21,497</b>	<b>29,509</b>
<b>Other movements</b>				
Depreciation/amortisation expense	9,822	7,063	21,571	<b>38,456</b>
<b>As at 30 June 2015</b>				
Gross book value	112,831	37,237	224,598	<b>374,666</b>
Accumulated depreciation/amortisation and impairment	64,858	28,032	110,918	<b>203,808</b>
<b>Closing net book balance</b>	<b>47,973</b>	<b>9,205</b>	<b>113,680</b>	<b>170,858</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Other taxes, fees and fines	26,036	26,036	26,036	26,036	26,036
<b>Total taxation</b>	<b>26,036</b>	<b>26,036</b>	<b>26,036</b>	<b>26,036</b>	<b>26,036</b>
<b>Non-taxation</b>					
Other sources of non-taxation revenues	1,306,808	1,205,060	1,272,992	1,365,264	1,432,878
<b>Total non-taxation</b>	<b>1,306,808</b>	<b>1,205,060</b>	<b>1,272,992</b>	<b>1,365,264</b>	<b>1,432,878</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,332,844</b>	<b>1,231,096</b>	<b>1,299,028</b>	<b>1,391,300</b>	<b>1,458,914</b>
<b>Gains</b>					
Other gains	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>1,332,844</b>	<b>1,231,096</b>	<b>1,299,028</b>	<b>1,391,300</b>	<b>1,458,914</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	246,751	258,155	208,737	209,370	211,593
Subsidies	2,514,108	41,778	20,124	20,507	20,917
Personal benefits	35,513,269	37,495,481	37,930,508	40,066,532	41,904,789
Grants	6,993,526	6,572,171	6,152,001	6,066,130	6,411,404
Depreciation/amortisation	18,309	18,309	18,309	18,308	-
Write down and impairment of assets	17,301	25,978	6,407	12,814	12,814
CAC Act body payment items	198,178	296,283	287,103	285,476	248,096
<b>Total expenses administered on behalf of Government</b>	<b>45,501,442</b>	<b>44,708,155</b>	<b>44,623,189</b>	<b>46,679,137</b>	<b>48,809,613</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	496,418	564,678	579,118	606,777	634,370
Investments	193,606	195,106	195,106	195,106	195,106
<b>Total financial assets</b>	<b>690,024</b>	<b>759,784</b>	<b>774,224</b>	<b>801,883</b>	<b>829,476</b>
<b>Non-financial assets</b>					
Land and buildings	20,460	20,460	20,460	20,460	20,460
Intangibles	54,926	36,617	18,308	-	-
Inventories	196,601	177,865	171,458	158,644	145,830
<b>Total non-financial assets</b>	<b>271,987</b>	<b>234,942</b>	<b>210,226</b>	<b>179,104</b>	<b>166,290</b>
<b>Total assets administered on behalf of Government</b>	<b>962,011</b>	<b>994,726</b>	<b>984,450</b>	<b>980,987</b>	<b>995,766</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	27,187	27,187	27,187	27,187	27,187
Subsidies	298,296	297,796	296,696	294,796	296,196
Personal benefits payable	1,978,154	2,052,206	2,137,106	2,265,457	2,419,364
Grants	347,743	374,127	406,202	445,015	485,520
Other	42,396	42,396	42,396	42,396	42,396
<b>Total payables</b>	<b>2,693,776</b>	<b>2,793,712</b>	<b>2,909,587</b>	<b>3,074,851</b>	<b>3,270,663</b>
<b>Total liabilities administered on behalf of Government</b>	<b>2,693,776</b>	<b>2,793,712</b>	<b>2,909,587</b>	<b>3,074,851</b>	<b>3,270,663</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	26,036	26,036	26,036	26,036	26,036
Interest	-	-	-	-	-
Net GST received	393,728	393,728	393,728	393,728	393,728
Other	1,806,964	1,919,836	1,638,112	1,484,588	1,594,343
<b>Total cash received</b>	<b>2,226,728</b>	<b>2,339,600</b>	<b>2,057,876</b>	<b>1,904,352</b>	<b>2,014,107</b>
<b>Cash used</b>					
Grant payments	6,583,131	6,033,980	6,023,391	6,233,605	6,607,277
Subsidies	2,515,394	41,778	20,124	20,507	20,917
Personal benefits	35,453,590	37,444,660	37,914,587	39,950,390	41,752,591
Suppliers	271,265	253,229	208,179	208,783	211,006
Net GST paid	393,728	393,728	393,728	393,728	393,728
Other	578,501	795,233	360,238	70,588	10,318
<b>Total cash used</b>	<b>45,795,609</b>	<b>44,962,608</b>	<b>44,920,247</b>	<b>46,877,601</b>	<b>48,995,837</b>
<b>Net cash from (or used by) operating activities</b>	<b>(43,568,881)</b>	<b>(42,623,008)</b>	<b>(42,862,371)</b>	<b>(44,973,249)</b>	<b>(46,981,730)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Administered GST					
Appropriations	393,728	393,728	393,728	393,728	393,728
<b>Total cash received</b>	<b>393,728</b>	<b>393,728</b>	<b>393,728</b>	<b>393,728</b>	<b>393,728</b>
<b>Cash used</b>					
Return of GST	393,728	393,728	393,728	393,728	393,728
Investment in Portfolio Agencies	-	1,500	-	-	-
<b>Total cash used</b>	<b>393,728</b>	<b>395,228</b>	<b>393,728</b>	<b>393,728</b>	<b>393,728</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>(1,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(43,568,881)</b>	<b>(42,624,508)</b>	<b>(42,862,371)</b>	<b>(44,973,249)</b>	<b>(46,981,730)</b>
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations	44,783,941	43,763,024	44,137,143	46,325,648	48,400,541
- capital injections	18,139	7,242	-	-	-
Cash to the Official Public Account	(1,233,199)	(1,145,758)	(1,274,772)	(1,352,399)	(1,418,811)
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2.10: Schedule of Administered Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Administered assets	16,579	5,682	-	-	-
<b>Total capital appropriations</b>	<b>16,579</b>	<b>5,682</b>	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	16,579	5,682	-	-	-
<b>Total items</b>	<b>16,579</b>	<b>5,682</b>	-	-	-
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	18,139	7,242	-	-	-
<b>Total acquisition of non- financial assets</b>	<b>18,139</b>	<b>7,242</b>	-	-	-

**Table 3.2.11: Statement of Administered Asset Movements (2014-15) – Department of Health**

	Land \$'000	Buildings \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	1,760	20,365	91,544	<b>113,669</b>
Accumulated depreciation/amortisation and impairment	-	1,665	36,618	<b>38,283</b>
<b>Opening net book balance</b>	<b>1,760</b>	<b>18,700</b>	<b>54,926</b>	<b>75,386</b>
<b>CAPITAL ASSET ADDITIONS</b>				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Movements</b>				
Depreciation/amortisation expense	-	-	18,309	<b>18,309</b>
Impairments	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	1,760	20,365	91,544	<b>113,669</b>
Accumulated depreciation/amortisation and impairment	-	1,665	54,927	<b>56,592</b>
<b>Closing net book balance</b>	<b>1,760</b>	<b>18,700</b>	<b>36,617</b>	<b>57,077</b>





# **AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE**

## **Agency Resources and Planned Performance**



# Australian Commission on Safety and Quality in Health Care

Health Portfolio Agency



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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government aims to improve the long-term capacity and the quality and safety of Australia's health care system. This will be achieved in part through the work of the Australian Commission on Safety and Quality in Health Care (ACSQHC).

The ACSQHC was established by the Council of Australian Governments to lead and coordinate national improvements in safety and quality in health care. This includes providing strategic advice to Health Ministers on best practice to drive safety and quality improvements. The ACSQHC will develop and support national safety and clinical standards, formulate and implement national accreditation schemes and develop national datasets. It will also work towards identifying and reducing unwarranted variation in practice and outcomes for individuals and populations, and nationally coordinated action to address health care associated infections and antimicrobial resistance.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

The *National Health Reform Act 2011* specifies the roles and responsibilities of the ACSQHC as a permanent, independent authority under the *Commonwealth Authorities and Companies Act 1997*. From 1 July 2014, ACSQHC will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: ACSQHC Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
Opening balance/reserves at bank	7,050	-	7,050	7,050
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	-	-	-
<b>Total ordinary annual services</b>	-	-	-	-
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	-	-	-
<b>Payments from related entities<sup>3</sup></b>				
Amounts from Other Government Entities	-	322	322	2,573
Amounts from the Portfolio Department	-	12,957	12,957	15,126
<b>Total payments</b>	-	13,279	13,279	17,699
<b>Total funds from Government</b>	-	13,279	13,279	17,699
<b>FUNDS FROM OTHER SOURCES</b>				
State Government Contributions	-	6,760	6,760	6,335
Interest	-	200	200	200
<b>Total other sources</b>	-	6,960	6,960	6,535
<b>Total net resourcing for ACSQHC</b>	<b>7,050</b>	<b>20,239</b>	<b>27,289</b>	<b>31,284</b>

Notes:

All figures are GST exclusive.

ACSQHC is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to the ACSQHC and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.

## 1.3 Budget Measures

Budget measures relating to ACSQHC are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: ACSQHC Budget Measures**

Section 1.3.1 is not applicable to ACSQHC in 2014-15.

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

<b>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</b>
--

#### Outcome Strategy

Nationally consistent health services and clinical standards and guidelines for safety and quality in health care are necessary to deliver informed, evidence-based improvements across the health care system. The ACSQHC was established to develop more effective and nationally consistent standards for health care safety and quality.

Following consultation with industry and approval from Health Ministers, the ACSQHC developed the National Safety and Quality Health Service (NSQHS) Standards for health services. The ACSQHC also works with jurisdictions to coordinate the implementation of those standards and monitor their effectiveness. The ACSQHC is also developing clinical care standards that describe the clinical care that a patient should be offered for a specific clinical condition. The ACSQHC obtains, analyses and interprets a range of data to support its role in driving safety and quality improvements across the health system.

The ACSQHC engages with a range of stakeholders, including clinicians, consumers, State and Territory Governments, public health bodies and private sector health providers, to promote awareness of health care safety and quality, and clinical and health service standards.

## ACSQHC Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for ACSQHC by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for ACSQHC**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>Programme 1.1: Safety and quality in health care</b>					
Revenue from Government					
Amounts from the Portfolio Department	15,126	12,957	11,858	7,811	7,406
Amounts from Other Government Entities	2,573	322	-	-	-
Revenues from independent sources	6,535	6,960	7,390	7,606	7,606
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Programme 1.1</b>	<b>24,234</b>	<b>20,239</b>	<b>19,248</b>	<b>15,417</b>	<b>15,012</b>
<b>Total expenses for Outcome 1</b>	<b>24,234</b>	<b>20,239</b>	<b>19,248</b>	<b>15,417</b>	<b>15,012</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	68	77			



## **Programme 1.1: Safety and Quality in Health Care**

### **Programme Objectives**

*Increase support for the implementation of safety and quality improvements in health care*

In 2014-15, the ACSQHC will continue to support implementation of agreed safety and quality improvement priorities. The ACSQHC will ensure that the resources it produces meet the needs of clinicians and consumers.

*Coordinate implementation of National Safety and Quality Health Services Standards*

The ACSQHC will drive the uptake and monitor the effectiveness of NSQHS Standards by administering the accreditation of health service providers through the Australian Health Services Safety and Quality Accreditation Scheme. In addition, the ACSQHC will continue to support health services and accrediting agencies to implement the NSQHS Standards.

*Develop clinical standards of care*

The development of national clinical standards and their associated quality measures is a key function of the ACSQHC. In 2014-15, the ACSQHC will, in consultation with expert clinicians and clinical groups, develop clinical standards focusing on areas of high volume, high cost care where there is known variation from well-established models of care.

*Reduce unwarranted variation in practices and outcomes for individuals and populations*

Unwarranted variation indicates underuse and/or overuse of health care services, raising questions about the overall productivity, safety and quality of health care delivery. The ACSQHC will work towards identifying the extent of unwarranted variation in practice, building on work that is being coordinated at an international level by the Organisation for Economic Co-operation and Development (OECD).

The ACSQHC will work with the Department to implement new arrangements targeting Commonwealth priorities to reduce unwarranted clinical variation (refer Outcome 7, Health Infrastructure, Regulation, Safety and Quality).

*Nationally coordinated action to address health care associated infections and antimicrobial resistance*

The ACSQHC will work with the Department and the jurisdictions to provide a nationally coordinated approach to the prevention of antimicrobial resistance and health care associated infection for human health.

*Increase analytical capacity of health information standards and indicators*

The ACSQHC is identifying and specifying health systems and safety and quality indicators to assist acute and primary care providers to improve the safety and quality performance of health care. The ACSQHC develops these indicators in collaboration with stakeholders.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

**Increase support for the implementation of safety and quality improvements in health care**

Qualitative Deliverable	2014-15 Reference Point or Target
Provide safety and quality information and resources to clinicians and the public	Development and distribution of sector-specific implementation tools and resources for the public and private acute sector and primary care Reporting in the Annual Report on the state of safety and quality in health care

### Develop clinical standards of care

Qualitative Deliverable	2014-15 Reference Point or Target
Develop National Clinical Care Standards for consultation, informed by outcomes from the work on unwarranted clinical variation	Clinical standards focusing on high impact, high burden and high variation areas of clinical care

### Reduce unwarranted variation in practices and outcomes for individuals and populations

Qualitative Deliverable	2014-15 Reference Point or Target
Production of an Australian Atlas of Clinical Variation covering clinical topic areas agreed by Commonwealth, States and Territories	Produce and disseminate maps of health care variations in Australia for a set of topic areas agreed by the Commonwealth, States and Territories

### Nationally coordinated action to address health care associated infections and antimicrobial resistance

Qualitative Deliverable	2014-15 Reference Point or Target
Develop a national approach to reporting and surveillance of antibiotic usage, antimicrobial resistance and health care associated infections across Australia	Develop the framework for the surveillance through the collection and analysis of data on antimicrobial resistance from a nation-wide network of state-based surveillance systems

## Quantitative Deliverable for Programme 1.1

Increase analytical capacity of health information standards and indicators

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Condition specific clinical indicator sets developed	3	2 <sup>1</sup>	2	3	3

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

Coordinate implementation of National Safety and Quality Health Services Standards

Qualitative Indicator	2014-15 Reference Point or Target
Successful implementation of the NSQHS Standards	Successful negotiations with States and Territories on arrangements for the implementation of the NSQHS Standards in hospitals and day procedure hospitals

### Quantitative Key Performance Indicators for Programme 1.1

Increase support for the implementation of safety and quality improvements in health care

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of public hospital beds for which compliance data is submitted to the National Hand Hygiene Initiative	≥90%	≥95%	≥95%	≥95%	≥95%

<sup>1</sup> Targets have been revised as the Commission is developing Clinical Care Standards for jurisdictions and the broader health system. Condition specific indicators are developed to support Clinical Care Standards. Two Clinical Care Standards will be produced in 2014-15 and 2015-16, and two condition-specific clinical indicator sets will be developed to support these Standards.

**Coordinate implementation of National Safety and Quality Health Services Standards**

<b>Quantitative Indicators</b>	<b>2013-14 Revised Budget</b>	<b>2014-15 Budget Target</b>	<b>2015-16 Forward Year 1</b>	<b>2016-17 Forward Year 2</b>	<b>2017-18 Forward Year 3</b>
Number of clinicians completing the health care associated infection online education modules	≥7,000	≥10,000	≥10,000	≥10,000	≥10,000
Percentage of hospitals and day procedure services assessed to the NSQHS Standards	30%	70%	100%	100%	100%

ACSQHC

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to ACSQHC.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to ACSQHC.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable as ACSQHC has no specific Indigenous expenditure.

## 3.2 Budgeted Financial Statements

### 3.2.1 Differences in agency resourcing and financial statements

Section 3.2.1 is not applicable to ACSQHC.

### 3.2.2 Analysis of budgeted financial statements

An analysis of ACSQHC's budgeted financial statements is provided below.

#### Departmental Resources

##### Comprehensive Income Statement

ACSQHC Workplan operational costs are funded jointly by the Australian Government and state and territory governments on a 50:50 basis through annual contributions.

ACSQHC's total resourcing available for 2014-15 is estimated at \$27.3 million, including Commonwealth and state Workplan funding of \$13.5 million<sup>2</sup> and other carry forward and funding receipts of \$13.8 million. In 2015-16, estimated resourcing for the ACSQHC (\$26.3 million) includes the full year of funding for the delivery of ACSQHC's programmes and projects, as well as the associated agency management costs. This is consistent into the forward year estimates.

##### Balance Sheet

ACSQHC's total asset and liabilities are expected to remain stable over the forward years. The assets are budgeted to comprise predominantly of cash and non-financial assets. The liabilities are budgeted to comprise of suppliers payable, employee entitlements and deferred revenue.

<sup>2</sup> The total level of funding to be delivered to the ACSQHC is contingent on the states and territories collectively matching the Commonwealth's funding contribution.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	10,543	10,336	10,249	8,976	9,023
Supplier expenses	13,691	9,903	8,999	6,441	5,989
<b>Total expenses</b>	<b>24,234</b>	<b>20,239</b>	<b>19,248</b>	<b>15,417</b>	<b>15,012</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Interest	200	200	200	200	200
Other	8,908	7,082	7,190	7,406	7,406
<b>Total revenue</b>	<b>9,108</b>	<b>7,282</b>	<b>7,390</b>	<b>7,606</b>	<b>7,606</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>9,108</b>	<b>7,282</b>	<b>7,390</b>	<b>7,606</b>	<b>7,606</b>
<b>Net cost of (contribution by) services</b>	<b>15,126</b>	<b>12,957</b>	<b>11,858</b>	<b>7,811</b>	<b>7,406</b>
Revenue from Government	15,126	12,957	11,858	7,811	7,406
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,050	7,050	7,050	7,050	7,050
Other	1,250	1,341	1,435	1,435	1,435
<b>Total financial assets</b>	<b>8,300</b>	<b>8,391</b>	<b>8,485</b>	<b>8,485</b>	<b>8,485</b>
<b>Non-financial assets</b>					
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Other	356	456	556	556	556
<b>Total non-financial assets</b>	<b>356</b>	<b>456</b>	<b>556</b>	<b>556</b>	<b>556</b>
<b>Total assets</b>	<b>8,656</b>	<b>8,847</b>	<b>9,041</b>	<b>9,041</b>	<b>9,041</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	6,270	6,428	6,587	6,587	6,587
<b>Total payables</b>	<b>6,270</b>	<b>6,428</b>	<b>6,587</b>	<b>6,587</b>	<b>6,587</b>
<b>Provisions</b>					
Employees	1,423	1,456	1,491	1,491	1,491
<b>Total provisions</b>	<b>1,423</b>	<b>1,456</b>	<b>1,491</b>	<b>1,491</b>	<b>1,491</b>
<b>Total liabilities</b>	<b>7,693</b>	<b>7,884</b>	<b>8,078</b>	<b>8,078</b>	<b>8,078</b>
<b>Net Assets</b>	<b>963</b>	<b>963</b>	<b>963</b>	<b>963</b>	<b>963</b>
<b>EQUITY</b>					
Contributed Equity	1,844	1,844	1,844	1,844	1,844
Reserves	(3)	(3)	(3)	(3)	(3)
Retained surpluses or accumulated deficits	(878)	(878)	(878)	(878)	(878)
<b>Total equity</b>	<b>963</b>	<b>963</b>	<b>963</b>	<b>963</b>	<b>963</b>



**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement  
(Budget year 2014-15)**

	<b>Retained earnings</b>	<b>Asset revaluation reserve</b>	<b>Other reserves</b>	<b>Contributed equity/ capital</b>	<b>Total equity</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(878)	(3)	-	1,844	<b>963</b>
Surplus (deficit) for the period	-	-	-	-	-
Contribution by Government	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>(878)</b>	<b>(3)</b>	<b>-</b>	<b>1,844</b>	<b>963</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Grants from Portfolio Department	15,126	12,957	11,858	7,811	7,406
State Government contributions	6,335	6,760	7,190	7,406	7,406
Amounts from Other Government Entities	2,573	322	-	-	-
Interest	200	200	200	200	200
Net GST received	500	500	500	500	500
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>24,734</b>	<b>20,739</b>	<b>19,748</b>	<b>15,917</b>	<b>15,512</b>
<b>Cash used</b>					
Employees	10,543	10,336	10,249	8,976	9,023
Suppliers	13,691	9,903	8,999	6,441	5,989
Net GST paid	500	500	500	500	500
<b>Total cash used</b>	<b>24,734</b>	<b>20,739</b>	<b>19,748</b>	<b>15,917</b>	<b>15,512</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	7,050	7,050	7,050	7,050	7,050
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	-	-	-	-	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	-	-	-	-	-
<b>Total cash used to acquire assets</b>	-	-	-	-	-

Table 3.2.6: Statement of Asset Movements (2014-15)

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
<b>Opening net book balance</b>	-	-	-	-
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - funded internally	-	-	-	-
<b>Sub-total</b>	-	-	-	-
<b>Other movements</b>				
Depreciation/amortisation expense	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
<b>Closing net book balance</b>	-	-	-	-

# **AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**

## **Agency Resources and Planned Performance**



# Australian Institute of Health and Welfare

Health Portfolio Agency



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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through the Australian Institute of Health and Welfare (AIHW), collects health and welfare-related data and information, develops specialised statistical standards and classifications relevant to health, health services and welfare services in consultation with the Australian Bureau of Statistics, and analyses and reports on the nation's health and welfare.

At a national level, and in collaboration with its stakeholders and partners in the health, housing and community services sectors, AIHW focuses on publishing high-quality and policy-relevant reports on Australia's health and welfare, providing data for performance indicators, specifying metadata<sup>1</sup> standards, improving the quality of data collections and, where possible, filling identified data and information gaps. Fulfilling the data requirements of the Council of Australian Governments (COAG) is one of AIHW's major tasks.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

The role and functions of AIHW are set out in the *Australian Institute of Health and Welfare Act 1987*. AIHW is prescribed as a Commonwealth authority under the *Commonwealth Authorities and Companies Act 1997*. From 1 July 2014, AIHW will be governed under the *Public Governance, Performance and Accountability Act 2013*.

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<sup>1</sup> Metadata is information that describes data in relation to its structure, organisation and content.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: AIHW Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Opening balance/reserves at bank</b>	18,356	-	18,356	22,558
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	15,800	15,800	15,898
<b>Total ordinary annual services</b>	-	15,800	15,800	15,898
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	15,800	15,800	15,898
<b>Payments from related entities<sup>3</sup></b>				
Amounts from the Portfolio Department	-	-	-	-
Amounts from other agencies	-	-	-	-
<b>Total payments</b>	-	-	-	-
<b>Total funds from Government</b>	-	15,800	15,800	15,898
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	758	758	958
Sale of goods and services	-	33,000	33,000	35,780
Other	-	30	30	30
<b>Total other sources</b>	-	33,788	33,788	36,768
<b>Total net resourcing for AIHW</b>	18,356	49,588	67,944	75,224

Notes:

All figures are GST exclusive.

The AIHW is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to AIHW and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.



### 1.3 Budget Measures

Budget measures relating to AIHW are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: AIHW Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Australian Institute of Health and Welfare						
Departmental expenses	1.1	-	(41)	(80)	(120)	(121)
<b>Total</b>		-	<b>(41)</b>	<b>(80)</b>	<b>(120)</b>	<b>(121)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

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

#### Outcome Strategy

Policies and programmes based on accurate, up-to-date information are more likely to lead to improved health and wellbeing for the community. AIHW publishes extensive policy related health and welfare information to assist consumers; health care, housing and community service providers; researchers; and all levels of Government. AIHW develops, maintains and promotes statistical information standards for the health, community services and housing assistance sectors, and publishes comprehensive biennial reports on Australia's health and welfare.

AIHW produces data and information in areas such as population health, health services (including hospital, screening, palliative and mental health services), disability services, community services (including those for children, youth and older people), drug and alcohol use and services, and housing and homelessness. AIHW also produces data and information on Aboriginal and Torres Strait Islander health and welfare.

Strong relationships with stakeholders are essential to the production of accurate and comparable information, including national performance indicators. AIHW, on behalf of the Australian Government, leads and collaborates on a range of information related activities with stakeholders and partners, including State and Territory Governments and the Australian Bureau of Statistics.

AIHW has agreements to provide data and statistical services to other Australian Government agencies, including the Department of Health, the Department of Social Services, the Department of Education, the Department of Infrastructure and Regional Development, the Department of Veterans' Affairs, the COAG Reform Council Secretariat and other health portfolio agencies.

## AIHW Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for AIHW by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for AIHW**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Develop, collect, analyse and report high quality national health and welfare information and statistics for governments and the community</b>					
Revenue from Government					
Amounts from the Portfolio Department	15,898	15,800	15,667	15,547	15,681
Revenues from independent sources	36,768	33,788	33,788	33,788	33,788
Operating deficit (surplus)	-	596	522	445	366
<b>Total for Programme 1.1</b>	<b>52,666</b>	<b>50,184</b>	<b>49,977</b>	<b>49,780</b>	<b>49,835</b>
<b>Total expenses for Outcome 1</b>	<b>52,666</b>	<b>50,184</b>	<b>49,977</b>	<b>49,780</b>	<b>49,835</b>
	2013-14	2014-15			
<b>Average staffing level (number)</b>	306	294			

## Programme 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community

### Programme Objectives

#### *Improve the availability of health and welfare information*

AIHW works to improve the utilisation of its data, while maintaining a strong focus on protecting the privacy of individuals. For example, in 2014-15, AIHW will: continue to operate a Data Integrating Statistical Centre to undertake high risk, complex data integration (linkage) projects; operate the National Aged Care Clearinghouse; release the first data from a new collection on maternal and perinatal illness and death; monitor cancer screening programmes; report on mental health and the use of tobacco, alcohol and illicit drugs; support the Indigenous observatory; provide more detailed analysis of health expenditure by sector and over time; and continue work to update Australia's National Burden of Disease Study.

#### *Improve the quality and timeliness of health and welfare information*

AIHW works to improve the quality and timeliness of its data releases. It does this by: supporting the production of national data standards, datasets and metadata, making them available online through the Metadata Online Registry (METeOR)<sup>2</sup> and as updates to national data dictionaries; and by implementing improved validation processes. These processes will support a richer array of data edits, reduce multiple handling of data and provide a better data audit trail. For example, in 2014-15, AIHW will: implement improved data validation processes for cancer and cancer screening collections; and report earlier in their annual production cycle than in previous years on some collections such as the alcohol and other drug treatment services collection.

#### *Strengthen policy relevance*

AIHW supplies national data to assist reporting on performance indicators and targets for national agreements, and by working to improve delivery of objective measurements of performance from a reliable evidence base. This aims to improve COAG performance indicators by: working with national information committees to develop and implement specifications; developing new data items for collection; redeveloping data standards for some collections; ensuring that nationally consistent definitions are applied; and publishing metadata that assist the interpretation of the indicators. For example, in 2014-15, AIHW will complete analyses for the Aboriginal and Torres Strait Islander Health Performance Framework.

<sup>2</sup> Further information available at: [Metadata Online Registry website](#)

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Improve the availability of health and welfare information

Qualitative Deliverables	2014-15 Reference Point or Target
Release a report on the 2013 National Drug Strategy Household Survey	Report to be released by 31 October 2014
Release the first online interactive perinatal data portal	Portal to be available by 30 June 2015
Release reports on the fatal component of burden of disease for the general Australian population and for Indigenous Australians	Reports to be released by 30 June 2015

#### Strengthen policy relevance, including assisting the COAG reform agenda

Qualitative Deliverable	2014-15 Reference Point or Target
Release an overview report on Indigenous health and welfare	Report to be released by 30 June 2015

### Quantitative Deliverables for Programme 1.1

#### Improve the availability of health and welfare information

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Improved availability of information measured by the number of:					
• publications <sup>3</sup> released	141	141	141	141	141
• products released in HTML formats <sup>4</sup>	12	17	20	23	26
• new external research projects considered by the AIHW Ethics Committee	45	48	50	52	54

<sup>3</sup> A publication is a public release of data or information on a discrete topic occurring on a single day, which was not previously publicly available. It may be in the form of a written report, data tables or other communication products, including interactive web products.

<sup>4</sup> Targets in Budget and Forward Years have been revised to reflect increasing use of HTML publication.

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Improve the availability of health and welfare information

Qualitative Indicator	2014-15 Reference Point or Target
Data releases are widely accessible within privacy and confidentiality constraints	Data releases are accessible in a number of formats, meet the requirements of funding bodies and fully comply with all privacy and confidentiality requirements

#### Strengthen policy relevance

Qualitative Indicator	2014-15 Reference Point or Target
Leadership that contributes to national information-related undertakings or requests by State and Territory Governments and the Australian Government <sup>5</sup>	Continuing involvement in the development, coordination and supply of data for Governments, including a range of performance indicators in the COAG national agreements on health, housing and homelessness, disability and Indigenous reform

### Quantitative Key Performance Indicators for Programme 1.1

#### Improve the availability of health and welfare information

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Provision of free, high quality information measured by the minimum number of:					
• website downloads of <i>Australia's health</i> <sup>6</sup>	42,000	46,500	49,500	54,000	57,000
• website downloads of <i>Australia's welfare</i> <sup>7</sup>	6,000	3,000	7,000	3,500	8,000
• visits to the AIHW's website <sup>8,9</sup>	2,400,000	2,600,000	2,800,000	3,000,000	3,200,000
• references to the agency and its products in the media	4,327	4,500	4,600	4,600	4,700

<sup>5</sup> This indicator has been revised to broaden the range of activity being measured.

<sup>6</sup> Targets in Budget and Forward Years have been revised based on more recent estimates.

<sup>7</sup> This indicator has been revised to broaden the range of activity being measured.

<sup>8</sup> This indicator has been revised to broaden the range of activity being measured.

<sup>9</sup> Figures for website visits exclude the *MyHospitals*, METeOR, Specialist Homelessness Services and Clearinghouse websites.

**Improve the quality and timeliness of health and welfare information**

<b>Quantitative Indicators</b>	<b>2013-14 Revised Budget</b>	<b>2014-15 Budget Target</b>	<b>2015-16 Forward Year 1</b>	<b>2016-17 Forward Year 2</b>	<b>2017-18 Forward Year 3</b>
Improved timeliness of statistical information products measured by the number of days between the end of their data collection period and the release of annual national publications being: <sup>10, 11</sup>					
• the average number of days <sup>12</sup>	365	300	280	270	250
• less than 6 months	20%	20%	25%	25%	30%
• more than 1 year	60%	50%	40%	35%	30%

<sup>10</sup> This relates to products that fully report or publicly release an annual national data collection that is collated by the AIHW.

<sup>11</sup> This indicator has been revised to add two further measures designed to reflect progress in relation to products where timeliness of data release is significantly more or less than average.

<sup>12</sup> Targets in forward years have been revised to reflect more recent, higher estimates.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of administered funds between years

Section 3.1.1 is not applicable to AIHW.

#### 3.1.2 Special Accounts

Section 3.1.2 is not applicable to AIHW.

#### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special appropriations \$'000	Total appropriations \$'000	\$'000	\$'000
<b>Australian Institute of Health and Welfare</b>						
<i>Administered 2014-15</i>				-		-
<i>Administered 2013-14</i>				-		-
Departmental 2014-15	1,316			1,316		1,316
<i>Departmental 2013-14</i>	1,318			1,318		1,318
Total outcome 2014-15	1,316	-	-	1,316	-	1,316
<i>Total outcome 2013-14</i>	1,318	-	-	1,318	-	1,318
Total departmental 2014-15	1,316	-	-	1,316	-	1,316
<i>Total departmental 2013-14</i>	1,318	-	-	1,318	-	1,318
<b>Total AGIE 2014-15</b>	<b>1,316</b>	<b>-</b>	<b>-</b>	<b>1,316</b>	<b>-</b>	<b>1,316</b>
<i>Total AGIE 2013-14</i>	<i>1,318</i>	<i>-</i>	<i>-</i>	<i>1,318</i>	<i>-</i>	<i>1,318</i>



## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to AIHW.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of AIHW's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

##### **Comprehensive Income Statement**

Appropriation revenue received through the Department of Health will be \$98,000 lower in 2014-15 than 2013-14. This is due to the increased efficiency dividend. Revenue from sale of goods and services in 2014-15 is expected to decrease by \$2.78 million compared to 2013-14 due to the completion of some large projects. The AIHW has budgeted to breakeven in 2014-15 prior to an accrual of \$596,000 required by accounting standards in relation to the AIHW's new office lease. This accrual will have no effect on cash balances and will reverse over the lifetime of the lease.

##### **Balance Sheet**

AIHW's cash balance and equity will remain at satisfactory levels.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	35,737	34,671	34,577	34,520	34,520
Supplier expenses	16,031	14,615	14,501	14,361	14,417
Depreciation and amortisation	898	898	899	899	898
<b>Total expenses</b>	<b>52,666</b>	<b>50,184</b>	<b>49,977</b>	<b>49,780</b>	<b>49,835</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	35,780	33,000	33,000	33,000	33,000
Interest	958	758	758	758	758
Other revenue	30	30	30	30	30
<b>Total revenue</b>	<b>36,768</b>	<b>33,788</b>	<b>33,788</b>	<b>33,788</b>	<b>33,788</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>36,768</b>	<b>33,788</b>	<b>33,788</b>	<b>33,788</b>	<b>33,788</b>
<b>Net cost of (contribution by) services</b>	<b>15,898</b>	<b>16,396</b>	<b>16,189</b>	<b>15,992</b>	<b>16,047</b>
Revenue from Government	15,898	15,800	15,667	15,547	15,681
<b>Surplus (Deficit)</b>	<b>-</b>	<b>(596)</b>	<b>(522)</b>	<b>(445)</b>	<b>(366)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>(596)</b>	<b>(522)</b>	<b>(445)</b>	<b>(366)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</b>	<b>(596)</b>	<b>(522)</b>	<b>(445)</b>	<b>(366)</b>

**Table 3.2.2: Budgeted Departmental balance sheet (as at 30 June)**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	18,356	17,604	17,604	17,931	18,583
Receivables	9,557	9,557	9,557	9,557	9,231
Other	75	75	75	75	75
<b>Total financial assets</b>	<b>27,988</b>	<b>27,236</b>	<b>27,236</b>	<b>27,563</b>	<b>27,889</b>
<b>Non-financial assets</b>					
Land and buildings	3,860	4,283	3,956	3,629	3,303
Property, plant and equipment	940	1,172	1,403	1,403	1,403
Intangibles	197	294	390	390	390
Other	767	767	767	767	767
<b>Total non-financial assets</b>	<b>5,764</b>	<b>6,516</b>	<b>6,516</b>	<b>6,189</b>	<b>5,863</b>
<b>Total assets</b>	<b>33,752</b>	<b>33,752</b>	<b>33,752</b>	<b>33,752</b>	<b>33,752</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,163	1,163	1,163	1,163	1,163
Other payables	15,782	15,782	15,782	15,782	15,782
<b>Total payables</b>	<b>16,945</b>	<b>16,945</b>	<b>16,945</b>	<b>16,945</b>	<b>16,945</b>
<b>Provisions</b>					
Employees	11,460	11,460	11,460	11,460	11,460
Other provisions	674	1,270	1,792	2,237	2,603
<b>Total provisions</b>	<b>12,134</b>	<b>12,730</b>	<b>13,252</b>	<b>13,697</b>	<b>14,063</b>
<b>Total liabilities</b>	<b>29,079</b>	<b>29,675</b>	<b>30,197</b>	<b>30,642</b>	<b>31,008</b>
<b>Net assets</b>	<b>4,673</b>	<b>4,077</b>	<b>3,555</b>	<b>3,110</b>	<b>2,744</b>
<b>EQUITY</b>					
Contributed equity	2,756	2,756	2,756	2,756	2,756
Reserves	2,288	2,288	2,288	2,288	2,288
Retained surpluses or accumulated deficits	(371)	(967)	(1,489)	(1,934)	(2,300)
<b>Total equity</b>	<b>4,673</b>	<b>4,077</b>	<b>3,555</b>	<b>3,110</b>	<b>2,744</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement  
(Budget year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(371)	2,288	-	2,756	<b>4,673</b>
Surplus (deficit) for the period	(596)	-	-	-	<b>(596)</b>
Appropriation (equity injection)	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>(967)</b>	<b>2,288</b>	<b>-</b>	<b>2,756</b>	<b>4,077</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	35,010	32,929	33,000	33,000	33,000
Appropriations	15,898	15,800	15,667	15,547	15,681
Interest	958	758	758	758	758
Net GST received	1,465	1,198	1,011	1,000	1,000
Other cash received	30	30	30	30	30
<b>Total cash received</b>	<b>53,361</b>	<b>50,715</b>	<b>50,466</b>	<b>50,335</b>	<b>50,469</b>
<b>Cash used</b>					
Employees	39,802	34,074	34,577	34,520	34,520
Suppliers	11,796	14,545	13,979	13,916	13,725
Net GST paid	1,465	1,198	1,011	1,000	1,000
<b>Total cash used</b>	<b>53,063</b>	<b>49,817</b>	<b>49,567</b>	<b>49,436</b>	<b>49,245</b>
<b>Net cash from (or used by) operating activities</b>	<b>298</b>	<b>898</b>	<b>899</b>	<b>899</b>	<b>1,224</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	4,500	1,650	899	572	572
<b>Total cash used</b>	<b>4,500</b>	<b>1,650</b>	<b>899</b>	<b>572</b>	<b>572</b>
<b>Net cash from (or used by) investing activities</b>	<b>(4,500)</b>	<b>(1,650)</b>	<b>(899)</b>	<b>(572)</b>	<b>(572)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(4,202)</b>	<b>(752)</b>	<b>-</b>	<b>327</b>	<b>652</b>
Cash and cash equivalents at the beginning of the reporting period	22,558	18,356	17,604	17,604	17,931
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>18,356</b>	<b>17,604</b>	<b>17,604</b>	<b>17,931</b>	<b>18,583</b>

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally from departmental resources	4,500	1,650	899	572	572
<b>Total acquisitions of non- financial assets</b>	<b>4,500</b>	<b>1,650</b>	<b>899</b>	<b>572</b>	<b>572</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>4,500</b>	<b>1,650</b>	<b>899</b>	<b>572</b>	<b>572</b>
<b>Total cash used to acquire assets</b>	<b>4,500</b>	<b>1,650</b>	<b>899</b>	<b>572</b>	<b>572</b>

AIHW

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant &amp; equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	6,542	2,184	1,586	<b>10,312</b>
Accumulated depreciation/amortisation and impairment	2,682	1,244	1,389	<b>5,315</b>
<b>Opening net book balance</b>	<b>3,860</b>	<b>940</b>	<b>197</b>	<b>4,997</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - internal resources	750	400	500	<b>1,650</b>
<b>Sub-total</b>	<b>750</b>	<b>400</b>	<b>500</b>	<b>1,650</b>
<b>Other movements</b>				
Depreciation/amortisation expense	327	168	403	<b>898</b>
<b>As at 30 June 2015</b>				
Gross book value	7,292	2,584	2,086	<b>11,962</b>
Accumulated depreciation/amortisation and impairment	3,009	1,412	1,792	<b>6,213</b>
<b>Closing net book balance</b>	<b>4,283</b>	<b>1,172</b>	<b>294</b>	<b>5,749</b>

# **AUSTRALIAN ORGAN AND TISSUE DONATION AND TRANSPLANTATION AUTHORITY**

## **Agency Resources and Planned Performance**





# Australian Organ and Tissue Donation and Transplantation Authority

Health Portfolio Agency



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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA) works with States and Territories, clinicians and the community sector, to deliver the national reform programme to implement a world's best practice approach to organ and tissue donation for transplantation, endorsed by the Council of Australian Governments on 3 July 2008.

AOTDTA is a statutory authority established by the *Australian Organ and Tissue Donation and Transplantation Authority Act 2008*. This Act sets out the primary responsibilities for AOTDTA and the functions of the Chief Executive Officer.

The Government will merge the functions of AOTDTA with the National Blood Authority (NBA) with a view to establishing a new independent authority by 1 July 2015. This will consolidate the management of critical clinical supplies, in collaboration with States, Territories, the Commonwealth and the private health system.

AOTDTA is a prescribed agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, AOTDTA will be governed under the *Public Governance, Performance and Accountability Act 2013*.

### 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: AOTDTA Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	1,635	-	1,635	1,635
Departmental appropriation <sup>3</sup>	-	6,052	6,052	5,841
s31 Relevant agency receipts	-	-	-	-
<b>Total</b>	<b>1,635</b>	<b>6,052</b>	<b>7,687</b>	<b>7,476</b>
<b>Administered resources<sup>1</sup></b>				
Outcome 1	-	40,394	40,394	39,680
<b>Total</b>	<b>-</b>	<b>40,394</b>	<b>40,394</b>	<b>39,680</b>
<b>Total ordinary annual services</b>	<b>1,635</b>	<b>46,446</b>	<b>48,081</b>	<b>47,156</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>1,635</b>	<b>46,446</b>	<b>48,081</b>	<b>47,156</b>
<b>Total appropriations excluding Special Accounts</b>	<b>1,635</b>	<b>46,446</b>	<b>48,081</b>	<b>47,156</b>
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	-	-	-	-
Appropriation receipts <sup>6</sup>	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>1,635</b>	<b>46,446</b>	<b>48,081</b>	<b>47,156</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for AOTDTA</b>	<b>1,635</b>	<b>46,446</b>	<b>48,081</b>	<b>47,156</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.259 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

6 Appropriation receipts from AOTDTA annual and special appropriations for 2014-15 included above.

### 1.3 Budget Measures

Budget measures relating to AOTDTA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: AOTDTA Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Australian Organ and Tissue Donation and Transplantation Authority						
Departmental	1.1	-	(16)	(30)	(46)	(46)
<b>Total</b>		-	<b>(16)</b>	<b>(30)</b>	<b>(46)</b>	<b>(46)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

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

#### Outcome Strategy

The Australian Government, through AOTDTA, aims to achieve a sustained increase in organ and tissue donation rates by implementing a nationally coordinated, world's best practice approach to organ and tissue donation for transplantation.

Evidence from comparable countries demonstrates that a coordinated national approach, focused on clinical practice reform, improves organ donation and transplantation rates.

The twin objectives of the national reform programme are to increase the capability and capacity within the health system to maximise donation rates, and to raise community awareness and stakeholder engagement across Australia to promote organ and tissue donation.

The key elements of the national reform programme are:

1. An appropriate legal and ethical framework;
2. A national coordinating body;
3. Hospital-based clinical donation specialists;
4. Specialist training for clinical staff in management of the deceased donation process and family donation conversations;
5. Implementation of a clinical governance framework that supports quality assurance and audit of hospital clinical practice and governance of the donation process;
6. Financial support to donor hospitals to ensure that costs related to donor management are not a barrier to donation;
7. Media engagement and national community awareness and education; and
8. International cooperation to share best practice.

These activities are managed by AOTDTA through the DonateLife Network, in partnership with State and Territory Governments, eye and tissue banks, community organisations, and the broad donation and transplantation clinical sectors. The DonateLife Network comprises State and Territory medical directors, organ and tissue donation agencies (DonateLife agencies) and hospital-based doctors and nurses specialising in organ and tissue donation.

## AOTDTA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for AOTDTA by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for AOTDTA**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Coordination of organ and tissue donation and transplantation</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	39,680	40,394	41,081	41,863	42,700
Departmental expenses					
Departmental appropriation <sup>1</sup>	5,841	5,793	5,726	5,688	5,744
Expenses not requiring appropriation in the budget year <sup>2</sup>	539	496	438	420	425
Operating loss	-	-	-	-	-
<b>Total for Programme 1.1</b>	<b>46,060</b>	<b>46,683</b>	<b>47,245</b>	<b>47,971</b>	<b>48,869</b>
<b>Total expenses for Outcome 1</b>	<b>46,060</b>	<b>46,683</b>	<b>47,245</b>	<b>47,971</b>	<b>48,869</b>

	2013-14	2014-15
<b>Average staffing level (number)</b>	28	28

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation

### Programme Objectives

#### *Increase sector capability*

The AOTDTA, in collaboration with State and Territory Governments and the broader DonateLife Network, has implemented the first phase of an Organ and Tissue Donation Clinical Governance Framework (CGF). From 1 July 2014, the first year of CGF implementation will be evaluated and the programme will enter into its second phase of collaborative, targeted hospital performance review and programme development.

The AOTDTA has commenced work on the development of a national vigilance and surveillance framework to support the investigation of adverse outcomes related to organ donation and transplantation. The framework will provide a central point for the reporting of adverse outcomes in organ donation and transplantation and the data will help inform clinical practice and allow for public reporting.

In 2014-15, the AOTDTA will continue to deliver specialist education for health professionals involved in family donation conversations. This education will be provided in all States and Territories through the Family Donation Conversation (FDC) workshops of the Professional Education Package. FDC workshops provide health professionals with the necessary knowledge and skills to communicate with grieving families and support them to make a fully informed and enduring decision about donation. The AOTDTA will continue to evaluate the effectiveness of the FDC training including its impact on requesting practices, family experiences and consent rates for donation.

#### *Improve community awareness*

In 2014-15, the AOTDTA will continue to educate the public about the need for family discussion and knowledge of organ and tissue donation decisions as well as providing information to assist Australians in making and registering donation decisions on the Australian Organ Donor Register. In partnership with sector organisations and the broader community, awareness raising activities will comprise: DonateLife Week; targeted community education campaigns; media liaison; and, online and social media engagement. These activities will include targeted outreach with communities and demographic groups that are less engaged with organ and tissue donation, including culturally and linguistically diverse audiences.

Programme 1.1 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer the Australian Organ Donor Register.



## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Increase sector capability

Qualitative Deliverables	2014-15 Reference Point or Target
Implement the second stage of the Organ and Tissue Donation Clinical Governance Framework	Implement the elements of the second stage of the Organ and Tissue Donation Clinical Governance Framework in DonateLife hospitals across Australia by 30 June 2015
Develop a national vigilance and surveillance framework in Australia for organ donation and transplantation	Finalise the vigilance and surveillance framework by 30 June 2015
Deliver specialist education to health professionals involved in conversations with families about the opportunity for donation	Attendance at Professional Education Package workshops by relevant health professionals in the donation sector

#### Improve community awareness

Qualitative Deliverable	2014-15 Reference Point or Target
Conduct community awareness and education activities on organ and tissue donation, in partnership with sector and community organisations	Continued delivery of a national community awareness campaign comprising DonateLife Week to be held in February 2015 and a targeted campaign engaging culturally and linguistically diverse communities

## Programme 1.1: Key Performance Indicators

### Quantitative Key Performance Indicators for Programme 1.1

#### Increase sector capability

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Rate of request by hospital staff to families for organ and tissue donation	100%	100%	100%	100%	100%
Rate of family consent to organ and tissue donation	75%	75%	75%	75%	75%

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of administered funds between years**

Section 3.1.1 is not applicable to AOTDTA.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to AOTDTA.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because AOTDTA has no specific Indigenous expenses.

### **3.2 Budgeted Financial Statements**

#### **3.2.1 Differences in agency resourcing and financial statements**

Section 3.2.1 is not applicable to AOTDTA.

#### **3.2.2 Analysis of budgeted financial statements**

An analysis of the AOTDTA'S budgeted financial statements for 2014-2015 is provided below.

##### **Departmental Resources**

For the budget and forward years the AOTDTA is expecting a break even position net of unfunded depreciation. In 2014-2015 the AOTDTA has appropriation revenue of \$5.793 million and total expenses are estimated at \$6.289 million.

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

##### **Administered Resources**

AOTDTA administers funds associated with the delivery of the Australian Government's national reform programme to implement a world's best practice approach to organ and tissue donation for transplantation.

In 2014-2015 the AOTDTA has forecast Administered expenses of \$40.394 million.

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

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	4,103	4,112	4,082	4,082	4,082
Supplier expenses	1,808	1,756	1,724	1,691	1,752
Depreciation and amortisation	469	421	358	335	335
<b>Total expenses</b>	<b>6,380</b>	<b>6,289</b>	<b>6,164</b>	<b>6,108</b>	<b>6,169</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
Other	70	75	80	85	90
<b>Total revenue</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>85</b>	<b>90</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>85</b>	<b>90</b>
<b>Net cost of (contribution by) services</b>	<b>6,310</b>	<b>6,214</b>	<b>6,084</b>	<b>6,023</b>	<b>6,079</b>
Revenue from Government	5,841	5,793	5,726	5,688	5,744
<b>Surplus (Deficit)</b>	<b>(469)</b>	<b>(421)</b>	<b>(358)</b>	<b>(335)</b>	<b>(335)</b>
<b>Surplus (Deficit) attributable the Australian Government</b>	<b>(469)</b>	<b>(421)</b>	<b>(358)</b>	<b>(335)</b>	<b>(335)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(469)</b>	<b>(421)</b>	<b>(358)</b>	<b>(335)</b>	<b>(335)</b>

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

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(469)</b>	<b>(421)</b>	<b>(358)</b>	<b>(335)</b>	<b>(335)</b>
plus non-appropriated expenses depreciation and amortisation expenses	469	421	358	335	335
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	78	78	78	78	78
Receivables	1,621	1,621	1,621	1,621	1,621
Other	29	29	29	29	29
<b>Total financial assets</b>	<b>1,728</b>	<b>1,728</b>	<b>1,728</b>	<b>1,728</b>	<b>1,728</b>
<b>Non-financial assets</b>					
Land and buildings	366	261	229	220	211
Property, plant and equipment	144	177	201	230	259
Intangibles	783	693	599	500	404
<b>Total non-financial assets</b>	<b>1,293</b>	<b>1,131</b>	<b>1,029</b>	<b>950</b>	<b>874</b>
<b>Total assets</b>	<b>3,021</b>	<b>2,859</b>	<b>2,757</b>	<b>2,678</b>	<b>2,602</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	54	54	54	54	54
Other payables	566	566	566	566	566
<b>Total payables</b>	<b>620</b>	<b>620</b>	<b>620</b>	<b>620</b>	<b>620</b>
<b>Provisions</b>					
Employees	1,145	1,145	1,145	1,145	1,145
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>1,145</b>	<b>1,145</b>	<b>1,145</b>	<b>1,145</b>	<b>1,145</b>
<b>Total liabilities</b>	<b>1,765</b>	<b>1,765</b>	<b>1,765</b>	<b>1,765</b>	<b>1,765</b>
<b>Net Assets</b>	<b>1,256</b>	<b>1,094</b>	<b>992</b>	<b>913</b>	<b>837</b>
<b>EQUITY</b>					
Contributed equity	1,900	2,159	2,415	2,671	2,930
Reserves	363	363	363	363	363
Retained surpluses or accumulated deficits	(1,007)	(1,428)	(1,786)	(2,121)	(2,456)
<b>Total equity</b>	<b>1,256</b>	<b>1,094</b>	<b>992</b>	<b>913</b>	<b>837</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(1,007)	363	-	1,900	<b>1,256</b>
Surplus (deficit) for the period	(421)	-	-	-	<b>(421)</b>
Capital budget - Bill 1 (DCB)	-	-	-	259	<b>259</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(1,428)</b>	<b>363</b>	<b>-</b>	<b>2,159</b>	<b>1,094</b>

DCB = Departmental Capital Budget.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	6,226	5,793	5,726	5,735	5,744
GST received	203	203	203	203	752
<b>Total cash received</b>	<b>6,429</b>	<b>5,996</b>	<b>5,929</b>	<b>5,938</b>	<b>6,496</b>
<b>Cash used</b>					
Employees	4,103	4,112	4,082	4,082	4,082
Suppliers	2,123	1,681	1,644	1,653	1,662
GST paid	203	203	203	203	752
<b>Total cash used</b>	<b>6,429</b>	<b>5,996</b>	<b>5,929</b>	<b>5,938</b>	<b>6,496</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	-	259	256	256	259
<b>Total cash used</b>	<b>-</b>	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>Net cash from (or used by) investing activities</b>	<b>-</b>	<b>(259)</b>	<b>(256)</b>	<b>(256)</b>	<b>(259)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	-	259	256	256	259
<b>Total cash received</b>	<b>-</b>	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	78	78	78	78	78
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>78</b>

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	259	256	256	259
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	259	256	256	259
Other	-	-	-	-	-
<b>Total items</b>	-	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB <sup>1</sup>	-	259	256	256	259
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	-	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	-	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>
<b>Total cash used to acquire assets</b>	-	<b>259</b>	<b>256</b>	<b>256</b>	<b>259</b>

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant &amp; equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	470	222	1,234	<b>1,926</b>
Accumulated depreciation/amortisation and impairment	104	78	451	<b>633</b>
<b>Opening net book balance</b>	<b>366</b>	<b>144</b>	<b>783</b>	<b>1,293</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - Capital appropriation- DCB	-	63	196	<b>259</b>
By purchase - appropriation ordinary annual services	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>63</b>	<b>196</b>	<b>259</b>
<b>Other movements</b>				
Depreciation/amortisation expense	105	30	286	<b>421</b>
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	470	285	1,430	<b>2,185</b>
Accumulated depreciation/amortisation and impairment	209	108	737	<b>1,054</b>
<b>Closing net book balance</b>	<b>261</b>	<b>177</b>	<b>693</b>	<b>1,131</b>

- 1 Proceeds may be returned to the Official Public Account.  
DCB = Departmental Capital Budget.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	36,856	37,564	37,564	37,564	37,564
Supplier expenses	2,824	2,830	3,517	4,299	5,136
<b>Total expenses administered on behalf of Government</b>	<b>39,680</b>	<b>40,394</b>	<b>41,081</b>	<b>41,863</b>	<b>42,700</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	80	80	80	80	80
Receivables	173	173	173	173	173
<b>Total financial assets</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>253</b>
<b>Total assets administered on behalf of Government</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>253</b>	<b>253</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	10,964	10,964	10,964	10,964	10,964
Suppliers	190	190	190	190	190
Loans	146	146	146	146	146
Other Payables	16	16	16	16	16
<b>Total payables</b>	<b>11,316</b>	<b>11,316</b>	<b>11,316</b>	<b>11,316</b>	<b>11,316</b>
<b>Total liabilities administered on behalf of Government</b>	<b>11,316</b>	<b>11,316</b>	<b>11,316</b>	<b>11,316</b>	<b>11,316</b>



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
GST received	752	752	752	752	752
<b>Total cash received</b>	<b>752</b>	<b>752</b>	<b>752</b>	<b>752</b>	<b>752</b>
<b>Cash used</b>					
Grant payments	36,856	37,564	37,564	37,564	37,564
Suppliers	2,824	2,830	3,517	4,460	5,136
GST paid	752	752	752	752	752
<b>Total cash used</b>	<b>40,432</b>	<b>41,146</b>	<b>41,833</b>	<b>42,776</b>	<b>43,452</b>
<b>Net cash from (or used by) operating activities</b>	<b>(39,680)</b>	<b>(40,394)</b>	<b>(41,081)</b>	<b>(42,024)</b>	<b>(42,700)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(39,680)</b>	<b>(40,394)</b>	<b>(41,081)</b>	<b>(42,024)</b>	<b>(42,700)</b>
Cash at beginning of reporting period	80	80	80	80	80
Cash from Official Public Account for:					
- appropriations	39,680	40,394	41,081	42,024	42,700
Cash to the Official Public Account	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>

# **AUSTRALIAN RADIATION PROTECTION AND NUCLEAR SAFETY AGENCY**

ARPANSA

## **Agency Resources and Planned Performance**



# Australian Radiation Protection and Nuclear Safety Agency

Health Portfolio Agency

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), on behalf of the Australian Government, aims to protect the Australian people and environment from the harmful effects of radiation.

ARPANSA provides advice and services to the Australian community on radiation protection, nuclear safety, security, and medical exposures to radiation, including related research. It promotes national uniformity of radiation protection and nuclear safety policy and practices across the Australian Government and States and Territories. It also independently regulates the radiation sources, radiation facilities and nuclear installations of Australian Government entities and contractors.

The role and functions of ARPANSA are set out in the *Australian Radiation Protection and Nuclear Safety Act 1998*. ARPANSA is prescribed as an agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, ARPANSA will be governed under the *Public Governance, Performance and Accountability Act 2013*.

### 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: ARPANSA Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	864	-	864	1,086
Departmental appropriation <sup>3</sup>	-	15,261	15,261	15,757
s31 Relevant Agency receipts	-	-	-	-
<b>Total</b>	<b>864</b>	<b>15,261</b>	<b>16,125</b>	<b>16,843</b>
<b>Total ordinary annual services</b>	<b>864</b>	<b>15,261</b>	<b>16,125</b>	<b>16,843</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	2,500
Previous years' programs	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
<b>Total available annual appropriations</b>	<b>864</b>	<b>15,261</b>	<b>16,125</b>	<b>19,343</b>
<b>Total appropriations excluding Special Accounts</b>	<b>864</b>	<b>15,261</b>	<b>16,125</b>	<b>19,343</b>
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	1,016		1,016	1,000
Appropriation receipts <sup>6</sup>	-	15,261	15,261	18,479
Non-appropriation receipts to Special Accounts	-	10,046	10,046	10,046
<b>Total Special Accounts</b>	<b>1,016</b>	<b>25,307</b>	<b>26,323</b>	<b>29,525</b>
<b>Total resourcing</b>	<b>1,880</b>	<b>40,568</b>	<b>42,448</b>	<b>48,868</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	(15,261)	(15,261)	(18,479)
<b>Total net resourcing for ARPANSA</b>	<b>1,880</b>	<b>25,307</b>	<b>27,187</b>	<b>30,389</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$2.003 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

6 Appropriation receipts from ARPANSA annual and special appropriations for 2014-15 included above.

### 1.3 Budget Measures

Budget measures relating to ARPANSA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1 ARPANSA Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Australian Radiation Protection and Nuclear Safety Agency						
Departmental	1.1	-	(39)	(77)	(115)	(117)
<b>Total</b>		-	<b>(39)</b>	<b>(77)</b>	<b>(115)</b>	<b>(117)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

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

#### Outcome Strategy

ARPANSA aims to protect people and the environment from the harmful effects of radiation. It applies national and international research to promote national uniformity in radiation protection; regulates the use of radiation sources; facilities and nuclear installations controlled by the Australian Government; and promotes public awareness of the harmful effects of radiation. ARPANSA uses a risk-informed proportionate approach to improve radiation safety outcomes through an accountable and efficient regulatory framework.

ARPANSA's regulatory and advisory frameworks are based on evidence regarding levels of ionising<sup>1</sup> and non-ionising<sup>2</sup> radiation in the environment and the effect on human and environmental health and wellbeing. In 2014-15, ARPANSA will focus on the assessment of sources of exposure to the public from naturally occurring radiation, ultraviolet (UV) and electromagnetic radiation (EMR) and from regulated activities. ARPANSA will maintain and expand the Australian National Radiation Dose Register to ensure workers are adequately protected and informed about occupational risks from exposure to radiation.

Advances in diagnostic imaging have led to a sustained increase in the use of ionising radiation. While beneficial medically, diagnostic imaging procedures are also the largest man-made source of ionising radiation exposure to the Australian population. ARPANSA will promote radiation protection principles in the use of ionising radiation in imaging technologies to ensure best practice safety strategies for patients and health workers. It will continue its auditing of radiotherapy facilities and their calibration. This is important for patient safety.

ARPANSA will continue to strengthen the security of radioactive sources through the promotion of a national approach to legislative, administrative and operational controls. It will provide expert support to Australian Government arrangements for radiation emergencies and will work with regional regulators to strengthen safety and security infrastructure, and the planning and response to nuclear and radiological emergencies. ARPANSA supports Australia's nuclear non-proliferation objectives and obligations under the Comprehensive Nuclear-Test-Ban Treaty through the maintenance of systems to detect clandestine testing of nuclear weapons.

<sup>1</sup> Radiation that can produce ionisation in matter, for example, gamma rays and x-rays. When these radiations interact with tissues in the body, they have sufficient energy to damage DNA.

<sup>2</sup> Radiation that does not produce ionisation in matter, for example, ultra-violet, radio frequency radiation.



ARPANSA will continue to monitor Australian Government entities and their contractors to ensure compliance with the *Australian Radiation Protection and Nuclear Safety Act 1998* and regulations.

## ARPANSA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for ARPANSA by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for ARPANSA**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Radiation protection and nuclear safety</b>					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	13,813	13,258	13,079	13,009	13,130
Special Accounts	10,046	10,046	10,046	10,046	10,046
Expenses not requiring appropriation in the budget year <sup>1</sup>	2,171	2,171	2,171	2,171	2,171
Operating Loss (Surplus)	214	536	643	-	-
<b>Total for Programme 1.1</b>	<b>26,244</b>	<b>26,011</b>	<b>25,939</b>	<b>25,226</b>	<b>25,347</b>
<b>Total expenses for Outcome 1</b>	<b>26,244</b>	<b>26,011</b>	<b>25,939</b>	<b>25,226</b>	<b>25,347</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	135	130			

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

## Programme 1.1: Radiation Protection and Nuclear Safety

### Programme Objectives

*Protect the public, workers and the environment from radiation exposure*

To protect the public from the harmful effects of radiation exposure, ARPANSA gathers the most up-to-date scientific research and data to inform its regulatory activities and provides evidence-based, expert advice to the Australian Government and the public. In 2014-15, these activities will focus on the assessment of sources and risks of, and exposure to, naturally occurring radiation, UV, EMR and regulated activities.

In 2014-15, ARPANSA will continue to evaluate and monitor work environments to ensure workers are adequately protected and informed about occupational risks from exposure to radiation. This includes providing a personal radiation monitoring service to assess workers exposure to ionising radiation and maintenance and expansion of the Australian National Radiation Dose Register.

*Ensure radiological and nuclear security and emergency preparedness*

ARPANSA will continue to ensure the security of radioactive material and that the Australian Government is sufficiently prepared to deal with radiation emergencies. ARPANSA will continue to maintain and develop training programmes for radiation security advisors and emergency response teams. ARPANSA will also continue to control the import and export of radioactive sources.

*Promote the effective use of ionising radiation in medicine*

In 2014-15, ARPANSA will continue to promote the safe and effective use of ionising radiation in diagnostic imaging. ARPANSA will conduct dose surveys which will monitor radiation doses from computed tomography and that will result in the establishment of Diagnostic Reference Levels (DRLs) for interventional cardiology and radiology and Nuclear Medicine. DRLs have proven internationally to be a vital tool enabling practices to compare their operating standards.

ARPANSA has commenced a project under a Memorandum of Understanding with the Department to improve the safety and quality of diagnostic imaging in Australia. The project will conclude by 30 June 2015.

*Ensure effective regulation and enforcement activities*

ARPANSA is committed to the effective and independent regulation of radiation sources, radiation facilities and nuclear installations. In 2014-15, ARPANSA will review its regulatory framework to remove redundant provisions and clarify provisions to minimise regulatory burden. It will review its regulatory delivery model to reflect a more proportionate, risk-informed approach to regulation. It will continue to regulate the use of radiation by Australian Government entities through: licensing, inspecting, monitoring, enforcing compliance, enhancing awareness of good radiation practices and nuclear safety, and controlling the transport of radioactive materials. ARPANSA will, in collaboration with State and Territory regulators, continue to further develop the national regulatory

framework including the National Directory for Radiation Protection, building on international best practice to ensure effective regulation and enforcement activities.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Protect the public, workers and environment from radiation exposure

Qualitative Deliverable	2014-15 Reference Point or Target
Devise protection strategies for the Australian population from ionising and non-ionising radiation	Effective programmes in place for assessment of sources, and risk to, and exposure of the public and workers

#### Ensure radiological and nuclear security and emergency preparedness

Qualitative Deliverable	2014-15 Reference Point or Target
Enhanced system for response to radiological and nuclear threats and events consistent with international guidance and best practice	The ARPANSA Incident Management Plan is fully implemented and tested

### Quantitative Deliverables for Programme 1.1

#### Ensure effective regulation and enforcement activities

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of inspections and site visits of licensed Commonwealth radiation sources, facilities and nuclear installations	60	35 <sup>3</sup>	35	50	50

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Protect the public, workers and environment from radiation exposure

Qualitative Indicators	2014-15 Reference Point or Target
Relevant and timely advice for Australian Government decision-making	Advice assessed as relevant and timely by the Assistant Minister for Health

<sup>3</sup> Target has been revised to reflect the need to differently utilise staff to deal with major licence applications and to adopt a revised approach to utilise a smaller number of larger inspections to improve efficiency and outcome.

Qualitative Indicators	2014-15 Reference Point or Target
Radiation doses to uranium mining workers	Annual reporting of trend in radiation doses received by workers compiled from Australian National Radiation Dose Register provides evidence of optimisation of radiation protection in the uranium mining industry

**Promote the effective use of ionising radiation in medicine**

Qualitative Indicator	2014-15 Reference Point or Target
Introduce and establish DRLs as tools for quality improvement in diagnostic radiology for interventional cardiology and radiology, and nuclear medicine	Evidence of increased awareness of the need to optimise radiation dose (for example, quality improvement) by use of the DRL Service <sup>4</sup>

**Quantitative Key Performance Indicators for Programme 1.1**

**Ensure radiological and nuclear security and emergency preparedness**

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of security incidents involving high activity radioactive sources requiring immediate reporting	<2	<2	<2	<2	<2

**Ensure effective regulation and enforcement activities**

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of safety incidents <sup>5</sup> involving Commonwealth users of radiation	<10	<10	<10	<10	<10
The percentage of inspections at which full compliance is observed	N/A	>90%	>90%	>90%	>90%
Number of holistic safety regulatory interventions which licence holders cooperate with	N/A	10	10	10	10

<sup>4</sup> The target has been revised to reflect the fact that it is not possible to verify lower dose levels. Feedback on awareness of the need to optimise radiation dose will be utilised to assess the result.

<sup>5</sup> Safety incidents are radiation incidents as reported to the Australian Radiation Incident Register.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of Administered Funds Between Years

**Table 3.1.1: Movement of Administered Funds Between Years<sup>1</sup>**

Section 3.1.1 is not applicable to ARPANSA.

#### 3.1.2 Special Accounts

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Outcome	Opening balance <b>2014-15</b> 2013- 14 \$'000	Appropriation receipts <b>2014-15</b> 2013-14 \$'000	Other receipts <b>2014-15</b> 2013-14 \$'000	Payments <b>2014-15</b> 2013-14 \$'000	Closing balance <b>2014-15</b> 2013-14 \$'000
ARPANSA Account <sup>1</sup> (D)	1	<b>1,016</b>	<b>15,261</b>	<b>10,046</b>	<b>25,822</b>	<b>501</b>
		1,000	18,479	10,046	28,509	1,016
<b>Total Special Accounts 2014-15 Estimate</b>		<b>1,016</b>	<b>15,261</b>	<b>10,046</b>	<b>25,822</b>	<b>501</b>
<i>Total Special Accounts 2013-14 estimate actual</i>		1,000	18,479	10,046	28,509	1,016

Notes:

D = Departmental.

<sup>1</sup> Australian Radiation Protection and Nuclear Safety Act 1998 - s21 FMA Act.

#### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

The 2014-15 AGIE statement is not applicable because ARPANSA has no specific Indigenous expenses.

## 3.2 Budgeted Financial Statements

### 3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to ARPANSA.

### 3.2.2 Analysis of Budgeted Financial Statements

An analysis of ARPANSA's financial statements follows in order to provide clarification and additional detail for readers.

#### Departmental Resources

##### Comprehensive Income Statement

The estimated operating losses of \$0.214 million in 2013-14, \$0.536 million in 2014-15 and \$0.643 million in 2015-16 after unfunded depreciation have been approved by the Minister for Finance and Deregulation. These deficits relate to the write-off of obsolete inventory due to the introduction of a new occupational dosimetry system within the Personal Radiation Monitoring Service.

ARPANSA's own sourced income is derived from the sale of scientific services such as the Personal Radiation Monitoring Service, the Comprehensive Nuclear-Test-Ban Treaty (CTBT) Organisation contracts to operate and maintain monitoring stations, and licence application fees and annual charges associated with ARPANSA's regulatory activities.

Appropriation revenues are in line with Government decisions from the current and previous budgets. Measures for the 2014-15 Budget are reported in Table 1.3.1.

Employee and supplier expenses are forecast to be in line with revenue from Government and own source income.

##### Balance Sheet

The decline in cash estimates over the forward years relate to the purchase of replacement inventory associated with the new occupational dosimetry system.

Other asset and liabilities are expected to remain stable over the forward years.

##### Cash Flow

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

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	16,843	16,348	16,348	16,348	16,348
Supplier expenses	7,016	6,956	6,777	6,707	6,828
Depreciation and amortisation	2,171	2,171	2,171	2,171	2,171
Write-down and impairment of assets	214	536	643	-	-
<b>Total expenses</b>	<b>26,244</b>	<b>26,011</b>	<b>25,939</b>	<b>25,226</b>	<b>25,347</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	4,771	4,771	4,771	4,771	4,771
Other revenue	5,275	5,275	5,275	5,275	5,275
<b>Total revenue</b>	<b>10,046</b>	<b>10,046</b>	<b>10,046</b>	<b>10,046</b>	<b>10,046</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>10,046</b>	<b>10,046</b>	<b>10,046</b>	<b>10,046</b>	<b>10,046</b>
<b>Net cost of (contribution by) services</b>	<b>16,198</b>	<b>15,965</b>	<b>15,893</b>	<b>15,180</b>	<b>15,301</b>
Revenue from Government	13,813	13,258	13,079	13,009	13,130
<b>Surplus (Deficit)</b>	<b>(2,385)</b>	<b>(2,707)</b>	<b>(2,814)</b>	<b>(2,171)</b>	<b>(2,171)</b>
<b>Surplus (Deficit) attributable the Australian Government</b>	<b>(2,385)</b>	<b>(2,707)</b>	<b>(2,814)</b>	<b>(2,171)</b>	<b>(2,171)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(2,385)</b>	<b>(2,707)</b>	<b>(2,814)</b>	<b>(2,171)</b>	<b>(2,171)</b>

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

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,385)</b>	<b>(2,707)</b>	<b>(2,814)</b>	<b>(2,171)</b>	<b>(2,171)</b>
plus non-appropriated expenses depreciation and amortisation expenses	2,171	2,171	2,171	2,171	2,171
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>(214)</b>	<b>(536)</b>	<b>(643)</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,016	501	747	747	747
Receivables	1,773	1,773	909	909	909
Accrued revenue	114	114	114	114	114
<b>Total financial assets</b>	<b>2,903</b>	<b>2,388</b>	<b>1,770</b>	<b>1,770</b>	<b>1,770</b>
<b>Non-financial assets</b>					
Land and buildings	21,688	21,893	22,098	22,303	22,450
Property, plant and equipment	5,762	5,374	4,968	4,565	4,245
Inventories	1,430	1,409	1,384	1,384	1,384
Intangibles	550	565	580	595	610
Other	350	350	350	350	350
<b>Total non-financial assets</b>	<b>29,780</b>	<b>29,591</b>	<b>29,380</b>	<b>29,197</b>	<b>29,039</b>
<b>Total assets</b>	<b>32,683</b>	<b>31,979</b>	<b>31,150</b>	<b>30,967</b>	<b>30,809</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	-	-	-	-	-
Other payables	1,378	1,378	1,378	1,378	1,378
<b>Total payables</b>	<b>1,378</b>	<b>1,378</b>	<b>1,378</b>	<b>1,378</b>	<b>1,378</b>
<b>Provisions</b>					
Employees	5,489	5,489	5,489	5,489	5,489
<b>Total provisions</b>	<b>5,489</b>	<b>5,489</b>	<b>5,489</b>	<b>5,489</b>	<b>5,489</b>
<b>Total liabilities</b>	<b>6,867</b>	<b>6,867</b>	<b>6,867</b>	<b>6,867</b>	<b>6,867</b>
<b>Net Assets</b>	<b>25,816</b>	<b>25,112</b>	<b>24,283</b>	<b>24,100</b>	<b>23,942</b>
<b>EQUITY</b>					
Contributed equity	15,500	17,503	19,488	21,476	23,489
Reserves	9,639	9,639	9,639	9,639	9,639
Retained surpluses or accumulated deficits	677	(2,030)	(4,844)	(7,015)	(9,186)
<b>Total equity</b>	<b>25,816</b>	<b>25,112</b>	<b>24,283</b>	<b>24,100</b>	<b>23,942</b>

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**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	677	9,639	-	15,500	<b>25,816</b>
Surplus (deficit) for the period	(2,707)	-	-	-	<b>(2,707)</b>
Capital budget - Bill 1 (DCB)	-	-	-	2,003	<b>2,003</b>
Equity Injection - Appropriation	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>(2,030)</b>	<b>9,639</b>	<b>-</b>	<b>17,503</b>	<b>25,112</b>

DCB = Departmental Capital Budget.



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	4,286	4,286	4,286	4,286	4,286
Appropriations	14,035	13,258	13,943	13,009	13,130
Net GST received	485	485	485	485	485
Other cash received	5,275	5,275	5,275	5,275	5,275
<b>Total cash received</b>	<b>24,081</b>	<b>23,304</b>	<b>23,989</b>	<b>23,055</b>	<b>23,176</b>
<b>Cash used</b>					
Employees	16,843	16,348	16,349	16,349	16,348
Suppliers	6,496	6,745	6,693	6,005	6,145
Net GST paid	726	726	701	701	683
<b>Total cash used</b>	<b>24,065</b>	<b>23,819</b>	<b>23,743</b>	<b>23,055</b>	<b>23,176</b>
<b>Net cash from (or used by) operating activities</b>	<b>16</b>	<b>(515)</b>	<b>246</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	4,444	2,003	1,985	1,988	2,013
<b>Total cash used</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>Net cash from (or used by) investing activities</b>	<b>(4,444)</b>	<b>(2,003)</b>	<b>(1,985)</b>	<b>(1,988)</b>	<b>(2,013)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital appropriation - equity injection	2,500		-	-	-
Capital budget - Bill 1 (DCB)	1,944	2,003	1,985	1,988	2,013
<b>Total cash received</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>Net cash from (or used) financing activities</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>Net increase (or decrease) in cash held</b>	<b>16</b>	<b>(515)</b>	<b>246</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,000	1,016	501	747	747
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,016</b>	<b>501</b>	<b>747</b>	<b>747</b>	<b>747</b>

DCB = Departmental Capital Budget.

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,944	2,003	1,985	1,988	2,013
Equity injections - Bill 2	2,500	-	-	-	-
<b>Total capital appropriations</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	4,444	2,003	1,985	1,988	2,013
<b>Total items</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>1</sup>	-	-	-	-	-
Funded by capital appropriation - DCB <sup>2</sup>	4,444	2,003	1,985	1,988	2,013
Funded internally departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>
<b>Total cash used to acquire assets</b>	<b>4,444</b>	<b>2,003</b>	<b>1,985</b>	<b>1,988</b>	<b>2,013</b>

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

2 DCB = Departmental Capital Budget.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>					
Gross book value	4,800	21,313	13,940	3,012	<b>43,065</b>
Accumulated depreciation/amortisation and impairment	-	4,425	8,178	2,462	<b>15,065</b>
<b>Opening net book balance</b>	<b>4,800</b>	<b>16,888</b>	<b>5,762</b>	<b>550</b>	<b>28,000</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation ordinary annual services	-	785	771	447	<b>2,003</b>
<b>Sub-total</b>	<b>-</b>	<b>785</b>	<b>771</b>	<b>447</b>	<b>2,003</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	580	1,159	432	<b>2,171</b>
<b>As at 30 June 2015</b>					
Gross book value	4,800	22,098	14,711	3,459	<b>45,068</b>
Accumulated depreciation/amortisation and impairment	-	5,005	9,337	2,894	<b>17,236</b>
<b>Closing net book balance</b>	<b>4,800</b>	<b>17,093</b>	<b>5,374</b>	<b>565</b>	<b>27,832</b>

# **AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY**

## **Agency Resources and Planned Performance**

ASADA



# Australian Sports Anti-Doping Authority

Health Portfolio Agency

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ASADA

## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, as a signatory to the United Nations Educational, Scientific and Cultural Organization International Convention against Doping in Sport (the Convention), implements anti-doping arrangements that are consistent with the principles of the World Anti-Doping Code (the Code).

The Australian Sports Anti-Doping Authority (ASADA) is Australia's national anti-doping agency. Its purpose is to protect Australia's sporting integrity and the health of Australian athletes.

ASADA provides a comprehensive anti-doping programme for the Australian sports community, encompassing deterrence, detection and enforcement activities. ASADA does this by working closely with sports, athletes, support personnel, Government agencies and law enforcement agencies in:

- designing and delivering education and communication programmes;
- detecting and managing anti-doping rule violations (ADRV), from athlete testing to managing and presenting ADRV cases;
- collecting and analysing anti-doping intelligence, and conducting investigations on possible ADRVs;
- monitoring and reporting on sports' compliance with anti-doping policies; and
- supporting athletes to meet their anti-doping obligations.

ASADA collaborates with the World Anti-Doping Agency (WADA), overseas anti-doping organisations and other stakeholders to further the Australian Government's efforts to harmonise anti-doping practices globally.

The role and functions of ASADA are set out in the *Australian Sports Anti-Doping Authority Act 2006*, the *Australian Sports Anti-Doping Authority Regulations 2006* and the National Anti-Doping Scheme. ASADA is prescribed as a statutory agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, ASADA will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: ASADA Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	2,823	-	2,823	4,566
Departmental appropriation <sup>3</sup>	-	13,313	13,313	14,352
s31 Relevant agency receipts	-	1,762	1,762	2,143
<b>Total</b>	<b>2,823</b>	<b>15,075</b>	<b>17,898</b>	<b>21,061</b>
<b>Total ordinary annual services</b>	<b>2,823</b>	<b>15,075</b>	<b>17,898</b>	<b>21,061</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>2,823</b>	<b>15,075</b>	<b>17,898</b>	<b>21,061</b>
<b>Total net resourcing for ASADA</b>	<b>2,823</b>	<b>15,075</b>	<b>17,898</b>	<b>21,061</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.379 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.



### 1.3 Budget Measures

Budget measures relating to ASADA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: ASADA Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Countering Threats from Doping in Sport</b>						
Australian Sports Anti-Doping Authority Departmental expenses	1.1	-	-	-	-	-
Total		-	-	-	-	-
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Australian Sports Anti-Doping Authority Departmental	1.1	-	(34)	(65)	(97)	(99)
Total		-	(34)	(65)	(97)	(99)

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

<b>Protection of the health of athletes and the integrity of Australian sport including through deterrence, detection and enforcement to eliminate doping</b>
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#### Outcome Strategy

The Australian Government, through ASADA, aims to protect the health and welfare of athletes, as well as the integrity of sport through the elimination of doping. To achieve this, ASADA will conduct anti-doping activities encompassing deterrence, detection and enforcement:

- **Deterrence** is achieved through communication and education initiatives, including building awareness with athletes, support personnel and other stakeholders.
- **Detection** is achieved through the implementation of an integrated programme of intelligence gathering, targeted testing, and investigation of possible ADRVs.
- **Enforcement** is achieved by managing cases of possible ADRVs and presenting these cases at hearings and appeals.

ASADA's anti-doping programme operates in an international context. It is a complex and dynamic environment that requires a proactive and strategic approach on building and maintaining global partnerships. ASADA will continue to work with WADA and other nations to build effective anti-doping frameworks, and strengthen the global effort against doping in sport. Ultimately ASADA's efforts in this area will assist Australian athletes to participate internationally on an equitable basis.

In 2014–15, ASADA will continue to build its capability and work with partners to deliver a leading anti-doping programme that addresses the current challenges faced internationally and in Australia. Particular focus will be placed on ASADA's expanded information gathering and investigative powers, as well as oversight of updates to sports' anti-doping policies in line with the revised 2015 Code.

## ASADA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for ASADA by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for ASADA**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Deterrence, Detection and Enforcement</b>					
Departmental expenses					
Departmental appropriation <sup>1</sup>	16,191	14,696	13,993	13,753	14,087
Expenses not requiring appropriation in the budget year <sup>2</sup>	595	588	548	477	472
Operating deficit (surplus)	1,200	-	-	-	-
<b>Total for Programme 1.1</b>	<b>17,986</b>	<b>15,284</b>	<b>14,541</b>	<b>14,230</b>	<b>14,559</b>
<b>Total expenses for Outcome 1</b>	<b>17,986</b>	<b>15,284</b>	<b>14,541</b>	<b>14,230</b>	<b>14,559</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	78	62			

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

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

## **Programme 1.1: Deterrence, Detection and Enforcement**

### **Programme Objective**

#### *Deterrence, Detection and Enforcement Programme*

In 2014-15, ASADA will continue to build on previous initiatives to inform Australian athletes and support personnel of their obligations under the Code, and the harms and risks associated with doping in sport. Activities include the delivery of education (online and face-to-face), and the publishing of anti-doping messages through targeted communications and online communication activities. ASADA will also conduct a series of forums and maintain regular contact with sporting organisations to ensure sports meet their obligations under the revised 2015 Code.

The Australian Government aims to protect the health of athletes and the integrity of sport through a range of activities targeted at detecting doping. In 2014-15, ASADA will conduct a scientific and intelligence driven targeted testing programme under Government-funded and user-pays arrangements. ASADA will continue to work with other Government agencies, such as the Australian Customs and Border Protection Service, Australian Crime Commission and law enforcement agencies, to build upon the cooperative framework necessary to identify possible ADRVs.

In the lead up to major sporting events, such as the Glasgow 2014 Commonwealth Games, ASADA will design and deliver tailored Pure Performance programmes to help protect the integrity of Australian teams. The programmes include:

- a comprehensive test plan;
- storage of selected samples in a long-term storage facility;
- induction and support to athletes to help them meet their whereabouts<sup>1</sup> obligations; and
- the delivery of anti-doping education to athletes and support personnel.

In 2014-15, ASADA will continue to effectively manage alleged violations in an environment of increasingly sophisticated doping activities, complex intelligence and investigation processes, and potential legal challenges to ADRVs.

ASADA

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<sup>1</sup> A select group of elite athletes provide quarterly (in-advance) information about their location to assist with no-advance-notice, out-of-competition testing.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Deterrence, Detection and Enforcement Programme

Qualitative Deliverables	2014-15 Reference Point or Target
Delivery of a leading deterrence and detection programme, conducted in accordance with ASADA's legislation and the Code, targeted towards sports and athletes assessed as being at greater risk of doping	A targeted legislative and Code compliant programme of integrated awareness raising, intelligence, investigations and testing activities is delivered in 2014-15
Coordinate the update of all Australian sport anti-doping policies to reflect the revised Code and legislative framework	All Australian sport anti-doping policies reflect the new Code and legislative framework by 1 January 2015
Assist overseas anti-doping organisations to build capability, increase the effectiveness of their programmes and share information and expertise on effective anti-doping programmes	ASADA contributes its expertise at international forums and other information sharing opportunities throughout 2014-15

### Quantitative Deliverables for Programme 1.1

#### Deterrence, Detection and Enforcement Programme

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of participants in ASADA education designed to build awareness of anti-doping	8,000	10,000 - 12,000	10,000 - 12,000	10,000 - 12,000	10,000 - 12,000
Number of Government-funded doping control tests conducted <sup>2</sup>	3,500 - 4,200	3,000 - 3,700	3,000 - 3,700	3,000 - 3,700	3,000 - 3,700

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<sup>2</sup> Range in planned tests reflects operational flexibility to conduct more technically complex (blood and urine) and intelligence-based testing.

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Deterrence, Detection and Enforcement Programme

Qualitative Indicators	2014-15 Reference Point or Target
Effective delivery of anti-doping education and communications (online, face-to-face and published material) to athletes and support personnel from all recognised or funded national sporting organisations	Participation by athletes and support personnel demonstrates a greater exposure to, and awareness of, the harms and risks associated with doping in sport
Effective provision of advice and support to national sporting bodies to ensure the development, implementation and management of consistent and enforceable anti-doping rules across all Australian sport	The management of anti-doping rule violations is consistent across sporting bodies
Stakeholders are confident that ASADA's programme reduces the risk of doping in sport	Evaluation demonstrates stakeholders are confident that ASADA's activities reduce the risk of doping in sport
All possible anti-doping rule violations are well managed and rigorously enforced in accordance with the Code and Australian legislation	All enforcement activities comply with the Code and Australian legislation in 2014-15

### Quantitative Key Performance Indicators for Programme 1.1

#### Deterrence, Detection and Enforcement Programme

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of national sporting organisations, athletes and support personnel satisfied with anti-doping education and awareness raising programmes	80%	80% - 85%	80% - 85%	80% - 85%	80% - 85%
Percentage of sporting organisations, athletes and support personnel aware of ASADA legislation and the Code	80%	80% - 85%	80% - 85%	80% - 85%	80% - 85%
Percentage of athletes, support personnel and sporting organisations confident that ASADA's activities maximise doping detection	80%	80% - 85%	80% - 85%	80% - 85%	80% - 85%

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

**Table 3.1.1: Movement of Administered Funds Between Years<sup>1</sup>**

Section 3.1.1 is not applicable to ASADA.

#### **3.1.2 Special Accounts**

**Table 3.1.2: Estimates of Special Account Flows and Balances**

Section 3.1.2 is not applicable to ASADA.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because ASADA has no specific Indigenous expenses.

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to ASADA.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of ASADA's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

##### **Comprehensive income statement**

ASADA is budgeting for an operating loss of \$1.20 million in 2013-14 before unfunded depreciation and amortisation expenses. The approved operating loss is attributable to significant resources deployed on ASADA's investigation of the Australian Crime Commission's 'Organised Crime and Drugs in Sport' Report from February of 2013.

For the 2014-15 budget year and the forward estimates ASADA is budgeting for a break-even operating result after adjustment for unfunded depreciation and amortisation expenses.

Total operating revenue for 2014-15 is estimated at \$14.73 million and comprises appropriation funding for ordinary annual services of \$12.93 million and revenue from independent sources of \$1.79 million, primarily comprised of revenue from contracted testing services.

Total expenses in 2014-15 are anticipated to be \$15.28 million including \$0.55 million in unfunded depreciation and amortisation costs.

##### **Balance sheet**

As a result of net cash appropriation arrangements ASADA will budget for 2014-15 and the forward estimates for operating losses equivalent to the annual depreciation and amortisation expense. The decrease in accumulated results over the forward estimates period is partially offset by increases to contributed equity through the departmental capital budget to cover the cost of asset replacement.

Liabilities are projected to remain stable over the budget year and forward estimates predominantly comprising of employee entitlements and supplier payables.



### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	10,330	8,073	7,782	7,839	8,038
Supplier expenses	7,083	6,646	6,234	5,937	6,072
Depreciation and amortisation	562	554	514	443	438
Other expenses	11	11	11	11	11
<b>Total expenses</b>	<b>17,986</b>	<b>15,284</b>	<b>14,541</b>	<b>14,230</b>	<b>14,559</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	1,586	1,462	1,506	1,609	1,700
Other revenue	557	300	300	-	-
<b>Total revenue</b>	<b>2,143</b>	<b>1,762</b>	<b>1,806</b>	<b>1,609</b>	<b>1,700</b>
<b>Gains</b>					
Other	33	34	34	34	34
<b>Total gains</b>	<b>33</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Total own-source income</b>	<b>2,176</b>	<b>1,796</b>	<b>1,840</b>	<b>1,643</b>	<b>1,734</b>
<b>Net cost of (contribution by) services</b>	<b>15,810</b>	<b>13,488</b>	<b>12,701</b>	<b>12,587</b>	<b>12,825</b>
Revenue from Government	14,048	12,934	12,187	12,144	12,387
<b>Surplus (Deficit)</b>	<b>(1,762)</b>	<b>(554)</b>	<b>(514)</b>	<b>(443)</b>	<b>(438)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(1,762)</b>	<b>(554)</b>	<b>(514)</b>	<b>(443)</b>	<b>(438)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(1,762)</b>	<b>(554)</b>	<b>(514)</b>	<b>(443)</b>	<b>(438)</b>

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

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	(1,762)	(554)	(514)	(443)	(438)
plus non-appropriated expenses depreciation and amortisation expenses	562	554	514	443	438
<b>Total comprehensive income (loss) attributable to the agency<sup>1</sup></b>	<b>(1,200)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

1 ASADA has received approval from the Minister for Finance to incur a maximum operating loss of \$2.000 million for the 2013-14 financial year.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	130	130	130	130	130
Receivables	3,727	3,727	3,727	3,727	3,727
Other financial assets	63	63	63	63	63
<b>Total financial assets</b>	<b>3,920</b>	<b>3,920</b>	<b>3,920</b>	<b>3,920</b>	<b>3,920</b>
<b>Non-financial assets</b>					
Land and buildings	771	532	293	90	169
Property, plant and equipment	253	123	364	608	487
Intangibles	621	815	673	563	550
Inventories	111	111	111	111	111
Other	147	147	147	147	147
<b>Total non-financial assets</b>	<b>1,903</b>	<b>1,728</b>	<b>1,588</b>	<b>1,519</b>	<b>1,464</b>
<b>Total assets</b>	<b>5,823</b>	<b>5,648</b>	<b>5,508</b>	<b>5,439</b>	<b>5,384</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	743	743	743	743	743
Other payables	606	606	606	606	606
<b>Total payables</b>	<b>1,349</b>	<b>1,349</b>	<b>1,349</b>	<b>1,349</b>	<b>1,349</b>
<b>Provisions</b>					
Employees	2,231	2,231	2,231	2,231	2,231
Other provisions	17	17	17	17	17
<b>Total provisions</b>	<b>2,248</b>	<b>2,248</b>	<b>2,248</b>	<b>2,248</b>	<b>2,248</b>
<b>Total liabilities</b>	<b>3,597</b>	<b>3,597</b>	<b>3,597</b>	<b>3,597</b>	<b>3,597</b>
<b>Net assets</b>	<b>2,226</b>	<b>2,051</b>	<b>1,911</b>	<b>1,842</b>	<b>1,787</b>
<b>EQUITY</b>					
Contributed equity	2,337	2,716	3,090	3,464	3,847
Reserves	249	249	249	249	249
Retained surpluses or accumulated deficits	(360)	(914)	(1,428)	(1,871)	(2,309)
<b>Total equity</b>	<b>2,226</b>	<b>2,051</b>	<b>1,911</b>	<b>1,842</b>	<b>1,787</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(360)	249	-	2,337	<b>2,226</b>
Surplus (deficit) for the period	(554)	-	-	-	<b>(554)</b>
Capital budget - Bill 1 (DCB)	-	-	-	379	<b>379</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(914)</b>	<b>249</b>	<b>-</b>	<b>2,716</b>	<b>2,051</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	15,518	12,934	12,187	12,144	12,387
Goods and Services	1,307	1,445	1,489	1,544	1,700
Net GST received	379	412	574	240	250
Other cash received	557	300	300	-	-
<b>Total cash received</b>	<b>17,761</b>	<b>15,091</b>	<b>14,550</b>	<b>13,928</b>	<b>14,337</b>
<b>Cash used</b>					
Employees	10,600	8,073	7,782	7,839	8,038
Suppliers	7,078	6,640	6,228	5,931	6,038
Net GST paid	356	367	540	158	250
Other cash used	-	11	-	-	11
<b>Total cash used</b>	<b>18,034</b>	<b>15,091</b>	<b>14,550</b>	<b>13,928</b>	<b>14,337</b>
<b>Net cash from (or used by) operating activities</b>	<b>(273)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	304	379	374	374	383
<b>Total cash used</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>Net cash from (or used by) investing activities</b>	<b>(304)</b>	<b>(379)</b>	<b>(374)</b>	<b>(374)</b>	<b>(383)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	304	379	374	374	383
<b>Total cash received</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>Net cash from (or used by) financing activities</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>Net increase (or decrease) in cash held</b>	<b>(273)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	403	130	130	130	130
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>130</b>

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	304	379	374	374	383
<b>Total capital appropriations</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	304	379	374	374	383
<b>Total items</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>					
- current year appropriation	304	379	374	374	383
<b>Total acquisitions of non-financial assets</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>
<b>Total cash used to acquire assets</b>	<b>304</b>	<b>379</b>	<b>374</b>	<b>374</b>	<b>383</b>

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant and equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	2,200	1,553	2,460	<b>6,213</b>
Accumulated depreciation/amortisation and impairment	1,429	1,300	1,839	<b>4,568</b>
<b>Opening net book balance</b>	<b>771</b>	<b>253</b>	<b>621</b>	<b>1,645</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	-	379	<b>379</b>
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>379</b>
<b>Other movements</b>				
Depreciation/amortisation expense	239	130	185	<b>554</b>
<b>As at 30 June 2015</b>				
Gross book value	2,200	1,553	2,839	<b>6,592</b>
Accumulated depreciation/amortisation and impairment	1,668	1,430	2,024	<b>5,122</b>
<b>Closing net book balance</b>	<b>532</b>	<b>123</b>	<b>815</b>	<b>1,470</b>

# **AUSTRALIAN SPORTS COMMISSION**

## **Agency Resources and Planned Performance**

ASC



# Australian Sports Commission

Health Portfolio Agency

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ASC



## **Section 1: Agency Overview and Resources**

### **1.1 Strategic Direction Statement**

The Australian Government, through the Australian Sports Commission (ASC), provides leadership, coordination and support for Australian sport. The ASC promotes and supports the development of a cohesive and effective national sport sector that creates opportunities for all Australians to participate and excel in sport. The ASC aims to increase participation in sport, improve the sustainability of sporting organisations, and deliver programmes which contribute to excellence in sports performance and continued international success.

The role and functions of the ASC are set out in the *Australian Sports Commission Act 1989*. The ASC is prescribed as a Commonwealth Authority under the *Commonwealth Authorities and Companies Act 1997*. From 1 July 2014, the ASC will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: ASC Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Opening balance/reserves at bank<sup>1</sup></b>	71,340	-	71,340	80,118
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>2</sup></b>				
Outcome 1	-	86,717	86,717	88,264
Outcome 2	-	176,939	176,939	177,650
<b>Total ordinary annual services</b>	-	<b>263,656</b>	<b>263,656</b>	<b>265,914</b>
<b>Other services<sup>3</sup></b>				
Non-operating	-	1,500	1,500	-
<b>Total other services</b>	-	<b>1,500</b>	<b>1,500</b>	-
<b>Total annual appropriations</b>	-	<b>265,156</b>	<b>265,156</b>	<b>265,914</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	3,000	3,000	3,500
Sale of goods and services	-	29,410	29,410	28,071
<b>Total other sources</b>	-	<b>32,410</b>	<b>32,410</b>	<b>31,571</b>
<b>Total net resourcing for ASC</b>	<b>71,340</b>	<b>297,566</b>	<b>368,906</b>	<b>377,603</b>

ASC is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to the ASC and are considered 'departmental' for all purposes.

1 Includes cash and investments.

2 Appropriation Bill (No.1) 2014-15.

3 Appropriation Bill (No.2) 2014-15.

All figures are GST exclusive.

### 1.3 Budget Measures

Budget measures relating to the ASC are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: ASC Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Australian Sports Commission – redirection</b>						
Australian Sports Commission						
Departmental expenses	All	-	(63)	(9,686)	(9,652)	(9,738)
<b>Total</b>		-	<b>(63)</b>	<b>(9,686)</b>	<b>(9,652)</b>	<b>(9,738)</b>
<b>Sporting Schools Initiative</b>						
Australian Sports Commission						
Departmental expenses	1.1	-	20,039	39,562	39,177	-
Departmental capital	1.1	-	1,500	-	-	-
<b>Total</b>		-	<b>21,539</b>	<b>39,562</b>	<b>39,177</b>	<b>-</b>
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Australian Sports Commission						
Departmental expenses	All	-	(624)	(1,152)	(1,722)	(1,738)
<b>Total</b>		-	<b>(624)</b>	<b>(1,152)</b>	<b>(1,722)</b>	<b>(1,738)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**Outcome 1 - Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity**

**Outcome 2 - Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research**

#### Outcome Strategy

Through the Australian Sports Commission's (ASC) Outcomes 1 and 2, the ASC aims to increase participation in structured physical activity (sport) and contribute to continued international sporting success.

Sport can be an effective tool for establishing healthy lifestyles, reducing the rising rates of obesity and chronic illness for children and adults alike. Organised sport has also been shown to benefit society through building communities, improving educational outcomes and reducing crime rates.

Changes in the way people are playing sport presents challenges to the way sport is delivered and to the way the sport sector needs to adapt to achieve increases in participation. To support this, the ASC is refocusing its participation resources through the development of a new participation investment strategy.

Through the delivery of the high performance strategy, *Australia's Winning Edge*, the ASC is focused on: delivering consistent and sustainable success for Australian athletes and teams on the world stage; greater levels of accountability for performance results; improved governance structures and contemporary reporting and monitoring of performance; and engaging, uniting, inspiring and motivating all Australians.

Underpinning efforts to increase participation, and to achieve international success, is an extensive programme of activities aimed at building the sustainability of national sporting organisations, with a particular focus on governance reform, financial accountability, and commercialisation. In 2014-15, the ASC will also concentrate on a range of related activities aligned to workforce development, information technology, communication strategy, product development and delivery, and customer research.

ASC

## ASC Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for the ASC by Programme.

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

<b>Outcome 1:</b> <b>Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity</b>	<b>2013-14 Estimated actual expenses \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 1.1</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	88,264	86,717
Revenues from other independent sources	12,767	15,034
Expenses not requiring appropriation in the Budget year	10,411	3,434
<b>Total expenses for Outcome 1</b>	<b>111,442</b>	<b>105,185</b>
<b>Outcome 2:</b> <b>Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research</b>	<b>2013-14 Estimated actual expenses \$'000</b>	<b>2014-15 Estimated expenses \$'000</b>
<b>Programme 2.1</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	177,650	176,939
Revenues from other independent sources	18,804	17,376
Expenses not requiring appropriation in the Budget year	5,373	4,194
<b>Total expenses for Outcome 2</b>	<b>201,827</b>	<b>198,509</b>
	<b>2013-14</b>	<b>2014-15</b>
<b>Average Staffing Level (number)</b>	<b>642</b>	<b>505</b>

**Table 2.2 Programme Expenses**

	<b>Estimated actual 2013-14 \$'000</b>	<b>Budget estimate 2014-15 \$'000</b>	<b>Forward estimate 2015-16 \$'000</b>	<b>Forward estimate 2016-17 \$'000</b>	<b>Forward estimate 2017-18 \$'000</b>
Annual departmental expenses:					
Ordinary annual services	313,269	303,694	292,074	288,347	247,055
<b>Total Programme expenses</b>	<b>313,269</b>	<b>303,694</b>	<b>292,074</b>	<b>288,347</b>	<b>247,055</b>

## Programme 1.1: Australian Sports Commission

### Programme Objectives

#### *Growth in sport participation*

In 2014-15, the ASC will continue to emphasise the importance of building participation through community-based sporting activity by investing in national sporting organisations.

The ASC's participation outcomes will be built around a new participation investment strategy and will focus on ensuring the sustainability of national sporting organisations. This will include enhancing their ability to grow the number of people participating in their sport, including encouraging participation from under-represented groups.

The ASC is also committed to providing children with a positive introduction to sport and pathways into local sporting clubs. From 1 January 2015, the Active After-School Communities Programme will be replaced by the Sporting Schools initiative which will help schools run activities across up to 35 major sports for three terms each year.

### Programme 1.1: Deliverables

#### Qualitative Deliverables for Programme 1.1

##### Growth in sport participation

Qualitative Deliverables	2014-15 Reference Point or Target
Provide targeted investment to national sporting organisations to achieve measurable participation outcomes	Targeted investments are based on a rigorous and transparent assessment of each sport's capability to deliver participation outcomes
Establish and implement an annual participation research and information programme to measure sport participation and provide information to assist national sporting organisations to make informed decisions about participation	Data collection process is established to enable ongoing measurement of participation data that meets the needs of researchers and policy makers
Implement the Sporting Schools initiative	Transition the Active After-School Communities programme to the Sporting Schools initiative from 1 January 2015

ASC

## Programme 1.1: Key Performance Indicators<sup>1</sup>

### Qualitative Key Performance Indicator for Programme 1.1

#### Growth in sport participation

Qualitative Indicator	2014-15 Reference Point or Target
Establishment of benchmark participation data to measure the percentage of the Australian population participating in organised sport (traditional or social) with a national sporting organisation or affiliate	Development and testing of participation data collection tool, and commencement of benchmarking data collection

### Quantitative Key Performance Indicators for Programme 1.1

#### Growth in sport participation

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of priority participation national sporting organisations growing their participation base <sup>2</sup>	N/A	80%	80%	80%	80%
Percentage of key sport partners that agree the ASC has demonstrated effective leadership of the sport sector	N/A	80%	80%	80%	80%
Percentage of key sport partners that agree the ASC has effectively shared knowledge and expertise in sport	N/A	80%	80%	85%	85%

<sup>1</sup> KPIs for the Australian Sports Commission have been reviewed and updated to ensure targeted performance reporting.

<sup>2</sup> In 2014-15, there will be 29 priority participation sports.

## Programme 2.1: Australian Sports Commission

### Programme Objectives

#### *Excellence in sports performance*

The ASC is committed to Australia retaining our pre-eminent position in world sport. Australia has been recognised the world over for its ability to identify, develop and produce world, Olympic and Paralympic champions. However, international competition is intensifying all the time. Many other nations have now replicated our innovations, tapped into our expertise and made strategic investments, and as a result have become stronger competitors in international sport.

In 2014-15, the ASC will continue to roll out Australia's high performance strategy *Australia's Winning Edge* to respond to this new environment.

Through the Australian Institute of Sport, in 2014-15 the ASC will utilise reliable data to inform high performance investment decisions; provide high performance consultation to assist national sporting organisations with strategy, high performance planning and programme delivery; optimise high performance athlete, coach and leader talent; ensure that athletes get the right support at the right time; and promote growth of new knowledge and expertise for high performance sport.

### Programme 2.1: Deliverables

#### Qualitative Deliverables for Programme 2.1

##### *Excellence in sports performance*

Qualitative Deliverables	2014-15 Reference Point or Target
Provide targeted investment in national sporting organisations to assist with the delivery of programmes aligned to their <i>Australia's Winning Edge</i> targets	Targeted investments in national sporting organisations are based on a rigorous and transparent assessment of each sport's capability to deliver on <i>Australia's Winning Edge</i> targets
Provide high performance consultation that assists national sporting organisations with strategy, high performance planning, and programme delivery to increase the likelihood of Australia achieving sustainable high performance success	Advice provided to <i>Australia's Winning Edge</i> funded sports using evidence-based assessment and biannual sport performance reviews
Implement innovative and customised high performance system solutions to optimise athlete, coach and leader talent	Short course opportunities provided for coaches and leaders nominated by national sporting organisations
Ensure that the right athletes get the right support at the right time by planning, coordinating and delivering expertise for <i>Australia's Winning Edge</i> funded national sporting organisations and athletes	Performance support across sport science and sport medicine disciplines delivered to those athletes identified by national sporting organisations



Qualitative Deliverables	2014-15 Reference Point or Target
Support innovative solutions for prioritised national sporting organisations and promoting growth of new knowledge and expertise for high performance sport	Investment delivered through national high performance research programmes based on an assessment against a national research agenda

### Programme 2.1: Key Performance Indicators<sup>3</sup>

#### Quantitative Key Performance Indicators for Programme 2.1

##### Excellence in sports performance

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of <i>Australia's Winning Edge</i> funded sports rated by the Australian Institute of Sport as achieving their performance targets	80%	80%	80%	90%	90%
Percentage of <i>Australia's Winning Edge</i> funded sports that agree the services they received from the Australian Institute of Sport have made a high quality contribution to their high performance programme	75%	80%	80%	80%	80%
Percentage of <i>Australia's Winning Edge</i> partners that agree the Australian Institute of Sport has demonstrated strong leadership of Australian high performance sport	N/A	80%	80%	90%	90%
Percentage of <i>Australia's Winning Edge</i> partners who agree there is strong strategic alignment across the high performance institute network	N/A	80%	80%	90%	90%

<sup>3</sup> KPIs for the Australian Sports Commission have been reviewed and updated to ensure targeted performance reporting. The wording of the first two indicators has been enhanced to provide greater clarity around the measure. The remaining two indicators were not part of the group of indicators included in the 2013-14 Portfolio Budget Statements.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to ASC.

#### 3.1.2 Special Accounts

Section 3.1.2 is not applicable to ASC.

#### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

	Appropriations				Other	Total	Programme
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000	\$'000	\$'000	
<b>Australian Sports Commission</b>							
<b>Outcome 1</b>							
Departmental 2014-15	4000	-	-	4000	-	4000	1.1
Departmental 2013-14	4000	-	-	4000	-	4000	1.1
Total outcome 2014-15	4000	-	-	4000	-	4000	
Total outcome 2013-14	4000	-	-	4000	-	4000	
<b>Outcome 2</b>							
Departmental 2014-15	-	-	-	-	600	600	2.1
Departmental 2013-14	-	-	-	-	600	600	2.1
Total outcome 2014-15	-	-	-	-	600	600	
Total outcome 2013-14	-	-	-	-	600	600	
Total departmental 2014-15	4000	-	-	4000	600	4600	
Total departmental 2013-14	4000	-	-	4000	600	4600	
<b>Total AGIE 2014-15</b>	<b>4000</b>	<b>-</b>	<b>-</b>	<b>4000</b>	<b>600</b>	<b>4600</b>	
Total AGIE 2013-14	4000	-	-	4000	600	4600	

ASC

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in agency resourcing and financial statements**

The agency resource statement (table 1.2.1) provides a consolidated view of all the resources available in 2014-15. This includes operating appropriation, funds from other sources and cash and investments to cover payables and provisions on the balance sheet. Operating appropriation is shown as Revenue from Government in the comprehensive income statement (table 3.2.1).

### **3.2.2 Analysis of budgeted financial statements**

An analysis of the ASC's financial statements follows in order to provide clarification and additional detail for readers.

#### **Comprehensive income statement**

The ASC is budgeting for an operating loss of \$15.784 million in 2013-14 arising from additional and unfunded depreciation expense reflecting revaluations of assets plus timing differences across financial years as to when revenue is received and when expenditure for certain externally funded programs occurs.

The ASC is budgeting for an operating loss for the 2014-15 Budget year and forward estimates period arising from the same drivers as the 2013-14 operating loss.

Since the 2013-14 PB Statements were published the 2014-15 estimate for revenue from government estimate has increased by \$17.395 million primarily reflecting the commencement of the Sporting Schools Initiative.

#### **Budgeted departmental balance sheet**

Total assets at 30 June 2015 are anticipated to be \$319.195 million, \$234.817 million (74%) of which represents investment in non-financial assets. Liabilities are expected to remain stable over the budget and forward estimates period and comprise mainly of grant and supplier payables and employee entitlements.

Total equity is estimated at \$292.171 million at 30 June 2015. The reduction in equity over the forward estimates period reflects the impact of the budgeted technical accounting loss for increased depreciation expense arising from revaluations of assets and timing difference between recognition of revenue and incurrence of expenses.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	76,354	69,035	54,717	56,378	47,660
Supplier expenses	51,586	46,649	47,015	43,973	41,816
Grants	162,988	165,204	167,406	165,056	135,121
Depreciation and amortisation	22,341	22,806	22,936	22,940	22,458
<b>Total expenses</b>	<b>313,269</b>	<b>303,694</b>	<b>292,074</b>	<b>288,347</b>	<b>247,055</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	28,071	29,410	28,320	26,500	22,887
Interest	3,500	3,000	3,000	2,500	2,500
<b>Total revenue</b>	<b>31,571</b>	<b>32,410</b>	<b>31,320</b>	<b>29,000</b>	<b>25,387</b>
<b>Total own-source income</b>	<b>31,571</b>	<b>32,410</b>	<b>31,320</b>	<b>29,000</b>	<b>25,387</b>
<b>Net cost of (contribution by) services</b>	<b>281,698</b>	<b>271,284</b>	<b>260,754</b>	<b>259,347</b>	<b>221,668</b>
Revenue from Government	265,914	263,656	254,710	253,299	215,620
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(15,784)</b>	<b>(7,628)</b>	<b>(6,044)</b>	<b>(6,048)</b>	<b>(6,048)</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,263	13,231	28,936	17,221	18,548
Receivables	6,070	6,070	6,070	6,070	6,070
Investments	65,077	65,077	65,077	65,077	65,077
<b>Total financial assets</b>	<b>77,410</b>	<b>84,378</b>	<b>100,083</b>	<b>88,368</b>	<b>89,695</b>
<b>Non-financial assets</b>					
Land and buildings	228,396	214,519	197,858	202,012	193,902
Property, plant and equipment	17,023	13,698	10,252	12,473	14,075
Intangibles	2,577	4,029	2,387	1,679	812
Inventories	1,225	1,225	1,225	1,225	1,225
Other	1,346	1,346	1,346	1,346	1,346
<b>Total non-financial assets</b>	<b>250,567</b>	<b>234,817</b>	<b>213,068</b>	<b>218,735</b>	<b>211,360</b>
<b>Total assets</b>	<b>327,977</b>	<b>319,195</b>	<b>313,151</b>	<b>307,103</b>	<b>301,055</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,310	3,310	3,310	3,310	3,310
Grants	7,092	7,092	7,092	7,092	7,092
Other payables	2,612	2,612	2,612	2,612	2,612
<b>Total payables</b>	<b>13,014</b>	<b>13,014</b>	<b>13,014</b>	<b>13,014</b>	<b>13,014</b>
<b>Provisions</b>					
Employees	16,519	13,865	13,865	13,865	13,865
Other provisions	145	145	145	145	145
<b>Total provisions</b>	<b>16,664</b>	<b>14,010</b>	<b>14,010</b>	<b>14,010</b>	<b>14,010</b>
<b>Total liabilities</b>	<b>29,678</b>	<b>27,024</b>	<b>27,024</b>	<b>27,024</b>	<b>27,024</b>
<b>Net assets</b>	<b>298,299</b>	<b>292,171</b>	<b>286,127</b>	<b>280,079</b>	<b>274,031</b>
<b>EQUITY</b>					
Contributed equity	148,710	150,210	150,210	150,210	150,210
Reserves	171,428	171,428	171,428	171,428	171,428
Retained surpluses (accumulated deficits)	(21,839)	(29,467)	(35,511)	(41,559)	(47,607)
<b>Total equity</b>	<b>298,299</b>	<b>292,171</b>	<b>286,127</b>	<b>280,079</b>	<b>274,031</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement  
(Budget year 2014-15)**

	<b>Retained earnings</b>	<b>Asset revaluation reserve</b>	<b>Contributed equity/ capital</b>	<b>Total equity</b>
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>				
Balance carried forward from previous period	(21,839)	171,428	148,710	<b>298,299</b>
Surplus (deficit) for the period	(7,628)	-	-	<b>(7,628)</b>
Appropriation (equity injection)	-	-	1,500	<b>1,500</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(29,467)</b>	<b>171,428</b>	<b>150,210</b>	<b>292,171</b>

Prepared on Australian Accounting Standards basis.

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

	<b>Estimated actual 2013-14 \$'000</b>	<b>Budget estimate 2014-15 \$'000</b>	<b>Forward estimate 2015-16 \$'000</b>	<b>Forward estimate 2016-17 \$'000</b>	<b>Forward estimate 2017-18 \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	28,071	29,410	28,320	26,500	22,887
Appropriations	265,914	263,656	254,710	253,299	215,620
Interest	3,500	3,000	3,000	2,500	2,500
<b>Total cash received</b>	<b>297,485</b>	<b>296,066</b>	<b>286,030</b>	<b>282,299</b>	<b>241,007</b>
<b>Cash used</b>					
Employees	76,354	71,689	54,717	56,378	47,660
Suppliers	51,586	46,649	47,015	43,973	41,816
Grants	162,988	165,204	167,406	165,056	135,121
<b>Total cash used</b>	<b>290,928</b>	<b>283,542</b>	<b>269,138</b>	<b>265,407</b>	<b>224,597</b>
<b>Net cash from (or used by) operating activities</b>	<b>6,557</b>	<b>12,524</b>	<b>16,892</b>	<b>16,892</b>	<b>16,410</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	15,335	7,056	1,187	28,607	15,083
<b>Total cash used</b>	<b>15,335</b>	<b>7,056</b>	<b>1,187</b>	<b>28,607</b>	<b>15,083</b>
<b>Net cash from (or used by) investing activities</b>	<b>(15,335)</b>	<b>(7,056)</b>	<b>(1,187)</b>	<b>(28,607)</b>	<b>(15,083)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	1,500	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(8,778)</b>	<b>6,968</b>	<b>15,705</b>	<b>(11,715)</b>	<b>1,327</b>
Cash and cash equivalents at the beginning of the reporting period	80,118	71,340	78,308	94,013	82,298
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>71,340</b>	<b>78,308</b>	<b>94,013</b>	<b>82,298</b>	<b>83,625</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	1,500	-	-	-
<b>Total capital appropriations</b>	-	<b>1,500</b>	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	1,500	-	-	-
<b>Total items</b>	-	<b>1,500</b>	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	-	1,500	-	-	-
Funded internally from departmental resources	15,335	5,556	1,187	28,607	15,083
<b>Total acquisitions of non-financial assets</b>	<b>15,335</b>	<b>7,056</b>	<b>1,187</b>	<b>28,607</b>	<b>15,083</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>15,335</b>	<b>7,056</b>	<b>1,187</b>	<b>28,607</b>	<b>15,083</b>
<b>Total cash used to acquire assets</b>	<b>15,335</b>	<b>7,056</b>	<b>1,187</b>	<b>28,607</b>	<b>15,083</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.



**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>					
Gross book value	10,100	494,058	51,578	7,916	<b>563,652</b>
Accumulated depreciation/amortisation and impairment	-	(275,762)	(34,555)	(5,339)	<b>(315,656)</b>
<b>Opening net book balance</b>	<b>10,100</b>	<b>218,296</b>	<b>17,023</b>	<b>2,577</b>	<b>247,996</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>1</sup>				1,500	<b>1,500</b>
By purchase - internal resources	-	2,784	1,472	1,300	<b>5,556</b>
<b>Sub-total</b>	<b>-</b>	<b>2,784</b>	<b>1,472</b>	<b>2,800</b>	<b>7,056</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(16,661)	(4,797)	(1,348)	<b>(22,806)</b>
<b>As at 30 June 2015</b>					
Gross book value	10,100	496,842	53,050	10,716	<b>570,708</b>
Accumulated depreciation/amortisation and impairment	-	(292,423)	(39,352)	(6,687)	<b>(338,462)</b>
<b>Closing net book balance</b>	<b>10,100</b>	<b>204,419</b>	<b>13,698</b>	<b>4,029</b>	<b>232,246</b>

- 1 "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Bill (No.2) 2014-15, including Collection Development Acquisition Budgets.

**CANCER AUSTRALIA**

**Agency Resources and  
Planned Performance**





# Cancer Australia

Health Portfolio Agency

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through Cancer Australia, aims to: provide national leadership in cancer control to improve cancer outcomes; coordinate evidence-based interventions with a range of health care providers and groups across the continuum of cancer care; and lead the development of sustainable and effective models of cancer care. Cancer Australia also oversees a dedicated budget for cancer research and strengthening national data capacity.

As the Australian Government's national cancer control agency, Cancer Australia provides leadership in cancer control across all cancers, with reference to burden of disease, cancer incidence, survival, and mortality. Cancer Australia also has a focus on populations which experience poorer health outcomes, including Aboriginal and Torres Strait Islander peoples and people living in rural and remote Australia.

The role and functions of Cancer Australia are set out in the *Cancer Australia Act 2006*. Cancer Australia is prescribed as a Statutory Agency under the *Financial Management and Accountability Act 1997*, and is also subject to the *Public Service Act 1999* and the *Auditor-General Act 1997*. From 1 July 2014, Cancer Australia will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: Cancer Australia Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation and opening reserves <sup>2</sup>	4,346	-	4,346	4,561
Departmental appropriation <sup>3</sup>	-	12,051	12,051	12,215
s31 Relevant agency receipts	-	1,474	1,474	739
<b>Total</b>	<b>4,346</b>	<b>13,525</b>	<b>17,871</b>	<b>17,515</b>
<b>Administered resources<sup>4</sup></b>				
Outcome 1	-	16,744	16,744	17,618
<b>Total</b>	<b>-</b>	<b>16,744</b>	<b>16,744</b>	<b>17,618</b>
<b>Total appropriations and other resourcing excluding</b>	<b>4,346</b>	<b>30,269</b>	<b>34,615</b>	<b>35,133</b>
<b>Special Accounts<sup>5</sup></b>				
Opening balance	-	-	-	-
Appropriation receipts	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Account</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>4,346</b>	<b>30,269</b>	<b>34,615</b>	<b>35,133</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for Cancer Australia</b>	<b>4,346</b>	<b>30,269</b>	<b>34,615</b>	<b>35,133</b>

Notes:

All figures are GST exclusive

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations including cash at bank.

3 Includes an amount for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.1) 2014-15.

5 Cancer Australia does not have any Special Accounts.

### 1.3 Budget Measures

Budget measures relating to Cancer Australia are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: Cancer Australia Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Cancer Australia						
Departmental	1.1	-	(31)	(61)	(92)	(93)
<b>Total</b>		-	<b>(31)</b>	<b>(61)</b>	<b>(92)</b>	<b>(93)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

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

#### Outcome Strategy

The Australian Government, through Cancer Australia, aims to minimise the impact of cancer and improve health outcomes for people affected by cancer by coordinating and leading national, evidence-based interventions across the continuum of cancer care.

Cancer is the largest contributor to the burden of disease and injury in Australia, accounting for 19 per cent of the total burden.<sup>1,2</sup> In Australia, one in two men and one in three women can expect to be diagnosed with cancer by the age of 85 years and the incidence of cancer is projected to continue to increase. It is estimated that, in 2013, 125,000 Australians were diagnosed with cancer. By 2020, the incidence is projected to be 150,000; an increase of 20 per cent within the next seven years.<sup>3</sup>

In order to minimise the impact of cancer, Cancer Australia will: translate evidence to inform the development and implementation of policies and programmes in cancer control; promote clinical best practice to health professionals across Australia; lead the development of innovative, sustainable, and evidence-based models of cancer care; strengthen national data capacity; fund research in priority areas; provide information for people affected by cancer about their diagnosis and treatment; and raise community awareness about the disease.

Cancer Australia will work in partnership with consumers, health professionals and professional colleges, researchers and research funding bodies, non-government cancer and health organisations, other health portfolio agencies and Governments.

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<sup>1</sup> Australian Institute of Health and Welfare and Australasian Association of Cancer Registries 2012. *Cancer in Australia: an overview, 2012*. Cancer series no. 74. cat. no. CAN 70. Canberra: AIHW.

<sup>2</sup> Burden of disease is the years of healthy life lost through premature death or disability due to illness or injury. 83 per cent of the cancer burden comes from the years of life lost due to premature death.

<sup>3</sup> Australian Institute of Health and Welfare 2012. *Cancer incidence projections, Australia 2011-2020*. Cancer series no. 66. cat. no. CAN 62. Canberra: AIHW.



## Cancer Australia Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for Cancer Australia by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for Cancer Australia**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Improved cancer control</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	17,618	16,744	16,989	17,269	17,579
Departmental expenses					
Departmental appropriation <sup>1</sup>	12,954	13,525	13,074	11,992	12,108
Expenses not requiring appropriation in the budget year <sup>2</sup>	834	607	389	363	397
Operating deficit (surplus)	(300)	-	-	-	-
<b>Total for Programme 1.1</b>	<b>31,106</b>	<b>30,876</b>	<b>30,452</b>	<b>29,624</b>	<b>30,084</b>
<b>Total expenses for Outcome 1</b>	<b>31,106</b>	<b>30,876</b>	<b>30,452</b>	<b>29,624</b>	<b>30,084</b>

	2013-14	2014-15
<b>Average staffing level (number)</b>	66	72

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense and amortisation expenses.

## **Programme 1.1: Improved Cancer Control**

### **Programme Objectives**

*Provide leadership in national cancer control and promote effective cancer care*

The Australian Government, through Cancer Australia, will utilise the best available evidence to lead the development of effective policies and programmes in cancer control. In 2014-15, Cancer Australia will promote evidence-informed decision making through the development of evidence-based clinical advice. In addition, Cancer Australia will develop new models of cancer care to inform optimal health outcomes and investments. The agency will also undertake work to address variations in cancer care and improve cancer outcomes.

Cancer Australia will work to improve outcomes for people with lung cancer through the development and implementation of evidence-based and sustainable models of cancer care to support early diagnosis, appropriate referral and best practice treatment.

Cancer Australia will also promote clinical best practice to health professionals, including health workers caring for Aboriginal and Torres Strait Islander peoples, through the provision of workshops and forums about lung cancer symptoms and appropriate referral.

*Fund priority research and strengthen national data capacity*

The Australian Government, through Cancer Australia's Priority-driven Collaborative Cancer Research Scheme, will partner with non-government organisations to maximise Government investment in priority areas of cancer research. Cancer Australia will also fund the National Multi-site Collaborative Cancer Clinical Trials Groups in order to build capacity to undertake industry-independent cancer clinical trials.

Cancer Australia will strengthen cancer information through the development of a set of core indicators to monitor cancer control efforts and inform health service policy and planning and clinical best practice. Cancer Australia will also progress the collection, collation and reporting of data relating to cancer stage, treatments, and recurrence of cancer at the national level.

*Provide community access to cancer information*

In 2014-15, the Cancer Australia website will be enhanced as a central source of evidence-based cancer information, resources and data for consumers, health professionals and the community.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

Provide leadership in national cancer control and promote effective cancer care

Qualitative Deliverable	2014-15 Reference Point or Target
Translate research into evidence-based information to inform policy and practice	Provide evidence-based information to guide clinical best practice in gynaecological cancers

### Quantitative Deliverables for Programme 1.1

Fund priority research and strengthen national data capacity

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Minimum number of cancer research grants funded by Cancer Australia through the Priority-driven Collaborative Cancer Research Scheme	6	6	7	7	7

Provide community access to cancer information

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Total number of Cancer Australia resources to inform health professionals, consumers and the community	262	270	275	280	285

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

Provide leadership in national cancer control and promote effective cancer care

Qualitative Indicator	2014-15 Reference Point or Target
Improve outcomes for Australians diagnosed with cancer	Demonstrated improvements in the delivery of best practice cancer care in identified cancers

### Quantitative Key Performance Indicators for Programme 1.1

Fund priority research and strengthen national data capacity

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of funding to applied research through the Priority-driven Collaborative Cancer Research Scheme <sup>4</sup>	≥70%	≥70%	≥70%	≥70%	≥70%

Provide community access to cancer information

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of consumers involved in Cancer Australia advisory and project activities	50	60 <sup>5</sup>	60	60	70

<sup>4</sup> This is dependent on the quality of the research proposals submitted, and the percentage of the total research funded by Cancer Australia.

<sup>5</sup> Established consumer engagement strategy in place.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of Administered Funds Between Years

**Table 3.1.1: Movement of Administered Funds Between Years<sup>1</sup>**

Section 3.1.1 is not applicable to Cancer Australia.

#### 3.1.2 Special Accounts

**Table 3.1.2: Estimates of Special Account Flows and Balances**

Section 3.1.2 is not applicable to Cancer Australia.

#### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special appropriations \$'000	Total appropriations \$'000	\$'000	\$'000
<b>Cancer Australia</b>						
Administered 2014-15	150			150		150
<i>Administered 2013-14</i>	<i>551</i>			<i>551</i>		<i>551</i>
Departmental 2014-15	431			431		431
<i>Departmental 2013-14</i>	<i>426</i>			<i>426</i>		<i>426</i>
Total outcome 2014-15	581	-	-	581	-	581
<i>Total outcome 2013-14</i>	<i>977</i>	-	-	<i>977</i>	-	<i>977</i>
Total administered 2014-15	150	-	-	150	-	150
<i>Total administered 2013-14</i>	<i>551</i>	-	-	<i>551</i>	-	<i>551</i>
Total departmental 2014-15	431	-	-	431	-	431
<i>Total departmental 2013-14</i>	<i>426</i>	-	-	<i>426</i>	-	<i>426</i>
<b>Total AGIE 2014-15</b>	<b>581</b>	-	-	<b>581</b>	-	<b>581</b>
<i>Total AGIE 2013-14</i>	<i>977</i>	-	-	<i>977</i>	-	<i>977</i>

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to Cancer Australia.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of Cancer Australia's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

Cancer Australia has budgeted to deliver a comprehensive work programme in 2014-15 followed by a balanced budget in the forward years. In line with appropriation arrangements Departmental funding has been reduced to apply the whole-of-government targeted savings to deliver public service efficiencies.

#### **Administered Resources**

Administered funding for Cancer Australia programmes will continue in 2014-15. The level of administered funding across forward years represents Government expenditure on programmes delivered to all Australians through Cancer Australia.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	8,323	8,719	9,128	9,207	9,617
Supplier expenses	4,430	4,998	4,140	2,981	2,690
Write-down and impairment of assets	91	-	-	-	-
Depreciation and amortisation	644	415	195	167	198
<b>Total expenses</b>	<b>13,488</b>	<b>14,132</b>	<b>13,463</b>	<b>12,355</b>	<b>12,505</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other revenue	739	1,474	1,130	130	130
<b>Total revenue</b>	<b>739</b>	<b>1,474</b>	<b>1,130</b>	<b>130</b>	<b>130</b>
<b>Gains</b>					
Other	190	192	194	196	199
<b>Total gains</b>	<b>190</b>	<b>192</b>	<b>194</b>	<b>196</b>	<b>199</b>
<b>Total own-source income</b>	<b>929</b>	<b>1,666</b>	<b>1,324</b>	<b>326</b>	<b>329</b>
<b>Net cost of (contribution by) services</b>	<b>12,559</b>	<b>12,466</b>	<b>12,139</b>	<b>12,029</b>	<b>12,176</b>
Revenue from Government	12,215	12,051	11,944	11,862	11,978
<b>Surplus (Deficit)</b>	<b>(344)</b>	<b>(415)</b>	<b>(195)</b>	<b>(167)</b>	<b>(198)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(344)</b>	<b>(415)</b>	<b>(195)</b>	<b>(167)</b>	<b>(198)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(344)</b>	<b>(415)</b>	<b>(195)</b>	<b>(167)</b>	<b>(198)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(344)</b>	<b>(415)</b>	<b>(195)</b>	<b>(167)</b>	<b>(198)</b>
plus non-appropriated expenses depreciation and amortisation expenses	644	415	195	167	198
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,267	1,267	1,267	1,267	1,267
Receivables	3,223	3,223	3,223	3,223	3,223
<b>Total financial assets</b>	<b>4,490</b>	<b>4,490</b>	<b>4,490</b>	<b>4,490</b>	<b>4,490</b>
<b>Non-financial assets</b>					
Buildings	-	-	-	-	-
Property, plant and equipment	587	373	510	585	637
Intangibles	171	120	95	75	48
Other	119	119	119	119	119
<b>Total non-financial assets</b>	<b>877</b>	<b>612</b>	<b>724</b>	<b>779</b>	<b>804</b>
<b>Total assets</b>	<b>5,367</b>	<b>5,102</b>	<b>5,214</b>	<b>5,269</b>	<b>5,294</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,004	2,004	2,004	2,004	2,004
Other payables	591	591	591	591	591
<b>Total payables</b>	<b>2,595</b>	<b>2,595</b>	<b>2,595</b>	<b>2,595</b>	<b>2,595</b>
<b>Provisions</b>					
Employees	1,485	1,485	1,485	1,485	1,485
Other provisions	150	150	150	150	150
<b>Total provisions</b>	<b>1,635</b>	<b>1,635</b>	<b>1,635</b>	<b>1,635</b>	<b>1,635</b>
<b>Total liabilities</b>	<b>4,230</b>	<b>4,230</b>	<b>4,230</b>	<b>4,230</b>	<b>4,230</b>
<b>Net Assets</b>	<b>1,137</b>	<b>872</b>	<b>984</b>	<b>1,039</b>	<b>1,064</b>
<b>EQUITY</b>					
Contributed equity	1,188	1,338	1,560	1,782	2,005
Reserves	6	6	6	6	6
Retained surpluses or accumulated deficits	(57)	(472)	(582)	(749)	(947)
<b>Total equity</b>	<b>1,137</b>	<b>872</b>	<b>984</b>	<b>1,039</b>	<b>1,064</b>



**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement  
(Budget year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(57)	6	-	1,188	<b>1,137</b>
Surplus (deficit) for the period	(415)	-	-	-	<b>(415)</b>
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Other	-	-	-	150	<b>150</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(472)</b>	<b>6</b>	<b>-</b>	<b>1,338</b>	<b>872</b>

DCB = Departmental Capital Budget.

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

	<b>Estimated actual 2013-14 \$'000</b>	<b>Budget estimate 2014-15 \$'000</b>	<b>Forward estimate 2015-16 \$'000</b>	<b>Forward estimate 2016-17 \$'000</b>	<b>Forward estimate 2017-18 \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	12,215	12,051	11,944	11,862	11,978
GST	213	219	219	221	223
Other cash received	739	1,474	1,130	130	130
<b>Total cash received</b>	<b>13,167</b>	<b>13,744</b>	<b>13,293</b>	<b>12,213</b>	<b>12,331</b>
<b>Cash used</b>					
Employees	8,116	8,519	8,940	9,007	9,617
Suppliers	4,940	4,856	3,994	2,845	2,351
GST	213	219	219	221	223
<b>Total cash used</b>	<b>13,269</b>	<b>13,594</b>	<b>13,153</b>	<b>12,073</b>	<b>12,191</b>
<b>Net cash from (or used by) operating activities</b>	<b>(102)</b>	<b>150</b>	<b>140</b>	<b>140</b>	<b>140</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	204	150	222	222	223
<b>Total cash used</b>	<b>204</b>	<b>150</b>	<b>222</b>	<b>222</b>	<b>223</b>
<b>Net cash from (or used by) investing activities</b>	<b>(204)</b>	<b>(150)</b>	<b>(222)</b>	<b>(222)</b>	<b>(223)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	-	-	82	82	83
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>82</b>	<b>83</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>82</b>	<b>82</b>	<b>83</b>
<b>Net increase (or decrease) in cash held</b>	<b>(306)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,573	1,267	1,267	1,267	1,267
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,267</b>	<b>1,267</b>	<b>1,267</b>	<b>1,267</b>	<b>1,267</b>

DCB = Departmental Capital Budget.

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	-	82	82	83
<b>Total capital appropriations</b>	-	-	<b>82</b>	<b>82</b>	<b>83</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	82	82	83
<b>Total represented by</b>	-	-	<b>82</b>	<b>82</b>	<b>83</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	-	-	82	82	83
Funded internally from departmental resources	204	150	140	140	140
<b>Total acquisitions of non-financial assets</b>	<b>204</b>	<b>150</b>	<b>222</b>	<b>222</b>	<b>223</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>204</b>	<b>150</b>	<b>222</b>	<b>222</b>	<b>223</b>
<b>Total cash used to acquire assets</b>	<b>204</b>	<b>150</b>	<b>222</b>	<b>222</b>	<b>223</b>

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	2,257	757	<b>3,014</b>
Accumulated depreciation/amortisation and impairment	-	1,670	586	<b>2,256</b>
<b>Opening net book balance</b>	<b>-</b>	<b>587</b>	<b>171</b>	<b>758</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	150	-	<b>150</b>
<b>Sub-total</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>150</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	361	54	<b>415</b>
Other	-	3	(3)	<b>-</b>
<b>Total other movements</b>	<b>-</b>	<b>364</b>	<b>51</b>	<b>415</b>
<b>As at 30 June 2015</b>				
Gross book value	-	2,407	757	<b>3,014</b>
Accumulated depreciation/amortisation and impairment	-	2,034	637	<b>2,671</b>
<b>Closing net book balance</b>	<b>-</b>	<b>373</b>	<b>120</b>	<b>493</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	16,210	15,330	15,577	15,857	16,142
Suppliers	1,408	1,414	1,412	1,412	1,437
<b>Total expenses administered on behalf of Government</b>	<b>17,618</b>	<b>16,744</b>	<b>16,989</b>	<b>17,269</b>	<b>17,579</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	261	261	261	261	261
Receivables	136	136	136	136	136
<b>Total financial assets</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>
<b>Total assets administered on behalf of Government</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>	<b>397</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	891	891	891	891	891
Grants	94	94	94	94	94
Other	12	12	12	12	12
<b>Total payables</b>	<b>997</b>	<b>997</b>	<b>997</b>	<b>997</b>	<b>997</b>
<b>Total liabilities administered on behalf of Government</b>	<b>997</b>	<b>997</b>	<b>997</b>	<b>997</b>	<b>997</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash used</b>					
Grant payments	14,755	13,951	14,172	14,545	15,435
Suppliers	2,154	2,120	2,134	2,029	1,437
GST	709	673	683	695	707
<b>Total cash used</b>	<b>17,618</b>	<b>16,744</b>	<b>16,989</b>	<b>17,269</b>	<b>17,579</b>
<b>Net cash from (or used by) operating activities</b>	<b>17,618</b>	<b>16,744</b>	<b>16,989</b>	<b>17,269</b>	<b>17,579</b>
<b>Net increase (or decrease) in cash held</b>	<b>17,618</b>	<b>16,744</b>	<b>16,989</b>	<b>17,269</b>	<b>17,579</b>
Cash at beginning of reporting period	261	261	261	261	261
Cash from Official Public Account for: appropriations	17,618	16,744	16,989	17,269	17,579
<b>Cash at end of reporting period</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>	<b>261</b>

# **FOOD STANDARDS AUSTRALIA NEW ZEALAND**

## **Agency Resources and Planned Performance**

**FSANZ**



# Food Standards Australia New Zealand

Health Portfolio Agency

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through Food Standards Australia New Zealand (FSANZ), aims to ensure that Australia's food supply is safe and well managed in order to minimise the risk of adverse health events.

FSANZ was established by the Australian Government to achieve the goals of: a high degree of confidence in the quality and safety of food that is available in Australia and New Zealand; an effective, transparent and accountable regulatory framework within which industry can work efficiently; the provision of adequate information about food to support informed food choices; and the harmonisation of food standards in Australia and New Zealand, and internationally.

Through the operation of treaty arrangements, FSANZ develops some food standards for New Zealand. Food standards are implemented through multi-jurisdictional arrangements with Australian and New Zealand Governments that are overseen by the Council of Australian Governments (COAG) Legislative and Governance Forum on Food Regulation.

FSANZ also coordinates national food surveillance and food recall activities and provides advice to the Department of Agriculture to assist that Department to control imported foods.

The role and functions of FSANZ are set out in the *Food Standards Australia New Zealand Act 1991*. FSANZ is prescribed as a Commonwealth authority under the *Commonwealth Authorities and Companies Act 1997*. From 1 July 2014, FSANZ will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: FSANZ Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Opening balance/reserves at bank</b>	10,985	-	10,985	11,200
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	17,495	17,495	19,306
<b>Total ordinary annual services</b>	-	<b>17,495</b>	<b>17,495</b>	<b>19,306</b>
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	<b>17,495</b>	<b>17,495</b>	<b>19,306</b>
<b>Payments from related entities</b>				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
<b>Total payments</b>	-	-	-	-
<b>Total funds from Government</b>	-	<b>17,495</b>	<b>17,495</b>	<b>19,306</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	320	320	522
Sale of goods and services	-	100	100	200
Other	-	1,749	1,749	1,447
<b>Total other sources</b>	-	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>
<b>Total net resourcing for FSANZ</b>	<b>10,985</b>	<b>19,664</b>	<b>30,649</b>	<b>32,675</b>

Notes:

All figures are GST exclusive.

FSANZ is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to the FSANZ and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.

### 1.3 Budget Measures

Budget measures relating to FSANZ are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: FSANZ Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
Food Standards Australia New Zealand						
Departmental expenses	1.1	-	(45)	(89)	(133)	(134)
<b>Total expenses</b>		-	<b>(45)</b>	<b>(89)</b>	<b>(133)</b>	<b>(134)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**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**

#### Outcome Strategy

The Australian Government aims to ensure that all Australians have access to a safe food supply and adequate, accurate information to make informed choices about the food they consume.

Regulation is a critical component of the cooperative framework established to deliver safe food in Australia. Food standards developed by FSANZ are based on risk analysis using the best available scientific and other relevant evidence. FSANZ supports the Australian Government in building consumer confidence in food regulation by improving communication with technical and non-technical audiences. FSANZ will continue to promote the use of the internet and other electronic communication tools to enhance its consultation on standards development and the provision of food safety information.

In 2014-15, FSANZ will continue to work with jurisdictions to implement improvements to surveillance and recall protocols. FSANZ will also continue work on a major proposal to revise the Food Standards Code to address issues of legal uncertainty and to improve the presentation of the Code.

## FSANZ Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for FSANZ by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for FSANZ**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Food regulatory activity and services to the Minister and Parliament</b>					
Revenue from Government					
Appropriations through the Portfolio Department	19,306	17,495	17,340	17,241	17,412
Revenues from independent sources	2,169	2,169	2,169	2,169	2,169
Operating deficit (surplus)	270	-	-	-	-
<b>Total for Programme 1.1</b>	<b>21,745</b>	<b>19,664</b>	<b>19,509</b>	<b>19,410</b>	<b>19,581</b>
<b>Total expenses for Outcome 1</b>	<b>21,745</b>	<b>19,664</b>	<b>19,509</b>	<b>19,410</b>	<b>19,581</b>
	2013-14	2014-15			
<b>Average staffing level (number)</b>	115	107			

## **Programme 1.1: Food Regulatory Activity and Services to the Minister and Parliament**

### **Programme Objectives**

*Ensure effective, evidence-based food standards*

The Australian Government established FSANZ to develop effective, evidence-based food standards. FSANZ is committed to developing standards along the whole of the food supply chain to help ensure that food in Australia and New Zealand is safe and suitable to eat or drink.

In 2014-15, FSANZ will progress reviews of several standards covering infant formula products, microbiological limits in foods and maximum residue limits for chemicals in food. FSANZ will also complete development of a new primary production and processing standard for meat and meat products.

*Deliver food regulation that protects public health and safety*

The Australian Government aims to ensure that the regulatory activities of FSANZ are conducted with the primary objective of protecting public health and safety. FSANZ will continue to coordinate food recalls across all Australian States and Territories through the National Food Recall Protocol and undertake surveillance activities.

In the event of a major food incident, FSANZ will coordinate the national response under the National Food Incident Response Protocol. Through the National Food Safety Network, FSANZ will extend the current coordination and information sharing/communication services provided under the Protocol to situations where national discussion of food safety issues would be beneficial without invoking the Protocol.

*Improve citizen and stakeholder engagement*

A key element in enabling consumers and other stakeholders to make informed decisions about food is through the provision of adequate information. FSANZ maintains a website<sup>1</sup> that contains information for the community, industry, and other stakeholders about how the Australia New Zealand Food Standards Code operates. Increasingly, FSANZ is using social media to deliver food related information. FSANZ also operates a Code Inquiry Service to answer general questions about the operation of the Food Standards Code.

In December 2011, the Council of Australian Government's Legislative and Governance Forum on Food Regulation agreed its response to the final report of the independent panel for the *Labelling Logic: Review of Food Labelling Law and Policy (2011)*. In 2014-15, FSANZ will continue to provide technical evaluation and advice, review standards, or develop proposals based on the whole-of-government response to recommendations made in the report.

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<sup>1</sup> Further information available at: [Food Standards Australia New Zealand website](http://www.foodstandards.gov.au)

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Ensure effective, evidence-based food standards

Qualitative Deliverable	2014-15 Reference Point or Target
Food regulatory measures are considered in a timely manner	Applications are assessed within 12 months or less as required by the FSANZ Act

#### Deliver food regulation that protects public health and safety

Qualitative Deliverable	2014-15 Reference Point or Target
Manage the operation of the National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol	Deliver an efficient and effective incident management process through the National Food Safety Network and, as appropriate, the National Food Incident Response Protocol

#### Improve citizen and stakeholder engagement

Qualitative Deliverable	2014-15 Reference Point or Target
Participate in the implementation of the whole-of-government response to the <i>Labelling Logic</i> report	Provide technical evaluation and advice to support the whole-of-government response

### Quantitative Deliverables for Programme 1.1

#### Improve citizen and stakeholder engagement

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Consumer and Public Health Dialogue meetings	3	2	2	2	2

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Deliver food regulation that protects public health and safety

Qualitative Indicator	2014-15 Reference Point or Target
Enhanced public confidence in food incident and recall management	Industry satisfaction rating of 95 per cent or above for FSANZ's recall coordination All FSANZ staff trained in incident response procedures

## Quantitative Key Performance Indicators for Programme 1.1

### Ensure effective, evidence-based food standards

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of Bovine Spongiform Encephalopathy food safety risk assessments completed	4	2	2	1	1

### Deliver food regulation that protects public health and safety

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of food recalls coordinated through the National Food Recall Protocol	~50	~50	~50	~50	~50

### Improve citizen and stakeholder engagement

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Stakeholder engagement, measured by the number of:					
<ul style="list-style-type: none"> <li>stakeholders receiving information via website publications and social media</li> </ul>	5,000	5,500	6,000	7,000	8,000
<ul style="list-style-type: none"> <li>unique visitors to FSANZ website</li> </ul>	800,000	850,000	850,000	850,000	850,000



## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to FSANZ.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to FSANZ.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because FSANZ has no specific Indigenous expenses.

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to FSANZ.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of FSANZ's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

##### **Income Statement**

FSANZ has projected a break even budget in 2014-15. This result is expected to continue for the forward years.

##### **Revenues**

Revenue from other sources of \$2.169 million in 2014-15 is expected to remain over the forward years. The revenue from other sources is received primarily from the New Zealand Government, cost recovery arrangements for the processing of paid applications to amend the food standards code and interest. Reductions in interest and paid applications revenue in 2014-15 is likely to be offset by an increase in revenue from New Zealand, largely as a result of exchange rate movements.

##### **Expenses**

Expenditure in 2014-15 is anticipated to be \$19.664 million which is lower than the prior year and in line with the reduction in departmental appropriation and other revenue.

Employee expenses are anticipated to decline in 2014-15 as a result of a reduction in staff numbers in 2013-14. Supplier expenses will also decline in 2014-15. This trend is expected to continue over the forward years.

Depreciation and amortisation expenses are expected to remain stable over the forward years.

##### **Balance Sheet**

The cash balance is expected to decrease slightly over the forward years.

Intangible assets increased in 2013-14 reflecting the upgrading of key databases and data modelling systems. A small increase is anticipated across future years as asset enhancements occur with technological progress.

Employee provisions are expected to increase over the next year and then remain stable.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	16,818	15,798	16,237	16,237	16,237
Supplier expenses	4,322	3,261	2,667	2,568	2,739
Depreciation and amortisation	605	605	605	605	605
<b>Total expenses</b>	<b>21,745</b>	<b>19,664</b>	<b>19,509</b>	<b>19,410</b>	<b>19,581</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	200	100	100	100	100
Interest	522	320	320	320	320
Other revenue	1,447	1,749	1,749	1,749	1,749
<b>Total revenue</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>	<b>2,169</b>
<b>Net cost of (contribution by) services</b>	<b>19,576</b>	<b>17,495</b>	<b>17,340</b>	<b>17,241</b>	<b>17,412</b>
Revenue from Government	19,306	17,495	17,340	17,241	17,412
<b>Surplus (Deficit)</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	10,985	11,040	11,095	10,919	10,919
Receivables	644	644	644	820	820
<b>Total financial assets</b>	<b>11,629</b>	<b>11,684</b>	<b>11,739</b>	<b>11,739</b>	<b>11,739</b>
<b>Non-financial assets</b>					
Land and buildings	1,036	836	636	656	676
Property, plant and equipment	546	596	646	596	546
Intangibles	2,823	2,918	3,013	3,043	3,073
Other	166	166	166	166	166
<b>Total non-financial assets</b>	<b>4,571</b>	<b>4,516</b>	<b>4,461</b>	<b>4,461</b>	<b>4,461</b>
<b>Total assets</b>	<b>16,200</b>	<b>16,200</b>	<b>16,200</b>	<b>16,200</b>	<b>16,200</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	381	317	253	253	253
Other payables	2,914	2,914	2,914	2,914	2,914
<b>Total payables</b>	<b>3,295</b>	<b>3,231</b>	<b>3,167</b>	<b>3,167</b>	<b>3,167</b>
<b>Interest bearing liabilities</b>					
Leases	338	338	338	338	338
<b>Total interest bearing liabilities</b>	<b>338</b>	<b>338</b>	<b>338</b>	<b>338</b>	<b>338</b>
<b>Provisions</b>					
Employees	5,809	5,873	5,937	5,937	5,937
Other provisions	296	296	296	296	296
<b>Total provisions</b>	<b>6,105</b>	<b>6,169</b>	<b>6,233</b>	<b>6,233</b>	<b>6,233</b>
<b>Total liabilities</b>	<b>9,738</b>	<b>9,738</b>	<b>9,738</b>	<b>9,738</b>	<b>9,738</b>
<b>Net assets</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>
<b>EQUITY</b>					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	2,097	2,097	2,097	2,097	2,097
Retained surpluses or accumulated deficits	2,542	2,542	2,542	2,542	2,542
<b>Total equity</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>	<b>6,462</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement  
(Budget year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	2,542	2,097	-	1,823	<b>6,462</b>
Surplus (deficit) for the period	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>2,542</b>	<b>2,097</b>	<b>-</b>	<b>1,823</b>	<b>6,462</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	279	100	100	100	100
Appropriations	19,306	17,495	17,340	17,241	17,412
Interest	522	320	320	320	320
Net GST received	519	519	519	519	519
Other cash received	1,447	1,749	1,573	1,573	1,749
<b>Total cash received</b>	<b>22,073</b>	<b>20,183</b>	<b>19,852</b>	<b>19,753</b>	<b>20,100</b>
<b>Cash used</b>					
Employees	16,644	15,734	16,173	16,237	16,237
Suppliers	5,015	3,325	2,555	2,568	2,739
Net GST paid	79	519	519	519	519
<b>Total cash used</b>	<b>21,738</b>	<b>19,578</b>	<b>19,247</b>	<b>19,324</b>	<b>19,495</b>
<b>Net cash from (or used by) operating activities</b>	<b>335</b>	<b>605</b>	<b>605</b>	<b>429</b>	<b>605</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	550	550	550	605	605
<b>Total cash used</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>
<b>Net cash from (or used by) investing activities</b>	<b>(550)</b>	<b>(550)</b>	<b>(550)</b>	<b>(605)</b>	<b>(605)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(215)</b>	<b>55</b>	<b>55</b>	<b>(176)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	11,200	10,985	11,040	11,095	10,919
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>10,985</b>	<b>11,040</b>	<b>11,095</b>	<b>10,919</b>	<b>10,919</b>

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally from departmental resources	550	550	550	605	605
<b>Total acquisitions of non-financial assets</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>
<b>Total cash used to acquire assets</b>	<b>550</b>	<b>550</b>	<b>550</b>	<b>605</b>	<b>605</b>

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	1,577	1,233	3,537	<b>6,347</b>
Accumulated depreciation/amortisation and impairment	541	687	714	<b>1,942</b>
<b>Opening net book balance</b>	<b>1,036</b>	<b>546</b>	<b>2,823</b>	<b>4,405</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - internal resources	150	200	200	<b>550</b>
<b>Sub-total</b>	<b>150</b>	<b>200</b>	<b>200</b>	<b>550</b>
<b>Other movements</b>				
Depreciation/amortisation expense	350	150	105	<b>605</b>
<b>As at 30 June 2015</b>				
Gross book value	1,727	1,433	3,737	<b>6,897</b>
Accumulated depreciation/amortisation and impairment	891	837	819	<b>2,547</b>
<b>Closing net book balance</b>	<b>836</b>	<b>596</b>	<b>2,918</b>	<b>4,350</b>

# **GENERAL PRACTICE EDUCATION AND TRAINING LTD**

## **Agency Resources and Planned Performance**





# General Practice Education and Training Ltd

Health Portfolio Agency

GPET

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## **Section 1: Agency Overview and Resources**

### **1.1 Strategic Direction Statement**

The Government will transfer essential functions of the General Practice Education and Training Limited (GPET) to the Department of Health by 1 January 2015, with a view to closing the agency.

Until 31 December 2014, GPET will be responsible for the management of prevocational and vocational education and training for medical graduates seeking to become General Practitioners (GPs), including the Australian General Practice Training (AGPT) program and the Prevocational General Practice Placements Program (PGPPP).

GPET will be responsible for the administration of GP training through the AGPT for the first half of 2014-15, and will be responsible for the selection of an additional 1,500 registrars for the 2015 training year. GPET will implement the Government's decision to cease the PGPPP from the end of 2014.

GPET will continue to ensure high quality training through college accreditation arrangements and the distribution of training focusing on areas experiencing workforce shortages, including rural, remote and outer metropolitan areas to improve access to primary health care for all Australian communities until 31 December 2014.

## 1.2 Agency Resources

GPET's policy, programme and workforce planning functions, as well as funding agreements, will be transferred to the Department by 1 January 2015, with a view to closing the agency.

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: GPET Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
Opening balance/reserves at bank	18,864	-	18,864	55,336
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	-	-	-
<b>Total ordinary annual services</b>	-	-	-	-
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	-	-	-
<b>Payments from related entities<sup>3</sup></b>				
Amounts from the Portfolio Department	-	118,749	118,749	234,043
<b>Total payments</b>	-	118,749	118,749	234,043
<b>Total funds from Government</b>	-	118,749	118,749	234,043
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	-	-	467
<b>Total other sources</b>	-	-	-	467
<b>Total net resourcing for GPET</b>	<b>18,864</b>	<b>118,749</b>	<b>137,613</b>	<b>289,846</b>

Notes:

All figures are GST exclusive.

GPET is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to the GPET and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.

## 1.3 Budget Measures

Programme	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Rebuilding general practice education and training to deliver more GPs</b>					
General Practice Education and Training Limited					
Departmental expenses	-	(136,703)	(264,471)	(269,232)	(274,077)
<b>Total</b>	-	<b>(136,703)</b>	<b>(264,471)</b>	<b>(269,232)</b>	<b>(274,077)</b>

## **Section 2: Outcomes and Planned Performance**

### **2.1 Outcomes and Performance Information**

<b>Improved quality and access to primary care across Australia, including through general practitioner vocational education and training for medical graduates</b>
---

#### **Outcome Strategy**

GPs are the central focus of the primary health care system and the primary source of medical care throughout Australia. The Australian Government aims to provide efficient and high quality general practice vocational training to improve access to primary health care for all Australians.

The Government will increase GP registrar training positions by 300 places every year, starting in 2015. GPET will implement this increase in partnership with GP colleges and regional training providers, to ensure the necessary changes to selection processes are made, and that sufficient accredited training places are identified for the 2015 intake of 1,500 registrars. First priority will be given to accredited training places in regional and rural Australia.

The PGPPP will cease, with programme funding reinvested in the additional AGPT places.

## GPET Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for GPET by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for GPET**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Australian general practice training</b>					
Revenue from Government					
Amounts from the Portfolio Department	234,043	118,749	-	-	-
Revenues from independent sources	467	-	-	-	-
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Programme 1.1</b>	<b>234,510</b>	<b>118,749</b>	-	-	-
<b>Total expenses for Outcome 1</b>	<b>234,510</b>	<b>118,749</b>	-	-	-
	2013-14	2014-15			
<b>Average staffing level (number)</b>	62	31			

## **Programme 1.1: Australian General Practice Training**

### **Programme Objectives**

*Closure of the company, including wind-up and transfer of its functions, assets and liabilities to the Commonwealth by 1 January 2015*

The essential functions of GPET will be transferred to the Department by 1 January 2015, with a view to closing the agency.

GPET will manage the wind-up process for the company, in consultation with the Board, the Minister as shareholder, the Department, staff and their representatives. GPET will ensure that staff understand the options available to them on closure of the company. All entitlements for eligible GPET staff will be met.

*Provide high quality GP education and training targeted at areas experiencing workforce shortages*

The Government will increase the number of GP training places available through the AGPT program to 1,500 in 2015. High quality training will be provided in accredited training positions coordinated by the current network of regional training providers in 2015, with emphasis on improving the quality and efficiency of general practice vocational training, and increasing the training capacity of private practice for future year intakes. GPET will ensure that additional training places support more clinical training experiences in regional and rural areas, delivering an expanded primary care workforce.

To achieve the increase in vocational GP training places, and cease the PGPPP program, GPET will make the necessary changes to programmes, selection processes, and funding agreements with regional training providers, and work in consultation with all GP training stakeholders to successfully implement these changes.

*Encourage general practice registrars to undertake training within Aboriginal and Torres Strait Islander health training posts*

Up until 31 December 2014, GPET will encourage general practice registrars to undertake training in Aboriginal and Torres Strait Islander health training posts, increasing the access of Aboriginal and Torres Strait Islander communities to primary health care services. The Department will continue this work in 2015.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

**Closure of the company, including wind-up and transfer of its functions, assets and liabilities to the Commonwealth by 1 January 2015**

Qualitative Deliverables	2014-15 Reference Point or Target
GPET programmes and activities are transferred to the Department	Information and support is provided to the Department to assist in the smooth transfer of programmes and activities
GPET assets and liabilities are identified and transferred to the Commonwealth	Due diligence completed to identify all assets and liabilities Support provided to transfer assets and liabilities to the Commonwealth
Final annual report prepared	Information is provided to allow the final annual reporting requirements for GPET to be discharged

### Quantitative Deliverables for Programme 1.1<sup>1</sup>

**Provide high quality GP education and training targeted at areas experiencing workforce shortages**

Quantitative Deliverable	2014 Training Year Revised	2015 Training Budget Year	2016 Forward Training Year 1	2017 Forward Training Year 2	2018 Forward Training Year 3
Number of entry training places available in the AGPT program	1,192	1,500	1,500	1,500	1,500

**Encourage general practice registrars to undertake training within Aboriginal and Torres Strait Islander health training posts**

Quantitative Deliverable	2014 Training Year Revised	2015 Training Budget Year	2016 Forward Training Year 1	2017 Forward Training Year 2	2018 Forward Training Year 3
Number of full-time equivalent weeks of training undertaken in an Aboriginal and Torres Strait Islander health training post	5,623	6,183	6,183	6,183	6,183

<sup>1</sup> By 1 January 2015, policy, programme and funding responsibilities will transfer to the Department. Therefore, the targets have been included for out-years, which will be reported against by the Department, not GPET.



## Programme 1.1: Key Performance Indicators<sup>2</sup>

### Qualitative Key Performance Indicators for Programme 1.1

**Encourage general practice registrars to undertake training within Aboriginal and Torres Strait Islander health training posts**

Qualitative Indicator	2014-15 Reference Point or Target
Improve the capacity of Aboriginal and Torres Strait Islander health training provision	Delivery of initiatives contained in Aboriginal and Torres Strait Islander health training strategic plans by regional training providers

### Quantitative Key Performance Indicators for Programme 1.1

**Provide high quality GP education and training targeted at areas experiencing workforce shortages**

Quantitative Indicator	2014 Training Year Revised	2015 Training Budget Year	2016 Forward Training Year 1	2017 Forward Training Year 2	2018 Forward Training Year 3
Percentage of uptake of available entry training places	100%	100%	100%	100%	100%

**Encourage general practice registrars to undertake training within Aboriginal and Torres Strait Islander health training posts**

Quantitative Indicator	2014 Training Year Revised	2015 Training Budget Year	2016 Forward Training Year 1	2017 Forward Training Year 2	2018 Forward Training Year 3
Percentage uptake of available training weeks in an Aboriginal and Torres Strait Islander health training post	100%	100%	100%	100%	100%

<sup>2</sup> By 1 January 2015 policy, programme and funding responsibilities will transfer to the Department. Therefore, the targets have been included for out-years, which will be reported against by the Department, not GPET.

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to GPET.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to GPET.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because GPET has no specific Indigenous expenses.

## 3.2 Budgeted Financial Statements

### 3.2.1 Differences in Agency Resourcing and Financial Statements

Outcome	Appropriations					
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special appropriations \$'000	Total appropriations \$'000	Other \$'000	Total \$'000
<b>General Practice Education and Training</b>						
Administered 2014-15				-		-
<i>Administered 2013-14</i>				-		-
Departmental 2014-15				-	14,417	14,417
<i>Departmental 2013-14</i>				-	17,640	17,640
Total outcome 2014-15	-	-	-	-	14,417	14,417
<i>Total outcome 2013-14</i>	-	-	-	-	17,640	17,640
Total administered 2014-15	-	-	-	-	-	-
<i>Total administered 2013-14</i>	-	-	-	-	-	-
Total departmental 2014-15	-	-	-	-	14,417	14,417
<i>Total departmental 2013-14</i>	-	-	-	-	17,640	17,640
<b>Total AGIE 2014-15</b>	-	-	-	-	<b>14,417</b>	<b>14,417</b>
<i>Total AGIE 2013-14</i>	-	-	-	-	17,640	17,640

### 3.2.2 Analysis of Budgeted Financial Statements

Section 3.2.2 is not applicable to GPET.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	4,405	2,000	-	-	-
Supplier expenses	228,426	116,749	-	-	-
Depreciation and amortisation	117	-	-	-	-
Other	1,562	-	-	-	-
<b>Total expenses</b>	<b>234,510</b>	<b>118,749</b>	-	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Interest	467	-	-	-	-
<b>Total revenue</b>	<b>467</b>	-	-	-	-
<b>Gains</b>					
Sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	-	-	-	-	-
<b>Total own-source income</b>	<b>467</b>	-	-	-	-
<b>Net cost of (contribution by) services</b>	<b>234,043</b>	<b>118,749</b>	-	-	-
Revenue from Government	234,043	118,749	-	-	-
<b>Surplus (Deficit)</b>	-	-	-	-	-
<b>Surplus (Deficit) attributable to the Australian Government</b>	-	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	-	-	-	-	-
<b>Total comprehensive income attributable to the Australian Government</b>	-	-	-	-	-

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	18,864	-	-	-	-
Receivables	10,023	-	-	-	-
<b>Total financial assets</b>	<b>28,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-financial assets</b>					
Property, plant and equipment	308	-	-	-	-
Intangibles	329	-	-	-	-
Other	434	-	-	-	-
<b>Total non-financial assets</b>	<b>1,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>29,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	898	-	-	-	-
Other payables	10,217	-	-	-	-
<b>Total payables</b>	<b>11,115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	524	-	-	-	-
Other provisions	159	-	-	-	-
<b>Total provisions</b>	<b>683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>11,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>18,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EQUITY</b>					
Reserves	290	-	-	-	-
Retained surpluses or accumulated deficits	17,870	-	-	-	-
<b>Total equity</b>	<b>18,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	17,870	290	-	-	<b>18,160</b>
Surplus (deficit) for the period	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	-
<b>Transactions with owners</b>					
<b>Distributions to owners</b>					
Restructuring	(17,870)	(290)	-	-	<b>(18,160)</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Grants	249,048	118,749	-	-	-
Interest	467	-	-	-	-
Net GST received	15,005	12,000	-	-	-
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>264,520</b>	<b>130,749</b>	-	-	-
<b>Cash used</b>					
Employees	4,405	2,000	-	-	-
Suppliers	281,087	116,749	-	-	-
Net GST paid	15,400	12,000	-	-	-
Other	-	18,864	-	-	-
<b>Total cash used</b>	<b>300,892</b>	<b>149,613</b>	-	-	-
<b>Net cash from (or used by) operating activities</b>	<b>(36,372)</b>	<b>(18,864)</b>	-	-	-
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	100	-	-	-	-
<b>Total cash used</b>	<b>100</b>	<b>-</b>	-	-	-
<b>Net cash from (or used by) investing activities</b>	<b>(100)</b>	<b>-</b>	-	-	-
<b>Net increase (or decrease) in cash held</b>	<b>(36,472)</b>	<b>(18,864)</b>	-	-	-
Cash and cash equivalents at the beginning of the reporting period	55,336	18,864	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>18,864</b>	<b>-</b>	-	-	-

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	100	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total cash used to acquire assets</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.2.6: Statement of Asset Movements (2014-15)

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	2,197	2,053	<b>4,250</b>
Accumulated depreciation/amortisation and impairment	-	1,889	1,724	<b>3,613</b>
<b>Opening net book balance</b>	<b>-</b>	<b>308</b>	<b>329</b>	<b>637</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
Restructuring	-	(2,197)	(2,053)	<b>(4,250)</b>
<b>Sub-total</b>	<b>-</b>	<b>(2,197)</b>	<b>(2,053)</b>	<b>(4,250)</b>
<b>Other movements</b>				
Restructuring	-	(1,889)	(1,724)	<b>(3,613)</b>
<b>As at 30 June 2015</b>				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
<b>Closing net book balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# **INDEPENDENT HOSPITAL PRICING AUTHORITY**

## **Agency Resources and Planned Performance**





# Independent Hospital Pricing Authority

Health Portfolio Agency

IHPA

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government is working with State and Territory Governments to implement reforms to the health system to improve health outcomes for all Australians and ensure the sustainability of the health system. These reforms include the introduction of a nationally unified, locally controlled health system that funds public hospital services using Activity Based Funding (ABF).

The Independent Hospital Pricing Authority (IHPA), established in December 2011, is responsible for determining a National Efficient Price (NEP) for hospital services through the analysis of data on the actual activities and costs of public hospitals. IHPA also determines a National Efficient Cost (NEC) which is used when ABF is not suitable for funding such as in the case of small rural public hospitals. The NEP, combined with block funding for those services that are not appropriate to fund through ABF, ensures that public hospitals receive funding based on need and encourages development in best practice care across the health care system.

IHPA is independent of both the Australian Government and State and Territory Governments. The independent and transparent advice it provides is used to determine Commonwealth funding to Local Hospital Networks for the provision of public hospital services.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

IHPA is a prescribed agency under the *Financial Management and Accountability Act 1997*, and its role and functions are set out in the *National Health Reform Act 2011*. From 1 July 2014, IHPA will be governed under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: IHPA Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services</b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>1</sup>	19,475	-	19,475	18,400
Departmental appropriation <sup>2</sup>	-	13,449	13,449	13,607
s31 Relevant agency receipts	-	314	314	301
<b>Total</b>	<b>19,475</b>	<b>13,763</b>	<b>33,238</b>	<b>32,308</b>
<b>Administered resources<sup>3</sup></b>				
Outcome 1	-	12,277	12,277	12,090
<b>Total</b>	<b>-</b>	<b>12,277</b>	<b>12,277</b>	<b>12,090</b>
<b>Total ordinary annual services</b>	<b>19,475</b>	<b>26,040</b>	<b>45,515</b>	<b>44,398</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>19,475</b>	<b>26,040</b>	<b>45,515</b>	<b>44,398</b>
<b>Total resourcing</b>	<b>19,475</b>	<b>26,040</b>	<b>45,515</b>	<b>44,398</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for IHPA</b>	<b>19,475</b>	<b>26,040</b>	<b>45,515</b>	<b>44,398</b>

Notes:

All figures are GST exclusive.

1 Estimated adjusted balance carried from previous year for annual appropriations.

2 IHPA received \$0.198 million in 2014-15 for the Departmental Capital Budget (see Table 3.2.5).

3 Appropriation Bill (No.1) 2014-15.

4 Appropriation Bill (No.2) 2014-15.

### 1.3 Budget Measures

Budget measures relating to IHPA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: IHPA Budget Measures**

Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>					
Efficiency Dividend - a further temporary increase of 0.25 per cent					
Independent Hospital Pricing Authority					
Departmental	1.1	-	(35)	(68)	(102)
<b>Total</b>		-	<b>(35)</b>	<b>(68)</b>	<b>(103)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

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

#### Outcome Strategy

Improvements to the funding of the public hospital system are necessary to ensure the financial sustainability of public health services into the future. IHPA promotes improved efficiency in, and access to, public hospital services by providing independent advice to the Australian Government and State and Territory Governments regarding the efficient cost of health care services, and by developing and implementing robust systems to support Activity Based Funding for those services.

At arm's length from all Governments, IHPA is the Commonwealth agency responsible for setting the NEP and the NEC for public hospital services. This then determines the Commonwealth's contribution to public hospital funding.

IHPA is also responsible for developing national classifications for health care and other services used in public hospitals and, as required, resolving disputes on cost-shifting and cross-border issues and providing advice and reports to the Australian Government and the public.

To improve transparency, IHPA publishes an annual *Pricing Framework for Australian Public Hospital Services* that outlines the principles, criteria and methodology used by IHPA to determine the NEP for services provided by hospitals on an activity basis and the NEC for services that are block funded.

From 2017-18 the Australian Government will introduce revised public hospital funding arrangements, to recognise States' and Territories' responsibility for managing an efficient public hospital sector.

As prescribed in the *National Health Reform Act 2011*, the Clinical Advisory Committee, the Jurisdictional Advisory Committee and other advisory committees, will continue to advise on matters relating to the functions of IHPA. These committees will ensure that the underlying principles applied to setting the NEP and the NEC are both clinically relevant and technically appropriate.

## IHPA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for IHPA by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for IHPA**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Public hospital price determinations</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	12,090	12,277	12,647	12,902	13,002
Departmental expenses					
Departmental appropriation <sup>1</sup>	13,708	13,565	13,224	13,133	13,261
Expenses not requiring appropriation in the budget year <sup>2</sup>	429	380	410	417	483
Operating deficit (surplus)	(2,258)	(380)	(410)	(417)	(483)
<b>Total for Programme 1.1</b>	<b>23,969</b>	<b>25,842</b>	<b>25,871</b>	<b>26,035</b>	<b>26,263</b>
<b>Total expenses for Outcome 1</b>	<b>23,969</b>	<b>25,842</b>	<b>25,871</b>	<b>26,035</b>	<b>26,263</b>
	2013-14	2014-15			
<b>Average staffing level (number)</b>	55	59			

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 1.1: Public Hospital Price Determinations

### Programme Objectives

*Determine the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services*

In 2014-15, IHPA will release the 2015-16 Determinations for both the NEP and NEC. The NEP Determination sets out the efficient price for public hospital services, while the 2015-16 NEC Determination represents the efficient cost of a block funded hospital.<sup>1</sup>

IHPA will undertake further technical development to improve the robustness of the price setting process, and continue to refine the models used to determine the NEP and NEC.

*Develop national classifications for Activity Based Funding (ABF)*

ABF requires robust classification systems. Without acceptable classifications to describe what hospitals do, ABF cannot be implemented. IHPA has developed national classification systems for health care and other public hospital services, including admitted acute, subacute and non-acute, non-admitted and emergency care.

During 2014-15, IHPA will further develop the classifications for subacute care, non-admitted patient care and mental health, and continue to examine the feasibility of employing ABF in teaching, training and research in public hospitals.

*Determine data requirements and data standards*

Timely, accurate and reliable public hospital data is vital to both the development of classifications for hospital services and to determine the NEP of those services. Recognising this, IHPA has developed a rolling *Three Year Data Plan* to communicate to the Australian Government and States and Territories, the data requirements, data standards and timelines that IHPA will use to collect data over the coming three years. To ensure greater transparency, IHPA will publish quarterly data compliance reports to indicate jurisdictional compliance with the specifications in the *Three Year Data Plan*.

*Resolve disputes on cost-shifting and cross-border issues*

Where any Commonwealth, State and or Territory Health Minister considers that costs in relation to health care services are incorrectly attributable to a jurisdiction, the Minister may request that IHPA investigate the dispute. As soon as practicable, IHPA will give the Health Minister of the other jurisdiction a written invitation to provide a submission. A recommendation will be provided to the relevant jurisdictions following the completion of the investigation.

In 2014-15, IHPA will undertake its annual review of the *IHPA Cross-Border and Cost-Shifting Dispute Resolution Framework* in consultation with all jurisdictions to

<sup>1</sup> Generally, public hospitals, or public hospital services will be eligible for block grant funding if ABF is deemed unsuitable.



ensure it remains current to sufficiently support IHPA's cross-border and cost-shifting dispute resolution role.

## **Programme 1.1: Deliverables**

### **Qualitative Deliverables for Programme 1.1**

#### **Determine the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services**

<b>Qualitative Deliverables</b>	<b>2014-15 Reference Point or Target</b>
Develop the <i>Pricing Framework for Australian Public Hospital Services</i> for public hospital services in 2015-16	2015-16 Pricing Framework to be published by 31 December 2014 outlining the principles, scope and methodology to be adopted in the determination of the NEP and NEC
Publish an annual determination of the NEP and NEC for the coming financial year along with other information supporting the efficient funding of public hospitals	2015-16 NEP and NEC Determinations to be published by 31 March 2015

#### **Develop national classifications for Activity Based Funding (ABF)**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Develop ABF classifications for mental health, subacute and non-acute care and non-admitted patient care	Complete mental health cost study to inform the development of the first version of the Australian Mental Health Classification April 2015 Complete development of Australian National Subacute and Non-acute Classification (AN-SNAP) <i>Version 4</i> by October 2014 Commence work on non-admitted patient classification

#### **Determine data requirements and data standards**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Update the <i>Three Year Data Plan</i> in consultation with the Australian Government and State and Territory Governments	Updated <i>Three Year Data Plan</i> published on the IHPA website by July 2014

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Determine data requirements and data standards

Qualitative Indicator	2014-15 Reference Point or Target
Commonwealth, States and Territories comply with the data requirements and data standards, as outlined in the <i>Three Year Data Plan</i>	Publication of a quarterly report outlining the Commonwealth and State and Territory compliance with the data requirements and data standards specified in the <i>Three Year Data Plan</i>

#### Determine the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services

Qualitative Indicator	2014-15 Reference Point or Target
Reduce the number of Local Hospital Networks that record costs per National Weighted Activity Unit (NWAU) significantly above the NEP	2014-15 should provide a reduction in the range between the 50 <sup>th</sup> and 90 <sup>th</sup> percentile cost per NWAU when compared to 2012-13 data. In 2011-12 this was \$4,096

#### Develop national classifications for Activity Based Funding (ABF)

Qualitative Indicator	2014-15 Reference Point or Target
Increased percentage of public hospital services funded by nationally consistent ABF	2014-15 will provide an increase in the proportion of public hospital funding using ABF as reported by the Administrator of the National Health Funding Pool. In 2012-13, 72 per cent of National Health Reform Agenda funding was provided on the basis of ABF

#### Resolve disputes on cost-shifting and cross-border issues

Qualitative Indicator	2014-15 Reference Point or Target
Timely investigation and provision of recommendations to Health Ministers on cross-border and cost-shifting disputes	IHPA investigation of cross-border or cost-shifting disputes and provision of recommendations or assessment within six months of receipt of request

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to IHPA.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to IHPA.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable as IHPA has no specific Indigenous expenses.

## 3.2 Budgeted Financial Statements

### 3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to IHPA.

### 3.2.2 Analysis of Budgeted Financial Statements

An analysis of IHPA's financial statements follows in order to provide clarification and additional detail for readers.

#### Departmental Resources

##### Comprehensive Income Statement

The Independent Hospital Pricing Authority (IHPA) anticipates an operating surplus of \$1.8 million in the 2013-14 financial year. This is expected to be achieved through the recruitment of staff to full strength occurring later than planned and through savings made by the use of less consultants and contractors. A break even position is planned for each year of the forward estimates.

Own-source income of \$0.3 million in 2013-14 is sourced from international sales of intellectual property relating to the AR-DRG classification system owned by the Commonwealth. This sales function was transferred from the Department of Health to IHPA in October 2012. Sales revenue is planned at \$0.3 million in 2014-15 and from 2015-16 reduces to \$0.1 million per annum as expected revenue from overseas sources reduces.

At \$13.3 million, 2014-15 revenue from Government is \$0.2 million below the 2013-14 figure.

Total expenses in 2014-15 of \$13.6 million are \$1.7 million above 2013-14. This occurs as IHPA has completed its establishment phase and will operate with a full staff complement throughout the plan year. 2014-15 supplier expenses at \$4.3 million are \$0.8 million above 2013-14.

#### Balance Sheet

IHPA's net asset position at the end of 2014-15 is estimated to be \$17.9 million comprising total assets of \$21.0 million and total liabilities of \$3.0 million.

#### Cash Flows

Cash flows are consistent with income, expenses and asset movements.

#### Administered Resources

##### Income and Expenses

IHPA administers funds that enable development and assurance tasks to be completed in accordance with its National Health Reform obligations.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	7,928	8,860	8,796	9,008	9,008
Supplier expenses	3,522	4,325	4,018	3,708	3,770
Depreciation and amortisation	429	380	410	417	483
<b>Total expenses</b>	<b>11,879</b>	<b>13,565</b>	<b>13,224</b>	<b>13,133</b>	<b>13,261</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	301	314	95	95	95
Other	-	-	-	-	-
<b>Total revenue</b>	<b>301</b>	<b>314</b>	<b>95</b>	<b>95</b>	<b>95</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of (contribution by) services</b>	<b>11,578</b>	<b>13,251</b>	<b>13,129</b>	<b>13,038</b>	<b>13,166</b>
Revenue from Government	13,407	13,251	13,129	13,038	13,166
<b>Surplus (Deficit)</b>	<b>1,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>1,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>1,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>1,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus non-appropriated expenses depreciation and amortisation expenses	429	380	410	417	483
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>2,258</b>	<b>380</b>	<b>410</b>	<b>417</b>	<b>483</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	83	138	137	172	143
Receivables	19,392	19,809	19,914	20,249	20,373
<b>Total financial assets</b>	<b>19,475</b>	<b>19,947</b>	<b>20,051</b>	<b>20,421</b>	<b>20,516</b>
<b>Non-financial assets</b>					
Land and buildings	749	561	373	185	326
Property, plant and equipment	322	306	288	253	209
Intangibles	75	97	87	84	85
Prepayments	44	44	44	44	44
<b>Total non-financial assets</b>	<b>1,190</b>	<b>1,008</b>	<b>792</b>	<b>566</b>	<b>664</b>
<b>Total assets</b>	<b>20,665</b>	<b>20,955</b>	<b>20,843</b>	<b>20,987</b>	<b>21,180</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	311	398	487	574	574
Other payables	1,371	1,324	1,120	916	916
<b>Total payables</b>	<b>1,682</b>	<b>1,722</b>	<b>1,607</b>	<b>1,490</b>	<b>1,490</b>
<b>Provisions</b>					
Employees	1,099	1,147	952	1,018	1,018
Other provisions	159	163	167	171	171
<b>Total provisions</b>	<b>1,258</b>	<b>1,310</b>	<b>1,119</b>	<b>1,189</b>	<b>1,189</b>
<b>Total liabilities</b>	<b>2,940</b>	<b>3,032</b>	<b>2,726</b>	<b>2,679</b>	<b>2,679</b>
<b>Net Assets</b>	<b>17,725</b>	<b>17,923</b>	<b>18,117</b>	<b>18,308</b>	<b>18,501</b>
<b>EQUITY</b>					
Contributed equity	400	598	792	983	1,176
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	17,325	17,325	17,325	17,325	17,325
<b>Total equity</b>	<b>17,725</b>	<b>17,923</b>	<b>18,117</b>	<b>18,308</b>	<b>18,501</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	17,325	-	-	400	<b>17,725</b>
Surplus (deficit) for the period	-	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	198	<b>198</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>17,325</b>	<b>-</b>	<b>-</b>	<b>598</b>	<b>17,923</b>

DCB = Departmental Capital Budget.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and Services	-	-	-	-	-
Appropriations	12,222	12,834	13,023	12,703	12,749
Net GST received	655	643	632	632	632
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>12,877</b>	<b>13,477</b>	<b>13,655</b>	<b>13,335</b>	<b>13,381</b>
<b>Cash used</b>					
Employees	7,840	8,769	8,947	8,942	9,008
Suppliers	4,023	4,097	4,164	3,813	3,770
Net GST paid	568	556	545	545	632
<b>Total cash used</b>	<b>12,431</b>	<b>13,422</b>	<b>13,656</b>	<b>13,300</b>	<b>13,410</b>
<b>Net cash from (or used by) operating activities</b>	<b>446</b>	<b>55</b>	<b>(1)</b>	<b>35</b>	<b>(29)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	200	198	194	191	581
<b>Total cash used</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>Net cash from (or used by) investing activities</b>	<b>(200)</b>	<b>(198)</b>	<b>(194)</b>	<b>(191)</b>	<b>(581)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	200	198	194	191	581
<b>Total cash received</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>Cash used</b>					
Cash used for other financing activities	(556)	-	-	-	-
<b>Total cash used</b>	<b>(556)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>(356)</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>Net increase (or decrease) in cash held</b>	<b>(110)</b>	<b>55</b>	<b>(1)</b>	<b>35</b>	<b>(29)</b>
Cash and cash equivalents at the beginning of the reporting period	193	83	138	137	172
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>83</b>	<b>138</b>	<b>137</b>	<b>172</b>	<b>143</b>

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	200	198	194	191	581
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	199	197	192	191	581
Other	1	1	2	-	-
<b>Total items</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB	200	198	194	191	581
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>
<b>Total cash used to acquire assets</b>	<b>200</b>	<b>198</b>	<b>194</b>	<b>191</b>	<b>581</b>

DCB = Departmental Capital Budget.



**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant &amp; equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	937	809	108	<b>1,854</b>
Accumulated depreciation/amortisation and impairment	188	487	33	<b>708</b>
<b>Opening net book balance</b>	<b>749</b>	<b>322</b>	<b>75</b>	<b>1,146</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	198	-	<b>198</b>
<b>Sub-total</b>	<b>-</b>	<b>198</b>	<b>-</b>	<b>198</b>
<b>Other movements</b>				
Depreciation/amortisation expense	188	214	(22)	<b>380</b>
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	937	1,007	108	<b>2,052</b>
Accumulated depreciation/amortisation and impairment	376	701	11	<b>1,088</b>
<b>Closing net book balance</b>	<b>561</b>	<b>306</b>	<b>97</b>	<b>964</b>

1 Proceeds may be returned to the Official Public Account.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Other non-tax revenue	150	150	150	150	150
<b>Total income administered on behalf of Government</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	-	-	-	-	-
Supplier expenses	12,090	12,277	12,647	12,902	13,002
<b>Total expenses administered on behalf of Government</b>	<b>12,090</b>	<b>12,277</b>	<b>12,647</b>	<b>12,902</b>	<b>13,002</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4	4	4	4	4
Receivables	205	205	205	205	205
<b>Total financial assets</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>
<b>Total assets administered on behalf of Government</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>209</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	-	-	-	-	-
Suppliers	761	761	761	761	761
Accrued Expenses	4	4	4	4	4
Other Payables	-	-	-	-	-
<b>Total payables</b>	<b>765</b>	<b>765</b>	<b>765</b>	<b>765</b>	<b>765</b>
<b>Total liabilities administered on behalf of Government</b>	<b>765</b>	<b>765</b>	<b>765</b>	<b>765</b>	<b>765</b>

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

	<b>Estimated actual 2013-14 \$'000</b>	<b>Budget estimate 2014-15 \$'000</b>	<b>Forward estimate 2015-16 \$'000</b>	<b>Forward estimate 2016-17 \$'000</b>	<b>Forward estimate 2017-18 \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and services	1,707	150	150	150	150
GST received	1,349	1,369	1,406	1,431	1,431
<b>Total cash received</b>	<b>3,056</b>	<b>1,519</b>	<b>1,556</b>	<b>1,581</b>	<b>1,581</b>
<b>Cash used</b>					
Suppliers	12,090	12,277	12,647	12,902	13,002
GST paid	1,349	1,369	1,406	1,431	1,431
<b>Total cash used</b>	<b>13,439</b>	<b>13,646</b>	<b>14,053</b>	<b>14,333</b>	<b>14,433</b>
<b>Net cash from (or used by) operating activities</b>	<b>(10,383)</b>	<b>(12,127)</b>	<b>(12,497)</b>	<b>(12,752)</b>	<b>(12,852)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(10,383)</b>	<b>(12,127)</b>	<b>(12,497)</b>	<b>(12,752)</b>	<b>(12,852)</b>
Cash at beginning of reporting period	4	4	4	4	4
Cash from Official Public Account for: appropriations	12,090	12,277	12,647	12,902	13,002
Cash to the Official Public Account	1,707	150	150	150	150
<b>Cash at end of reporting period</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

# **NATIONAL BLOOD AUTHORITY**

## **Agency Resources and Planned Performance**



# National Blood Authority

Health Portfolio Agency

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NBA

## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through the National Blood Authority (NBA), aims to ensure that Australia's blood supply is secure and well managed. The NBA is an independent statutory agency, established by the Australian Government and State and Territory Governments, to coordinate policy, governance, funding and management of the blood banking and plasma product sector in Australia.

The NBA manages national contracts to secure the supply of safe and affordable blood products in Australia in accordance with the National Blood Agreement.

The Government will merge the functions of the NBA with the Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA) with a view to establishing a new independent authority by 1 July 2015. This will consolidate the management of critical clinical supplies, in collaboration with States, Territories, the Commonwealth and the private health system.

The role and functions of the NBA are set out in the *National Blood Authority Act 2003*. The NBA is prescribed as an agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, NBA will be governed under the *Public Governance, Performance and Accountability Act 2013*.

### 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: NBA Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation and opening reserves	-			-
Departmental appropriation <sup>2</sup>		6,638	6,638	6,205
s31 Relevant agency receipts	-	-	-	-
<b>Total</b>	-	<b>6,638</b>	<b>6,638</b>	<b>6,205</b>
<b>Administered resources<sup>1</sup></b>				
Outcome 1	-	7,178	7,178	7,544
<b>Total</b>	-	<b>7,178</b>	<b>7,178</b>	<b>7,544</b>
<b>Total ordinary annual services</b>	-	<b>13,816</b>	<b>13,816</b>	<b>13,749</b>
<b>Other services - Bill 2<sup>3</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total available annual appropriations</b>	-	<b>13,816</b>	<b>13,816</b>	<b>13,749</b>
<b>Total appropriations excluding Special Accounts</b>	-	<b>13,816</b>	<b>13,816</b>	<b>13,749</b>
<b>Special Accounts</b>				
Opening balance <sup>4</sup>	252,684	-	252,684	238,035
Appropriation receipts <sup>5</sup>	-	13,816	13,816	13,749
Appropriation receipts - other agencies <sup>6</sup>	-	718,906	718,906	716,039
Non-appropriation receipts to Special Accounts	-	434,224	434,224	431,900
<b>Total Special Accounts</b>	<b>252,684</b>	<b>1,166,946</b>	<b>1,419,630</b>	<b>1,399,723</b>
<b>Total resourcing</b>	<b>252,684</b>	<b>1,180,762</b>	<b>1,433,446</b>	<b>1,413,472</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	(13,816)	(13,816)	(13,749)
<b>Total net resourcing for NBA</b>	<b>252,684</b>	<b>1,166,946</b>	<b>1,419,630</b>	<b>1,399,723</b>

Notes:

All figures are GST exclusive

1 Appropriation Bill (No. 1) 2014-15.

2 Includes an amount of \$0.672 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

3 Appropriation Bill (No. 2) 2014-15.

4 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

5 Appropriation receipts from NBA annual and special appropriations for 2014-15 included above.

6 Appropriation receipts from the Department of Health.



### 1.3 Budget Measures

Budget measures relating to NBA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: NBA Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
National Blood Authority						
Departmental	1.1	-	(17)	(30)	(50)	(52)
<b>Total</b>		-	<b>(17)</b>	<b>(30)</b>	<b>(50)</b>	<b>(52)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**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**

#### Outcome Strategy

The Australian Government aims to ensure that the public has timely access to safe blood and blood products. The NBA, on behalf of the Australian Government and State and Territory Governments, manages and coordinates national contracts to secure the supply of safe and affordable blood products in Australia in accordance with the National Blood Agreement. The NBA works with Governments and stakeholders to implement an efficient, demand-driven blood supply system that is highly responsive to needs and based upon evidence and good clinical practice. The NBA will continue to improve the purchasing and supply arrangements for fresh, fractionated and recombinant products<sup>1</sup> through the collaborative implementation of comprehensive risk mitigation strategies.

Recognising the growing cost of blood products and the growing evidence of risk associated with unnecessary transfusions, the NBA will undertake a range of activities aimed at improving the clinical usage of blood and blood products. Specifically, the NBA will improve the sustainability and performance of the sector through enhanced data capture and the collaborative and professional analysis of this data. The NBA will also work to facilitate development and publication of evidence-based national guidelines, informed by close engagement with clinicians.

NBA

<sup>1</sup> Fractionated products are those derived from human plasma whereas recombinant products are those manufactured through commercial scale expression of proteins from cell lines modified using recombinant gene technology.

## NBA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for NBA by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for NBA**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: National blood agreement management</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	7,544	7,178	-	-	-
to the <i>National Blood Authority Account</i>	(7,544)	(7,178)	-	-	-
to the <i>National Managed Fund (Blood and Blood Products) Special Account</i>	-	-	-	-	-
Special accounts					
<i>National Blood Authority Account</i>	1,127,414	1,132,361	1,205,116	1,280,331	1,362,056
<i>National Managed Fund (Blood and Blood Products) Special Account</i>	-	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>1</sup>	6,090	5,966	5,866	5,795	5,832
<i>To National Blood Authority Account</i>	(6,090)	(5,966)	(5,866)	(5,795)	(5,832)
Special Account					
<i>National Blood Authority Account</i>	9,589	9,431	9,293	9,514	9,577
Expenses not requiring appropriation in the budget year <sup>2</sup>	761	768	694	671	654
Operating deficit (surplus)	(153)	(274)	(13)	(350)	(352)
<b>Total for Programme 1.1</b>	<b>1,137,611</b>	<b>1,142,286</b>	<b>1,215,090</b>	<b>1,290,166</b>	<b>1,371,935</b>
<b>Total expenses for Outcome 1</b>	<b>1,137,611</b>	<b>1,142,286</b>	<b>1,215,090</b>	<b>1,290,166</b>	<b>1,371,935</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	54	53			

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 1.1: National Blood Agreement Management

### Programme Objectives

#### *Secure the supply of blood and blood products*

The NBA works with State and Territory Governments and suppliers so that requirements for day-to-day product supply and future demand are well managed. In 2014-15, the NBA will work with the Australian Red Cross Blood Service (Blood Service) to progress the Deed of Agreement to provide fresh blood products for Australia. In addition, the NBA will implement a set of national service requirements and standards for the Blood Service operations to further improve the capacity to meet demand and the expectations for Australian health providers who receive blood products. The NBA will undertake new procurement actions for a range of imported plasma and recombinant products.<sup>2</sup>

#### *Improve risk management and blood sector performance*

In 2014-15, the NBA will update the National Blood Supply Contingency Plan to reflect improvements identified from 2013-14 reviews. In 2013-14, the NBA co-ordinated the review of the National Managed Fund (NMF), and in 2014-15 will progress policy endorsement from Governments on the outcomes of the review.

The NBA will undertake a number of initiatives to improve the efficiency and effectiveness of the blood supply network. This includes the implementation of recommendations from a comprehensive review of the clinical and administrative management of intravenous immunoglobulin (IVIg); implementing the national inventory management framework to ensure red blood cell stocks are managed in the most efficient manner and implementing the approved national wastage reduction strategy approved by Governments in 2013.

The NBA will work with States and Territories and all suppliers to complete the nationwide implementation of BloodNet, which will allow real time inventory and wastage monitoring, and will extend the use of this system to allow for ordering of products from other contracted suppliers in addition to the Blood Service. The NBA will implement a comprehensive data and information governance framework to support the implementation of the national data strategy to drive supply chain efficiencies and improve appropriateness of use within the sector.

#### *Promote the safe and efficient use of blood and blood products*

In 2014-15, the NBA will finalise the fifth module of the Patient Blood Management Guidelines and seek National Health and Medical Research Council (NHMRC) approval, continue to develop the one remaining module, and develop guidelines for the comprehensive management of haemophilia. The NBA will work collaboratively with stakeholders in the sector to implement the Patient Blood Management Guidelines Implementation Strategy.

<sup>2</sup> Recombinant products are those manufactured through commercial scale expression of proteins from cell lines modified using recombinant gene technology.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Secure the supply of blood and blood products

Qualitative Deliverable	2014-15 Reference Point or Target
New Australian Red Cross Blood Service contract arrangements are progressed	National Service Standards, the expectations for Australian Health Providers and the National Inventory Management Framework are implemented. Payment and Substitution Rules and the outcome from the review of the National Managed Fund (NMF) are progressed and negotiations of a revised contract commenced

#### Improve risk management and blood sector performance

Qualitative Deliverable	2014-15 Reference Point or Target
Review of the clinical and administrative management of intravenous immunoglobulin (IVIg) is implemented	Recommendations of the Review to improve governance of immunoglobulin products are implemented in accordance with Governments' decisions

#### Promote the safe and efficient use of blood and blood products

Qualitative Deliverable	2014-15 Reference Point or Target
National data strategy and National Patient Blood Management (PBM) Guidelines Implementation strategy are progressed	Performance scorecard is published. The standards and minimum data sets for blood sector data are developed The National Reference Set of PBM implementation tools is published

### Quantitative Deliverables for Programme 1.1

#### Promote the safe and efficient use of blood and blood products

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of clinical practice guidelines published	1	1	2	1	2

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Secure the supply of blood and blood products

Qualitative Indicator	2014-15 Reference Point or Target
Provision of an adequate, affordable and secure supply of blood and blood products <sup>3</sup>	Blood products are available to meet clinical need

#### Promote the safe and efficient use of blood and blood products

Qualitative Indicator	2014-15 Reference Point or Target
There is a robust framework supporting best practice management and use of blood and blood products <sup>4</sup>	A sustained improvement in the management and use of blood products

### Quantitative Key Performance Indicators for Programme 1.1

#### Secure the supply of blood and blood products

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Variance between actual and NBA estimated demand for supply of products	<5%	<5%	<5%	<5%	<5%

#### Improve risk management and blood sector performance

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of national blood supply processed by laboratories interfaced to BloodNet <sup>5</sup>	N/A	20%	30%	40%	50%

<sup>3</sup> Indicator has been revised to more accurately reflect and measure outcome requirement.

<sup>4</sup> Indicator has been revised to more accurately reflect and measure outcome requirement.

<sup>5</sup> This indicator replaces the one published in the 2013-14 Portfolio Budget Statements which had been fully delivered ahead of schedule.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to the NBA.

#### 3.1.2 Special Accounts

**Table 3.1.2: Estimates of Special Account Flows and Balances**

		Opening balance <b>2013-14</b> 2012-13 Outcome	Appropriation receipts <b>2014-15</b> 2013-14	Other receipts <b>2014-15</b> 2013-14	Payments <b>2014-15</b> 2013-14	Closing balance <b>2014-15</b> 2013-14
		\$'000	\$'000	\$'000	\$'000	\$'000
National Blood Authority	1	<b>244,522</b>	<b>7,178</b>	<b>1,139,795</b>	<b>1,132,273</b>	<b>259,222</b>
Account <sup>1</sup> (A)		230,168	7,544	1,134,826	1,128,016	244,522
National Blood Authority	1	<b>7,855</b>	<b>6,638</b>	<b>3,468</b>	<b>10,181</b>	<b>7,780</b>
Account <sup>1</sup> (D)		7,687	6,205	3,499	9,536	7,855
National Managed Fund	1					
(Blood and Blood Products)		<b>307</b>	-	<b>9,867</b>	<b>9,867</b>	<b>307</b>
Special Account <sup>2,3</sup> (A)		180	-	9,614	9,487	307
<b>Total Special Accounts</b>						
<b>2014-15 Estimate</b>		<b>252,684</b>	<b>13,816</b>	<b>1,153,130</b>	<b>1,152,321</b>	<b>267,309</b>
<i>Total Special Accounts</i>						
<i>2013-14 estimate actual</i>		238,035	13,749	1,147,939	1,147,039	252,684

Other Trust Money - s20 FMA has been abolished.

D = Departmental; A = Administered.

1 National Blood Authority Act 2003 - s21 FMA Act.

2 s20 FMA Act.

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

### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

The 2014-15 AGIE statement is not applicable because the NBA has no specific Indigenous expenses.

## 3.2 Budgeted Financial Statements

### 3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to the NBA.

### 3.2.2 Analysis of Budgeted Financial Statements

An analysis of the NBA's budgeted financial statements for 2014-15 is provided below.

#### Departmental Resources

##### Comprehensive Income Statement

This statement provides a picture of the expected financial results for the National Blood Authority by identifying accrual expenses and revenues showing the net cost of services.

NBA operational costs are funded jointly by the Australian, State and Territory Governments on a 63%: 37% basis through annual contributions. All NBA receipts and payments are accounted through special accounts.

The NBA is expecting a break even position for the budget year and all forward years.

The income statement deficit in the budget year and forward years is as a result of the Government's decision to no longer fund for depreciation via an operating appropriation.

##### Balance Sheet

Special account accumulated funds are held within the Official Public Account and included as Receivables in the Balance Sheet. The NBA always maintains sufficient accumulated funds to cover employee entitlements and other liabilities.

The value of intangible assets will fall over 2014-15 and 2015-16 reflecting the use and amortisation of the integrated data management system before increasing again in the forward years due to replacement systems being developed. Other non-financial assets and liabilities will remain broadly stable over the period.

#### Administered Resources

##### Schedule of Budgeted Income and Expenses Administered on Behalf of Government

The NBA administered accounts include contributions from all states and territories and the Australian Government for the supply of blood and blood related products for 2014-15. Each year the Standing Council on Health approves an Annual National Supply Plan and Budget which is formulated by the NBA from demand estimates provided by the states and territories.

The 2014-15 Budget for the supply of blood and blood products has increased by \$5.3 million from 2013-14 reflecting increased demand and price rises.



**Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government**

The schedule of budgeted assets and liabilities administered on behalf of Government illustrates normal movements in non-financial assets and liabilities. The balance of Receivables represents GST payments made to suppliers which are recoverable from the Australian Taxation Office. Other non-financial assets represent a prepayment to the Australian Red Cross Blood Service under the Output Based Funding Model agreement.

During 2010-11, the NBA was granted investment powers for the National Managed Fund special account. The increase in Cash and Investments over the forward years represents annual contributions received as well as re-investment of interest income.

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	6,013	5,965	6,295	6,221	6,309
Supplier expenses	3,538	3,307	3,100	3,058	3,031
Depreciation and amortisation	646	653	579	556	539
<b>Total expenses</b>	<b>10,197</b>	<b>9,925</b>	<b>9,974</b>	<b>9,835</b>	<b>9,879</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other revenue	3,499	3,465	3,427	3,719	3,745
<b>Total revenue</b>	<b>3,499</b>	<b>3,465</b>	<b>3,427</b>	<b>3,719</b>	<b>3,745</b>
<b>Gains</b>					
Other	115	115	115	115	115
<b>Total gains</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>
<b>Total own-source income</b>	<b>3,614</b>	<b>3,580</b>	<b>3,542</b>	<b>3,834</b>	<b>3,860</b>
<b>Net cost of (contribution by) services</b>	<b>6,583</b>	<b>6,345</b>	<b>6,432</b>	<b>6,001</b>	<b>6,019</b>
Revenue from Government	6,090	5,966	5,866	5,795	5,832
<b>Surplus (Deficit)</b>	<b>(493)</b>	<b>(379)</b>	<b>(566)</b>	<b>(206)</b>	<b>(187)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(493)</b>	<b>(379)</b>	<b>(566)</b>	<b>(206)</b>	<b>(187)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(493)</b>	<b>(379)</b>	<b>(566)</b>	<b>(206)</b>	<b>(187)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(493)</b>	<b>(379)</b>	<b>(566)</b>	<b>(206)</b>	<b>(187)</b>
plus non-appropriated expenses depreciation and amortisation expenses	646	653	579	556	539
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>153</b>	<b>274</b>	<b>13</b>	<b>350</b>	<b>352</b>

NBA

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	29	29	29	29	29
Receivables	8,392	8,317	8,237	8,216	8,195
<b>Total financial assets</b>	<b>8,421</b>	<b>8,346</b>	<b>8,266</b>	<b>8,245</b>	<b>8,224</b>
<b>Non-financial assets</b>					
Land and buildings	764	664	564	464	364
Property, plant and equipment	464	369	355	242	131
Intangibles	238	842	474	1,137	1,822
Other	134	134	134	134	134
<b>Total non-financial assets</b>	<b>1,600</b>	<b>2,009</b>	<b>1,527</b>	<b>1,977</b>	<b>2,451</b>
<b>Total assets</b>	<b>10,021</b>	<b>10,355</b>	<b>9,793</b>	<b>10,222</b>	<b>10,675</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	590	590	490	490	490
Other payables	249	249	249	249	249
<b>Total payables</b>	<b>839</b>	<b>839</b>	<b>739</b>	<b>739</b>	<b>739</b>
<b>Provisions</b>					
Employees	1,614	1,655	1,696	1,696	1,696
Other provisions	130	130	130	130	130
<b>Total provisions</b>	<b>1,744</b>	<b>1,785</b>	<b>1,826</b>	<b>1,826</b>	<b>1,826</b>
<b>Total liabilities</b>	<b>2,583</b>	<b>2,624</b>	<b>2,565</b>	<b>2,565</b>	<b>2,565</b>
<b>Net Assets</b>	<b>7,438</b>	<b>7,731</b>	<b>7,228</b>	<b>7,657</b>	<b>8,110</b>
<b>EQUITY</b>					
Contributed equity	2,578	3,250	3,313	3,948	4,588
Reserves	206	206	206	206	206
Retained surpluses or accumulated deficits	4,654	4,275	3,709	3,503	3,316
<b>Total equity</b>	<b>7,438</b>	<b>7,731</b>	<b>7,228</b>	<b>7,657</b>	<b>8,110</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	4,654	206	-	2,578	<b>7,438</b>
Surplus (deficit) for the period	(379)	-	-	-	<b>(379)</b>
Appropriation (equity injection)	-	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	672	<b>672</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>4,275</b>	<b>206</b>	<b>-</b>	<b>3,250</b>	<b>7,731</b>

DCB = Departmental Capital Budget.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	6,090	5,966	5,866	5,795	5,832
Net GST received	370	370	370	370	370
Other cash received	3,499	3,465	3,427	3,719	3,745
Cash from the Official Public Account	-	78	83	19	31
<b>Total cash received</b>	<b>9,959</b>	<b>9,879</b>	<b>9,746</b>	<b>9,903</b>	<b>9,978</b>
<b>Cash used</b>					
Employees	6,195	5,924	6,254	6,221	6,309
Suppliers	3,158	3,195	3,088	2,941	2,926
Net GST paid	370	370	370	370	370
Cash to the Official Public Account	168	-	-	-	-
<b>Total cash used</b>	<b>9,891</b>	<b>9,489</b>	<b>9,712</b>	<b>9,532</b>	<b>9,605</b>
<b>Net cash from (or used by) operating activities</b>	<b>68</b>	<b>390</b>	<b>34</b>	<b>371</b>	<b>373</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	183	1,062	97	1,006	1,013
<b>Total cash used</b>	<b>183</b>	<b>1,062</b>	<b>97</b>	<b>1,006</b>	<b>1,013</b>
<b>Net cash from (or used by) investing activities</b>	<b>(183)</b>	<b>(1,062)</b>	<b>(97)</b>	<b>(1,006)</b>	<b>(1,013)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	115	672	63	635	640
<b>Total cash received</b>	<b>115</b>	<b>672</b>	<b>63</b>	<b>635</b>	<b>640</b>
<b>Net cash from (or used by) financing activities</b>	<b>115</b>	<b>672</b>	<b>63</b>	<b>635</b>	<b>640</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	29	29	29	29	29
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>

DCB = Departmental Capital Budget.

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	115	672	63	635	640
<b>Total capital appropriations</b>	<b>115</b>	<b>672</b>	<b>63</b>	<b>635</b>	<b>640</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	115	672	63	635	640
<b>Total items</b>	<b>115</b>	<b>672</b>	<b>63</b>	<b>635</b>	<b>640</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	115	672	63	635	640
Funded internally from departmental resources	68	390	34	371	373
<b>Total acquisitions of non-financial assets</b>	<b>183</b>	<b>1,062</b>	<b>97</b>	<b>1,006</b>	<b>1,013</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>183</b>	<b>1,062</b>	<b>97</b>	<b>1,006</b>	<b>1,013</b>
<b>Total cash used to acquire assets</b>	<b>183</b>	<b>1,062</b>	<b>97</b>	<b>1,006</b>	<b>1,013</b>

1 Does not include annual finance lease costs. Includes purchase from current and previous years' appropriation (Departmental Capital Budget).

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant &amp; equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	906	949	3,573	<b>5,428</b>
Accumulated depreciation/amortisation and impairment	142	485	3,335	<b>3,962</b>
<b>Opening net book balance</b>	<b>764</b>	<b>464</b>	<b>238</b>	<b>1,466</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	40	629	<b>669</b>
By purchase - internal departmental resources	-	23	370	<b>393</b>
<b>Sub-total</b>	<b>-</b>	<b>63</b>	<b>999</b>	<b>1,062</b>
<b>Other movements</b>				
Depreciation/amortisation expense	100	158	395	<b>653</b>
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	906	1,012	4,572	<b>6,490</b>
Accumulated depreciation/amortisation and impairment	242	643	3,730	<b>4,615</b>
<b>Closing net book balance</b>	<b>664</b>	<b>369</b>	<b>842</b>	<b>1,875</b>

1 Proceeds may be returned to the Official Public Account.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	1,145,198	1,150,498	1,223,648	1,299,273	1,381,100
<b>Total non-taxation</b>	<b>1,145,198</b>	<b>1,150,498</b>	<b>1,223,648</b>	<b>1,299,273</b>	<b>1,381,100</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,145,198</b>	<b>1,150,498</b>	<b>1,223,648</b>	<b>1,299,273</b>	<b>1,381,100</b>
<b>Total income administered on behalf of Government</b>	<b>1,145,198</b>	<b>1,150,498</b>	<b>1,223,648</b>	<b>1,299,273</b>	<b>1,381,100</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	1,127,315	1,132,361	1,205,116	1,280,331	1,362,056
Depreciation and amortisation	99	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>1,127,414</b>	<b>1,132,361</b>	<b>1,205,116</b>	<b>1,280,331</b>	<b>1,362,056</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalent	338	352	366	380	380
Receivables	18,336	19,822	21,158	21,158	21,992
Investments	118,585	128,452	138,714	149,386	160,058
<b>Total financial assets</b>	<b>137,259</b>	<b>148,626</b>	<b>160,238</b>	<b>170,924</b>	<b>182,430</b>
<b>Non-financial assets</b>					
Property, plant and equipment	267	267	267	267	267
Intangibles	1,325	1,325	1,325	1,325	1,325
Inventories	67,654	68,657	69,157	69,979	69,979
Other	76,032	76,032	76,032	76,032	76,032
<b>Total non-financial assets</b>	<b>145,278</b>	<b>146,281</b>	<b>146,781</b>	<b>147,603</b>	<b>147,603</b>
<b>Total assets administered on behalf of Government</b>	<b>282,537</b>	<b>294,907</b>	<b>307,019</b>	<b>318,527</b>	<b>330,033</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<b>Payables</b>					
Suppliers	69,542	71,297	72,399	72,502	72,502
<b>Total payables</b>	<b>69,542</b>	<b>71,297</b>	<b>72,399</b>	<b>72,502</b>	<b>72,502</b>
<b>Total liabilities administered on behalf of Government</b>	<b>69,542</b>	<b>71,297</b>	<b>72,399</b>	<b>72,502</b>	<b>72,502</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Net GST received	117,694	127,575	127,575	127,575	128,411
Other	429,159	430,942	458,612	487,457	517,842
<b>Total cash received</b>	<b>546,853</b>	<b>558,517</b>	<b>586,187</b>	<b>615,032</b>	<b>646,253</b>
<b>Cash used</b>					
Suppliers	1,124,942	1,131,609	1,204,514	1,280,229	1,362,158
Grant payments	8,092	-	-	-	-
Net GST paid	113,548	128,411	128,411	128,411	128,411
Other	-	-	-	-	-
<b>Total cash used</b>	<b>1,246,582</b>	<b>1,260,020</b>	<b>1,332,925</b>	<b>1,408,640</b>	<b>1,490,569</b>
<b>Net cash from (or used by) investing activities</b>	<b>(699,729)</b>	<b>(701,503)</b>	<b>(746,738)</b>	<b>(793,608)</b>	<b>(844,316)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of Investments	9,487	9,867	10,262	10,672	10,672
<b>Total cash used</b>	<b>9,487</b>	<b>9,867</b>	<b>10,262</b>	<b>10,672</b>	<b>10,672</b>
<b>Net cash from (or used by) investing activities</b>	<b>(9,487)</b>	<b>(9,867)</b>	<b>(10,262)</b>	<b>(10,672)</b>	<b>(10,672)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(709,216)</b>	<b>(711,370)</b>	<b>(757,000)</b>	<b>(804,280)</b>	<b>(854,988)</b>
Cash at beginning of reporting period	324	338	352	366	380
Cash from Official Public Account for: - special accounts	716,039	718,906	764,536	811,816	863,258
- appropriations	7,545	7,178	-	-	-
Cash to Official Public Account for: - Appropriations	14,354	14,700	7,522	7,522	8,270
- Special Accounts	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>338</b>	<b>352</b>	<b>366</b>	<b>380</b>	<b>380</b>

# **NATIONAL HEALTH FUNDING BODY**

## **Agency Resources and Planned Performance**



# National Health Funding Body

Health Portfolio Agency

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NHFB

## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Administrator of the National Health Funding Pool (the Administrator) and the National Health Funding Body (NHFB) were created through the Council of Australian Governments' National Health Reform Agreement (Agreement) of August 2011.

The role of the NHFB is to assist the Administrator in carrying out functions under Commonwealth and State and Territory legislation. These functions include managing the National Health Funding Pool which has been established to optimise the transparency and efficiency of public hospital funding. The National Health Funding Pool receives all Commonwealth and activity-based state hospital funding. It is comprised of a Reserve Bank of Australia account for each State and Territory (state pool account) for the distribution of funds to Local Hospital Networks (LHNs) and other parties. Each State and Territory also has a separate fund (state managed fund) for receiving Commonwealth block funding and for making payments of block funding by the State or Territory to the LHNs or other parties.

In addition, the NHFB develops the Administrator's Three Year Data Plan, which communicates to the Commonwealth, States and Territories the data requirements, standards and timelines to determine the Commonwealth's funding contribution. The NHFB also facilitates transparent reporting on the operations of the National Health Funding Pool and state managed funds.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

The NHFB commenced operations in July 2012, and is independent of both Commonwealth and State and Territory Governments. The NHFB is a prescribed agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, NHFB will be governed under the *Public Governance, Performance and Accountability Act 2013*. The NHFB's responsibilities and functions are set out in the *National Health Reform Act 2011* and corresponding jurisdictional legislation.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: NHFB Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	1,343	-	1,343	5,520
Departmental appropriation <sup>3</sup>	-	4,348	4,348	4,360
s31 Relevant agency receipts	-	-	-	-
<b>Total</b>	<b>1,343</b>	<b>4,348</b>	<b>5,691</b>	<b>9,880</b>
<b>Administered resources<sup>1</sup></b>				
Outcome 1	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total ordinary annual services</b>	<b>1,343</b>	<b>4,348</b>	<b>5,691</b>	<b>9,880</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>1,343</b>	<b>4,348</b>	<b>5,691</b>	<b>9,880</b>
<b>Total net resourcing for NHFB</b>	<b>1,343</b>	<b>4,348</b>	<b>5,691</b>	<b>9,880</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 NHFB did not receive any appropriation in 2013-14 for the Departmental Capital Budget (see Table 3.2.5).

4 Appropriation Bill (No.2) 2014-15.

### 1.3 Budget Measures

Budget measures relating to NHFB are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: NHFB Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
National Health Funding Body						
Departmental	1.1		(11)	(22)	(33)	(34)
<b>Total</b>		-	<b>(11)</b>	<b>(22)</b>	<b>(33)</b>	<b>(34)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**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**

#### Outcome Strategy

The NHFB supports the Administrator to ensure that Commonwealth, State or Territory deposits into the National Health Funding Pool, and payments from the National Health Funding Pool to LHNs or other parties, are made in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement.

The NHFB applies best practice financial frameworks and processes and provides leadership and support to the Commonwealth, States and Territories in undertaking the funding arrangements under the Agreement.

The provision of timely, accurate and reliable public hospital data is vital to inform the determination of the Commonwealth's funding contribution. To support this, the NHFB develops the Administrator's rolling Three Year Data Plan, Commonwealth Contribution Methodology, Growth and Funding Guarantee and Reconciliation Frameworks. This is informed by policy advice provided by the NHFB, incorporating jurisdictional considerations through established expert reference committees.

In undertaking these activities, the NHFB will continue to contribute to improving transparency and efficient administration of public hospital funding.

From 2017-18 the Australian Government will introduce revised public hospital funding arrangements, to recognise States' and Territories' responsibility for managing an efficient public hospital sector.



## NHFB Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for NHFB by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for NHFB**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: National health funding pool administration</b>					
Departmental expenses					
Departmental appropriation <sup>1</sup>	4,360	4,348	4,328	4,344	4,385
Expenses not requiring appropriation in the budget year <sup>2</sup>	-	-	-	-	-
Operating loss	-	-	-	-	-
<b>Total for Programme 1.1</b>	<b>4,360</b>	<b>4,348</b>	<b>4,328</b>	<b>4,344</b>	<b>4,385</b>
<b>Total expenses for Outcome 1</b>	<b>4,360</b>	<b>4,348</b>	<b>4,328</b>	<b>4,344</b>	<b>4,385</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	19	19			

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".
- 2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Programme 1.1: National Health Funding Pool Administration

### Programme Objectives

*Assist the Administrator to calculate the Commonwealth contribution to the National Health Funding Pool*

The Administrator, with the support of the NHFB, calculates the annual Commonwealth contribution to be paid into the National Health Funding Pool for the next financial year. From 1 July 2014, the Commonwealth will fund 45 per cent of efficient growth of activity-based services. The calculation of the Commonwealth contribution also includes the reconciliation of actual patient level hospital activity data in relation to the previous financial year.

*Assist the Administrator to develop the Three Year Data Plan and associated funding reconciliation frameworks*

The NHFB supports the Administrator in determining the minimum level of data required to calculate the Commonwealth's contribution, conduct reconciliation activities and ensure national comparability. Established data sets are used to reduce the burden on data providers in line with the single provision multiple use aspects of the Agreement. As the primary policy advisor to the Administrator, the NHFB is responsible for the development of the Administrator's Three Year Data Plan and funding reconciliation approach and arrangements.

The reconciliation is performed based on estimated and actual volume of service delivery, informed by the outcomes of data matching and other adjustment activities. The result of the reconciliation is incorporated into the calculation of the Commonwealth contribution to the National Health Funding Pool.

*Assist the Administrator to ensure the National Health Funding Pool operations are in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement*

The NHFB supports the Administrator to ensure Commonwealth, State and Territory deposits into the National Health Funding Pool, and payments from the National Health Funding Pool to LHNs or other parties are made in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement. The NHFB maintains proper records in relation to the administration of the National Health Funding Pool by utilising the National Health Funding Administrator Payments System.

*Support the Administrator in authorising payment instructions in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement*

The NHFB administers the National Health Funding Administrator Payments System to support the Administrator in overseeing and approving all payments for public hospital services through the National Health Funding Pool as required under the Agreement.

*Assist the Administrator to transparently report on the operations of the National Health Funding Pool and state managed funds as outlined in the Agreement*

NHFB provides the administrative mechanism for the aggregation and public reporting of funding by the Administrator. This enables the Administrator to provide monthly and annual reports, including financial statements, for the operations of the funding pool and state managed funds.

## **Programme 1.1: Deliverables**

### **Qualitative Deliverables for Programme 1.1**

**Assist the Administrator to develop the Three Year Data Plan and associated funding reconciliation frameworks**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Deliver the Three Year rolling Data Plan	Determine minimum level of data required to calculate the Commonwealth's contribution, conduct reconciliation activities and ensure national comparability under the Agreement

**Assist the Administrator to ensure the National Health Funding Pool operations are in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Maintain proper records and reporting in relation to the administration of the National Health Funding Pool, including records of all payments made to and from those accounts and the basis on which the payments were made	Monthly publication and verification from the States and Territories in relation to the operations of the National Health Funding Pool and state managed funds

**Assist the Administrator to transparently report on the operations of the National Health Funding Pool and state managed funds as outlined in the Agreement**

<b>Qualitative Deliverables</b>	<b>2014-15 Reference Point or Target</b>
Annual report of the National Health Funding Pool to the Commonwealth and each State and Territory Government	Produce and table a single annual report and accompanying financial statement on the operation of the National Health Funding Pool in the Commonwealth Parliament, and each State and Territory Parliament, where the annual report includes a combined financial statement for the National Health Funding Pool, and a financial statement for each State or Territory state pool account audited by the respective Auditors-General

Qualitative Deliverables	2014-15 Reference Point or Target
Publicly reporting on the operations of the state managed funds and National Health Funding Pool	Produce monthly reports on the operation of the state managed funds and the National Health Funding Pool

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

**Assist the Administrator to calculate the Commonwealth contribution to the National Health Funding Pool**

Qualitative Indicator	2014-15 Reference Point or Target
Calculate the Commonwealth contribution to the National Health Funding Pool	The calculation informs the Administrator's advice to the Treasurer, and under the Agreement, from 1 July 2014, Commonwealth funding will include a 45 per cent contribution to efficient growth in public hospital services

**Support the Administrator in authorising payment instructions in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement**

Qualitative Indicator	2014-15 Reference Point or Target
Oversee and authorise all payments for public hospital services through the National Health Funding Pool as required under the Agreement	Improvements to the National Health Funding Administrator Payments System allow the NHFB, and States and Territories, greater flexibility in managing payments

### Quantitative Key Performance Indicators for Programme 1.1

**Support the Administrator in authorising payment instructions in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement**

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of payments made in accordance with directions from the responsible State or Territory Minister	100%	100%	100%	100%	100%

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to the NHFB.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to the NHFB.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because the NHFB has no specific Indigenous expenses.

## 3.2 Budgeted Financial Statements

### 3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to the NHFB.

### 3.2.2 Analysis of Budgeted Financial Statements

An analysis of the NHFB's financial statements follows in order to provide clarification and additional detail for readers.

#### Departmental Resources

##### Comprehensive Income Statement

The NHFB's appropriation revenue is largely in line with its statutory functions and the National Health Reform Agreement (the Agreement) agreed by the Council of Australian Governments.

The NHFB's departmental appropriation is allocated to fund employees to assist the Administrator of the National Health Funding Pool and to carry out NHFB's functions. The remaining departmental appropriation is allocated to fund supplier expenses to support the Administrator's obligations under the Agreement. These expenses support the delivery of monthly and annual statutory reporting, operation of the national payments system, and determination of the Commonwealth health funding as required under the *National Health Reform Act 2011*. The appropriation is also allocated to the review and assurance of data application, and controls over the processes and systems managed by the NHFB.

##### Balance Sheet

The NHFB does not anticipate the purchase of any major assets with the balance sheet largely reflecting the appropriation held to meet employee and supplier provisions and payables.

##### Cash Flows

Cash flows are consistent with projected income and expenses.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	2,632	2,836	2,935	3,038	3,129
Supplier expenses	1,728	1,512	1,393	1,306	1,256
Depreciation and amortisation	-	-	-	-	-
<b>Total expenses</b>	<b>4,360</b>	<b>4,348</b>	<b>4,328</b>	<b>4,344</b>	<b>4,385</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of (contribution by) services</b>	<b>4,360</b>	<b>4,348</b>	<b>4,328</b>	<b>4,344</b>	<b>4,385</b>
Revenue from Government	4,360	4,348	4,328	4,344	4,385
<b>Surplus (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus non-appropriated expenses depreciation and amortisation expenses	-	-	-	-	-
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	323	333	343	353	353
Receivables	1,156	1,156	1,156	1,156	1,156
<b>Total financial assets</b>	<b>1,479</b>	<b>1,489</b>	<b>1,499</b>	<b>1,509</b>	<b>1,509</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>1,479</b>	<b>1,489</b>	<b>1,499</b>	<b>1,509</b>	<b>1,509</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	536	540	543	547	547
Other payables	107	107	107	107	107
<b>Total payables</b>	<b>643</b>	<b>647</b>	<b>650</b>	<b>654</b>	<b>654</b>
<b>Provisions</b>					
Employees	448	454	461	467	467
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>448</b>	<b>454</b>	<b>461</b>	<b>467</b>	<b>467</b>
<b>Total liabilities</b>	<b>1,091</b>	<b>1,101</b>	<b>1,111</b>	<b>1,121</b>	<b>1,121</b>
<b>Net Assets</b>	<b>388</b>	<b>388</b>	<b>388</b>	<b>388</b>	<b>388</b>
<b>EQUITY</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	388	388	388	388	388
<b>Total equity</b>	<b>388</b>	<b>388</b>	<b>388</b>	<b>388</b>	<b>388</b>

NHFB

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	388	-	-	-	<b>388</b>
Surplus (deficit) for the period	-	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2015</b>	<b>388</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>388</b>

DCB = Departmental Capital Budget.



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	8,860	4,348	4,328	4,344	4,385
Net GST received	140	144	150	152	152
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>9,000</b>	<b>4,492</b>	<b>4,478</b>	<b>4,496</b>	<b>4,537</b>
<b>Cash used</b>					
Employees	2,379	2,830	2,928	3,032	3,129
Suppliers	6,166	1,508	1,390	1,302	1,256
Net GST paid	140	144	150	152	152
<b>Total cash used</b>	<b>8,685</b>	<b>4,482</b>	<b>4,468</b>	<b>4,486</b>	<b>4,537</b>
<b>Net cash from (or used by) operating activities</b>	<b>315</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>315</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	8	323	333	343	353
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>323</b>	<b>333</b>	<b>343</b>	<b>353</b>	<b>353</b>

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB <sup>1</sup>	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	-	-	-	-	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	-	-	-	-	-
<b>Total cash used to acquire assets</b>	-	-	-	-	-

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
<b>Opening net book balance</b>	-	-	-	-
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	-	-
<b>Sub-total</b>	-	-	-	-
<b>Other movements</b>				
Depreciation/amortisation expense	-	-	-	-
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>as at 30 June 2015</b>				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
<b>Closing net book balance</b>	-	-	-	-

1 Proceeds may be returned to the Official Public Account.

# **NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL**

## **Agency Resources and Planned Performance**

**NHMRC**



# National Health and Medical Research Council

Health Portfolio Agency

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The National Health and Medical Research Council (NHMRC) is the Australian Government's key agency for managing investment in health and medical research. NHMRC is also responsible for developing evidence-based health advice for the Australian community, health professionals and Governments, and for providing advice on ethical practice in health care and in the conduct of health and medical research.

The role and functions of NHMRC are set out in the *National Health and Medical Research Council Act 1992*. NHMRC's assessment of the major national health issues likely to arise from the 2012-15 triennium, and NHMRC's national strategy for medical research and public health research are set out in NHMRC's Strategic Plan 2013-15, which was tabled in the Australian Parliament on 18 January 2013.<sup>1</sup>

NHMRC also has statutory obligations under the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*. NHMRC is prescribed as an agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, NHMRC will be governed under the *Public Governance, Performance and Accountability Act 2013*.

### 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

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<sup>1</sup> The NHMRC Strategic Plan is developed in accordance with section 16(1) of the *National Health and Medical Research Council Act 1992*.

**Table 1.2.1: NHMRC Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	11,594	-	11,594	13,192
Departmental appropriation <sup>3</sup>	-	42,159	42,159	40,239
s31 Relevant agency receipts	-	2,000	2,000	3,150
<b>Total</b>	<b>11,594</b>	<b>44,159</b>	<b>55,753</b>	<b>56,581</b>
<b>Administered resources<sup>1</sup></b>				
Outcome 1	-	905,715	905,715	783,640
<b>Total</b>	<b>-</b>	<b>905,715</b>	<b>905,715</b>	<b>783,640</b>
<b>Total ordinary annual services</b>	<b>11,594</b>	<b>949,874</b>	<b>961,468</b>	<b>840,221</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>11,594</b>	<b>949,874</b>	<b>961,468</b>	<b>840,221</b>
<b>Total appropriations excluding Special Accounts</b>	<b>11,594</b>	<b>949,874</b>	<b>961,468</b>	<b>840,221</b>
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	137,218	-	137,218	213,557
Appropriation receipts <sup>6</sup>	-	859,026	859,026	771,187
Non-appropriation receipts to Special Accounts	-	10,600	10,600	11,050
<b>Total Special Accounts</b>	<b>137,218</b>	<b>869,626</b>	<b>1,006,844</b>	<b>995,794</b>
<b>Total resourcing</b>	<b>148,812</b>	<b>1,819,500</b>	<b>1,968,312</b>	<b>1,836,015</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	(859,026)	(859,026)	(771,187)
<b>Total net resourcing for NHMRC</b>	<b>148,812</b>	<b>960,474</b>	<b>1,109,286</b>	<b>1,064,828</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.185 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

6 Appropriation receipts from NHMRC annual and special appropriations for 2014-15 included above.



## 1.3 Budget Measures

Budget measures relating to NHMRC are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: NHMRC Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Boosting Dementia Research</b>						
National Health and Medical Research Council						
Administered expenses	1.1	-	32,000	31,000	31,000	40,000
<b>Total</b>		-	<b>32,000</b>	<b>31,000</b>	<b>31,000</b>	<b>40,000</b>
<b>Simplified and consistent health and medical research</b>						
National Health and Medical Research Council						
Administered expenses	1.1	-	2,312	1,017	253	258
Departmental	1.1	-	1,774	4,016	-	-
<b>Total</b>		-	<b>4,086</b>	<b>5,033</b>	<b>253</b>	<b>258</b>
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
National Health and Medical Research Council						
Departmental	1.1	-	(103)	(205)	(306)	(309)
<b>Total</b>		-	<b>(103)</b>	<b>(205)</b>	<b>(306)</b>	<b>(309)</b>

## Section 2: Outcome and Planned Performance

### 2.1 Outcome and Performance Information

**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**

#### Outcome Strategy

The Australian Government, through NHMRC, will continue to invest in innovative health and medical research that is undertaken within a well-established ethical framework, to address national health priorities and improve the health status of all Australians.

NHMRC will streamline its application and assessment processes for grant applications and consider the wider context of its funding schemes to look for further efficiencies and to reduce red tape for the research community.

NHMRC's work will also facilitate the translation of evidence derived from health and medical research into practices and systems designed to prevent illness and improve public health.

## NHMRC Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for NHMRC by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for NHMRC**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Health and medical research</b>					
Administered expenses					
Ordinary annual services	783,640	905,715	842,269	856,088	879,941
to the <i>Medical Research Endowment Account</i>	(771,187)	(859,026)	(798,652)	(813,026)	(827,662)
Special account					
<i>Medical Research Endowment Account</i>	858,576	930,058	858,167	838,391	838,062
Departmental expenses					
Departmental appropriation <sup>1</sup>	43,307	43,974	45,788	41,521	41,908
Expenses not requiring appropriation in the budget year <sup>2</sup>	2,300	2,300	2,300	2,300	2,300
Operating deficit (surplus)	1,400	1,400	-	-	-
<b>Total for Programme 1.1</b>	<b>918,036</b>	<b>1,024,421</b>	<b>949,872</b>	<b>925,274</b>	<b>934,549</b>
<b>Total expenses for Outcome 1</b>	<b>918,036</b>	<b>1,024,421</b>	<b>949,872</b>	<b>925,274</b>	<b>934,549</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	217	208			

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

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

## Programme 1.1: Health and Medical Research

### Programme Objectives

*Support high quality health and medical research*

The Australian Government, through NHMRC, will continue to invest in Australia's health and medical research sector. Through the Medical Research Endowment Account, NHMRC will award grants through a number of funding schemes to support research in all areas of health.

*Boosting Dementia Research*

Dementia is the third leading cause of death in Australia and no cure exists. The Australian Government, through NHMRC, will tackle the dementia burden via a series of initiatives to boost Australia's dementia research capacity, prioritise funding for vital new dementia research projects and translate research into new treatments and better care for dementia patients. Operating within the NHMRC governance arrangements, a new National Institute for Dementia Research will lead this effort, drawing together existing activity and identifying a strategic research and translation agenda.

*Simplified and Consistent Health and Medical Research*

NHMRC will work with the Department of Industry and other agencies within the Department of Health portfolio to explore a nationally consistent approach to the ethical review of clinical trials. This approach may reduce complexity and accelerate the clinical trials review process in both the public and private health sectors. Specifically, NHMRC will continue to develop and implement a nationally consistent good practice model for research governance of clinical trials, which will be supported by the development of training and education modules and by the development of an improved ethics application form.

NHMRC will simplify the application and grant review process through improvements to the Research Grants Management System. These measures will include an improved and consistent application process as well as an upgraded reporting system. Improvements to assessment productivity will be achieved through the use of enhanced technology including the introduction of video conferencing for some grant review panels and applicants.

*Support the translation of health and medical research*

In 2014, NHMRC will finalise its draft Information Paper and Position Statement on the Human Health Impacts of Wind Farms. In 2014-15 NHMRC also intends to release a targeted call for research in the identified gap in research on the impacts of Wind Farms. NHMRC will fulfil the Government's election commitment for robust, independent research and the Department of Industry will deal with real time monitoring of wind farm noise emissions.

In 2014-15, NHMRC will continue to support its Research Translation Faculty, which has been established to assist in the development of evidence-based advice to Government and the public. The Faculty, which is comprised of around 2,900 NHMRC-supported senior researchers, is identifying major gaps where strong

research evidence exists, but is not being used in health care policy and practice. This work is being led by Faculty steering groups, each focusing on a major health issue facing Australia. NHMRC will also host its third Research Translation Faculty Symposium in 2014, helping to build research translation understanding and capability amongst Australia's research community.

NHMRC will also develop evidence-based health advice and guidelines in areas such as lead (safe blood levels), alternative therapies, wind farms and health, and genomics.

*Promote the highest ethical standards in health and medical research*

NHMRC promotes high quality ethical standards in research by ensuring that key human research guidelines, the *National Statement on Ethical Conduct in Human Research 2007*, and codes, such as the *Australian Code for the Responsible Conduct of Research 2007* remain up-to-date and reflect best practice in the area.

NHMRC will continue to encourage the uptake of the national approach to single ethical review within universities and private hospitals.

NHMRC will revise sections of the *National Statement on Ethical Conduct in Human Research 2007*, Part B of the *Ethical Guidelines on the use of Assisted Reproductive Technology in Clinical Practice and Research June 2007*.

NHMRC will continue to administer the *Research Involving Human Embryos Act 2002* and the *Prohibition of Human Cloning for Reproduction Act 2002*. These Acts prohibit certain practices, including human cloning for reproduction, and restrict other practices relating to reproductive technology and research.

## **Programme 1.1: Deliverables**

### **Qualitative Deliverables for Programme 1.1**

#### **Support high quality health and medical research**

<b>Qualitative Deliverable</b>	<b>2014-15 Reference Point or Target</b>
Funding provided for high quality research into Australian health problems	NHMRC will call for applications addressing a defined research topic to stimulate or greatly advance knowledge in a particular area of health and medical science for the benefit of the health of Australians

## Quantitative Deliverables for Programme 1.1

### Support high quality health and medical research

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of total Medical Research Endowment Account funding to the NHMRC Project Grant scheme	50%	50%	50%	50%	50%
Percentage of annual research budget awarded to Indigenous health research	>5%	>5%	>5%	>5%	>5%

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Support high quality health and medical research

Qualitative Indicator	2014-15 Reference Point or Target
Periodic review of established funding schemes to determine strengths and identify where improvements can be made	Completed reviews are presented to Research Committee for consideration, and implemented according to established timelines

#### Promote the highest ethical standards in health and medical research

Qualitative Indicator	2014-15 Reference Point or Target
National adoption of the National Approach to Single Ethical Review initiative (formerly known as HoMER)	Increased uptake of the national approach to single ethical review certification by Human Research Ethics Committees

## Quantitative Key Performance Indicators for Programme 1.1

### Support the translation of health and medical research

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Citation rate (number of citations divided by the number of scientific publications in a given time period) of journal articles resulting from NHMRC funded research <sup>2</sup>	>50%	>50%	>50%	>50%	>50%

### Promote the highest ethical standards in health and medical research

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of researcher and institutional compliance with ethics codes and human embryo licensing conditions	100%	100%	100%	100%	100%

<sup>2</sup> Bibliographic citations are where a journal article is referenced in a subsequent journal article, indicating some scientific impact of the original work. The citation rate of journal articles resulting from NHMRC funded research (above) is compared to the world citation average, which is determined by dividing the total number of citations, by the total number of journal articles published in the world in the same time period.

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to NHMRC.

#### 3.1.2 Special Accounts

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Outcome	Opening balance 2014-15 2013-14 \$'000	Appropriation receipts 2014-15 2013-14 \$'000	Other receipts 2014-15 2013-14 \$'000	Payments 2014-15 2013-14 \$'000	Closing balance 2014-15 2013-14 \$'000
Medical Research	1	137,218	859,026	50,600	970,058	76,786
Endowment Account <sup>1</sup> (A)		213,557	771,187	51,050	898,576	137,218
<b>Total Special Accounts 2014-15 Estimate</b>		<b>137,218</b>	<b>859,026</b>	<b>50,600</b>	<b>970,058</b>	<b>76,786</b>
<i>Total Special Accounts 2013-14 estimate actual</i>		<i>213,557</i>	<i>771,187</i>	<i>51,050</i>	<i>898,576</i>	<i>137,218</i>

Notes:

D = Departmental; A = Administered.

1 *National Health and Medical Research Council Act 1992 - s21 FMA Act.*

#### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special appropriations \$'000	Total appropriations \$'000	\$'000	\$'000
<b>National Health and Medical Research Council</b>						
Outcome 1						
Administered 2014-15	52,895			52,895		52,895
Administered 2013-14	47,093			47,093		47,093
Departmental 2014-15	317			317		317
Departmental 2013-14	308			308		308
Total outcome 2014-15	53,212	-	-	53,212	-	53,212
Total outcome 2013-14	47,401	-	-	47,401	-	47,401
<b>Total AGIE 2014-15</b>	<b>53,212</b>	<b>-</b>	<b>-</b>	<b>53,212</b>	<b>-</b>	<b>53,212</b>
<i>Total AGIE 2013-14</i>	<i>47,401</i>	<i>-</i>	<i>-</i>	<i>47,401</i>	<i>-</i>	<i>47,401</i>

NHMRC



## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to NHMRC.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of NHMRC's budgeted financial statements for 2014-15 is set out below.

#### **Departmental Resources**

##### **Comprehensive Income Statement (Showing Net Cost of Services)**

Revenue and expenditure for 2014-15 is expected to be in line with Government forecasts, with Employee expenses to be 51 per cent of total expenditure.

##### **Balance Sheet**

The Receivables include funding for the Australian Research Fellowship scheme appropriated in 2006-07 which is drawn down annually to facilitate the approved \$1.400 million loss per annum until 30 June 2015.

##### **Administered Resources**

The Administered accounts are used as a mechanism to transfer most of the funds to NHMRC's Special Account (Medical Research Endowment Account). In 2014-15, the transfer to the Special Account is expected to be \$859.026 million. The balance of the Administered Appropriation in 2014-15 will be used to fund new measures, Boosting Dementia Research (\$32.000 million), Simplified and Consistent Health and Medical Research (\$2.312 million), and for measures that commenced in 2013-14 (\$1.035 million) and programmes transferred from Department of Health (\$11.342 million) in the 2011-12 Budget.

In 2012-13 an initiative to change grant funding payments from quarterly in advance to monthly in arrears resulted in a re-profiling of \$74.3 million from 2012-13 to 2014-15.

Expenditure in 2014-15 and forward estimates is expected to be greater than the Administered Appropriations and funds will be drawn down from the Medical Research Endowment Account.

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	25,099	24,170	24,414	24,614	24,614
Supplier expenses	19,708	21,304	21,474	17,007	17,394
Depreciation and amortisation	2,200	2,200	2,200	2,200	2,200
<b>Total expenses</b>	<b>47,007</b>	<b>47,674</b>	<b>48,088</b>	<b>43,821</b>	<b>44,208</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	3,150	2,000	2,000	2,000	2,000
<b>Total revenue</b>	<b>3,150</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>Gains</b>					
Other	100	100	100	100	100
<b>Total gains</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total own-source income</b>	<b>3,250</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>
<b>Net cost of (contribution by) services</b>	<b>43,757</b>	<b>45,574</b>	<b>45,988</b>	<b>41,721</b>	<b>42,108</b>
Revenue from Government	40,157	41,974	43,788	39,521	39,908
<b>Surplus (Deficit)</b>	<b>(3,600)</b>	<b>(3,600)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(3,600)</b>	<b>(3,600)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(3,600)</b>	<b>(3,600)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(3,600)</b>	<b>(3,600)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
plus non-appropriated expenses depreciation and amortisation expenses	2,200	2,200	2,200	2,200	2,200
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>(1,400)</b>	<b>(1,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	233	233	233	233	233
Receivables	11,813	12,101	12,530	13,073	13,073
<b>Total financial assets</b>	<b>12,046</b>	<b>12,334</b>	<b>12,763</b>	<b>13,306</b>	<b>13,306</b>
<b>Non-financial assets</b>					
Property, plant and equipment	5,773	4,373	2,973	1,573	173
Inventories	356	356	356	356	356
Intangibles	4,272	3,657	3,037	2,416	1,798
Other	506	506	506	506	506
<b>Total non-financial assets</b>	<b>10,907</b>	<b>8,892</b>	<b>6,872</b>	<b>4,851</b>	<b>2,833</b>
<b>Total assets</b>	<b>22,953</b>	<b>21,226</b>	<b>19,635</b>	<b>18,157</b>	<b>16,139</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,822	3,822	3,822	3,822	3,822
Other payables	2,104	1,802	1,560	1,367	1,367
<b>Total payables</b>	<b>5,926</b>	<b>5,624</b>	<b>5,382</b>	<b>5,189</b>	<b>5,189</b>
<b>Provisions</b>					
Employees	6,480	6,545	6,640	6,749	6,749
Other provisions	601	626	652	679	679
<b>Total provisions</b>	<b>7,081</b>	<b>7,171</b>	<b>7,292</b>	<b>7,428</b>	<b>7,428</b>
<b>Total liabilities</b>	<b>13,007</b>	<b>12,795</b>	<b>12,674</b>	<b>12,617</b>	<b>12,617</b>
<b>Net Assets</b>	<b>9,946</b>	<b>8,431</b>	<b>6,961</b>	<b>5,540</b>	<b>3,522</b>
<b>EQUITY</b>					
Contributed equity	5,357	5,542	5,722	4,786	4,968
Retained surpluses or accumulated deficits	4,589	2,889	1,239	754	(1,446)
<b>Total equity</b>	<b>9,946</b>	<b>8,431</b>	<b>6,961</b>	<b>5,540</b>	<b>3,522</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement  
(Budget year 2014-15)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	4,589	-	-	5,357	<b>9,946</b>
Surplus (deficit) for the period	(3,600)	-	-	-	<b>(3,600)</b>
Appropriation (equity injection)	-	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	185	<b>185</b>
Other movements	1,900	-	-	-	<b>1,900</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>2,889</b>	-	-	<b>5,542</b>	<b>8,431</b>

DCB = Departmental Capital Budget.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	3,150	2,000	2,000	2,000	2,000
Appropriations	41,198	41,664	43,400	38,661	39,908
Net GST received	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>45,848</b>	<b>45,164</b>	<b>46,900</b>	<b>42,161</b>	<b>43,408</b>
<b>Cash used</b>					
Employees	24,564	23,605	22,813	23,905	24,614
Suppliers	21,562	21,559	24,087	18,256	18,794
<b>Total cash used</b>	<b>46,126</b>	<b>45,164</b>	<b>46,900</b>	<b>42,161</b>	<b>43,408</b>
<b>Net cash from (or used by) operating activities</b>	<b>(278)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	182	185	180	179	182
<b>Total cash used</b>	<b>182</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>Net cash from (or used by) investing activities</b>	<b>(182)</b>	<b>(185)</b>	<b>(180)</b>	<b>(179)</b>	<b>(182)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	82	185	180	179	182
<b>Total cash received</b>	<b>82</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>Net cash from (or used by) financing activities</b>	<b>82</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>Net increase (or decrease) in cash held</b>	<b>(378)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	611	233	233	233	233
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>	<b>233</b>

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	82	185	180	179	182
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	<b>82</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	82	185	180	179	182
<b>Total items</b>	<b>82</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB <sup>1</sup>	82	185	180	179	182
Funded internally from departmental resources	100	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>182</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>182</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>
<b>Total cash used to acquire assets</b>	<b>182</b>	<b>185</b>	<b>180</b>	<b>179</b>	<b>182</b>

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant &amp; equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	-	11,480	8,422	<b>19,902</b>
Accumulated depreciation/amortisation and impairment	-	5,707	4,150	<b>9,857</b>
<b>Opening net book balance</b>	<b>-</b>	<b>5,773</b>	<b>4,272</b>	<b>10,045</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	185	<b>185</b>
By purchase - other	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>185</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	1,400	800	<b>2,200</b>
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	-	11,480	8,607	<b>20,087</b>
Accumulated depreciation/amortisation and impairment	-	7,107	4,950	<b>12,057</b>
<b>Closing net book balance</b>	<b>-</b>	<b>4,373</b>	<b>3,657</b>	<b>8,030</b>

1 Proceeds may be returned to the Official Public Account.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Recoveries	7,000	7,000	5,000	5,000	5,000
Other non-tax revenue	4,050	3,600	3,000	3,000	3,000
<b>Total income administered on behalf of Government</b>	<b>11,050</b>	<b>10,600</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants - MREA	858,576	930,058	858,167	838,391	838,062
Grants - Dementia	-	32,000	31,000	31,000	40,000
Grants - other	12,453	12,377	11,600	11,809	12,021
Suppliers	-	2,312	1,017	253	258
<b>Total expenses administered on behalf of Government</b>	<b>871,029</b>	<b>976,747</b>	<b>901,784</b>	<b>881,453</b>	<b>890,341</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	3,968	3,968	3,968	3,968	3,968
<b>Total financial assets</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>
<b>Total assets administered on behalf of Government</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>	<b>3,968</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	100,809	96,809	94,809	94,809	94,809
Other	252	252	252	252	252
<b>Total payables</b>	<b>101,061</b>	<b>97,061</b>	<b>95,061</b>	<b>95,061</b>	<b>95,061</b>
<b>Total liabilities administered on behalf of Government</b>	<b>101,061</b>	<b>97,061</b>	<b>95,061</b>	<b>95,061</b>	<b>95,061</b>



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

	<b>Estimated actual 2013-14 \$'000</b>	<b>Budget estimate 2014-15 \$'000</b>	<b>Forward estimate 2015-16 \$'000</b>	<b>Forward estimate 2016-17 \$'000</b>	<b>Forward estimate 2017-18 \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Cash Received - Other	11,050	10,600	8,000	8,000	8,000
Net GST received	40,000	40,000	40,000	40,000	40,000
<b>Total cash received</b>	<b>51,050</b>	<b>50,600</b>	<b>48,000</b>	<b>48,000</b>	<b>48,000</b>
<b>Cash used</b>					
Grant payments - MREA	858,576	930,058	858,167	838,391	838,062
Grant payments - Dementia	-	32,000	31,000	31,000	40,000
Grant payments - other	12,453	12,377	11,600	11,809	12,021
Suppliers	-	2,312	1,017	253	258
Net GST paid	40,000	40,000	40,000	40,000	40,000
<b>Total cash used</b>	<b>911,029</b>	<b>1,016,747</b>	<b>941,784</b>	<b>921,453</b>	<b>930,341</b>
<b>Net cash from (or used by) operating activities</b>	<b>(859,979)</b>	<b>(966,147)</b>	<b>(893,784)</b>	<b>(873,453)</b>	<b>(882,341)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(859,979)</b>	<b>(966,147)</b>	<b>(893,784)</b>	<b>(873,453)</b>	<b>(882,341)</b>
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for : appropriations	859,979	966,147	893,784	873,453	882,341
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# **NATIONAL HEALTH PERFORMANCE AUTHORITY**

## **Agency Resources and Planned Performance**

**Performance  
Authority**

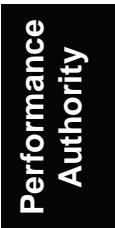


# National Health Performance Authority

Health Portfolio Agency

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The National Health Performance Authority (Performance Authority) was established in 2011 to prepare high quality, locally relevant and nationally consistent reports on the performance of Local Hospital Networks, public hospitals, private hospitals and other bodies or organisations that provide health care services. Under the *National Health Reform Act 2011*, this transparent public reporting across a range of performance standards and indicators at a local level, aims to increase accountability and drive continuous improvement in delivery of these health care services.

The Performance Authority is established under the *National Health Reform Act 2011* and is a prescribed agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, the Performance Authority will be governed under the *Public Governance, Performance and Accountability Act 2013*.

During 2014-15, the Government will work with States and Territories with the intention to create a new health productivity and performance commission. Subject to consultation, the new health productivity and performance commission would be formed by merging the functions of the Australian Commission on Safety and Quality in Health Care, the Australian Institute of Health and Welfare, the Independent Hospital Pricing Authority, the National Hospital Performance Authority, the National Health Funding Body and the Administrator of the National Health Funding Pool.

In meeting its statutory obligations to report on health system performance, the Performance Authority operates independently of both the Commonwealth and State and Territory Governments. The costs associated with the establishment and ongoing operations of the Performance Authority are borne by the Commonwealth.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: Performance Authority Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	3,957	-	3,957	3,171
Departmental appropriation <sup>3</sup>	-	11,112	11,112	11,479
s31 Relevant agency receipts	-	-	-	479
<b>Total</b>	<b>3,957</b>	<b>11,112</b>	<b>15,069</b>	<b>15,129</b>
<b>Administered resources<sup>4</sup></b>				
Outcome 1		22,738	22,738	22,136
<b>Total</b>	<b>-</b>	<b>22,738</b>	<b>22,738</b>	<b>22,136</b>
<b>Total ordinary annual services</b>	<b>3,957</b>	<b>33,850</b>	<b>37,807</b>	<b>37,265</b>
<b>Other services - Bill 2<sup>5</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>3,957</b>	<b>33,850</b>	<b>37,807</b>	<b>37,265</b>
<b>Total net resourcing for the Performance Authority</b>	<b>3,957</b>	<b>33,850</b>	<b>37,807</b>	<b>37,265</b>

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations including cash at bank.

3 Includes an amount of \$0.098 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.1) 2014-15.

5 Appropriation Bill (No.2) 2014-15.

### 1.3 Budget Measures

Budget measures relating to the Performance Authority are detailed in Budget Paper No.2 and are summarised below.

**Table 1.3.1: Performance Authority Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
National Health Performance Authority						
Departmental	1.1	-	(28)	(56)	(85)	(86)
<b>Total</b>		-	<b>(28)</b>	<b>(56)</b>	<b>(85)</b>	<b>(86)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**Contribute to transparent and accountable health care services in Australia, including through the provision of independent performance monitoring and reporting; the formulation of performance indicators; and conducting and evaluating research**

#### Outcome Strategy

The Performance Authority's principal role is to analyse and report local level health system performance information to support greater transparency, accountability and continuous improvement in the delivery of health services in Australia.

The Performance Authority's work is guided by the Performance and Accountability Framework (the Framework) which includes measures of safety, quality, access and efficiency for different parts of the health system. The Framework was agreed by the Council of Australian Governments (COAG) in December 2011.

The effectiveness of the Performance Authority's activities depends in part on its access to a reliable supply of high quality data that does not impose an unnecessary burden on those organisations that collect and provide data. Access to clinical and technical expertise during the development of performance measurement methods and interpretation of results ensures the Performance Authority's work is valid and valued.

Guided by its Strategic Plan, the Performance Authority actively pursues respectful collaboration and consultation with Governments, public and private health organisations, clinicians and consumers.



## Performance Authority Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for Performance Authority by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for Performance Authority**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Health system performance reporting</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	22,136	22,738	23,210	23,628	24,054
Expenses not requiring appropriation <sup>1</sup>	-	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>2</sup>	11,379	11,014	10,947	10,868	10,963
Expenses not requiring appropriation in the budget year <sup>3</sup>	359	417	442	455	422
Operating deficit (surplus)	(128)	(128)	(128)	(128)	(127)
<b>Total for Programme 1.1</b>	<b>33,746</b>	<b>34,041</b>	<b>34,471</b>	<b>34,823</b>	<b>35,312</b>
<b>Total expenses for Outcome 1</b>	<b>33,746</b>	<b>34,041</b>	<b>34,471</b>	<b>34,823</b>	<b>35,312</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	53	54			

1 Expenses not requiring appropriation in the Budget year is made up of resources received free of charge.

2 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1 & 3)" and "Revenue from independent sources (s31)".

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

## Programme 1.1: National Health Performance Authority

### Programme Objectives

#### *Produce high quality reports on health system performance*

In 2014-15, the Performance Authority will continue to measure, monitor and regularly report on the performance of health care organisations against performance measures in the Performance and Accountability Framework.

The Performance Authority will continue its pursuit of excellence in public reporting. It will draw extensively on expert health system management, and clinical and technical advice through its advisory committees to ensure the findings presented in its reports are accurate, relevant and fair.

#### *Improve community access to performance information*

In 2014-15, the Performance Authority will redevelop the MyHospitals website so that health professionals and the community can compare the performance of different hospitals. It will work closely with the private hospital sector to increase the number of private hospitals providing data to the MyHospitals website.

Both the MyHospitals website and MyHealthyCommunities website will undergo development to include interactive mapping tools to enable the community to easily explore and compare the effectiveness and efficiency of their local services.

In 2014-15, the Performance Authority will, wherever feasible, enable public access to a report's underlying data. This will be achieved through the MyHospitals and MyHealthyCommunities websites.

### Programme 1.1: Deliverables

#### Qualitative Deliverables for Programme 1.1

##### Produce high quality reports on health system performance

Qualitative Deliverable	2014-15 Reference Point or Target
Monitor and prepare reports on Local Hospital Networks, public hospitals, private hospitals and other bodies or organisations that provide health care services	Publication of hospital performance reports and healthy communities reports

##### Improve community access to performance information

Qualitative Deliverable	2014-15 Reference Point or Target
Deliver publicly accessible information on the performance of local health care organisations	The Performance Authority produces written reports and interactive web products which members of the public can readily access and understand

## **Programme 1.1: Key Performance Indicators**

### **Qualitative Key Performance Indicators for Programme 1.1**

#### **Produce high quality reports on health system performance**

<b>Qualitative Indicator</b>	<b>2014-15 Reference Point or Target</b>
High quality, locally relevant, nationally consistent information about the performance of health care organisations is routinely made publicly available	The Performance Authority produces written reports and interactive web products which are readily accessible to health care professionals and the public

#### **Improve community access to performance information**

<b>Qualitative Indicator</b>	<b>2014-15 Reference Point or Target</b>
The community has access to comparable information on hospital performance on the MyHospitals website, and comparable information on health performance measures across local communities on the MyHealthyCommunities website	Visitors to the MyHospitals website will be able to compare the performance of different hospitals, including private hospitals, and visitors to the MyHealthyCommunities website will be able to compare the performance of local communities across various measures

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to the Performance Authority.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to the Performance Authority.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because the Performance Authority has no specific Indigenous expenses.

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to the Performance Authority.

### **3.2.2 Analysis of budgeted financial statements**

An analysis of the Performance Authority's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

##### **Comprehensive income statement (showing net cost of services)**

The Performance Authority's appropriation revenue is in line with its statutory functions. The proposed expense represents the full staffing complement of the Authority, which was achieved in 2013-14.

##### **Balance Sheet**

The Performance Authority does not anticipate the purchase of any major assets with the balance sheet largely reflecting appropriations held to meet the increasing level of employee provisions, and existing leasehold property office fit out.

##### **Cash Flow**

Cash flows are consistent with projected income and expenses.

#### **Administered Resources**

Administered funding for the Performance Authority is associated with measuring, monitoring and regularly reporting on the performance of health care organisations against performance measures in the Performance and Accountability Framework.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	7,570	7,699	7,771	7,862	7,967
Supplier expenses	3,693	3,232	3,093	2,923	2,914
Depreciation and amortisation	347	372	397	410	377
<b>Total expenses</b>	<b>11,610</b>	<b>11,303</b>	<b>11,261</b>	<b>11,195</b>	<b>11,258</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other revenue	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	12	45	45	45	45
<b>Total gains</b>	<b>12</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>Total own-source income</b>	<b>12</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>Net cost of (contribution by) services</b>	<b>11,598</b>	<b>11,258</b>	<b>11,216</b>	<b>11,150</b>	<b>11,213</b>
Revenue from Government	11,379	11,014	10,947	10,868	10,963
<b>Surplus (Deficit)</b>	<b>(219)</b>	<b>(244)</b>	<b>(269)</b>	<b>(282)</b>	<b>(250)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(219)</b>	<b>(244)</b>	<b>(269)</b>	<b>(282)</b>	<b>(250)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(219)</b>	<b>(244)</b>	<b>(269)</b>	<b>(282)</b>	<b>(250)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(219)</b>	<b>(244)</b>	<b>(269)</b>	<b>(282)</b>	<b>(250)</b>
plus non-appropriated expenses depreciation and amortisation expenses	347	372	397	410	377
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>128</b>	<b>128</b>	<b>128</b>	<b>128</b>	<b>127</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	100	100	100	100	100
Receivables	3,911	4,295	4,730	5,189	5,316
<b>Total financial assets</b>	<b>4,011</b>	<b>4,395</b>	<b>4,830</b>	<b>5,289</b>	<b>5,416</b>
<b>Non-financial assets</b>					
Property, plant and equipment	1,264	990	690	376	96
Other	47	47	47	47	47
<b>Total non-financial assets</b>	<b>1,311</b>	<b>1,037</b>	<b>737</b>	<b>423</b>	<b>143</b>
<b>Total assets</b>	<b>5,322</b>	<b>5,432</b>	<b>5,567</b>	<b>5,712</b>	<b>5,559</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,513	1,348	1,211	1,072	1,072
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>1,513</b>	<b>1,348</b>	<b>1,211</b>	<b>1,072</b>	<b>1,072</b>
<b>Provisions</b>					
Employees	1,200	1,621	2,065	2,535	2,535
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>1,200</b>	<b>1,621</b>	<b>2,065</b>	<b>2,535</b>	<b>2,535</b>
<b>Total liabilities</b>	<b>2,713</b>	<b>2,969</b>	<b>3,276</b>	<b>3,607</b>	<b>3,607</b>
<b>Net Assets</b>	<b>2,609</b>	<b>2,463</b>	<b>2,291</b>	<b>2,105</b>	<b>1,952</b>
<b>EQUITY</b>					
Contributed equity	858	956	1,053	1,149	1,246
Retained surpluses or accumulated deficits	1,751	1,507	1,238	956	706
<b>Total equity</b>	<b>2,609</b>	<b>2,463</b>	<b>2,291</b>	<b>2,105</b>	<b>1,952</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	1,751	-	-	858	<b>2,609</b>
Surplus (deficit) for the period	(244)	-	-	-	<b>(244)</b>
Appropriation (equity injection)	-	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	98	<b>98</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>1,507</b>	<b>-</b>	<b>-</b>	<b>956</b>	<b>2,463</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	10,351	10,630	10,512	10,409	10,836
Net GST received	328	278	264	251	-
Other cash received	479	-	-	-	-
<b>Total cash received</b>	<b>11,158</b>	<b>10,908</b>	<b>10,776</b>	<b>10,660</b>	<b>10,836</b>
<b>Cash used</b>					
Employees	7,172	7,278	7,327	7,392	7,967
Suppliers	4,228	3,630	3,449	3,268	2,869
<b>Total cash used</b>	<b>11,400</b>	<b>10,908</b>	<b>10,776</b>	<b>10,660</b>	<b>10,836</b>
<b>Net cash from (or used by) operating activities</b>	<b>(242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	100	98	97	96	97
<b>Total cash used</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
<b>Net cash from (or used by) investing activities</b>	<b>(100)</b>	<b>(98)</b>	<b>(97)</b>	<b>(96)</b>	<b>(97)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	100	98	97	96	97
<b>Total cash received</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
<b>Net cash from (or used by) financing activities</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
<b>Net increase (or decrease) in cash held</b>	<b>(242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	342	100	100	100	100
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

DCB = Departmental Capital Budget.



**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	100	98	97	96	97
<b>Total capital appropriations</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	100	98	97	96	97
<b>Total items</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	100	98	97	96	97
Funded internally from Departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>
Non-cash purchases <sup>2</sup>	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>100</b>	<b>98</b>	<b>97</b>	<b>96</b>	<b>97</b>

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

2 Non-cash purchases comprise provisions for end of lease restoration.  
DCB = Departmental Capital Budget.

Table 3.2.6: Statement of Asset Movements (2014-15)

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	1,804	-	<b>1,804</b>
Accumulated depreciation/amortisation and impairment	-	540	-	<b>540</b>
<b>Opening net book balance</b>	<b>-</b>	<b>1,264</b>	<b>-</b>	<b>1,264</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	98	-	<b>98</b>
By purchase - internal departmental resources	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>98</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	372	-	<b>372</b>
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>as at 30 June 2015</b>				
Gross book value	-	1,902	-	<b>1,902</b>
Accumulated depreciation/amortisation and impairment	-	912	-	<b>912</b>
<b>Closing net book balance</b>	<b>-</b>	<b>990</b>	<b>-</b>	<b>990</b>

1 Proceeds may be returned to the Official Public Account.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	-	-	-	-	-
<b>Total non-taxation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenues administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	22,136	22,738	23,210	23,628	24,054
Depreciation and amortisation	-	-	-	-	-
Grants - other	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>22,136</b>	<b>22,738</b>	<b>23,210</b>	<b>23,628</b>	<b>24,054</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Investments	-	-	-	-	-
<b>Total financial assets</b>	-	-	-	-	-
<b>Non-financial assets</b>					
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Inventories	-	-	-	-	-
Other	-	-	-	-	-
<b>Total non-financial assets</b>	-	-	-	-	-
<b>Total assets administered on behalf of Government</b>	-	-	-	-	-
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	830	877	918	953	953
<b>Total payables</b>	<b>830</b>	<b>877</b>	<b>918</b>	<b>953</b>	<b>953</b>
<b>Total liabilities administered on behalf of Government</b>	<b>830</b>	<b>877</b>	<b>918</b>	<b>953</b>	<b>953</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash used</b>					
Suppliers	22,004	22,691	23,169	23,593	24,054
<b>Total cash used</b>	<b>22,004</b>	<b>22,691</b>	<b>23,169</b>	<b>23,593</b>	<b>24,054</b>
<b>Net cash from (or used by) operating activities</b>	<b>(22,004)</b>	<b>(22,691)</b>	<b>(23,169)</b>	<b>(23,593)</b>	<b>(24,054)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(22,004)</b>	<b>(22,691)</b>	<b>(23,169)</b>	<b>(23,593)</b>	<b>(24,054)</b>
Cash at beginning of reporting period	9	-	-	-	-
Cash from Official Public Account for - special accounts	-	-	-	-	-
- appropriations	21,995	22,691	23,169	23,593	24,054
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# **NATIONAL MENTAL HEALTH COMMISSION**

## **Agency Resources and Planned Performance**

NMHC



# National Mental Health Commission

Health Portfolio Agency

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NMHC

## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The National Mental Health Commission (NMHC) contributes to delivering the Australian Government's policy commitment for efficient and effective mental health services and research.

The NMHC, through cross-sectoral leadership and collaboration, provides independent, system-wide advice and reports to improve accountability, transparency and outcomes for people with mental health problems, as well as their families and other supporters.

The NMHC's primary focus for the first half of 2014-15 will be delivering the final report of the review of mental health programmes and services to Government by 30 November 2014. The aim of the review is to ensure that resources are being targeted efficiently and effectively in supporting individuals experiencing mental ill health, and their families and other support people, to lead a contributing life and to engage productively in the community.

The NMHC will also continue with its ongoing work programme, including: the national Seclusion and Restraint Project, the Mentally Healthy Workplace Alliance and reporting back to Governments and the community on progress against the NMHC recommendations in the 2012 and 2013 National Report Cards on Mental Health and Suicide Prevention.

Future strategic priorities for the NMHC will be influenced by the Government's consideration of the review findings and other emerging priorities.

The NMHC is an executive agency established on 1 January 2012 under the *Public Service Act 1999* and a prescribed agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, NMHC will be governed by the *Public Governance, Performance and Accountability Act 2013*.

### 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: NMHC Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	96	-	96	80
Departmental appropriation <sup>3</sup>	-	2,866	2,866	2,862
s31 Relevant agency receipts	-	-	-	-
<b>Total</b>	<b>96</b>	<b>2,866</b>	<b>2,962</b>	<b>2,942</b>
<b>Administered resources<sup>1</sup></b>				
Outcome 1	-	3,617	3,617	3,504
<b>Total</b>	<b>-</b>	<b>3,617</b>	<b>3,617</b>	<b>3,504</b>
<b>Total ordinary annual services</b>	<b>96</b>	<b>6,483</b>	<b>6,579</b>	<b>6,446</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>96</b>	<b>6,483</b>	<b>6,579</b>	<b>6,446</b>
<b>Total appropriations excluding Special Accounts</b>	<b>96</b>	<b>6,483</b>	<b>6,579</b>	<b>6,446</b>
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	-	-	-	-
Appropriation receipts <sup>6</sup>	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>96</b>	<b>6,483</b>	<b>6,579</b>	<b>6,446</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for NMHC</b>	<b>96</b>	<b>6,483</b>	<b>6,579</b>	<b>6,446</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.036 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

6 Appropriation receipts from NMHC annual and special appropriations for 2014-15 included above.



### 1.3 Budget Measures

Budget measures relating to NMHC are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: NMHC Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>						
National Mental Health Commission						
Departmental	1.1	-	(7)	(14)	(21)	(22)
<b>Total</b>		-	<b>(7)</b>	<b>(14)</b>	<b>(21)</b>	<b>(22)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programmes, 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**

#### Outcome Strategy

The NMHC provides advice to the Commonwealth on mental health reform, and strengthens the public accountability of system performance and service outcomes through independent monitoring, assessment, reporting and advising on the mental health impacts of a range of health and non-health service systems.

Mental health disorders account for 13.1 per cent of Australia's total burden of disease and injury.<sup>1</sup> The most recent national survey found that mental illness is experienced by nearly half of the Australian adult population at some point over their lifetime (45 per cent of the population) of whom nearly 25 per cent will use alcohol excessively or have a drug addiction.<sup>2</sup> One in five adults, or 3.2 million Australians, will experience a mental health difficulty in any year.<sup>3</sup> Mental illness can also contribute to lifelong disadvantage: people living with a mental health condition are more likely to be unemployed or not in the labour force, at 37.6 per cent, than people without mental health conditions at 22.3 per cent.<sup>4</sup> Only 31.5 per cent of people living with psychosis complete high school, compared to 53.0 per cent in the general community. Of those with a mental illness, 20.9 per cent live in households in the lowest income bracket, higher than the 15.6 per cent of people with no mental illness.

The Australian Government, in the face of these challenges, is committed to ensuring Australia has a sustainable, efficient and effective mental health system. The NMHC, through its collaborative work across Governments, non-government organisations and the private sector, provides useful, evidence-informed advice and reports to support improvement and better outcomes.

The NMHC's main challenge in 2014-15 will be to research, develop and deliver a final report of the review of mental health programmes and services to Government by 30 November 2014. The review spans all levels of Government and the private and community sectors. The NMHC will meet this challenge by working collaboratively across the Commonwealth and with State and Territory Governments, and directing its resources to meet the requirements of the review terms of reference.

NMHC

<sup>1</sup> Begg S, Vos T, Barker B, Stevenson C, Stanley L and Lopez A 2007. *The burden of disease and injury in Australia 2003*. AIHW cat. no. PHE 82. Canberra: Australian Institute of Health and Welfare.

<sup>2</sup> Australian Bureau of Statistics 2008. *National Survey of Mental Health and Wellbeing: Summary of Results, 2007*. cat. no. 4326.0. Canberra: ABS.

<sup>3</sup> Ibid.

<sup>4</sup> Australian Bureau of Statistics. *National Health Survey 2007-08*. Canberra: ABS; 2009 (Unpublished).

## NMHC Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for NMHC by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for NMHC**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: National Mental Health Commission</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,504	3,617	3,664	3,725	3,792
Departmental expenses					
Departmental appropriation <sup>1</sup>	2,837	2,830	2,802	2,779	2,794
Expenses not requiring appropriation in the budget year <sup>2</sup>	59	64	71	44	44
Operating deficit (surplus)	(15)	-	-	-	-
<b>Total for Programme 1.1</b>	<b>6,385</b>	<b>6,511</b>	<b>6,537</b>	<b>6,548</b>	<b>6,630</b>
<b>Total expenses for Outcome 1</b>	<b>6,385</b>	<b>6,511</b>	<b>6,537</b>	<b>6,548</b>	<b>6,630</b>

	2013-14	2014-15
<b>Average staffing level (number)</b>	13	13

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

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

## **Programme 1.1: National Mental Health Commission**

### **Programme Objectives**

#### *Deliver the review of mental health programmes and services*

The Australian Government has assigned the NMHC to conduct a national review of mental health services and programmes in 2014. This review will deliver a key component of the Government's election commitment policy to ensure that existing resources in the mental health sector are being targeted as effectively and productively as possible, and that waste and duplication are minimised.

The review will examine existing programmes across the Government, private and non-government sectors. The NMHC's final report to the Government in November 2014 will be informed by information: gathered by the NMHC in its first two years; provided by Commonwealth and State and Territory agencies; and via a targeted call for submissions in accordance with the review Terms of Reference.

#### *Report on national progress to improve mental health and prevent suicide*

The NMHC's main task on establishment was to deliver an annual National Report Card on Mental Health and Suicide Prevention. Two Report Cards have been published, making ten recommendations in 2012 and a further eight in 2013. The NMHC's primary focus in 2014 will be to deliver the review, and this work will supersede the development of a third National Report Card on Mental Health and Suicide Prevention. The NMHC will, however, independently report back on progress against the 18 recommendations made in the 2012 and 2013 Report Cards.

#### *Other projects to improve system accountability, evidence and results*

In 2014-15, the NMHC will add to the evidence base, continue to demonstrate national leadership and collaborate with others to strengthen public accountability and influence change through a number of existing projects.

These projects include mechanisms to ensure the meaningful contribution of people with lived experience of mental health issues, their families and other supporters to the NMHC's work, for example through a new national leadership development and capacity building project.

A national Seclusion and Restraint study is looking at best practice approaches that work to eliminate the seclusion and restraint of people with mental illness in a range of settings, including mental health services. The study will be informed by an international literature review, surveying and other consultation and data analysis, and will report in late 2014.

The Mentally Healthy Workplace Alliance is a national approach by a consortium of business, community and Government organisations to encourage Australian workplaces to become mentally healthy for the benefit of the whole community and economy. Other founding partners with the NMHC are the Business Council of Australia and Council of Small Businesses Australia. In 2014-15, the Alliance will deliver practical advice and tools to assist employers to take action and work with business leaders.

## Program 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

Deliver the review of mental health programmes and services

Qualitative Deliverable	2014-15 Reference Point or Target
A review of mental health programmes and services in Australia across Government, non-government and private sectors to ensure existing resources are being targeted as efficiently and effectively as possible	Review of Mental Health Services to be presented to the Minister for Health by 30 November 2014

### Quantitative Deliverables for Programme 1.1

Other projects to improve system accountability, evidence and results

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Commission meetings to be held each year to support the review and other projects	6	6	6	6	6

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

Other projects to improve system accountability, evidence and results

Qualitative Indicator	2014-15 Reference Point or Target
Undertake and disseminate research, analysis, evaluation and advice on key national priorities and data gaps	Commissioned and published spotlight reports and analysis on key priorities and data gaps, such as seclusion and restraint and workplace participation

## Quantitative Key Performance Indicators for Programme 1.1

Other projects to improve system accountability, evidence and results

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of NMHC projects that have governance and advisory arrangements that include people with lived experience of mental health problems	100%	100%	100%	100%	100%
Number of individuals with lived experience of mental health problems (either personally or as a family member or support person) participating in the NMHC's leadership and capacity building project	10	10	10	10	10

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to NMHC.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to NMHC.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because the NMHC has no specific Indigenous expenses.

### **3.2 Budgeted Financial Statements**

#### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to the NMHC.

#### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of the NMHC's financial statements follows in order to provide clarification and additional detail for readers.

##### **Departmental Resources**

###### **Comprehensive Income Statement**

Revenue from Government has remained stable from 2013-14 to 2014-15 at \$2.8 million.

###### **Balance Sheet**

The NMHC has a small liability base primarily reflecting departmental employee leave entitlements.

##### **Administered**

###### **Schedule of budgeted income and expense administered on behalf of Government**

Expenses administered on behalf of Government has increased slightly from \$3.5million in 2013-14 to \$3.6 million 2014-15.

###### **Schedule of budgeted assets and liabilities administered on behalf of Government**

The NMHC has no administered assets or liabilities.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	1,938	1,963	1,972	1,972	1,972
Supplier expenses	909	892	855	832	847
Depreciation and amortisation	34	39	46	19	19
<b>Total expenses</b>	<b>2,881</b>	<b>2,894</b>	<b>2,873</b>	<b>2,823</b>	<b>2,838</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	25	25	25	25	25
<b>Total gains</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Total own-source income</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Net cost of (contribution by) services</b>	<b>2,856</b>	<b>2,869</b>	<b>2,848</b>	<b>2,798</b>	<b>2,813</b>
Revenue from Government	2,837	2,830	2,802	2,779	2,794
<b>Surplus (Deficit)</b>	<b>(19)</b>	<b>(39)</b>	<b>(46)</b>	<b>(19)</b>	<b>(19)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(19)</b>	<b>(39)</b>	<b>(46)</b>	<b>(19)</b>	<b>(19)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(19)</b>	<b>(39)</b>	<b>(46)</b>	<b>(19)</b>	<b>(19)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(19)</b>	<b>(39)</b>	<b>(46)</b>	<b>(19)</b>	<b>(19)</b>
plus non-appropriated expenses depreciation and amortisation expenses	34	39	46	19	19
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	10	10	10	10	10
Receivables	450	520	618	680	680
<b>Total financial assets</b>	<b>460</b>	<b>530</b>	<b>628</b>	<b>690</b>	<b>690</b>
<b>Non-financial assets</b>					
Property, plant and equipment	10	13	6	16	28
Intangibles	83	77	72	67	80
<b>Total non-financial assets</b>	<b>93</b>	<b>90</b>	<b>78</b>	<b>83</b>	<b>108</b>
<b>Total assets</b>	<b>553</b>	<b>620</b>	<b>706</b>	<b>773</b>	<b>798</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	50	50	50	50	50
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Provisions</b>					
Employees	281	285	290	294	294
Other provisions	71	138	200	258	258
<b>Total provisions</b>	<b>352</b>	<b>423</b>	<b>490</b>	<b>552</b>	<b>552</b>
<b>Total liabilities</b>	<b>402</b>	<b>473</b>	<b>540</b>	<b>602</b>	<b>602</b>
<b>Net Assets</b>	<b>151</b>	<b>147</b>	<b>166</b>	<b>171</b>	<b>196</b>
<b>EQUITY</b>					
Contributed equity	207	243	277	301	326
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	(56)	(96)	(111)	(130)	(130)
<b>Total equity</b>	<b>151</b>	<b>147</b>	<b>166</b>	<b>171</b>	<b>196</b>

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(56)	-	-	207	<b>151</b>
Surplus (deficit) for the period	(39)	-	-	-	<b>(39)</b>
Capital budget - Bill 1 (DCB)	-	-	-	36	<b>36</b>
Other movements	(1)	-	-	-	<b>(1)</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(96)</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>147</b>

DCB = Departmental Capital Budget.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,732	2,760	2,704	2,745	2,794
GST received	91	84	78	79	84
<b>Total cash received</b>	<b>2,823</b>	<b>2,844</b>	<b>2,782</b>	<b>2,824</b>	<b>2,878</b>
<b>Cash used</b>					
Employees	1,915	1,959	1,967	1,965	1,972
Suppliers	887	801	737	780	822
GST paid	91	84	78	79	84
<b>Total cash used</b>	<b>2,893</b>	<b>2,844</b>	<b>2,782</b>	<b>2,824</b>	<b>2,878</b>
<b>Net cash from (or used by) operating activities</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	25	36	33	23	24
<b>Total cash used</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>Net cash from (or used by) investing activities</b>	<b>(25)</b>	<b>(36)</b>	<b>(33)</b>	<b>(23)</b>	<b>(24)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	25	36	33	23	24
<b>Total cash received</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>Net cash from (or used by) financing activities</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>Net increase (or decrease) in cash held</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	80	10	10	10	10
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

DCB = Departmental Capital Budget.

**Table 3.2.5: Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	25	36	33	23	24
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	25	36	33	23	24
Other	-	-	-	-	-
<b>Total items</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB	25	36	33	23	24
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>
<b>Total cash used to acquire assets</b>	<b>25</b>	<b>36</b>	<b>33</b>	<b>23</b>	<b>24</b>

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	48	95	<b>143</b>
Accumulated depreciation/amortisation and impairment	-	38	12	<b>50</b>
<b>Opening net book balance</b>	<b>-</b>	<b>10</b>	<b>83</b>	<b>93</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation	-	-	-	-
By purchase - appropriation ordinary annual services	-	36	-	<b>36</b>
<b>Sub-total</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>36</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	33	6	<b>39</b>
Disposals <sup>1</sup>	-	-	-	-
Other	-	-	-	-
<b>As at 30 June 2015</b>				
Gross book value	-	84	95	<b>179</b>
Accumulated depreciation/amortisation and impairment	-	71	18	<b>89</b>
<b>Closing net book balance</b>	<b>-</b>	<b>13</b>	<b>77</b>	<b>90</b>

1 Proceeds may be returned to the Official Public Account.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supplier expenses	3,504	3,617	3,664	3,725	3,792
<b>Total expenses administered on behalf of Government</b>	<b>3,504</b>	<b>3,617</b>	<b>3,664</b>	<b>3,725</b>	<b>3,792</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	174	174	174	174	174
<b>Total financial assets</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>
<b>Total assets administered on behalf of Government</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>	<b>174</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	-	-	-	-	-
Suppliers	880	880	880	880	880
Loans	-	-	-	-	-
Other Payables	-	-	-	-	-
<b>Total payables</b>	<b>880</b>	<b>880</b>	<b>880</b>	<b>880</b>	<b>880</b>
<b>Total liabilities administered on behalf of Government</b>	<b>880</b>	<b>880</b>	<b>880</b>	<b>880</b>	<b>880</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
GST received	132	136	138	140	142
<b>Total cash received</b>	<b>132</b>	<b>136</b>	<b>138</b>	<b>140</b>	<b>142</b>
<b>Cash used</b>					
Grant payments	-	-	-	-	-
Suppliers	3,504	3,617	3,664	3,725	3,792
GST paid	132	136	138	140	142
<b>Total cash used</b>	<b>3,636</b>	<b>3,753</b>	<b>3,802</b>	<b>3,865</b>	<b>3,934</b>
<b>Net cash from (or used by) operating activities</b>	<b>(3,504)</b>	<b>(3,617)</b>	<b>(3,664)</b>	<b>(3,725)</b>	<b>(3,792)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(3,504)</b>	<b>(3,617)</b>	<b>(3,664)</b>	<b>(3,725)</b>	<b>(3,792)</b>
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations	3,504	3,617	3,664	3,725	3,792
Cash to the Official Public Account	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# **PRIVATE HEALTH INSURANCE ADMINISTRATION COUNCIL**

## **Agency Resources and Planned Performance**

**PHIAC**



# Private Health Insurance Administration Council

Health Portfolio Agency

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through the Private Health Insurance Administration Council (PHIAC), aims to protect the interests of consumers through prudential and administrative regulation of the private health insurance industry. PHIAC administers the registration of private health insurers, is responsible for regulating the prudential performance of the insurers, and advises the Minister for Health about the insurers' financial operations and affairs.

The Government will transfer the functions of PHIAC to the Australian Prudential Regulation Authority (APRA) and the Department of Health by 1 July 2015, with a view to closing the agency. Roles and functions will be considered between agencies during the transitional year.

The *Private Health Insurance (Council Administration Levy) Act 2003* requires the Australian Government to impose an administration levy on private health insurers for the general operating costs of PHIAC. The role and functions of PHIAC are set out in the *Private Health Insurance Act 2007* (PHI Act). From 1 July 2014, PHIAC will be governed by the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: PHIAC Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Opening balance/reserves at bank</b>	6,058	-	6,058	5,895
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	-	-	-
<b>Total ordinary annual services</b>	-	-	-	-
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	-	-	-
<b>Payments from related entities<sup>3</sup></b>				
Amounts from the Portfolio Department	-	-	-	-
Amounts from other agencies	-	-	-	-
<b>Total payments</b>	-	-	-	-
<b>Total funds from Government</b>	-	-	-	-
<b>Special appropriations</b>				
Private Health Insurance Act 2007 - s307-10 Private Health Insurance (Risk Equalisation Trust Fund) Levy Act 2003	-	504,376	504,376	455,241
Private Health Insurance Act 2007 - s307-10 Private Health Insurance (Council Administration Levy) Act 2003	-	6,768	6,768	6,590
<b>Total special appropriations</b>	-	511,144	511,144	461,831

**Table 1.2.1: PHIAC Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014 (continued)**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>FUNDS FROM INDUSTRY<sup>4</sup></b>				
Levies	-	511,144	511,144	461,831
<i>less amounts paid to the CRF</i>	-	(511,144)	(511,144)	(461,831)
<b>Total industry funds</b>	-	-	-	-
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	209	209	254
Sale of goods and services	-	-	-	-
Other	-	-	-	-
<b>Total other sources</b>	-	<b>209</b>	<b>209</b>	<b>254</b>
<b>Total net resourcing for PHIAC</b>	<b>6,058</b>	<b>511,353</b>	<b>517,411</b>	<b>467,980</b>

Notes:

All figures are GST exclusive.

PHIAC is not directly appropriated as it is currently a CAC Act body. The CAC Act is due to be repealed and replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. Currently appropriations are made to the Department of Health which are then paid to the PHIAC and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.

3 PHIAC receives levies from industry under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* and *Private Health Insurance (Council Administration Levy) Act 2003* and are remitted to the Department of Health (being the Portfolio Department) for return to the Official Public Account. Funds returned to industry for risk equalisation are then appropriated under the *Private Health Insurance Act 2007*, again via the Department of Health, for redistribution to industry. Funds raised under the Council Administration Levy Act are appropriated under the *Private Health Insurance Act 2007* to meet general administrative costs of PHIAC.

## 1.3 Budget Measures

Section 1.3 is not applicable to PHIAC in 2014-15.

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**Prudential safety and competitiveness of the private health insurance industry in the interests of consumers, including through efficient industry regulation**

#### Outcome Strategy

The Australian Government, through PHIAC, aims to protect and maintain a viable, prudentially sound, and competitive private health insurance industry. PHIAC provides reliable and timely private health insurance information to the industry, consumers and the Government. It also manages the Risk Equalisation Trust Fund. The Trust Fund supports 'community rating' of private health insurance premiums by sharing the cost of older contributors (55 years of age and over) and the chronically ill (defined as those with high cost claims, reaching above a certain threshold). PHIAC also maintains prudential and capital standards for the private health insurance industry, and provides direction to the industry on compliance with these standards.

During 2014-15, PHIAC will continue to monitor the private health insurance industry to protect consumer interests by ensuring insurers are well run and prudentially sound. This will include the availability of reliable and transparent information on private health insurance. PHIAC will continue its work to ensure that actuarial advice provided to the funds, particularly as part of the annual Financial Condition Report, is accurate and appropriately targeted to meet the needs of individual insurers and their boards.

During 2014-15 PHIAC will work with APRA and the Department to facilitate the transfer of its functions, assets and liabilities by 1 July 2015, with a view to closing the agency.

## PHIAC Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for PHIAC by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for PHIAC**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Private health insurance prudential regulation and risk equalisation trust management</b>					
Administered expenses					
Revenue from Government					
Amounts from the Portfolio					
Department	455,241	504,376	557,080	613,372	673,240
Revenues from independent sources	67	46	45	43	41
Departmental expenses					
Revenue from Government					
Amounts from the Portfolio					
Department	6,590	6,768	6,974	7,186	7,404
Revenues from independent sources	187	163	163	163	163
Operating deficit (surplus)	(20)	(1)	(1)	(1)	(1)
<b>Total for Programme 1.1</b>	<b>462,065</b>	<b>511,352</b>	<b>564,261</b>	<b>620,763</b>	<b>680,847</b>
<b>Total expenses for Outcome 1</b>	<b>462,065</b>	<b>511,352</b>	<b>564,261</b>	<b>620,763</b>	<b>680,847</b>
	2013-14	2014-15			
<b>Average staffing level (number)</b>	33	32			

## **Programme 1.1: Private Health Insurance Prudential Regulation and Risk Equalisation Trust Management**

### **Programme Objectives**

*Closure of the entity, including windup and transfer of its functions, assets and liabilities to the Australian Prudential Regulation Authority and the Department of Health by 1 July 2015*

PHIAC manage the wind-up process for the entity, in consultation with the Department, APRA, staff and their representatives. PHIAC will ensure that staff understand the options available to them on the closure of the entity. All entitlements for eligible PHIAC staff will be met.

*Prudential safety, industry competitiveness, and consumer confidence*

PHIAC will continue to maintain a strong and visible presence in the industry during the transitional year to APRA and the Department of Health to ensure that consumers of private health insurance can be confident that their insurer will remain efficiently run and financially sound. In particular, PHIAC is maintaining its programme of fund reviews to ensure a sound evidence base for its oversight activities. Reviews promote improved prudential practices and governance and assist in normalising best practice behaviours within the industry. The programme reviews examine aspects of insurers' business which, in PHIAC's assessment, represent increased risk.

*Prudential standards for the private health insurance industry*

A key focus of PHIAC's work will be implementing new Capital Adequacy and Solvency Standards. The new standards, which commenced on 31 March 2014, place a greater emphasis on ensuring that the boards of insurers quantify risk in the business and ensure that proper capital provision is made. This function will transition to APRA from 1 July 2015.

*Effectively manage the Risk Equalisation Trust Fund*

The Risk Equalisation Trust Fund is a central component of the policy of community rating which ensures that all Australians have access to the benefits of private health insurance regardless of their age or health status. PHIAC supports this policy by assessing and administering the payments made into and out of the fund on a quarterly basis. PHIAC will continue to undertake this function to ensure that the fund is administered accurately and on time prior to its move to the Department of Health.

## Programme 1.1: Deliverables<sup>1</sup>

### Qualitative Deliverables for Programme 1.1

**Closure of the entity, including windup and transfer of its functions, assets and liabilities to the Australian Prudential Regulation Authority and the Department of Health by 1 July 2015**

Qualitative Deliverables	2014-15 Reference Point or Target
PHIAC programmes and activities are transferred to the Australian Prudential Regulation Authority and the Department of Health	Information and support is provided to the Australian Prudential Regulation Authority and the Department of Health to assist in the smooth transfer of programmes and activities
PHIAC assets and liabilities are identified and transferred to the Australian Prudential Regulation Authority and the Department of Health	Due diligence completed to identify all assets and liabilities Support provided to transfer assets and liabilities to the Australian Prudential Regulation Authority and the Department of Health

### Prudential safety, industry competitiveness and consumer confidence

Qualitative Deliverable	2014-15 Reference Point or Target
Private health insurance funds are assessed against Capital Adequacy and Solvency Standards to ensure their solvency	Insurers are assessed at least quarterly as part of the examination of mandatory returns, and reports on matters of concern are prepared by management as required and considered by the PHIAC Council in the discharge of its prudential oversight

### Prudential standards for the private health insurance industry

Qualitative Deliverable	2014-15 Reference Point or Target
Prudential standards reflecting best regulatory practice are developed and implemented	Relevant policies are prepared and submitted for industry consultation and feedback

### Effectively manage the Risk Equalisation Trust Fund

Qualitative Deliverable	2014-15 Reference Point or Target
Complete all trust fund transactions correctly and in accordance with legislation	Transactions certified as accurate by the Australian National Audit Office

<sup>1</sup> The functions and deliverables of PHIAC will be reviewed as part of the transfer to APRA and the Department of Health.

## Quantitative Deliverables for Programme 1.1

### Prudential standards for the private health insurance industry

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of targeted reviews of private health insurers carried out	9	9	N/A	N/A	N/A

## Programme 1.1: Key Performance Indicators<sup>2</sup>

### Quantitative Key Performance Indicators for Programme 1.1

#### Prudential safety, industry competitiveness and consumer confidence

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of funds continuing to be solvent and compliant with the Capital Adequacy Standard	100%	100%	N/A	N/A	N/A

#### Prudential standards for the private health insurance industry

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of private health insurers compliant with PHIAC obligations and zero financial loss for policy holders	100%	100%	N/A	N/A	N/A

#### Effectively manage the Risk Equalisation Trust Fund

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of quarterly payments calculated correctly and made on time <sup>3</sup>	100%	100%	N/A	N/A	N/A

<sup>2</sup> The functions and deliverables of PHIAC will be reviewed as part of the transfer to APRA and the Department of Health.

<sup>3</sup> Payments are made by the industry in accordance with applicable legislation.



## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to PHIAC.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to PHIAC.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because PHIAC has no specific Indigenous expenses.

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to PHIAC.

### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of PHIAC's financial statements follows in order to provide clarification and additional detail for readers.

#### **Departmental Resources**

##### **Comprehensive Income Statement**

PHIAC is planning a minor operating surplus for 2013-14 and small operating surpluses in 2014-15 and the forward years.

Levy revenues for 2014-15 and forward years reflect an increment consistent with the increases in expenses brought about by normal expected growth in prices for suppliers and employees and an amount for an enhancement in PHIAC's information capacity. Expenditure is budgeted to be \$6.9 million in 2014-15.

##### **Balance Sheet**

The Cash balance is expected to be maintained and there is an expected growth in employee provisions consistent with the growth in salaries and wages.

Other assets and liabilities are expected to remain relatively constant.

##### **Cash Flows**

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

##### **Administered Resources**

The administered activities relate to the Private Health Insurance Risk Equalisation Trust Fund which is described earlier in this chapter.

### 3.2.3 Budgeted financial statements tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	4,909	5,281	5,511	5,692	5,853
Supplier expenses	1,582	1,360	1,338	1,370	1,425
Depreciation and amortisation	247	260	257	256	258
Other	19	29	30	30	30
<b>Total expenses</b>	<b>6,757</b>	<b>6,930</b>	<b>7,136</b>	<b>7,348</b>	<b>7,566</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
Interest	187	163	163	163	163
<b>Total revenue</b>	<b>187</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>163</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>187</b>	<b>163</b>	<b>163</b>	<b>163</b>	<b>163</b>
<b>Net cost of (contribution by services)</b>	<b>6,570</b>	<b>6,767</b>	<b>6,973</b>	<b>7,185</b>	<b>7,403</b>
Revenue from Government	6,590	6,768	6,974	7,186	7,404
<b>Surplus (Deficit)</b>	<b>20</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>20</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>20</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,058	6,313	6,622	6,861	7,143
Receivables	116	116	118	118	118
Investments	5	5	5	5	5
<b>Total financial assets</b>	<b>6,179</b>	<b>6,434</b>	<b>6,745</b>	<b>6,984</b>	<b>7,266</b>
<b>Non-financial assets</b>					
Property, plant and equipment	401	331	298	317	256
Intangibles	144	133	80	142	131
Other	88	88	88	88	88
<b>Total non-financial assets</b>	<b>633</b>	<b>552</b>	<b>466</b>	<b>547</b>	<b>475</b>
<b>Total assets</b>	<b>6,812</b>	<b>6,986</b>	<b>7,211</b>	<b>7,531</b>	<b>7,741</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	132	141	181	278	249
Other payables	63	44	12	12	24
<b>Total payables</b>	<b>195</b>	<b>185</b>	<b>193</b>	<b>290</b>	<b>273</b>
<b>Provisions</b>					
Employees	1,595	1,778	1,994	2,216	2,442
Other provisions	90	90	90	90	90
<b>Total provisions</b>	<b>1,685</b>	<b>1,868</b>	<b>2,084</b>	<b>2,306</b>	<b>2,532</b>
<b>Total liabilities</b>	<b>1,880</b>	<b>2,053</b>	<b>2,277</b>	<b>2,596</b>	<b>2,805</b>
<b>Net assets</b>	<b>4,932</b>	<b>4,933</b>	<b>4,934</b>	<b>4,935</b>	<b>4,936</b>
<b>EQUITY</b>					
Reserves	236	236	236	236	236
Retained surpluses or accumulated deficits	4,696	4,697	4,698	4,699	4,700
<b>Total equity</b>	<b>4,932</b>	<b>4,933</b>	<b>4,934</b>	<b>4,935</b>	<b>4,936</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	4,696	236	-	-	<b>4,932</b>
Surplus (deficit) for the period	1	-	-	-	<b>1</b>
Appropriation (equity injection)	-	-	-	-	<b>-</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>4,697</b>	<b>236</b>	<b>-</b>	<b>-</b>	<b>4,933</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	-	-	-	-	-
Funds from Government	6,590	6,768	6,974	7,186	7,404
Interest	176	163	163	163	163
Net GST received	155	155	155	155	155
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>6,921</b>	<b>7,086</b>	<b>7,292</b>	<b>7,504</b>	<b>7,722</b>
<b>Cash used</b>					
Employees	4,754	5,095	5,295	5,471	5,626
Suppliers	1,877	1,557	1,518	1,556	1,628
Net GST paid	-	-	-	-	-
Other cash used	-	-	-	-	-
<b>Total cash used</b>	<b>6,631</b>	<b>6,652</b>	<b>6,813</b>	<b>7,027</b>	<b>7,254</b>
<b>Net cash from (or used by) operating activities</b>	<b>290</b>	<b>434</b>	<b>479</b>	<b>477</b>	<b>468</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	127	179	170	238	186
<b>Total cash used</b>	<b>127</b>	<b>179</b>	<b>170</b>	<b>238</b>	<b>186</b>
<b>Net cash from (or used by) investing activities</b>	<b>(127)</b>	<b>(179)</b>	<b>(170)</b>	<b>(238)</b>	<b>(186)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Repayment of borrowings	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>163</b>	<b>255</b>	<b>309</b>	<b>239</b>	<b>282</b>
Cash and cash equivalents at the beginning of the reporting period	5,895	6,058	6,313	6,622	6,861
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6,058</b>	<b>6,313</b>	<b>6,622</b>	<b>6,861</b>	<b>7,143</b>

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded internally from departmental resources	127	179	170	238	186
<b>Total acquisitions of non-financial assets</b>	<b>127</b>	<b>179</b>	<b>170</b>	<b>238</b>	<b>186</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>127</b>	<b>179</b>	<b>170</b>	<b>238</b>	<b>186</b>
<b>Total cash used to acquire assets</b>	<b>127</b>	<b>179</b>	<b>170</b>	<b>238</b>	<b>186</b>

Table 3.2.6: Statement of Asset Movements (2014-15)

	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	-	1,020	302	<b>1,322</b>
Accumulated depreciation/amortisation and impairment	-	619	158	<b>777</b>
<b>Opening net book balance</b>	<b>-</b>	<b>401</b>	<b>144</b>	<b>545</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	72	107	<b>179</b>
<b>Sub-total</b>	<b>-</b>	<b>72</b>	<b>107</b>	<b>179</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	142	118	<b>260</b>
Other	-	-	-	<b>-</b>
<b>As at 30 June 2015</b>				
Gross book value	-	1,092	409	<b>1,501</b>
Accumulated depreciation/amortisation and impairment	-	761	276	<b>1,037</b>
<b>Closing net book balance</b>	<b>-</b>	<b>331</b>	<b>133</b>	<b>464</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Interest	67	46	45	43	41
Risk equalisation levy <sup>1</sup>	455,241	504,376	557,080	613,372	673,240
<b>Total non-taxation</b>	<b>455,308</b>	<b>504,422</b>	<b>557,125</b>	<b>613,415</b>	<b>673,281</b>
<b>Total revenues administered on behalf of Government</b>	<b>455,308</b>	<b>504,422</b>	<b>557,125</b>	<b>613,415</b>	<b>673,281</b>
<b>Total income administered on behalf of Government</b>	<b>455,308</b>	<b>504,422</b>	<b>557,125</b>	<b>613,415</b>	<b>673,281</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Finance costs	67	46	45	43	41
Risk equalisation distribution <sup>1</sup>	455,241	504,376	557,080	613,372	673,240
<b>Total expenses administered on behalf of Government</b>	<b>455,308</b>	<b>504,422</b>	<b>557,125</b>	<b>613,415</b>	<b>673,281</b>

- 1 PHIAC receives levies from industry under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* and are remitted to the Department of Health (being the Portfolio Department) for return to the Official Public Account. Funds returned to industry for risk equalisation are then appropriated under the *Private Health Insurance Act 2007*, again via the Department of Health, for redistribution to industry. The funds returned and received from the Department of Health are not duplicated in the table above but are shown under Outcome 6 of the Department of Health chapter in this PB Statements.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	35	35	35	35	35
<b>Total financial assets</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Total assets administered on behalf of Government</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	5	5	5	5	5
<b>Total payables</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Total liabilities administered on behalf of Government</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Risk equalisation levy <sup>1</sup>	455,241	504,376	557,080	613,372	673,240
Interest	67	46	45	43	41
<b>Total cash received</b>	<b>455,308</b>	<b>504,422</b>	<b>557,125</b>	<b>613,415</b>	<b>673,281</b>
<b>Cash used</b>					
Risk equalisation distribution <sup>1</sup>	455,241	504,376	557,080	613,372	673,240
Financing costs	67	46	45	43	41
<b>Total cash used</b>	<b>455,308</b>	<b>504,422</b>	<b>557,125</b>	<b>613,415</b>	<b>673,281</b>
<b>Net cash from (or used by) operating activities</b>	-	-	-	-	-
<b>Net increase (or decrease) in cash held</b>	-	-	-	-	-
Cash at beginning of reporting period	35	35	35	35	35
<b>Cash at end of reporting period</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>35</b>

- 1 PHIAC receives levies from industry under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* and are remitted to the Department of Health (being the Portfolio Department) for return to the Official Public Account. Funds returned to industry for risk equalisation are then appropriated under the *Private Health Insurance Act 2007*, again via the Department of Health, for redistribution to industry. The funds returned and received from the Department of Health are not duplicated in the table above but are shown under Outcome 6 of the Department of Health chapter in this PB Statements.

# **PRIVATE HEALTH INSURANCE OMBUDSMAN**

## **Agency Resources and Planned Performance**



# Private Health Insurance Ombudsman

Health Portfolio Agency

PHIO

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## **Section 1: Agency Overview and Resources**

### **1.1 Strategic Direction Statement**

The Australian Government, through the Private Health Insurance Ombudsman (PHIO), protects the interests of private health insurance consumers. PHIO carries out this role through its independent complaints handling service.

PHIO is responsible for advice to the Australian Government on problems relating to the private health insurance industry, investigation of practices and procedures of insurance and health care providers, and information to consumers on health insurance options.

The Government will transfer these functions to the Office of the Commonwealth Ombudsman by 1 July 2015. This will reduce duplication and provide greater consistency and efficiencies in case management and supporting systems.

The role and functions of PHIO are set out in Part 6-2 of the *Private Health Insurance Act 2007*. PHIO is prescribed as an agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, PHIO will be governed by the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: PHIO Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	153	-	153	1,842
Departmental appropriation <sup>3</sup>	-	3,079	3,079	2,263
s31 Relevant agency receipts	-	10	10	10
<b>Total</b>	<b>153</b>	<b>3,089</b>	<b>3,242</b>	<b>4,115</b>
<b>Total ordinary annual services</b>	<b>153</b>	<b>3,089</b>	<b>3,242</b>	<b>4,115</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
Previous years' programs	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>153</b>	<b>3,089</b>	<b>3,242</b>	<b>4,115</b>
<b>Total appropriations excluding Special Accounts</b>	<b>153</b>	<b>3,089</b>	<b>3,242</b>	<b>4,115</b>
<b>Special Accounts</b>				
Opening balance <sup>5</sup>	-	-	-	-
Appropriation receipts <sup>6</sup>	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>	<b>153</b>	<b>3,089</b>	<b>3,242</b>	<b>4,115</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or CAC Act bodies through annual appropriations	-	-	-	-
<b>Total net resourcing for PHIO</b>	<b>153</b>	<b>3,089</b>	<b>3,242</b>	<b>4,115</b>

Notes:

All figures are GST exclusive.

The responsibilities of PHIO will transfer to the Office of the Commonwealth Ombudsman by 1 July 2015.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.544 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

6 Appropriation receipts from PHIO annual and special appropriations for 2014-15 included above.

### 1.3 Budget Measures

Budget measures relating to PHIO are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: PHIO Budget Measures**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>						
Efficiency Dividend - a further temporary increase of 0.25 per cent						
Private Health Insurance Ombudsman						
Departmental	1.1	-	(6)	(12)	(18)	(18)
<b>Total</b>		-	<b>(6)</b>	<b>(12)</b>	<b>(18)</b>	<b>(18)</b>

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**Public confidence in private health insurance, including through consumer and provider complaint and enquiry investigations, and performance monitoring and reporting**

#### Outcome Strategy

The Australian Government, through PHIO, aims to increase public confidence in the private health insurance sector. PHIO promotes consumer confidence through an accessible, effective and timely complaints handling service that is objective and non-judgemental. PHIO mediates between insurers and health care providers to resolve issues and complaints. PHIO also works to identify administrative problems that underlie the practices of private health insurers or health care providers, and encourages health insurers to continuously improve their own complaints handling practices.

PHIO provides consumer and education services to enhance awareness of health insurance options. In order to provide consumers with accurate and relevant guidance and advice, PHIO investigates the practices and procedures of insurers and health care providers. PHIO also provides advice and recommendations to Government and industry about private health insurance, specifically the performance of the sector and the nature of complaints. To protect the interests of private health insurance consumers, PHIO reports and makes recommendations to Government about industry practices.

These responsibilities will transfer to the Office of the Commonwealth Ombudsman by 1 July 2015.



## PHIO Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for PHIO

**Table 2.1.1: Budgeted Expenses and Resources for PHIO**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Program 1.1: Private health insurance industry advice, recommendations and complaint resolution</b>					
Departmental expenses					
Departmental appropriation <sup>1</sup>	2,213	2,545	2,270	2,255	2,277
Expenses not requiring appropriation in the budget year <sup>2</sup>	309	309	132	132	132
Operating deficit (surplus)	-	(300)	-	-	-
<b>Total for Program 1.1</b>	<b>2,522</b>	<b>2,554</b>	<b>2,402</b>	<b>2,387</b>	<b>2,409</b>
<b>Total expenses for Outcome 1</b>	<b>2,522</b>	<b>2,554</b>	<b>2,402</b>	<b>2,387</b>	<b>2,409</b>
	<b>2013-14</b>	<b>2014-15</b>			
<b>Average staffing level (number)</b>	12	12			

1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No 1)" and "Revenue from independent sources (s31)".

2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## Programme 1.1: Private Health Insurance Industry Advice, Recommendations and Complaint Resolution

### Programme Objectives

*Closure of the entity, including windup and transfer of its functions, assets and liabilities to the Office of the Commonwealth Ombudsman by 1 July 2015*

PHIO will be closed and its policy, programme and funding responsibilities will be transferred to the Office of the Commonwealth Ombudsman by 1 July 2015.

PHIO will manage the wind-up process for the entity, in consultation with the Department, the Commonwealth Ombudsman, staff and their representatives. PHIO will ensure that staff understand the options available to them on the closure of the entity. All entitlements for eligible PHIO staff will be met.

*Protect the interests of private health insurance consumers*

PHIO protects the interests of insured persons through a range of submissions and recommendations to key Government and industry stakeholders about private health insurance. This ensures that decision makers at the highest levels are aware of consumer concerns about private health insurance and, where applicable, implement appropriate solutions to address these issues.

In addition, PHIO conducts investigations into the practices of health insurers when required by the Ombudsman or at the request of the Minister for Health. The Ombudsman can compel disputing parties into mediation to resolve issues that may adversely affect consumers.

*Improve the quality and accessibility of private health insurance information*

In order to improve consumer influence and increase competitiveness within the private health insurance industry, PHIO will continue to ensure the quality and accessibility of consumer information on private health insurance products.

In 2014-15, PHIO will continue to provide consumers with information, services and products explaining private health insurance arrangements, health insurance policies and consumer rights, including through the management of a consumer website.<sup>1</sup> PHIO will also provide recommendations to insurers about product information and its presentation to improve quality and accessibility.

*Provide an efficient and effective complaints handling service*

The Australian Government will deliver a health insurance complaints handling service to consumers that is accessible, timely, independent and effective. In 2014-15, PHIO will publish information on its complaints handling activity to provide assurance to the Australian public that its complaints handling service meets the needs and expectations of consumers.

<sup>1</sup> Available at: [www.privatehealth.gov.au](http://www.privatehealth.gov.au)

## Programme 1.1: Deliverables<sup>2</sup>

### Qualitative Deliverables for Programme 1.1

**Closure of the entity, including wind-up and transfer of its functions, assets and liabilities to the Office of the Commonwealth Ombudsman by 1 July 2015**

Qualitative Deliverables	2014-15 Reference Point or Target
PHIO programmes and activities are transferred to the Office of the Commonwealth Ombudsman	Information and support is provided to the Office of the Commonwealth Ombudsman to assist in the smooth transfer of programmes and activities
PHIO assets and liabilities are identified and transferred to the Office of the Commonwealth Ombudsman	Due diligence completed to identify all assets and liabilities Support provided to transfer assets and liabilities to the Office of the Commonwealth Ombudsman
Final annual report prepared	Information is provided to allow the final annual requirements for PHIO to be discharged

### Protect the interests of private health insurance consumers

Qualitative Deliverable	2014-15 Reference Point or Target
Investigate the practices and procedures of health insurers	Timely investigation and mediation of complaints as required

### Improve the quality and accessibility of private health insurance information

Qualitative Deliverable	2014-15 Reference Point or Target
Provide consumers with accurate and up-to-date information	Regular and timely updates of the private health insurance consumer website <sup>3</sup> and production of private health insurance fact sheets

<sup>2</sup> From 1 July 2015, policy, programme and funding responsibilities will transfer to the Commonwealth Ombudsman. Therefore, targets have been included for out-years, which will be reported against by the Commonwealth Ombudsman and not PHIO.

<sup>3</sup> Available at: [www.privatehealth.gov.au](http://www.privatehealth.gov.au)

**Quantitative Deliverables for Programme 1.1****Protect the interests of private health insurance consumers**

Quantitative Deliverable	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Number of high quality and timely advisory services, policy advice, submissions and reports	>12	>12	>12	>12	>12

**Programme 1.1: Key Performance Indicators<sup>4</sup>****Qualitative Key Performance Indicators for Programme 1.1****Protect the interests of private health insurance consumers**

Qualitative Indicator	2014-15 Reference Point or Target
Production of high quality and timely advisory services, policy advice, submissions and reports	Positive stakeholder feedback on the information products

**Improve the quality and accessibility of private health insurance information**

Qualitative Indicator	2014-15 Reference Point or Target
Provide independent and reliable information to consumers via the private health insurance consumer website <sup>5</sup>	Measured by website survey and feedback and consumer focus testing which indicates that the information provided is viewed as independent and reliable

<sup>4</sup> Policy, programme and funding responsibilities of PHIO will transfer to the Office of the Commonwealth Ombudsman by 1 July 2015. Therefore, targets have been included for out-years, which will be reported against by the Commonwealth Ombudsman and not PHIO.

<sup>5</sup> Available at: [www.privatehealth.gov.au](http://www.privatehealth.gov.au)

## Quantitative Key Performance Indicators for Programme 1.1

### Protect the interests of private health insurance consumers

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of recommendations to private health insurers that have resulted in changes to insurer or industry practices	75%	75%	75%	75%	75%

### Provide an efficient and effective complaints handling service

Quantitative Indicator	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of clients satisfied with complaint handling service	85%	85%	85%	85%	85%

## Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### 3.1 Explanatory Tables

#### 3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to PHIO.

#### 3.1.2 Special Accounts

Section 3.1.2 is not applicable to PHIO.

#### 3.1.3 Australian Government Indigenous Expenditure (AGIE)

The 2014-15 AGIE statement is not applicable because PHIO has no specific Indigenous expenses.

### 3.2 Budgeted Financial Statements

#### 3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to PHIO.

#### 3.2.2 Analysis of Budgeted Financial Statements

An analysis of PHIO's financial statements follows in order to provide clarification and additional detail for readers.

#### Departmental Resources

##### Comprehensive Income Statement

The PHIO expects a continuation of agreed funding in 2014-15. The Revenue from Government in 2014-15 includes the \$300,000 which is returned to the PHIO as cash reserves, as discussed below.

##### Balance Sheet

Net assets and equity have been reduced substantially in 2013-14 due to PHIO's retained funding being repealed as part of the Statute Stocktake (Appropriations) Bill 2013. The PHIO's retained funding of \$1.763 million was removed, resulting in a diminished balance for Receivables. The PHIO has successfully applied for part of the repealed amount to be re-appropriated in 2014-15. An amount of \$300,000 was returned as cash reserves, while \$463,000 was returned through the capital budget.

Liabilities are expected to remain relatively constant across the Budget.

##### Cash Flow

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

### 3.2.3 Budgeted Financial Statements Tables<sup>6</sup>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	1,259	1,296	1,335	1,340	1,340
Supplier expenses	954	949	935	915	937
Depreciation and amortisation	309	309	132	132	132
<b>Total expenses</b>	<b>2,522</b>	<b>2,554</b>	<b>2,402</b>	<b>2,387</b>	<b>2,409</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
Other revenue	10	10	10	10	10
<b>Total revenue</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Net cost of (contribution by) services</b>	<b>2,512</b>	<b>2,544</b>	<b>2,392</b>	<b>2,377</b>	<b>2,399</b>
Revenue from Government	2,203	2,535	2,260	2,245	2,267
<b>Surplus (Deficit)</b>	<b>(309)</b>	<b>(9)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(309)</b>	<b>(9)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(309)</b>	<b>(9)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(309)</b>	<b>(9)</b>	<b>(132)</b>	<b>(132)</b>	<b>(132)</b>
plus non-appropriated expenses depreciation and amortisation expenses	309	309	132	132	132
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>6</sup> The responsibilities of PHIO will transfer to the Office of the Commonwealth Ombudsman by 1 July 2015.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	153	153	153	153	153
Receivables	42	342	342	342	342
<b>Total financial assets</b>	<b>195</b>	<b>495</b>	<b>495</b>	<b>495</b>	<b>495</b>
<b>Non-financial assets</b>					
Land and buildings	92	56	49	41	33
Property, plant and equipment	54	44	39	33	27
Intangibles	437	718	679	642	606
Other	37	37	37	37	37
<b>Total non-financial assets</b>	<b>620</b>	<b>855</b>	<b>804</b>	<b>753</b>	<b>703</b>
<b>Total assets</b>	<b>815</b>	<b>1,350</b>	<b>1,299</b>	<b>1,248</b>	<b>1,198</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	139	139	139	139	139
<b>Total payables</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>	<b>139</b>
<b>Provisions</b>					
Employees	388	388	388	388	388
Other provisions	40	40	40	40	40
<b>Total provisions</b>	<b>428</b>	<b>428</b>	<b>428</b>	<b>428</b>	<b>428</b>
<b>Total liabilities</b>	<b>567</b>	<b>567</b>	<b>567</b>	<b>567</b>	<b>567</b>
<b>Net assets</b>	<b>248</b>	<b>783</b>	<b>732</b>	<b>681</b>	<b>631</b>
<b>EQUITY</b>					
Contributed equity	753	1,297	1,378	1,459	1,541
Reserves	100	100	100	100	100
Retained surpluses or accumulated deficits	(605)	(614)	(746)	(878)	(1,010)
<b>Total equity</b>	<b>248</b>	<b>783</b>	<b>732</b>	<b>681</b>	<b>631</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	(605)	100	-	753	<b>248</b>
Surplus (deficit) for the period	(9)	-	-	-	<b>(9)</b>
Capital budget - Bill 1 (DCB)	-	-	-	544	<b>544</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>(614)</b>	<b>100</b>	<b>-</b>	<b>1,297</b>	<b>783</b>

DCB = Departmental Capital Budget.



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,203	2,235	2,260	2,245	2,267
Net GST received	96	96	96	96	96
Other cash received	10	10	10	10	10
<b>Total cash received</b>	<b>2,309</b>	<b>2,341</b>	<b>2,366</b>	<b>2,351</b>	<b>2,373</b>
<b>Cash used</b>					
Employees	1,259	1,296	1,335	1,340	1,340
Suppliers	954	949	935	915	937
Net GST paid	96	96	96	96	96
<b>Total cash used</b>	<b>2,309</b>	<b>2,341</b>	<b>2,366</b>	<b>2,351</b>	<b>2,373</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	60	544	81	81	82
<b>Total cash used</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>Net cash from (or used by) investing activities</b>	<b>(60)</b>	<b>(544)</b>	<b>(81)</b>	<b>(81)</b>	<b>(82)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	60	544	81	81	82
<b>Total cash received</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>Net cash from (or used by) financing activities</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	153	153	153	153	153
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>	<b>153</b>

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	60	544	81	81	82
<b>Total capital appropriations</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	60	544	81	81	82
Other	-	-	-	-	-
<b>Total items</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>	60	544	81	81	82
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>
<b>Total cash used to acquire assets</b>	<b>60</b>	<b>544</b>	<b>81</b>	<b>81</b>	<b>82</b>

- 1 Does not include annual finance lease costs. Includes purchase from current and previous years' appropriation (Departmental Capital Budget).  
DCB = Departmental Capital Budget.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant and equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	255	123	2,065	<b>2,443</b>
Accumulated depreciation/amortisation and impairment	163	69	1,628	<b>1,860</b>
<b>Opening net book balance</b>	<b>92</b>	<b>54</b>	<b>437</b>	<b>583</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	-	544	<b>544</b>
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>544</b>	<b>544</b>
<b>Other movements</b>				
Depreciation/amortisation expense	36	10	263	<b>309</b>
<b>As at 30 June 2015</b>				
Gross book value	255	123	2,609	<b>2,987</b>
Accumulated depreciation/amortisation and impairment	199	79	1,891	<b>2,169</b>
<b>Closing net book balance</b>	<b>56</b>	<b>44</b>	<b>718</b>	<b>818</b>

# **PROFESSIONAL SERVICES REVIEW**

## **Agency Resources and Planned Performance**



# Professional Services Review

Health Portfolio Agency

PSR

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## **Section 1: Agency Overview and Resources**

### **1.1 Strategic Direction Statement**

Professional Services Review (PSR) investigates health practitioners who are suspected of inappropriate practice, on request from the Department of Human Services. 'Inappropriate practice' includes inappropriately rendering or initiating health services that attract a Medicare Benefits Schedule (MBS) payment, or inappropriately prescribing under the Pharmaceutical Benefits Scheme (PBS). The PSR Scheme covers medical practitioners, dentists, optometrists, midwives, nurse practitioners, chiropractors, physiotherapists, podiatrists and osteopaths, audiologists, diabetes educators, dieticians, exercise physiologists, mental health nurses, occupational therapists, psychologists, social workers, speech pathologists, Aboriginal and Torres Strait Islander health practitioners, Aboriginal health workers and orthoptists.

Investigations are conducted by the Director of PSR who may refer the health practitioner to a committee of peers constituted by appointed PSR Panel Members and Deputy Directors.

The role and functions of PSR are set out in Part VAA of the *Health Insurance Act 1973*. PSR is prescribed as an Agency under the *Financial Management and Accountability Act 1997*. From 1 July 2014, PSR will be governed by the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1: PSR Resource Statement – Budget Estimates for 2014-15 as at Budget May 2014**

	Estimate of prior year amounts available in 2014-15 \$'000	Proposed at Budget 2014-15 \$'000	Total estimate 2014-15 \$'000	Estimated available appropriation 2013-14 \$'000
<b>Ordinary annual services<sup>1</sup></b>				
<b>Departmental appropriation</b>				
Prior year departmental appropriation <sup>2</sup>	7,023	-	7,023	6,435
Departmental appropriation <sup>3</sup>	-	5,742	5,742	6,195
s31 Relevant agency receipts	-	-	-	-
<b>Total</b>	<b>7,023</b>	<b>5,742</b>	<b>12,765</b>	<b>12,630</b>
<b>Total ordinary annual services</b>	<b>7,023</b>	<b>5,742</b>	<b>12,765</b>	<b>12,630</b>
<b>Other services - Bill 2<sup>4</sup></b>				
<b>Departmental non-operating</b>				
Equity injections	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total available annual appropriations</b>	<b>7,023</b>	<b>5,742</b>	<b>12,765</b>	<b>12,630</b>
<b>Total net resourcing for PSR</b>	<b>7,023</b>	<b>5,742</b>	<b>12,765</b>	<b>12,630</b>

Notes:

All figures are GST exclusive.

1 Appropriation Bill (No.1) 2014-15.

2 Estimated adjusted balance carried from the previous financial year for annual appropriations.

3 Includes an amount of \$0.054 million in 2014-15 for the Departmental Capital Budget (refer to Table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 Appropriation Bill (No.2) 2014-15.

## 1.3 Budget Measures

Budget measures relating to PSR are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.3.1: PSR Budget Measures**

Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Whole of Government Measures</b>					
<b>Efficiency Dividend - a further temporary increase of 0.25 per cent</b>					
Professional Services Review					
Departmental	1.1	(15)	(28)	(43)	(44)
<b>Total</b>	<b>-</b>	<b>(15)</b>	<b>(28)</b>	<b>(43)</b>	<b>(44)</b>

PSR



## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

**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**

#### Outcome Strategy

The Australian Government, through PSR, aims to safeguard the public against the risks and costs of inappropriate practice by health practitioners. PSR works with Governments, medical and health care regulatory bodies and professional organisations to protect the integrity of the MBS and the PBS.

The PSR Scheme is part of a strong regulatory regime designed to ensure that appropriate and cost-effective clinical services are delivered. The PSR Scheme provides the legislative framework within which services provided by a health practitioner may be peer reviewed, in response to a request from the Department of Human Services (DHS). This review could be in relation to the MBS and/or the PBS, both of which are administered by DHS. The PSR Scheme also applies sanctions if required through the Determining Authority<sup>1</sup>, an independent body within the PSR Scheme.

PSR seeks to change behaviour across the health professions by deterring inappropriate practice and thereby raising awareness of the Australian Government's expectation of high quality health service delivery.

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<sup>1</sup> The Determining Authority is the body established by section 106Q of the *Health Insurance Act 1973* that determines the sanctions that should be applied in cases where PSR committees have found inappropriate practice, and decides whether or not to ratify negotiated agreements.

## PSR Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for PSR by Programme.

**Table 2.1.1: Budgeted Expenses and Resources for PSR**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
<b>Programme 1.1: Safeguarding the integrity of the Medicare program and Pharmaceutical Benefits Scheme</b>					
Departmental expenses					
Departmental appropriation <sup>1</sup>	5,740	5,688	5,552	5,556	5,599
Expenses not requiring appropriation in the budget year <sup>2</sup>	169	190	218	213	218
Operating deficit (surplus)	(153)	-	-	-	-
<b>Total for Programme 1.1</b>	<b>5,756</b>	<b>5,878</b>	<b>5,770</b>	<b>5,769</b>	<b>5,817</b>
<b>Total expenses for Outcome 1</b>	<b>5,756</b>	<b>5,878</b>	<b>5,770</b>	<b>5,769</b>	<b>5,817</b>
	2013-14	2014-15			
<b>Average staffing level (number)</b>	17	17			

1 Departmental appropriation combines “Ordinary annual services (Appropriation Bill No 1)” and “Revenue from independent sources (s31)”.

2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, make good expense and audit fees.

## **Programme 1.1: Safeguarding the integrity of the Medicare Programme and Pharmaceutical Benefits Scheme**

### **Programme Objectives**

#### *Protect against inappropriate health care practice*

The Australian Government, through PSR, contributes to the delivery of high quality health services by ensuring that the public is protected from the adverse consequences of inappropriate practice. PSR will collaborate with the Department, DHS, health and medical regulatory bodies and professional organisations to ensure it achieves this aim.

PSR's workload is dependent upon the number of cases referred by DHS. Under the DHS National Compliance Programme, suspected cases of inappropriate practice by health care service providers are identified and referred to PSR. All referred cases are investigated by PSR.

Where it is found that the practitioner has practised inappropriately, sanctions can include a reprimand, counselling, repayment of MBS payments received, or partial to full disqualification from rendering or initiating MBS payments or writing PBS prescriptions. The Determining Authority imposes the sanctions as a 'final determination'.

If, during an investigation, PSR identifies a practice that poses either a significant threat to the life or health of a patient, or does not meet professional standards, the practitioner is referred to the relevant regulatory body. Through this activity, PSR is able to integrate its activities within the broader health care regulatory framework, including State and Territory health departments, registration boards and health care complaint mechanisms.

#### *Maintain professional support for PSR*

PSR is the Australian Government's means of investigating inappropriate clinical practice. PSR utilises a peer review process and relies on the support of health practitioners and their representative registration bodies to perform its statutory function. In 2014-15, PSR will continue to work closely with the health care professions, the Department and DHS. PSR will consult with relevant professional bodies to raise awareness of inappropriate practice issues and work with those bodies to ensure that PSR's processes are transparent and fair.

Programme 1.1 is linked as follows:

- The Department of Human Services (Services to the Community – Programme 1.2) to administer the PBS, Repatriation PBS, Indigenous Access to PBS, and Medicare services and benefit payments.

## Programme 1.1: Deliverables

### Qualitative Deliverables for Programme 1.1

#### Maintain professional support for PSR

Qualitative Deliverable	2014-15 Reference Point or Target
PSR will engage with Governments and relevant professional and regulatory bodies to discuss the nature and cause of inappropriate practice to reduce these behaviours	Actively engage with stakeholders to provide information on the nature and cause of inappropriate practice through a variety of avenues

PSR

### Quantitative Deliverables for Programme 1.1

#### Protect against inappropriate health care practice

Quantitative Deliverables	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of reviews by the Director of PSR finalised within 12 months	100%	100%	100%	100%	100%
Number of committees established	15	20	20	20	20
Total number of matters finalised <sup>2</sup>	40	50	50	50	50

## Programme 1.1: Key Performance Indicators

### Qualitative Key Performance Indicators for Programme 1.1

#### Protect against inappropriate health care practice

Qualitative Indicators	2014-15 Reference Point or Target
Positively influence health care professional behaviour	Analysis of available information demonstrates a positive change in health care professional behaviour by those who have been subject to a review under the PSR Scheme
Professional bodies actively engaged in consultation	Professional bodies actively engaged in the process for appointments to the PSR Panel, and PSR receives the required number of nominees to ensure broad professional representation on the PSR Panel

<sup>2</sup> Including section 91 no further actions, section 92 negotiated agreements, and final determinations resulting from a committee hearing.

## Quantitative Key Performance Indicators for Programme 1.1

### Protect against inappropriate health care practice

Quantitative Indicators	2013-14 Revised Budget	2014-15 Budget Target	2015-16 Forward Year 1	2016-17 Forward Year 2	2017-18 Forward Year 3
Percentage of cases referred to regulatory bodies where a possible threat to life or health of a patient is identified	100%	100%	100%	100%	100%
Total PSR actions upheld by the courts after appeal	100%	100%	100%	100%	100%

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2014-15 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of Administered Funds Between Years**

Section 3.1.1 is not applicable to PSR.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to PSR.

#### **3.1.3 Australian Government Indigenous Expenditure (AGIE)**

The 2014-15 AGIE statement is not applicable because PSR has no specific Indigenous expenses.

### **3.2 Budgeted Financial Statements**

#### **3.2.1 Differences in Agency Resourcing and Financial Statements**

Section 3.2.1 is not applicable to PSR.

#### **3.2.2 Analysis of Budgeted Financial Statements**

An analysis of PSR's budgeted financial statements is provided below.

##### **Departmental Resources**

###### **Comprehensive Income Statement**

PSR's level of funding in 2014-15 and the forward years is consistent with the expected number of cases it receives from the Department of Human Services each year.

The income statement deficit in the budget year and forward years is a result of the Government decision to no longer fund for depreciation as part of 'Operation Sunlight'.

### 3.2.3 Budgeted Financial Statements Tables

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	2,453	2,575	2,705	2,840	2,982
Supplier expenses	3,150	3,129	2,863	2,732	2,633
Depreciation and amortisation	153	174	202	197	202
<b>Total expenses</b>	<b>5,756</b>	<b>5,878</b>	<b>5,770</b>	<b>5,769</b>	<b>5,817</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
Other revenue	-	-	50	50	50
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Gains</b>					
Other	16	16	16	16	16
<b>Total gains</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Total own-source income</b>	<b>16</b>	<b>16</b>	<b>66</b>	<b>66</b>	<b>66</b>
<b>Net cost of (contribution by) services</b>	<b>5,740</b>	<b>5,862</b>	<b>5,704</b>	<b>5,703</b>	<b>5,751</b>
Revenue from Government	5,740	5,688	5,502	5,506	5,549
<b>Surplus (Deficit)</b>	<b>-</b>	<b>(174)</b>	<b>(202)</b>	<b>(197)</b>	<b>(202)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>(174)</b>	<b>(202)</b>	<b>(197)</b>	<b>(202)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</b>	<b>(174)</b>	<b>(202)</b>	<b>(197)</b>	<b>(202)</b>

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

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>-</b>	<b>(174)</b>	<b>(202)</b>	<b>(197)</b>	<b>(202)</b>
plus non-appropriated expenses depreciation and amortisation expenses	153	174	202	197	202
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	96	96	96	96	96
Receivables	7,009	6,829	6,829	6,829	6,298
<b>Total financial assets</b>	<b>7,105</b>	<b>6,925</b>	<b>6,925</b>	<b>6,925</b>	<b>6,394</b>
<b>Non-financial assets</b>					
Land and buildings	237	159	81	3	606
Property, plant and equipment	202	147	93	180	113
Intangibles	28	221	156	93	31
Other	38	38	38	38	38
<b>Total non-financial assets</b>	<b>505</b>	<b>565</b>	<b>368</b>	<b>314</b>	<b>788</b>
<b>Total assets</b>	<b>7,610</b>	<b>7,490</b>	<b>7,293</b>	<b>7,239</b>	<b>7,182</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	390	390	390	390	390
Other payables	66	66	66	66	66
<b>Total payables</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>
<b>Provisions</b>					
Employees	465	465	465	465	465
Other provisions	84	84	84	84	84
<b>Total provisions</b>	<b>549</b>	<b>549</b>	<b>549</b>	<b>549</b>	<b>549</b>
<b>Total liabilities</b>	<b>1,005</b>	<b>1,005</b>	<b>1,005</b>	<b>1,005</b>	<b>1,005</b>
<b>Net assets</b>	<b>6,605</b>	<b>6,485</b>	<b>6,288</b>	<b>6,234</b>	<b>6,177</b>
<b>EQUITY</b>					
Contributed equity	(6,889)	(6,835)	(6,830)	(6,687)	(6,542)
Reserves	477	477	477	477	477
Retained surpluses or accumulated deficits	13,017	12,843	12,641	12,444	12,242
<b>Total equity</b>	<b>6,605</b>	<b>6,485</b>	<b>6,288</b>	<b>6,234</b>	<b>6,177</b>

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	13,017	477	-	(6,889)	<b>6,605</b>
Surplus (deficit) for the period	(174)	-	-	-	<b>(174)</b>
Capital budget - Bill 1 (DCB)	-	-	-	54	<b>54</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>12,843</b>	<b>477</b>	<b>-</b>	<b>(6,835)</b>	<b>6,485</b>

DCB = Departmental Capital Budget.



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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	5,152	5,868	5,502	5,506	6,080
Net GST received	331	342	342	342	342
Other cash received	-	-	50	50	50
<b>Total cash received</b>	<b>5,483</b>	<b>6,210</b>	<b>5,894</b>	<b>5,898</b>	<b>6,472</b>
<b>Cash used</b>					
Employees	2,483	2,575	2,705	2,840	2,982
Suppliers	3,104	3,113	2,847	2,716	2,617
Net GST paid	331	342	342	342	342
<b>Total cash used</b>	<b>5,918</b>	<b>6,030</b>	<b>5,894</b>	<b>5,898</b>	<b>5,941</b>
<b>Net cash from (or used by) operating activities</b>	<b>(435)</b>	<b>180</b>	<b>-</b>	<b>-</b>	<b>531</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	20	234	5	143	676
<b>Total cash used</b>	<b>20</b>	<b>234</b>	<b>5</b>	<b>143</b>	<b>676</b>
<b>Net cash from (or used by) investing activities</b>	<b>(20)</b>	<b>(234)</b>	<b>(5)</b>	<b>(143)</b>	<b>(676)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	455	54	5	143	145
<b>Total cash received</b>	<b>455</b>	<b>54</b>	<b>5</b>	<b>143</b>	<b>145</b>
<b>Net cash from (or used by) financing activities</b>	<b>455</b>	<b>54</b>	<b>5</b>	<b>143</b>	<b>145</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	96	96	96	96	96
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>	<b>96</b>

DCB = Departmental Capital Budget.

Table 3.2.5: Capital Budget Statement

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	455	54	5	143	145
<b>Total capital appropriations</b>	<b>455</b>	<b>54</b>	<b>5</b>	<b>143</b>	<b>145</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	455	54	5	143	145
<b>Total items</b>	<b>455</b>	<b>54</b>	<b>5</b>	<b>143</b>	<b>145</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>1</sup>					
- current year appropriation	20	234	5	143	400
- prior year appropriation	-	-	-	-	276
<b>Total acquisitions of non-financial assets</b>	<b>20</b>	<b>234</b>	<b>5</b>	<b>143</b>	<b>676</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	<b>20</b>	<b>234</b>	<b>5</b>	<b>143</b>	<b>676</b>
<b>Total cash used to acquire assets</b>	<b>20</b>	<b>234</b>	<b>5</b>	<b>143</b>	<b>676</b>

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

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	<b>Buildings \$'000</b>	<b>Other property, plant and equipment \$'000</b>	<b>Intangibles \$'000</b>	<b>Total \$'000</b>
<b>As at 1 July 2014</b>				
Gross book value	395	348	444	<b>1,187</b>
Accumulated depreciation/amortisation and impairment	158	146	416	<b>720</b>
<b>Opening net book balance</b>	<b>237</b>	<b>202</b>	<b>28</b>	<b>467</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	4	230	<b>234</b>
<b>Sub-total</b>	<b>-</b>	<b>4</b>	<b>230</b>	<b>234</b>
<b>Other movements</b>				
Depreciation/amortisation expense	78	59	37	<b>174</b>
<b>as at 30 June 2015</b>				
Gross book value	395	352	674	<b>1,421</b>
Accumulated depreciation/amortisation and impairment	236	205	453	<b>894</b>
<b>Closing net book balance</b>	<b>159</b>	<b>147</b>	<b>221</b>	<b>527</b>

## NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements are prepared for the Budget year, the previous year and three forward years.

### **Estimates of special account flows and balances**

This table provides for the cash flows and balances of the special accounts under the responsibility of the department/agency.

### **Departmental Financial Statements**

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

This statement provides a picture of the expected financial results for the department/agency by identifying full accrual expenses and revenues. This highlights whether the department/agency is operating at a sustainable level.

#### **Budgeted departmental balance sheet (as at 30 June)**

This statement shows the financial position of the department/agency. It enables decision makers to track the management of the department's/agency's assets and liabilities.

#### **Departmental statement of changes in equity – summary of movement (Budget year 2014-15)**

This table shows the movements in equity during the Budget year.

#### **Budgeted departmental statement of cash flows (for the period ended 30 June)**

Budgeted cash flows as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

#### **Capital budget statement**

This table shows the appropriations from Government for the purchase of capital items and purchases of non-financial assets from capital and internal sources.

#### **Statement of asset movements (2014-15)**

This table shows the movements in asset classes through addition, that is, purchases and other movements, for example, depreciation and amortisation.

Purchases are reconciled in the capital budget statement to the statement of cash flows as described above and include sources of funding for asset purchases and include amounts received under net cash resourcing arrangements as also described above.

### **Schedules of Administered Activity**

#### **Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

The schedule identifies the revenues and expenses administered by the department/agency on behalf of the Government.

#### **Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

The schedule shows the assets and liabilities administered by the department/agency on behalf of the Government.

#### **Administered Capital Budget Statement (for the period ended 30 June)**

The schedule shows the cash flows administered by the department/agency on behalf of the Government.

#### **Schedule of budgeted administered cash flows (for the period ended 30 June)**

The schedule shows the cash flows administered by the department/agency on behalf of the Government.

#### **Statement of asset movements (2014-15)**

This table shows the movements in asset classes through addition, that is, purchases and other movements, for example, depreciation and amortisation.

Purchases are reconciled in the Capital Budget Statement to the Statement of Cash Flows as described above and include sources of funding for asset purchases.

## GLOSSARY

<b>Accrual Accounting</b>	System of accounting where items are brought to account and are included in the financial statements as they are earned or incurred, rather than as they are received or paid.
<b>Accumulated Depreciation</b>	The aggregate depreciation recorded for a particular depreciating asset.
<b>Additional Estimates</b>	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the <i>Additional Estimates Acts</i> at the Additional Estimates.
<b>Additional Estimates Bills or Acts</b>	These are Appropriation Bills 3 and 4, and a separate Bill for Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No. 2)). These Bills are introduced into the Parliament after the Budget Bills.
<b>Administered</b>	Revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.
<b>Annotated Appropriation</b>	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 agreements made under s.31 of the <i>Financial Management and Accountability Act (FMA) 1997</i> , between the financial manager and the responsible Minister.
<b>Annual Appropriation</b>	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the Additional Estimates. Parliamentary departments have their own appropriations.
<b>Appropriation</b>	The amount of public moneys authorised by Parliament for expenditure. Not only does an appropriation authorise the Australian Government to withdraw moneys, but it also restricts the expenditure to the particular purpose specified by the appropriation.
<b>Assets</b>	Future economic benefits controlled by an entity as a result of past transactions or past events.

<b>Available Appropriation</b>	<p>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:</p> <p>Budget appropriation + Additional Estimates appropriation + Departmental Items Adjustments and Borrowing + Advance to the Finance Minister – Savings – Rephasings.</p>
<b>Average Staffing Level (ASL)</b>	<p>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.</p>
<b>Budget Measure</b>	<p>A decision by the Cabinet or Ministers that has been finalised since the Budget and has resulted in a change in expenditure in the current year and/or the forward years. See also Cross-portfolio Budget measure.</p>
<b>CAC Act 1997</b>	<p><i>Commonwealth Authorities and Companies Act 1997.</i></p> <p>This Act regulates certain aspects of the financial affairs of Commonwealth authorities. In particular, it has detailed rules about reporting and accountability. This Act also deals with other matters relating to Commonwealth authorities, such as banking and investment and the conduct of officers.</p>
<b>Capital Expenditure</b>	<p>Expenditure by an agency on capital projects, for example purchasing a building.</p>
<b>Consolidated Revenue Fund</b>	<p>Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.</p>
<b>Cross-portfolio Budget Measure</b>	<p>This is a Budget measure which affects outcomes administered in a number of portfolios.</p>
<b>Departmental</b>	<p>Revenues, expenses, assets and liabilities in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.</p>
<b>Depreciation</b>	<p>Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.</p>
<b>Efficiency Dividend</b>	<p>An annual deduction of a percentage of running costs from an agency's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an agency in the previous year.</p>

<b>Equity or Net Assets</b>	Residual interest in the assets of an entity after deduction of its liabilities.
<b>Expense</b>	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
<b>Fair Value</b>	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
<b>FMA Act 1997</b>	<i>Financial Management and Accountability Act 1997.</i> The principal legislation governing the proper use and management of public money and public property and other Australian Government resources. FMA regulations and FMA Orders are made pursuant to the Act.
<b>Forward Estimates</b>	A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another out year is added to the forward estimates.
<b>Historical Cost</b>	The original cost of acquisition of an asset, including any costs associated with acquisition. Under Australian Accounting Standards Board 116, Property, Plant and Equipment, assets 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 non-current assets with sufficient regularity to ensure that the carrying amount of assets which does not differ materially from fair value as at reporting date.
<b>Liabilities</b>	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.
<b>Machinery of Government (MOG)</b>	Machinery of Government changes: Organisational or functional changes affecting the Commonwealth.
<b>Operating Result</b>	Equals revenue less expense.



<b>Outcomes</b>	Outcomes are the results of events, actions or circumstances, in particular, the impact of the Australian Government on the Australian community. Outcomes may be linked with both the Programmes of agencies using the departmental expenses under their control, and with the administered expenses which agencies 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 agencies' Annual Report.
<b>Performance Indicators</b> (Deliverables and Key Performance indicators)	A concise list of indicators, which are used to measure agency efficiency and effectiveness in achieving the Government's Outcomes. Indicators must be measurable and quantifiable to allow for consistent estimation over the Budget and forward years. Indicators in the Portfolio Budget Statements are reported against the Annual Report for the same year.
<b>Portfolio Budget Statements</b>	Statements prepared by portfolios to explain the Budget appropriations in terms of Outcomes and Programmes.
<b>Programmes</b>	Commonwealth Programmes deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are primary vehicles for Government Agencies to achieve the intended results of their Outcome statements.
<b>PGPA ACT 2013</b>	<i>Public Governance, Performance and Accountability Act 2013.</i> The PGPA Act (from 1 July 2014) replaces the Financial Management and Accountability Act 1997 (FMA Act) and the Commonwealth Authorities and Companies Act 1997 (CAC Act) by consolidating in one Act the governance, performance and accountability requirements for Commonwealth entities.
<b>Revenue</b>	Total value of resources earned or received to cover the production of goods and services.
<b>Special Account</b>	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations ( <i>Financial Management and Accountability (FMA) Act 1997</i> , ss.20 and 21). Special Accounts allow money in the CRF to be acknowledged as set-aside for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act 1997) or through an Act of Parliament (referred to in s.21 of the FMA Act 1997).

<b>Special Appropriations</b> (including standing appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations — the amount appropriated will depend on circumstances specified in the legislation.</p>
<b>Staff Years</b>	<p>An aggregate measure of employment based on the hours worked by employees over the period of one year. It is the unit of measurement for staff resource use.</p>
<b>Standing Appropriation</b>	<p>Similar to special appropriations, except that instead of an amount being specified in the appropriation, the Act provides for an automatic payment of funds where an entitlement exists, such as age pensions, or for the Minister of Finance and Deregulation to determine an amount in accordance with specified criteria. The terms special and standing are often used interchangeably.</p>
<b>Strategic Direction Statement</b>	<p>The Strategic Direction Statement explains the year ahead for the agency, focusing on the items of most importance, recognising the major budget decisions affecting the agency, the major on-going functions, new functions and significant partnership arrangements as well as upcoming challenges in the years ahead.</p>