

BUDGET

2015-16

Portfolio Budget Statements 2015-16
Budget Related Paper No. 1.10

Health Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programmes by Entity

ISBN: 978-1-76007-189-9

Online ISBN: 978-1-76007-190-5

Publications number: 11106

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



**THE HON SUSSAN LEY MP
MINISTER FOR HEALTH
MINISTER FOR SPORT**

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

The Hon Bronwyn Bishop MP
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 2015-16 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 black ink, appearing to read 'Susan Ley', written in a cursive style.

The Hon Sussan Ley MP

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nfp	not for publication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, Budget 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 2015-16 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. Entities 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) 2015-16* (or *Appropriation (Parliamentary Departments) Bill (No. 1) 2015-16* 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.

Since the 2014-15 Budget, the Australian Government has focused on delivering better health outcomes by ensuring that our high quality health system is affordable, accessible and efficient. The 2015-16 Budget attempts to address the cost pressures outlined for Health in the 2015 Intergenerational Report, through responsible economic management, and investments to improve productivity and efficiency, while maintaining frontline services. By reviewing key financing mechanisms, streamlining bureaucracy and administration, and reducing waste and duplication across the Health portfolio, we will provide better health and wellbeing for all Australians now and for future generations.

The Portfolio's services are delivered through the 28 Outcomes outlined in Figure 1: *Portfolio Structure and Outcomes*. Each Portfolio entity has developed performance information to determine its effectiveness in achieving entity-specific Outcomes. Outcome and Programme reporting, and resource allocations for each entity are presented in the respective Entity Resources and Planned Performance (Budget Statements) sections.

Ministerial Changes

On 21 December 2014, the Prime Minister, the Hon Tony Abbott MP announced changes to the Ministry which included the appointment of the Hon Sussan Ley MP as the Minister for Health and the Minister for Sport. Senator the Hon Fiona Nash remained as the Assistant Minister for Health.

Changes to Portfolio Entities

The Australian Government is working to reduce the number of entities within the Health portfolio as part of its Smaller and More Rational Government agenda. This will enhance lines of accountability and ensure that overly bureaucratic structures are simplified, while preserving the delivery of key services.

Australian National Preventive Health Agency

The operation of the Australian National Preventive Health Agency (ANPHA) ceased from 1 July 2014, with essential functions transferred to the Department of Health, pending passage of the final legislation.

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

In the 2014-15 Budget, the Government announced the merger of the Australian Organ and Tissue Donation and Transplant Authority and the National Blood Authority to create a new independent body. The creation of a single entity will reduce running costs as well as streamlining and consolidating service delivery. Implementation is progressing in the context of a whole-of-Government approach with other entity mergers to ensure new arrangements are effectively implemented.

General Practice Education and Training

General Practice Education and Training Limited (GPET) was closed on 31 December 2014, with essential functions transferred to the Department of Health.

Health Workforce Australia

The essential functions of Health Workforce Australia (HWA) were transferred to the Department of Health with effect from 7 August 2014.

Private Health Insurance Administration Council

The functions of the Private Health Insurance Administration Council (PHIAC) are being transferred to the Australian Prudential Regulation Authority (APRA) and the Department of Health. Implementation of this transfer is subject to the passage of legislation by the Parliament.

Private Health Insurance Ombudsman

The responsibilities of the Private Health Insurance Ombudsman (PHIO) are being transferred to the Office of the Commonwealth Ombudsman. Implementation of this transfer is subject to the passage of legislation by the Parliament. Further information can be found in the Office of the Commonwealth Ombudsman's entity chapter within the Department of the Prime Minister and Cabinet's Portfolio Budget Statements.

Proposed agency merger

In the 2014-15 Budget, the Government announced an intention to consult with States and Territories with a view to establishing a new Health Productivity and Performance Commission.

Consultations have been held with State and Territory health officials and entity CEOs and Boards. Strategies to find efficiencies and reduce the number of entities within the Health portfolio will continue to be explored in 2015-16.

Figure 1: Portfolio Structure and Outcomes

<p>The Hon Sussan Ley MP Minister for Health Minister for Sport</p> <p><u>Portfolio Responsibilities</u></p> <p><i>Department of Health:</i> Outcomes: 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10</p> <p><i>Entities:</i> ACSQHC, AIHW, ASADA, ASC, ASF, CA, IHPA, NHFB, NHMRC, NHPA, NMHC, PHIAC, and PSR</p>	<p>Senator the Hon Fiona Nash Assistant Minister for Health</p> <p><u>Portfolio Responsibilities</u></p> <p><i>Department of Health:</i> Outcomes 1, 3, 5, 7, 8 and 9</p> <p><i>Entities:</i> AOTDTA, ARPANSA, FSANZ and NBA</p>
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Department of Health – Martin Bowles 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 (continued) – Portfolio Entities

Australian Commission on Safety and Quality in Health Care

Adjunct Professor Debora Picone AM
Chief Executive Officer

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

Australian Institute of Health and Welfare

Kerry Flanagan PSM Director

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

Australian Organ and Tissue Donation and Transplantation Authority

Yael Cass Chief Executive Officer

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

Australian Radiation Protection and Nuclear Safety Agency

Dr Carl-Magnus Larsson Chief Executive Officer

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

Australian Sports Anti-Doping Authority

Ben McDevitt AM APM Chief Executive Officer

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

Australian Sports Commission

Simon Hollingsworth Chief Executive Officer

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.

Australian Sports Foundation Limited

Patrick Walker Chief Executive Officer

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

Cancer Australia

Professor Helen Zorbas AO Chief Executive Officer

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

Food Standards Australia New Zealand

Steve McCutcheon Chief Executive Officer

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

Independent Hospital Pricing Authority

Dr Tony Sherbon Chief Executive Officer

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

National Blood Authority

Leigh McJames General Manager

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

National Health Funding Body

Lynton Norris Chief Executive Officer

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

Figure 1: Portfolio Structure and Outcomes (continued) – Portfolio Entities**National Health and Medical Research Council****Professor Anne Kelso AO**

Chief Executive Officer

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

National 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** 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.

Professional Services Review**Dr Bill 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 2015-16 Budget year by entity.

Table 1: Portfolio Resources 2015-16

	Appropriations			Receipts ¹	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
Departmental					
Department of Health					
Departmental appropriations	444,993	8,410	149,360	31,549	634,312
Australian Commission on Safety & Quality in Health Care					
Departmental appropriations	-	-	-	7,390	7,390
Australian Institute of Health and Welfare²					
Departmental appropriations	15,625	-	-	30,630	46,255
Australian Organ and Tissue Donation and Transplantation Authority					
Departmental appropriations	5,926	-	-	-	5,926
Australian Radiation Protection and Nuclear Safety Agency					
Departmental appropriations	15,043	-	-	9,561	24,604
Australian Sports Anti-Doping Authority					
Departmental appropriations	12,607	-	-	1,984	14,591
Australian Sports Commission					
Departmental appropriations	253,646	-	-	23,752	277,398
Cancer Australia					
Departmental appropriations	12,091	-	-	1,128	13,219
Food Standards Australia New Zealand²					
Departmental appropriations	17,257	-	-	2,169	19,426
Independent Hospital Pricing Authority²					
Departmental appropriations	25,877	-	-	245	26,122
National Blood Authority					
Departmental appropriations	5,912	-	-	3,673	9,585
National Health Funding Body					
Departmental appropriations	4,315	-	-	-	4,315
National Health and Medical Research Council					
Departmental appropriations	44,441	-	-	1,500	45,941
National Health Performance Authority²					
Departmental appropriations	34,097	-	-	-	34,097

Table 1: Portfolio Resources 2015-16 (continued)

	Appropriations			Receipts ¹	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
National Mental Health Commission					
Departmental appropriations	2,826	-	-	-	2,826
Private Health Insurance Administration Council²					
Departmental appropriations	-	-	6,974	163	7,137
Professional Services Review					
Departmental appropriations	5,533	-	-	-	5,533
Total Departmental	900,189	8,410	156,334	113,744	1,178,677
Administered					
Department of Health					
Administered appropriations	5,788,126	31,741	39,019,089	330,056	45,169,012
Australian Organ and Tissue Donation and Transplantation Authority					
Administered appropriations	46,872	-	-	-	46,872
Cancer Australia					
Administered appropriations	16,938	-	-	-	16,938
National Blood Authority					
Administered appropriations	7,070	-	-	494,676	501,746
National Health and Medical Research Council					
Administered appropriations	840,583	-	-	8,000	848,583
National Mental Health Commission					
Administered appropriations	3,649	-	-	-	3,649
Private Health Insurance Administration Council²					
Administered appropriations	-	-	557,080	45	557,125
Total Administered	6,703,238	31,741	39,576,169	832,777	47,143,925
Total Portfolio	7,603,427	40,151	39,732,503	946,521	48,322,602

All figures are GST exclusive.

- 1 Excludes receipts from related entities from within the Portfolio. Administered receipts of the Department of Health include \$2.087 million received from the private health insurance industry and returned to the Official Public Account for expenses associated with the Private Health Insurance Ombudsman's role with the Department of the Prime Minister and Cabinet Portfolio.
- 2 These entities are not directly appropriated as they are corporate entities under the *Public Governance, Performance and Accountability Act 2013*.

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DEPARTMENT OF HEALTH

Entity Resources and Planned Performance

DEPARTMENT OF HEALTH

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DEPARTMENT OF HEALTH

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

Australia has a world-class health system, which supports accessible, affordable healthcare for consumers to underpin better health for all Australians. The system, though, is under pressure from the increasing prevalence of chronic disease, higher costs often associated with new technologies and an ageing population. If the health system is to continue to provide high quality and accessible care for all Australians into the future, continuing reform and focused investment is required.

The Budget includes measures to build a healthier Medicare, address rural workforce shortages, protect the health of Australians, set a new direction for electronic health records, and ensure ongoing access to medicines. During 2015-16, the Government will also work with an expert reference group and key stakeholders to inform policy and implementation options arising from the National Mental Health Commission's Review of Mental Health Programmes and Services. The Government will continue to focus on ensuring taxpayers are getting value out of every health dollar invested.

Building a healthier Medicare

In the ten years from 2003-04 to 2013-14, Medicare benefits increased from just over \$8 billion to more than \$19 billion. It is expected that Medicare outlays will be more than \$20 billion in 2014-15. The Intergenerational Report predicts Medicare will be the fastest growing element of Government health spending in coming decades. To ensure that the Medicare system remains sustainable and that all Australians continue to access high quality and cost-effective services, the Government will review the entire Medicare Benefits Schedule (MBS). The new MBS Review Taskforce will consider how services can be aligned with contemporary clinical evidence and improve health outcomes for patients. This will be the most comprehensive review of the MBS ever undertaken. The Taskforce is expected to report back with key priority areas for action late in 2015.

As part of its focus on addressing longer term issues in health care, in particular the growing prevalence of complex and chronic disease, the Government will establish a Primary Health Care Advisory Group to explore innovative ways to fund and deliver primary health care. Innovation will be critical for developing options to better match the needs and costs of caring for people with complex and chronic illness. The work of this group and its mix of clinicians, academics and consumers will help to build on and target the Government's significant investment in the new Primary Health Networks. Consistent with the recent announcement of successful applicants, the Primary Health Networks will commence operations on 1 July 2015.

Ensuring affordable access to medicines

From 1 July 2015, the Government expects to introduce a balanced range of measures to support the longer term access to, and sustainability of, the Pharmaceutical Benefits Scheme (PBS). These have been developed through extensive consultation with a range of PBS stakeholders including consumers, the pharmacy and pharmaceutical sectors, and other health professional groups. These measures have been designed to bring new and innovative medicines on to the PBS in a timelier manner, and ensure efficiency in the pharmaceutical supply chain. Negotiations relating to this package of measures are in their final stages.

The Australian Government will work to ensure all eligible Australians have continued access to PBS medicines and other professional services through the network of community pharmacies.

As announced on 25 April 2015, a review of the Pharmaceutical Benefits Advisory Committee's (PBAC) submission guidelines will be conducted in 2015-16 to ensure Australians continue to have affordable and timely access to new medicines and products. The guidelines are used by the pharmaceutical industry to prepare submissions to the PBAC so it can assess whether a product should be included on the Pharmaceutical Benefits Scheme (PBS).

The Government has approved new high-cost drugs listed on the PBS based on the advice of PBAC to give affordable access to patients with late stage breast cancer (Herceptin®, Perjeta® and Kadcyla®); and melanoma (Mekinist®); and a new vaccine on the National Immunisation Program will be provided free to people aged 70-79 to help prevent shingles (Zostavax®).

Responding to the mental health review

Mental health is a key priority for the Government. During 2015-16, the Government will develop and implement options for policy and programme changes following the conclusion of the National Mental Health Commission's Review of Mental Health Programmes and Services.

The Government will work in collaboration with States and Territories to develop a new national mental health plan. This will enable services to be better planned, targeted and integrated at a national and regional level, and support a joined up approach to mental health and suicide prevention activities. The Government will establish an expert reference group to inform the entire process, including the development of short, medium and long-term implementation strategies in the following key areas based on the Review's findings and recommendations: suicide prevention; promotion, prevention and early intervention of mental health and illness; the role of primary care in treatment of mental health, including better targeting of services; and national leadership, including regional service integration.

Protecting the health of Australians

In this Budget, the Government is continuing its commitment to health protection. The Government will replenish the National Medical Stockpile and maintain a state of readiness in case of a major emergency. The stockpile, currently valued at around \$205 million, enables immediate access to drugs, vaccines, antidotes and protective equipment during a public health emergency, including those arising from natural causes or terrorist activities.

Funding of \$63.5 million over four years will enable the Darwin-based National Critical Care and Trauma Response Centre to fulfil its central role of rapid and effective response to emergencies in both Australia and disaster-affected countries in the wider region. Recent emergencies include cyclones in Vanuatu and across Northern Australia, a typhoon in the Philippines, and severe flooding in the Solomon Islands. The centre is operated by the Northern Territory Government.

The Government will invest \$20 million over two years for a new stage of the National Drugs Campaign primarily aimed at the use of methamphetamine, of which ice is the purest form. The campaign will inform the community, especially parents and young people, about the devastation that ice in particular is having on individuals, families and communities. The new campaign follows the Government's recent announcement to work with States and Territories to develop a National Ice Action Strategy.

The Government will spend \$26.4 million over the next four years on a comprehensive plan to get more Australians immunised. GPs and other immunisation providers will receive a financial incentive to provide catch-up vaccinations to children. The National Human Papillomavirus Vaccine Register will be expanded into a new Australian School Vaccination Register. This will allow better follow-up of young adolescents who have missed vaccine doses under the National Immunisation Program. A new information program will increase awareness and understanding, including dispelling common myths.

In 2015-16, the Australian Government will work with State and Territory Governments to replace the current two yearly Pap test with a five yearly Human Papillomavirus test, anticipated to commence in 2017. The test is more effective than a Pap test, is just as safe, and the procedure is the same. Work will also commence to establish a single National Cancer Screening Register to support the changes to the National Cervical Screening Program and the expansion of the National Bowel Cancer Screening Program.

Funding of \$10.2 million over two years will increase organ donation rates by improving electronic systems which allow better matching of available organs to potential transplant recipients; providing training and education for clinicians to increase family consent to organ donation in hospitals; streamlining donor consent through simpler online enrolment on the Australian Organ Donor Register; and extending the support provided by the Supporting Leave for Living Organ Donors Programme.

Funding of \$20 million over two years will ensure the Royal Flying Doctor Service can continue to deliver vital, often life-saving, medical care to some of Australia's most remote areas.

Addressing rural workforce shortages

The Government is tackling health workforce shortages in rural and remote areas through new, more focused approaches to scholarships and rural incentives. The aim is better distribution of the workforce – getting the right health professionals, with the right skills into the right areas, where they are most needed.

A new geographical classification system will ensure incentive payments are targeted to doctors and dentists who choose to practice in areas of greatest need. The new GP rural incentive programme, commencing on 1 July 2015, will be targeted towards smaller and more remote communities.

The Dental Relocation Incentives Support Scheme will be redesigned during 2015-16 to better target incentives for dentists who relocate to small rural communities and remote areas from 1 July 2016.

A range of medical, nursing and allied health scholarships will be consolidated. This will reduce costs and better align with changing supply and demand across the health workforce. In return for their scholarship, participants will be required to spend a year in rural areas. It is estimated that this return of service obligation, to take effect from 1 July 2016, could deliver up to 2,000 health professionals to rural and regional areas each year.

The Government is continuing to work with the medical profession to implement high quality medical training through programmes including the expansion of GP training places to 1,500 commencing places every year under the Australian General Practice Training Program, with at least half of the GP registrars training under the rural pathway.

Implementing My Health Record

The Government has allocated \$485.1 million for eHealth, including the redevelopment and continued operation of the Personally Controlled Electronic Health Record. This will be redeveloped to improve its usability and clinical utility, and renamed *My Health Record*. The Government will also trial new participation arrangements, including an opt-out system, to inform future strategies for increasing uptake and meaningful use of the *My Health Record*. Increasing the number of participants through the opt-out approach is expected to make *My Health Record* more useable, credible and reliable, increasing uptake by both patients and doctors so that the benefits of eHealth are fully realised.

Security and privacy of patients' information will continue to be paramount. The patient will still have control over what information goes on their individual *My Health Record*, and who can access it. The Government will consider the future national participation arrangements for the *My Health Record* based on the outcomes of the trials.

Implementing efficiencies

The Government has achieved efficiencies across the Health portfolio, including by removing duplication. As part of ensuring taxpayer value, the Government commissioned a Functional and Efficiency Review of the Department of Health. The Review made recommendations that will allow the Department to realign functions and better position itself to provide national leadership to the health system. Efficiencies worth just under \$106 million have also been found in the operations of the Department. The savings are partially offset by a \$10 million investment to strengthen policy and data analytics capability.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by Outcome and by administered and departmental classification.

Table 1.1: Entity Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 ¹ \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Departmental resources				
Ordinary annual services²				
Prior year departmental appropriation ²	128,944	132,828	-	132,828
Departmental appropriation ^{3,4}	485,913	-	444,993	444,993
s74 retained revenue receipts	31,652	-	31,549	31,549
Total	646,509	132,828	476,542	609,370
Other services⁵				
Non-operating				
Equity injections	8,820	-	8,410	8,410
Total	8,820	-	8,410	8,410
Departmental Special Accounts⁶				
Opening balance	81,441	73,419	-	73,419
Appropriation receipts	17,484	-	15,206	15,206
Non-appropriation receipts to Special Accounts	145,134	-	149,360	149,360
Total Special Accounts	244,059	-	237,985	237,985
Total departmental resourcing	899,388	206,247	649,518	855,765
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations ⁷	(17,484)	-	(15,206)	(15,206)
Total net departmental resourcing for Health	881,904	206,247	634,312	840,559

Table 1.1: Entity Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015 (continued)

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 ¹ \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Administered expenses				
Ordinary annual services²				
Outcome 1: Population Health	325,597	-	320,545	320,545
Outcome 2: Access to Pharmaceutical Services	755,243	-	726,663	726,663
Outcome 3: Access to Medical and Dental Services	578,800	-	636,136	636,136
Outcome 4: Acute Care	96,496	-	79,783	79,783
Outcome 5: Primary Health Care	2,194,393	-	2,322,360	2,322,360
Outcome 6: Private Health	2,247	-	2,328	2,328
Outcome 7: Health Infrastructure, Regulation, Safety and Quality	340,438	-	296,080	296,080
Outcome 8: Health Workforce Capacity	1,351,366	-	1,318,641	1,318,641
Outcome 9: Biosecurity and Emergency Response	58,005	-	58,642	58,642
Outcome 10: Sport and Recreation	47,796	-	26,948	26,948
Payments to corporate entities	358,874	-	346,502	346,502
Total	6,109,255	-	6,134,628	6,134,628
Other services - Bill 2⁵				
Payments to States, ACT, NT and local government				
Outcome 1: Population Health	-	-	-	-
Total	-	-	-	-
Administered non-operating				
Administered assets and liabilities	5,682	-	31,741	31,741
Total	5,682	-	31,741	31,741
Total other services	5,682	-	31,741	31,741

Table 1.1: Entity Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015 (continued)

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 ¹ \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Special appropriations limited by criteria/entitlement				
<i>National Health Act 1953 -</i>				
Essential vaccines	159,905	-	242,028	242,028
<i>Public Governance, Performance and Accountability Act 2013</i>				
s77 - Repayments	500	-	500	500
<i>National Health Act 1953 -</i>				
Aids and appliances	312,898	-	346,427	346,427
<i>National Health Act 1953 -</i>				
Pharmaceutical benefits	9,283,968	-	9,770,425	9,770,425
<i>Health Insurance Act 1973 -</i>				
Medical benefits	20,311,899	-	21,126,958	21,126,958
<i>Dental Benefits Act 2008</i>				
	424,607	-	605,451	605,451
<i>Medical Indemnity Act 2002</i>				
	79,748	-	82,495	82,495
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>				
	821	-	1,508	1,508
<i>Private Health Insurance Act 2007</i>				
	5,913,293	-	6,122,000	6,122,000
<i>National Health Act 1953 - Blood fractionation, products and blood related products</i>				
- to the National Blood Authority	535,345	-	721,297	721,297
Payments to corporate entities				
<i>Private Health Insurance Act 2007</i>				
- Risk equalisation trust fund	454,107	-	557,080	557,080
- Council administration levy	4,519	-	6,974	6,974
Total special appropriations	37,481,610	-	39,583,143	39,583,143

Table 1.1: Entity Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015 (continued)

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 ¹ \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Administered Special Accounts⁶				
Opening balance	10,705	10,574	-	10,574
Appropriation receipts	5,802	-	5,858	5,858
Non-appropriation receipts to Special Accounts ⁸	735,672	-	330,056	330,056
Total Special Accounts	752,179	10,574	335,914	346,488
Total administered resourcing	44,348,726	10,574	46,085,426	46,096,000
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations ⁷	(823,302)	-	(916,414)	(916,414)
Total net administered resourcing for Health	43,525,424	10,574	45,169,012	45,179,586
Total net resourcing for Health	44,407,328	216,821	45,803,324	46,020,145

All figures are GST exclusive.

- 1 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.
- 2 Appropriation Bill (No. 1) 2015-16.
- 3 The estimate of prior year amounts available includes opening balance at bank and appropriation receivable for the core department.
- 4 2015-16 and 2014-15 contains an amount of \$11.209 million and \$6.028 million respectively for the Departmental Capital Budget (see Table 3.2.5).
- 5 Appropriation Bill (No. 2) 2015-16.
- 6 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.
- 7 Appropriation receipts from Health annual and special appropriations included above.
- 8 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. Special Account receipts include the Medical Research Future Fund estimates however the legislation to create this Special Account has not yet passed.

1.3 BUDGET MEASURES

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

Table 1.2: Department of Health 2015-16 Budget Measures

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1: Population Health						
Improving Immunisation Coverage Rates						
Department of Health						
Administered expenses	1.3	-	8,391	4,569	4,116	3,709
Department of the Treasury						
Administered expenses	1.3	-	-	1,823	1,859	1,888
Total expenses		-	8,391	6,392	5,975	5,597
National Cervical Screening Program - reform						
Department of Health						
Administered expenses	1.1	-	2,215	2,085	525	170
	3.1	-	-	(87)	(616)	(791)
Department of Human Services						
Departmental expenses		-	-	(252)	(1,612)	(1,624)
Total expenses		-	2,215	1,746	(1,703)	(2,245)
National Drugs Campaign - renewal						
Department of Health						
Administered expenses	1.2	-	10,000	10,000	-	-
Total expenses		-	10,000	10,000	-	-
National Immunisation Program - new and amended listings						
Department of Health						
Administered expenses	1.3	63	5,747	42,376	43,699	37,826
Departmental expenses		-	449	379	95	27
Total expenses		63	6,196	42,755	43,794	37,853
Pharmaceutical Benefits Scheme - price changes						
Department of Health						
Administered expenses	2.2	(13,323)	(53,899)	(54,424)	(59,607)	(65,548)
Department of the Treasury						
Administered expenses	1.3	103	422	452	457	461
Department of Veterans' Affairs						
Administered expenses		(456)	(1,770)	(1,610)	(1,698)	(1,803)
Total expenses		(13,676)	(55,247)	(55,582)	(60,848)	(66,890)

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Tobacco Plain Packaging Litigation						
Department of Health						
Administered expenses	1.2	-	nfp	nfp	nfp	nfp
Total expenses		-	nfp	nfp	nfp	nfp

Outcome 2: Access to Pharmaceutical Services

Ceasing the Alternative Arrangement Transfer to Pharmaceutical Benefits Programme - removal of anomaly

Department of Health						
Administered expenses	2.2	-	297	593	593	593
	2.3	-	(279)	(558)	(558)	(558)
Department of Human Services						
Departmental expenses		-	3	6	6	6
Total expenses		-	21	41	41	41

Pharmaceutical Benefits Scheme - increase in the safety net thresholds on 1 January 2019

Department of Health						
Administered expenses	2.2	-	-	-	-	(5,000)
Department of Veterans' Affairs						
Administered expenses		-	-	-	(91)	(170)
Total expenses		-	-	-	(91)	(5,170)

Pharmaceutical Benefits Scheme - new and amended listings

Department of Health						
Administered expenses	2.2	5,652	421,426	487,857	498,053	489,654
	2.3	625	(49,222)	(60,863)	(62,969)	(65,076)
	2.4	(231)	(1,546)	(49,781)	(47,461)	(49,461)
	3.1	(99)	4,779	4,359	3,556	2,595
Administered revenue	2.2	nfp	nfp	nfp	nfp	nfp
Department of Human Services						
Departmental expenses		742	5,292	1,702	1,821	1,853
Department of Veterans' Affairs						
Administered expenses		18	7,507	8,173	8,093	7,919
Total		6,707	388,236	391,447	401,093	387,484

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Pharmaceutical Benefits Scheme - price changes						
Department of Health						
Administered expenses	2.2	(13,323)	(53,899)	(54,424)	(59,607)	(65,548)
Department of the Treasury						
Administered expenses	1.3	103	422	452	457	461
Department of Veterans' Affairs						
Administered expenses		(456)	(1,770)	(1,610)	(1,698)	(1,803)
Total expenses		(13,676)	(55,247)	(55,582)	(60,848)	(66,890)
Stoma Appliance Scheme - new and amended listings						
Department of Health						
Administered expenses	2.4	-	(1,634)	(1,785)	(1,972)	(2,209)
Total expenses		-	(1,634)	(1,785)	(1,972)	(2,209)

Outcome 3: Access to Medical and Dental Services**Child Dental Benefits Schedule - consistent indexation**

Department of Health						
Administered expenses	3.6	-	(14,885)	(25,344)	(37,592)	(47,749)
Total expenses		-	(14,885)	(25,344)	(37,592)	(47,749)

National Cervical Screening Program - reform

Department of Health						
Administered expenses	1.1	-	2,215	2,085	525	170
	3.1	-	-	(87)	(616)	(791)
Department of Human Services						
Departmental expenses		-	-	(252)	(1,612)	(1,624)
Total expenses		-	2,215	1,746	(1,703)	(2,245)

Medicare Benefits Schedule - changes to GP rebates - reversal¹

Department of Health						
Administered expenses	3.1	183,088	659,003	699,608	726,758	762,842
Departmental expenses		(400)	(1,154)	(607)	(268)	-
Department of Human Services						
Departmental expenses		(4,746)	(18,331)	(13,377)	(13,903)	(14,165)
Departmental capital		(321)	(197)	-	-	-
Department of Veterans' Affairs						
Administered expenses		3,491	6,409	5,971	5,708	5,428
Total		181,112	645,730	691,595	718,295	754,105

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

Programme		2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Medicare Benefits Schedule - health assessment items - modification						
Department of Health						
Administered expenses	3.1	-	(20,016)	(36,178)	(41,260)	(46,667)
Department of Human Services						
Departmental expenses		-	84	(157)	(184)	(199)
Total expenses		-	(19,932)	(36,335)	(41,444)	(46,866)
Medicare Benefits Schedule - new and amended listings						
Department of Health						
Administered expenses	3.1	-	8,358	11,347	9,941	8,424
Department of Human Services						
Departmental expenses		12	197	100	80	55
Department of Veterans' Affairs						
Administered expenses		-	285	377	327	292
Total expenses		12	8,840	11,824	10,348	8,771
Medicare Benefits Schedule - review and reform						
Department of Health						
Administered expenses	3.1	-	14,173	14,414	-	-
Departmental expenses		-	2,864	2,840	-	-
Total expenses		-	17,037	17,254	-	-
Pharmaceutical Benefits Scheme - new and amended listings						
Department of Health						
Administered expenses	2.2	5,652	421,426	487,857	498,053	489,654
	2.3	625	(49,222)	(60,863)	(62,969)	(65,076)
	2.4	(231)	(1,546)	(49,781)	(47,461)	(49,461)
	3.1	(99)	4,779	4,359	3,556	2,595
Administered revenue	2.2	nfp	nfp	nfp	nfp	nfp
Department of Human Services						
Departmental expenses		742	5,292	1,702	1,821	1,853
Department of Veterans' Affairs						
Administered expenses		18	7,507	8,173	8,093	7,919
Total		6,707	388,236	391,447	401,093	387,484

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 4: Acute Care					
National Partnership Agreement on Adult Public Dental Services - one year funding					
Department of the Treasury					
Administered expenses 4.1	-	-	-	-	-
Total expenses	-	-	-	-	-
Smaller Government - Health Portfolio					
Department of Health					
Administered expenses 4.1	(3,212)	(3,481)	(3,481)	(3,481)	(3,481)
Departmental expenses All	-	(11,333)	(25,830)	(29,311)	(29,505)
Total expenses	(3,212)	(14,814)	(29,311)	(32,792)	(32,986)
Outcome 5: Primary Health Care					
Practice Incentives Programme After Hours Payment					
Department of Health					
Administered expenses 5.1	-	(100,581)	(102,646)	(104,492)	(106,474)
5.2	-	98,809	102,397	104,241	106,221
Department of Human Services					
Departmental expenses	1,527	236	248	250	253
Total expenses	1,527	(1,536)	(1)	(1)	-
Supporting the Royal Flying Doctor Service					
Department of Health					
Administered expenses 5.5	-	9,873	10,136	-	-
Total expenses	-	9,873	10,136	-	-
Outcome 6: Private Health					
National Joint Replacement Register Levy - amendments					
Department of Health					
Administered expenses 6.1	-	81	124	167	214
Administered revenue	-	(81)	(124)	(167)	(214)
Total	-	-	-	-	-

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 7: Health Infrastructure, Regulation, Safety and Quality					
Accelerating Growth in Organ and Tissue Donation for Transplantation					
Department of Health					
Administered expenses 7.6	-	628	678	-	-
Australian Organ and Tissue Donation and Transplantation Authority					
Administered expenses 1.1	-	5,912	2,194	-	-
Department of Human Services					
Departmental expenses	-	1,256	(438)	-	-
Total expenses	-	7,796	2,434	-	-
Bone Marrow Transplant and International Searches Programmes - consolidation					
Department of Health					
Administered expenses 7.6	-	-	-	-	-
Total expenses	-	-	-	-	-
My Health Record - a new direction for electronic health records in Australia²					
Department of Health					
Administered expenses 7.1	-	(36,140)	(82,192)	(40,989)	5,062
Administered capital	-	(9,494)	(6,697)	-	-
Departmental expenses	-	(3,434)	-	-	-
Department of Human Services					
Departmental expenses	-	(12,490)	(15,949)	(8,581)	210
Departmental capital	-	(650)	(2,134)	(351)	-
Department of Veterans' Affairs					
Departmental expenses	-	(67)	(102)	-	-
Department of Finance					
Departmental expenses	-	(52)	(85)	(46)	-
Total	-	(62,327)	(107,159)	(49,967)	5,272
Reducing the Burden of the Industrial Chemicals Regulatory Framework to Industry					
National Industrial Chemicals Notification and Assessment Scheme					
Departmental expenses 7.7	-	2,517	2,501	-	427
Departmental capital	-	3,534	3,455	-	-
Departmental revenue	-	(2,517)	(2,501)	(1,398)	(1,825)
Total	-	3,534	3,455	(1,398)	(1,398)

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

Programme		2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 8: Health Workforce Capacity						
Better Targeted Rural Financial Incentives for Doctors						
Department of Health						
Administered expenses	8.1	(582)	(1,052)	3,973	4,185	4,265
	8.2	-	(1,515)	(3,989)	(4,065)	(4,146)
Department of Human Services						
Departmental expenses		582	2,567	16	(120)	(119)
Total expenses		-	-	-	-	-
Junior Medical Officer Programme - interagency transfer from the Department of Veterans' Affairs						
Department of Health						
Administered expenses	8.1	-	10,000	10,000	10,000	10,000
Department of Veterans' Affairs						
Administered expenses		-	(10,000)	(10,000)	(10,000)	(10,000)
Total expenses		-	-	-	-	-
Streamlining Health Workforce Scholarships						
Department of Health						
Administered expenses	8.1	-	(14,222)	(17,602)	(18,963)	(21,743)
Department of Education and Training						
Administered expenses		-	-	-	-	-
Total expenses		-	(14,222)	(17,602)	(18,963)	(21,743)
Outcome 9: Biosecurity and Emergency Response						
National Critical Care and Trauma Response Centre - continuation						
Department of the Treasury						
Administered expenses	9.1	-	-	-	-	-
Total expenses		-	-	-	-	-
Supply and Replenishment of the National Medical Stockpile						
Department of Health						
Administered expenses	9.1	-	1,081	661	-	-
Administered capital		-	6,924	25,537	-	-
Total		-	8,005	26,198	-	-

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

Programme		2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Cross Outcome Measures						
Rationalising and Streamlining Health Programmes³						
Department of Health						
Administered expenses	1.1	(578)	(4,326)	(7,176)	(8,983)	(11,118)
	1.2	-	(1,730)	(2,925)	(4,443)	(6,500)
	2.1	-	(897)	(897)	(897)	(897)
	2.3	-	(1,572)	(3,305)	(3,387)	(3,471)
	2.4	-	-	(6,038)	(6,340)	(6,657)
	3.1	(340)	(538)	(539)	(541)	(582)
	3.3	(2,311)	(40,311)	(40,311)	(40,811)	(40,811)
	4.1	-	(689)	(700)	(712)	(724)
	5.1	-	(13,144)	(26,628)	(40,520)	(55,529)
	5.2	-	(7,758)	(16,546)	(25,687)	(33,509)
	5.5	-	(984)	(1,674)	(2,556)	(3,458)
	7.2	-	(579)	(1,126)	(1,685)	(2,436)
	7.3	-	(500)	(500)	(500)	(500)
	7.4	-	(2,178)	(13,918)	(15,734)	(17,512)
	7.5	(8,784)	(7,641)	(405)	-	-
	7.6	-	(529)	(539)	(549)	(560)
	8.1	-	(28,313)	(57,733)	(90,525)	(122,417)
	8.2	-	(8,266)	(31,703)	(27,963)	(28,465)
	9.1	-	(1,447)	(2,896)	(4,392)	(1,991)
Departmental expenses		(36)	(97)	(97)	(97)	(98)
Total expenses		(12,049)	(121,499)	(215,656)	(276,322)	(337,235)

Whole of Government Measures**Administered Programme Indexation Pause - two year extension**

Department of Health						
Administered expenses	1.2	-	-	-	-	(751)
	1.3	-	-	-	-	(391)
	2.1	-	-	-	-	(19)
	3.1	-	-	-	-	-
	3.2	-	-	-	-	-
	3.3	-	-	-	-	(39)
	4.1	-	-	-	-	(60)
	5.1	-	-	-	-	-
	5.4	-	-	-	-	(3,233)
	7.4	-	-	-	-	(15)
	7.7	-	-	-	-	(4)
	8.1	-	-	-	-	-
	9.1	-	-	-	-	(27)
	10.1	-	-	-	-	(160)
Total expenses		-	-	-	-	(4,699)

Table 1.2: Department of Health 2015-16 Budget Measures (continued)

Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Other Portfolio Measures					
Cessation of the Large Family Supplement of Family Tax Benefit Part A					
<i>Department of Social Services</i>					
Department of Health					
Administered expenses	3.1	-	(13)	(12)	(11)
	3.6	-	(24)	(76)	(77)
Total expenses		-	(37)	(88)	(88)
Norfolk Island Reform					
<i>Department of Infrastructure and Regional Development</i>					
Department of Health					
Administered expenses	2.2	-	732	744	749
	2.4	-	36	38	40
	3.1	-	1,584	1,719	1,830
	6.1	-	678	695	713
Total expenses		-	3,030	3,196	3,332
Social Security Assets Test - rebalance asset test thresholds and taper rate					
<i>Department of Social Services</i>					
Department of Health					
Administered expenses	2.2	-	-	-	6
Total expenses		-	-	-	6
Strengthening the Integrity of Welfare Payments					
<i>Department of Human Services</i>					
Department of Health					
Administered expenses	2.2	-	-	(76)	(264)
Total expenses		-	-	(76)	(264)
Wimmera Health Care Group - Oncology, Dialysis and Community Palliative Care Centre					
<i>Department of Infrastructure and Regional Development</i>					
Department of Health					
Administered expenses	7.5	1,000	-	-	-
Total expenses		1,000	-	-	-

- 1 This measure includes the impact of the Government's decision to not proceed with redefining Level A and Level B GP consultation items which was announced in the 2014-15 Mid-Year Economic and Fiscal Outlook measure 'A strong and sustainable Medicare'. This reversal was previously published in the 2014-15 Health Portfolio Additional Estimates Statements.
- 2 This measure will provide \$485.1 million over four years to continue the operation of the eHealth system, make key system and governance improvements and implement trials, including opt-out arrangements. Funding for this measure has already been provided by the Government in the 2014-15 Budget.
- 3 This measure has been notionally allocated to programmes but is subject to change.

Section 2: 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 entities achieve the intended results of their outcome statements. Entities 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.¹

The Government is committed to investing in programmes and strategies that encourage Australians to lead healthier and more active lifestyles. Lack of physical activity, unhealthy eating, obesity, smoking, and alcohol misuse continue to be major causes of disease. The increasing prevalence of chronic disease, higher costs often associated with new technologies and an ageing population continue to put pressure on the health system. To address this, the Government will work to reduce the cost of chronic disease and continue to strengthen the health system in a coordinated and sustainable way, to meet the changing needs of the Australian community.

Key initiatives for 2015-16 include: developing new strategies for chronic conditions, diabetes and asthma; finalising data collection for the National Eye Health Survey; continuing to assist consumers to make healthy choices through the Health Star Rating system; providing a range of enhanced cancer screening services; providing vaccines through the National Immunisation Program; delivering programmes and communication campaigns aimed at discouraging the use and misuse of alcohol, tobacco, prescription and illicit drugs; and continuing to implement priority actions identified in the Implementation and Evaluation Plan for the National Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) Strategies 2014-17.

Outcome 1 is the responsibility of Population Health Division, the Office of Health Protection, 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

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

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1: Public Health, Chronic Disease & Palliative Care¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	166,738	164,728
Special appropriations		
<i>Public Governance, Performance and Accountability</i>		
<i>Act 2013 s77 - repayments</i>	500	500
Departmental expenses		
Departmental appropriation ²	31,384	28,896
Expenses not requiring appropriation in the budget year ³	1,497	737
Total for Programme 1.1	200,119	194,861
Programme 1.2: Drug Strategy¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	138,415	124,798
Departmental expenses		
Departmental appropriation ²	21,131	17,435
Expenses not requiring appropriation in the budget year ³	1,001	493
Total for Programme 1.2	160,547	142,726
Programme 1.3: Immunisation¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	20,444	31,019
to Australian Childhood Immunisation Register		
Special Account	(5,802)	(5,858)
Special appropriations		
<i>National Health Act 1953 - essential vaccines</i>	159,905	242,028
Special Accounts		
Australian Childhood Immunisation Register Special Account	9,475	9,563
Departmental expenses		
Departmental appropriation ²	9,418	9,064
Expenses not requiring appropriation in the budget year ³	466	229
Total for Programme 1.3	193,906	286,045

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	325,597	320,545
to Special Accounts	(5,802)	(5,858)
Other services (Appropriation Bill No. 2)	-	-
Special appropriations	160,405	242,528
Special Accounts	9,475	9,563
Departmental expenses		
Departmental appropriation ²	61,933	55,395
Expenses not requiring appropriation in the budget year ³	2,964	1,459
Total expenses for Outcome 1	554,572	623,632
	2014-15	2015-16
Average staffing level (number)	335	327

- 1 This programme includes National Partnerships paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations 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 1.9 of the Treasury Portfolio Budget Statements.
- 2 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 3 "Expenses not requiring appropriation in the Budget year" 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, presenting a major challenge to Australia's health care system. The Government is committed to strengthening the health care system to ensure the changing needs of the community are met in a coordinated and sustainable way.

The Government will work with State and Territory Governments to develop the National Strategic Framework for Chronic Conditions (the Framework). The Framework will consider shared health determinants, risk factors and multimorbidities across a broad range of chronic conditions, and provide national direction for improving chronic disease prevention and care across Australia.

In addition, in 2015-16, the Government, through the COAG Health Council, will finalise the new National Diabetes Strategy, to inform better targeted health spending in diabetes prevention and management.

The Government will also develop the National Asthma Strategy, aiming to further reduce the impact of asthma on the community and economy by identifying effective and efficient ways to prevent, treat and manage the condition.

The Australian Government recognises the importance of improving the efficiency and effectiveness of eye health and vision care services across Australia. Around 75 per cent of vision loss in Australia is preventable or treatable. In 2015-16, the Department will continue to implement the actions in the Government's Implementation Plan under the National Framework for Action to Promote Eye Health and Prevent Avoidable Blindness and Vision Loss. A key priority is improving the evidence base, including the 2015-16 National Eye Health Survey.

Support the development and implementation of evidence-based food regulatory policy

The Australian Government administers a strong, evidence-based food regulatory system to ensure that food sold in Australia is safe. The Department ensures that all food regulatory policy is considered in the context of the Government's deregulation agenda and promotes 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 (FSANZ) to develop, and the States and Territories to implement, the food standards necessary to ensure a safe food supply for Australia.²

Food labelling plays an integral role in assisting consumers to make informed healthy food purchasing decisions. In 2015-16, the Australian Government will continue to work with the States and Territories and New Zealand, and the food

² For further information on the work of FSANZ, refer to the FSANZ chapter in these Portfolio Budget Statements.

industry to implement the outcomes of the independent report: *Labelling Logic: Review of Food Labelling Law and Policy*. Implementation endeavours aim 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.

The Government will also continue to undertake promotional activities in partnership with the States and Territories to raise awareness of the Health Star Rating system and support industry's adoption of the system.

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 2015-16, the Australian Government will continue to expand the National Bowel Cancer Screening Program to a biennial screening interval for Australians 50-74 years of age by 2020. Free bowel cancer screening using a faecal occult blood test will be offered to people turning 64 and 72 years old in 2016. This will build on the programme which currently invites people turning 50, 55, 60, 65, 70 and 74 years of age to participate. The remaining cohorts will be included from 2017 to 2020.

Breast cancer is the most common cancer in Australian women. In 2015-16, the Australian Government will continue to work with State and Territory Governments to provide breast and cervical cancer screening for women in the eligible age cohorts.³ Breast care nurses funded through the McGrath Foundation will provide vital information, care and support to women diagnosed with breast cancer and their families.

Since the introduction of the National Cervical Screening Program in 1991, the incidence and mortality from cervical cancer in Australia have both halved. In 2015-16, the Australian Government will work with State and Territory Governments to commence implementation of the Medical Services Advisory Committee's recommendation to replace the current two yearly Pap test with a five yearly Human Papillomavirus test, anticipated to commence from 1 May 2017. Work will also commence to establish a single National Cancer Screening Register to support the changes to the National Cervical Screening Program and the expansion of the National Bowel Cancer Screening Program.

Reduce the incidence of blood borne viruses and sexually transmissible infections

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

In 2015-16, the Australian Government will continue to implement the National Strategies 2014-2017 for HIV, hepatitis B, hepatitis C, STI, and Aboriginal and Torres Strait Islander BBV and STI. The National Strategies guide policies and programmes related to the prevention, testing, management and treatment of BBV and STI.

³ Further information available at: www.cancerscreening.gov.au

In 2015-16, the Australian Government will work with States and Territories to encourage increased testing and uptake of treatment for STI and BBV among priority populations.

The Department will support improved access to treatment for HIV through implementing community prescribing and dispensing of antiretroviral treatment for HIV, commencing on 1 July 2015. In 2015-16, 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 access to high quality palliative care services

The Government will continue to support State and Territory Government palliative care activities, as well as activities within the primary and aged care sectors, aimed at improving access to high quality palliative care for all Australians as they require it. The Government will fund national palliative care projects that focus on education, training, quality standards, and advance care planning to enhance the quality of palliative care service delivery and increase support for people who are dying, their families and carers.

Programme 1.1 is linked as follows:

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

National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. For Budget estimates relating to the National Partnership component of the programme, please refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Health 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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	166,738	164,728	177,457	187,741	194,914
Special appropriations					
<i>Public Governance, Performance and Accountability Act 2013</i>					
s77 - repayments	500	500	500	500	500
Programme support	32,881	29,633	26,767	26,206	26,610
Total Programme 1.1 expenses	200,119	194,861	204,724	214,447	222,024

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Reduce the incidence of chronic disease and promote healthier lifestyles

Qualitative Deliverable	2015-16 Reference Point or Target
New National Diabetes Strategy in place to support better prevention and management of diabetes.	National Diabetes Strategy finalised and publicly released.

Support the development and implementation of evidence-based food regulatory policy

Qualitative Deliverable	2015-16 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	2015-16 Reference Point or Target
Implement the expansion of the National Bowel Cancer Screening Program to a biennial screening interval.	Commencement of invitations to 64 and 72 year olds in 2016 and the continued delivery of communication and programme enhancement activities.
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	2015-16 Reference Point or Target
Implement priority actions contained in the National BBV and STI Strategies 2014-17.	Ongoing implementation of programmes which support delivery of priority action areas to reduce BBV and STI.

Improve access to high quality palliative care services

Qualitative Deliverable	2015-16 Reference Point or Target
Implement national palliative care quality improvement activities consistent with the National Palliative Care Strategy 2010.	Implementation of national projects that support quality improvement in palliative care priority areas including education, training, quality standards and advance care planning.

Quantitative Deliverables for Programme 1.1

Improve detection, treatment and survival outcomes for people with cancer

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of breast care nurses employed through the McGrath Foundation.	57	57	57	N/A	N/A

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Reduce the incidence of chronic disease and promote healthier lifestyles

Qualitative Indicator	2015-16 Reference Point or Target
Key chronic disease policy activities (National Strategic Framework for Chronic Conditions and National Asthma Strategy) are informed by appropriate expertise, knowledge and evidence.	Experts and the public are consulted through a variety of means, including: working groups, focused workshops, and online processes.

Support the development and implementation of evidence-based food regulatory policy

Qualitative Indicator	2015-16 Reference Point or Target
Promote a nationally consistent, evidence-based approach to food policy and regulation.	Develop and implement nationally agreed evidence-based policies and standards.

Reduce the incidence of blood borne viruses and sexually transmissible infections

Qualitative Indicator	2015-16 Reference Point or Target
Support programmes which are effective in reducing the spread of communicable disease and working towards the national strategy targets.	Reporting on progress of programmes that support the National BBV and STI Strategies 2014-2017 is undertaken according to the evaluation framework in the Implementation and Evaluation Plan.

Improve access to high quality palliative care services

Qualitative Indicator	2015-16 Reference Point or Target
Support effective quality improvements to palliative care priority areas through funding of national projects.	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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of people invited to take part in the National Bowel Cancer Screening Program who participated. ⁴	41 %	41 %	41 %	41 %	41 %
Percentage of women 50-69 years of age participating in BreastScreen Australia. ⁵	55 %	55 %	55 %	55 %	55 %
Percentage of women 70-74 years of age participating in BreastScreen Australia. ⁶	51 %	53 %	55 %	55 %	55 %

⁴ Australian Institute of Health and Welfare and the Australian Government Department of Health 2014, *National Bowel Cancer Screening Program: monitoring report 2012-2013*, Cancer series no. 84, cat. no. CAN 81, AIHW, Canberra. These targets reference the most recent data (2012-2013) on participation in the National Bowel Cancer Screening Program.

⁵ Australian Institute of Health and Welfare 2014, *BreastScreen Australia monitoring report 2011-2012*, Cancer series no. 86, cat. no. CAN 83, AIHW, Canberra. These targets reflect the most recent data (2011-2012) 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.

⁶ From 2013-14, the programme started 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.

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of women in the target age group participating in the National Cervical Screening Program. ⁷	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

The Australian Government will continue working to reduce harms associated with the misuse of alcohol, pharmaceuticals and the use of illicit drugs. This will include: renewed approaches to social marketing through the National Drugs Campaign; supporting the work of the National Ice Taskforce and the development of a National Ice Action Strategy; and working closely with experts through the Australian National Advisory Council on Alcohol and Drugs to identify opportunities for action; and continuing to work collaboratively with State and Territories through the Intergovernmental Committee on Drugs (including work to support the next iterations of the National Drug Strategy and the National Alcohol Strategy).

The Commonwealth will continue to work with all jurisdictions on the development and monitoring of the next iterations of the National Drug Strategy and National Alcohol Strategy, through its continued involvement with, and support of, the Intergovernmental Committee on Drugs.

Reduce the harmful effects of tobacco use

The Government recognises that smoking continues to be one of the leading causes of preventable disease and premature death in Australia. In 2015-16, the Government will continue to fund the defence of legal challenges to the tobacco plain packaging legislation in international forums.

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

⁷ Australian Institute of Health and Welfare 2014, *Cervical screening in Australia 2011-12*, Cancer series no. 82, cat. no. CAN 79, AIHW, Canberra. These targets reflect the most recent data (2011-2012) on participation in the National Cervical Screening Program. Small changes in these figures are unlikely to be statistically significant. Participation data for the programme cannot be projected into the future.

Programme 1.2 is linked as follows:

- This Programme includes National Partnership payments for:

- *National coronial information system.*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

Programme 1.2: Expenses

Table 1.3: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	138,415	124,798	109,744	98,876	104,459
Programme support	22,132	17,928	16,201	16,162	16,432
Total Programme 1.2 expenses	160,547	142,726	125,945	115,038	120,891

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	2015-16 Reference Point or Target
Provide up-to-date information to young people on the risks and harms of illicit drug use.	Continue 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	2015-16 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 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	2015-16 Reference Point or Target
Availability of prevention and early intervention substance misuse resources for teachers, parents and students.	Increasing access to new material through the National Drugs Campaign website as measured by an increase in site visits. ⁸

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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of population 14 years of age and older recently (in the last 12 months) using an illicit drug. ⁹	<13.4%	<13.4%	<13.4%	<13.4%	<13.4%

Reduce the harmful effects of tobacco use

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of population 18 years of age and over who are daily smokers.	13.9%	12.6%	11.3%	10%	10%

⁸ Available at: www.drugs.health.gov.au

⁹ Data on this target is currently taken from the 2013 National Drug Strategy Household Survey, which is published every three years.

Programme 1.3: Immunisation

Programme Objectives

Increase national immunisation coverage rates and improve the efficiency of the National Immunisation Program

The Australian Government recognises that immunisation is an effective way of protecting individuals and the Australian community, by reducing the spread of vaccine preventable disease. The Department implements the National Immunisation Program (NIP) which provides free vaccination programmes, in partnership with States and Territories, through the National Partnership Agreement on Essential Vaccines (NPEV).

In 2015-16, key activities will include implementation of National Immunisation Strategy 2013-2018 key actions to increase vaccination coverage rates. This includes a focus on Aboriginal and Torres Strait Islander children who are one year of age, as the coverage rates for this cohort lag behind non-Indigenous children.

The Department, in conjunction with States and Territories, will also continue its transition to a centralised procurement process for the supply of vaccines under the NIP. The Department remains committed to undertaking the procurement of vaccines for new cohorts or new vaccine preventable diseases added to the NIP schedule as a priority, in accordance with the NPEV. The Department will work with States and Territories to implement two recent additions to the NIP. From October 2015, an additional vaccine will be available for children who are 18 months old, to give extra protection against pertussis (whooping cough). From November 2016, a vaccine to protect against shingles will be provided to 70 year olds, which will include a five-year catch-up programme for people aged 71-79 years old.

In 2015-16, the Government will give a financial incentive for GPs and other immunisation providers to administer and record catch-up vaccinations to children who are overdue for immunisation; fund a new Australian School Vaccination Register to allow better follow-up of young adolescents who have missed vaccine doses under the national programme; and develop a new information programme which will increase awareness and understanding of the National Immunisation Program, including supporting immunisation providers to address parents' concerns and dispel common myths about immunisation.

Programme 1.3 is linked as follows:

- This Programme includes National Partnership payments for:

- *Essential vaccines.*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

- The Department of Social Services (Family Tax Benefit – Programme 1.1) to administer the Family Tax Benefit 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 – Health Programme 1.2) to administer the Australian Childhood Immunisation Register.
- The Department of Social Services (Support for the Child Care System – Programme 2.4) to support access to quality early childhood education and child care services; (Child Care Benefit – Programme 2.5) to administer child care benefits to eligible parents; eligibility is linked to satisfying the requirements for age-related immunisation; and (Child Care Rebate – Programme 2.6) to support low income families with the cost of child care.

Programme 1.3: Expenses

Table 1.4: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services to Australian Childhood Immunisation Register Special Account	20,444	31,019	27,399	27,346	26,101
Special appropriations <i>National Health Act 1953</i> - essential vaccines	(5,802)	(5,858)	(5,913)	(5,966)	(5,966)
Special Accounts Australian Childhood Immunisation Register Special Account	159,905	242,028	281,826	287,994	288,022
Programme support	9,475	9,563	9,650	9,820	9,820
	9,884	9,293	8,471	8,452	8,578
Total Programme 1.3 expenses	193,906	286,045	321,433	327,646	326,555

Programme 1.3: Deliverables

Qualitative Deliverables for Programme 1.3

Increase national immunisation coverage rates and improve the efficiency of the National Immunisation Program

Qualitative Deliverable	2015-16 Reference Point or Target
Key actions of the National Immunisation Strategy 2013-2018 (NIS) are implemented.	NIS actions to improve vaccination coverage rates are undertaken in accordance with the NIS Implementation Plan.

Quantitative Deliverables for Programme 1.3

Increase national immunisation coverage rates and improve the efficiency of the National Immunisation Program

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of completed tenders under the National Partnership Agreement on Essential Vaccines (Essential Vaccines Procurement Strategy).	2	2	2	1	1

Programme 1.3: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.3

Increase national immunisation coverage rates and improve the efficiency of the National Immunisation Program

Qualitative Indicator	2015-16 Reference Point or Target
States and Territories meet the requirements of the National Partnership Agreement on Essential Vaccines (NPEV).	Analysis of data from the Australian Childhood Immunisation Register confirms that the performance benchmarks to improve vaccination coverage rates are achieved in the NPEV.

Quantitative Key Performance Indicators for Programme 1.3

Increase national immunisation coverage rates and improve the efficiency of the National Immunisation Program

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Increase the immunisation coverage rates among children 12-15 months of age.	91.0%	91.5%	92.0%	92.5%	93.0%
Increase the immunisation coverage rates among children 24-27 months of age.	91.0%	91.5%	92.0%	92.5%	93.0%
Increase the immunisation coverage rates among children 60-63 months of age.	91.5%	92.0%	92.5%	93.0%	93.5%
Increase the immunisation coverage rates among 12-15 months of age Aboriginal and Torres Strait Islander children.	86.5%	87.0%	88.5%	89.0%	90.0%

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 sustainable 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.

Supporting the National Medicines Policy, in 2015-16, the Government will work to 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; are underpinned by programmes that support the quality use of medicines; and help maintain a responsible and viable medicines industry.

There is an increasing pressure being placed on the PBS by new medicines which are becoming more specialised and carry a higher price tag.

From 1 July 2015, the Government expects to introduce a balanced range of measures to support the longer term access to, and sustainability of, the PBS. These have been developed through extensive consultation with a range of PBS stakeholders including consumers, the pharmacy and pharmaceutical sectors, and other health professional groups.

These measures have been designed to bring new and innovative medicines on to the PBS in a timelier manner, and ensure efficiency in the pharmaceutical supply chain. Negotiations relating to this package of measures are in their final stages.

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 2.1: Community Pharmacy and Pharmaceutical Awareness		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	405,929	410,220
Departmental expenses		
Departmental appropriation ¹	10,199	9,525
Expenses not requiring appropriation in the budget year ²	419	207
Total for Programme 2.1	416,547	419,952
Programme 2.2: Pharmaceuticals and Pharmaceutical Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	197,488	199,624
Special appropriations		
<i>National Health Act 1953</i> - pharmaceutical benefits	9,283,968	9,770,425
Departmental expenses		
Departmental appropriation ¹	44,430	40,384
Expenses not requiring appropriation in the budget year ²	3,099	1,769
Total for Programme 2.2	9,528,985	10,012,202
Programme 2.3: Targeted Assistance - Pharmaceuticals		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	151,230	116,223
Departmental expenses		
Departmental appropriation ¹	3,957	3,765
Expenses not requiring appropriation in the budget year ²	122	60
Total for Programme 2.3	155,309	120,048
Programme 2.4: Targeted Assistance - Aids and Appliances		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	596	596
Special appropriations		
<i>National Health Act 1953</i> - aids and appliances	312,898	346,427
Departmental expenses		
Departmental appropriation ¹	2,402	2,256
Expenses not requiring appropriation in the budget year ²	94	46
Total for Programme 2.4	315,990	349,325

Table 2.1: Budgeted Expenses and Resources for Outcome 2 (continued)

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Outcome 2 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	755,243	726,663
Special appropriations	9,596,866	10,116,852
Departmental expenses		
Departmental appropriation ¹	60,988	55,930
Expenses not requiring appropriation in the budget year ²	3,734	2,082
Total expenses for Outcome 2	10,416,831	10,901,527
	2014-15	2015-16
Average staffing level (number)	251	244

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 2 "Expenses not requiring appropriation in the budget year" is made up of depreciation expense, amortisation expense, makegood expense and audit fees.

Programme 2.1: Community Pharmacy and Pharmaceutical Awareness

Programme Objectives

Support timely access to medicines and pharmacy services

The Fifth Community Pharmacy Agreement ceases on 30 June 2015. The Australian Government will work to ensure all eligible Australians continue to have timely access to PBS medicines and other professional services in 2015-16 and beyond.

Extensive consultations have been undertaken with PBS stakeholders including the pharmacy industry with a view to developing key policies relating to pharmacy remuneration, PBS supply chain arrangements and professional programmes and services, focused on improving the quality use of medicines in Australia. The package of measures supporting the long term sustainability of the PBS and access to medicines, including a future pharmacy agreement, are in the final stages of negotiation.

The Australian Government will promote timely access to PBS medicines and other professional services for all eligible Australians through the network of community pharmacies.

These policies will be designed to assist the pharmacy sector contribute to the health outcomes of all Australians.

Programme 2.1: Expenses

Table 2.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	405,929	410,220	416,342	422,872	429,235
Programme support	10,618	9,732	8,845	8,833	8,622
Total Programme 2.1 expenses	416,547	419,952	425,187	431,705	437,857

Programme 2.1: Deliverables

Qualitative Deliverables for Programme 2.1

Support timely access to medicines and pharmacy services

Qualitative Deliverables	2015-16 Reference Point or Target
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.
Funding provided for remuneration to ensure the sustainability of the pharmacy sector and access for patients to PBS medicines and pharmacy services.	Access to medicines and pharmacy services is maintained.

Outcome 1 02

Programme 2.1: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 2.1

Support timely access to medicines and pharmacy services

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
The current pharmacy to population ratio remains stable.	N/A ¹	Within 5%	Within 5%	Within 5%	Within 5%

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 \$9.77 billion² in 2015-16. Approximately 298 million PBS prescriptions will be dispensed in 2015-16.³

Since the 2014-15 Mid-Year Economic and Fiscal Outlook in December 2014, the Government has approved 169 new or amended PBS listings, and one listing on the Life Saving Drugs Programme (LSDP), at an overall cost of \$1.6 billion over five years, to treat a range of illnesses from rare forms of cancer to skin conditions.

¹ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

² This excludes the outcomes of the negotiations on the Sixth Community Pharmacy Agreement and broader PBS Access and Sustainability Package of measures.

³ This includes subsidised prescriptions and those below the general co-payment.

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.

At its March 2015 meeting, the PBAC recommended a further \$2.5 billion in new listings for Government consideration in 2015-16. The PBAC will meet three times in 2015-16 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 the increasing prevalence of chronic disease, the listing of specialised new and expensive medicines in Australia and population ageing, are expected to continue to put pressure on the PBS growth rate over the medium to long term. High cost medicines are a significant contributor to this growth. 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 \$6.10 or \$37.70 (depending on patient status) per prescription, they can access PBS medicines such as:

- treatment for cystic fibrosis (ivacaftor) which costs up to \$300,000 a year;
- treatment for multiple sclerosis (alemtuzumab) which costs up to \$57,000 a year;
- treatment of diabetic macular oedema and retinal vein occlusion (aflibercept or ranibizumab) which costs over \$12,000 a year;
- treatment of malignant melanoma (trametinib) which costs over \$131,380 per course of treatment; or
- treatment of late stage metastatic breast cancer (trastuzumab, pertuzumab, trastuzumab emtansine) which costs \$82,700 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.

Post-market surveillance

In 2015-16, the Government will progress several reviews of medicines in use, focussing on the appropriate and quality use of medicines to help improve health outcomes for patients and ensure continued value for money for taxpayers. The review of all PBS authority required medicines commenced in 2014-15, and is expected to be completed in 2015-16. The review, which was undertaken in close collaboration with the Australian Medical Association, the Royal College of General Practitioners, and other key stakeholders, has removed unnecessary red tape and administrative burden for health practitioners. Approximately 60 recommendations from the first stage of the review were implemented on 1 May 2015, saving approximately \$355,722 in regulatory burden, and an expected

\$7 million per year in red tape reduction on completion of stage 2 and 3 of the review.

The PBAC Guidelines will be reviewed in 2015-2016. The PBAC Guidelines provide practical information for the pharmaceutical industry to make a submission to the PBAC for the listing of a medicine or medicinal product on the PBS. The review is consistent with the Government's focus on improving the PBS, and ensuring Australians have access to safe, clinically effective and cost-effective medicines, while safe-guarding the sustainability of the PBS.

The review of the PBAC Guidelines will ensure that the PBAC submission and assessment process remains consistent and transparent, while incorporating international best practice and removing any unnecessary regulatory burden on the pharmaceutical industry.

Programme 2.2 is linked as follows:

- The Department of Human Services (Services to the Community – Health Programme 1.2) to administer the PBS, including payment of script benefits, authority approvals, new and other PBS items.
- The Department of Veterans' Affairs (Veterans' Pharmaceuticals Benefits – Programme 2.3) to provide entitled beneficiaries access to a comprehensive array of pharmaceuticals and wound dressings for the treatment of their health care needs.

Programme 2.2: Expenses

Table 2.3: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	197,488	199,624	202,742	204,801	208,069
Special appropriations					
<i>National Health Act 1953 -</i> pharmaceutical benefits	9,283,968	9,770,425	10,254,185	10,636,453	10,970,328
Programme support	47,529	42,153	39,186	38,403	38,844
Total Programme 2.2 expenses	9,528,985	10,012,202	10,496,113	10,879,657	11,217,241

Programme 2.2: Deliverables

Qualitative Deliverables for Programme 2.2

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

Qualitative Deliverable	2015-16 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.

Post-market surveillance

Qualitative Deliverable	2015-16 Reference Point or Target
Undertake reviews of medicines in use, focussing on the appropriate and quality use of medicines.	Complete reviews of medicines and implement phased outcomes from the PBS Authorities review, the Life Saving Drugs Programme and the PBAC Guidelines.

Programme 2.2: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 2.2

Increase the sustainability of the PBS

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Estimated savings to Government from Price Disclosure. ⁴	\$2,094.9m	\$2,429.7m	\$2,619.0m	\$2,830.1m	\$3,061.2m

⁴ This Key Performance Indicator has been amended to include impacts from Price Disclosure only.

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 LSDP to treat eight serious and very rare medical conditions. These conditions are: Fabry, Gaucher, Mucopolysaccharidosis Types I, II and VI, Infantile-onset and Juvenile late-onset Pompe disease and Paroxysmal Nocturnal Haemoglobinuria.

On 9 April 2014, the Government announced a post-market review of the LSDP to ensure it continues to provide Australians with very rare conditions with access to much needed but very expensive medicines. The review is examining issues such as access and equity, value for money and the future administration of the LSDP. The review is also examining the existing LSDP criteria and conditions for funding, identifying processes to facilitate data collection for rare diseases and looked at ways to better engage with consumers. The review is expected to be completed in late 2015.

Programme 2.3: Expenses

Table 2.4: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	151,230	116,223	107,960	113,065	114,830
Programme support	4,079	3,825	3,614	3,609	3,643
Total Programme 2.3 expenses	155,309	120,048	111,574	116,674	118,473

Programme 2.3: Deliverables

Qualitative Deliverables for Programme 2.3

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

Qualitative Deliverable	2015-16 Reference Point or Target
Review LSDP Guidelines to ensure they remain current and relevant.	LSDP Guidelines reviewed within agreed timeframes.

Quantitative Deliverables for Programme 2.3

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

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of patients assisted through the LSDP.	260	287	302	317	332

Programme 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	2015-16 Reference Point or Target
Eligible patients have timely access to the LSDP.	Patient applications are processed within 30 calendar days of receipt of the complete data package to support the application.

Quantitative Key Performance Indicators for Programme 2.3

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

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of eligible patients with access to fully subsidised medicines through the LSDP.	100%	100%	100%	100%	100%

Programme 2.4: Targeted Assistance – Aids and Appliances

Programme Objectives

To improve health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services

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 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.

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 related appliances (such as pouches, products to assist irrigation, protective films and seals) through the Stoma Appliance Scheme (the Scheme).

From 1 July 2015, the Government will introduce two new product listings and 21 amended product listings onto the Scheme (to remove the price premium for 20 products and reduce the maximum quantity for one product). New products will continue to be considered for listing on the Scheme.

In 2015-16, the Government will support the sustainability of the Scheme by ensuring that prices paid by the Australian Government reflect the market cost of the products through a tender process. In 2013-14, the Scheme cost the Government \$85 million, and the Scheme has been growing by approximately 4.6 per cent per annum. The measure will maintain full entitlement and access to products on the Scheme and will not change patient payment arrangements.

Improve the quality of life for people with Epidermolysis Bullosa

The Australian Government aims to improve the quality of life for people with Epidermolysis Bullosa⁵ 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 2015-16, the Department will work with the administrator, BrightSky Australia, to conduct a tender for the products on the Schedule of Dressings to ensure that they are clinically effective and provide value of money to Government.

⁵ A genetic disease characterised by extremely fragile and blister prone skin.

Programme 2.4 is linked as follows:

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

Programme 2.4: Expenses

Table 2.5: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	596	596	596	596	596
Special appropriations					
<i>National Health Act 1953 -</i> aids and appliances	312,898	346,427	295,858	302,057	302,550
Programme support	2,496	2,302	2,140	2,136	2,161
Total Programme 2.4 expenses	315,990	349,325	298,594	304,789	305,307

Programme 2.4: Deliverables

Qualitative Deliverables for Programme 2.4

To improve health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services

Qualitative Deliverable	2015-16 Reference Point or Target
Provide access to insulin pumps and associated consumables for children under 18 years of age with type 1 diabetes.	Arrangements for the administration of the programme are in place to ensure ongoing supply of insulin pumps to eligible recipients.

Quantitative Deliverables for Programme 2.4

To improve health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of people with diabetes receiving benefit from the NDSS.	1,400,000	1,526,000	N/A ⁶	N/A	N/A

⁶ The current NDSS Agreement ends on 30 June 2016.

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of people under 18 years of age with type 1 diabetes receiving a subsidised insulin pump.	68	68	68	68	68

Assist people with a stoma by providing stoma related products

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
The number of stoma products supplied to eligible people on the Stoma Appliance Scheme.	35,500,000	37,500,000	39,500,000	41,500,000	43,500,000

Programme 2.4: Key Performance Indicators**Qualitative Key Performance Indicators for Programme 2.4**

To improve health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services

Qualitative Indicator	2015-16 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

To improve health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of diabetes related products provided to eligible people through the NDSS.	5,598,785	6,060,008	N/A ⁷	N/A	N/A

⁷ The current NDSS Agreement ends on 30 June 2016.

Assist people with a stoma by providing stoma related products

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of people receiving stoma related products.	42,500	43,250	44,000	44,750	45,500

Improve the quality of life for people with Epidermolysis Bullosa

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of people with Epidermolysis Bullosa receiving subsidised dressings. ⁸	115	135	145	155	165

⁸ Figures for 2015-16 and subsequent years have been increased to reflect current patient uptake of the National Epidermolysis Bullosa Dressing Scheme.

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 increasing prevalence of chronic disease, higher costs often associated with new technologies, and an ageing population. In the ten years from 2003-04 to 2013-14, expenditure on Medicare benefits increased from just over \$8 billion to more than \$19 billion. In 2013-14, Medicare funded 274.9 million free-to-patient services, for a population of around 23.5 million people, an increase of 12.2 million services from 2012-13. It is estimated that the total number of Medicare Benefits Schedule (MBS) services will increase from 356 million in 2013-14 to 390 million in 2015-16.

To ensure that our Medicare system remains sustainable and that all Australians continue to access high quality and cost-effective health professional services, the Government will continue to work with health professionals and consumers to deliver a healthier Medicare. The MBS Review Taskforce will be clinician-led and include health economists, academics and consumers, to ensure the MBS remains evidence-based, is contemporary and improves health outcomes for patients, while identifying waste and inefficiencies. The Government will also work with clinicians and relevant organisations to develop clearer Medicare compliance rules and benchmarks.

In addition to the review of all items on the MBS by the Taskforce, the Government will also continue to ensure ongoing evaluation of clinical-effectiveness and cost-effectiveness for new and existing items on the MBS by the Medical Services Advisory Committee (MSAC).

The quality and effective use of diagnostic imaging, pathology and radiation oncology services is important to complement an efficient health care system. The Government will continue to support these services through improvements to accreditation processes, stakeholder engagement and funding for infrastructure.

The Child Dental Benefits Schedule continues to provide means-tested financial support for basic dental services for eligible children.

The Government will continue to work toward reducing the incidence and consequences of avoidable hearing loss in the Australian community through research and 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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 3.1: Medicare Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	8,847	14,173
Special appropriations		
<i>Health Insurance Act 1973</i> - medical benefits	20,311,899	21,126,958
Departmental expenses		
Departmental appropriation ¹	29,287	26,551
Expenses not requiring appropriation in the budget year ²	1,427	703
Total for Programme 3.1	20,351,460	21,168,385
Programme 3.2: Targeted Assistance - Medical		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	12,689	10,675
Departmental expenses		
Departmental appropriation ¹	946	877
Expenses not requiring appropriation in the budget year ²	44	22
Total for Programme 3.2	13,679	11,574
Programme 3.3: Pathology and Diagnostic Imaging Services and Radiation Oncology		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	77,740	78,881
Departmental expenses		
Departmental appropriation ¹	5,061	4,677
Expenses not requiring appropriation in the budget year ²	243	120
Total for Programme 3.3	83,044	83,678
Programme 3.4: Medical Indemnity		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150	150
Special appropriations		
<i>Medical Indemnity Act 2002</i>	79,748	82,495
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	821	1,508
Departmental expenses		
Departmental appropriation ¹	492	456
Expenses not requiring appropriation in the budget year ²	23	11
Total for Programme 3.4	81,234	84,620

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 3.5: Hearing Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	479,224	532,257
Departmental expenses		
Departmental appropriation ¹	13,191	12,347
Expenses not requiring appropriation in the budget year ²	581	294
Total for Programme 3.5	492,996	544,898
Programme 3.6: Dental Services³		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	150	-
Special appropriations		
<i>Dental Benefits Act 2008</i>	424,607	605,451
Departmental expenses		
Departmental appropriation ¹	4,176	4,134
Expenses not requiring appropriation in the budget year ²	204	100
Total for Programme 3.6	429,137	609,685
Outcome 3 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	578,800	636,136
Special appropriations	20,817,075	21,816,412
Departmental expenses		
Departmental appropriation ¹	53,153	49,042
Expenses not requiring appropriation in the budget year ²	2,522	1,250
Total expenses for Outcome 3	21,451,550	22,502,840
	2014-15	2015-16
Average staffing level (number)	277	271

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 2 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, makegood 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 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 1.9 of the Treasury Portfolio Budget Statements.

Programme 3.1: Medicare Services

Programme Objectives

Improve the sustainability of the Medicare system

The Government's healthier Medicare strategy will have three components:

1. A Medicare Benefits Schedule (MBS) Review Taskforce, led by an eminent academic, and comprised of clinicians and other individuals bringing a broad range of expertise and experience to inform the process. The Taskforce will consider how services can be aligned with contemporary clinical evidence and improve health outcomes for patients.
2. A Primary Health Care Advisory Group to explore innovative models of primary health care funding and delivery, as part of the Government's commitment to rebuild primary care and address the growing burden of chronic disease in an ageing population. This will include consideration of alternative funding models and partnership arrangements with the States and Territories.
3. An enhanced compliance programme, developed with clinical leaders, medical organisations and consumers, that will clarify and improve compliance rules and benchmarks.

During 2015-16, there will be a range of new and revised MBS listings that cover services including new telehealth optometric services; remote monitoring of cardiac devices; new investigations for gastro-oesophageal reflux, and intraoperative radiotherapy for breast cancer. MBS listings will be revised for paediatric surgical services and computed tomography (CT) colonography. Health assessments provided under the MBS will be modified to remove the duplication with child health assessments already provided by the States and Territories. Rebates will become available for second opinions for some pathology services, and removal of corneal foreign bodies by optometrists.

Programme 3.1 is linked as follows:

- The Department of Human Services (Services to the Community – Health 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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	8,847	14,173	14,414	-	-
Special appropriations					
<i>Health Insurance Act</i>					
1973 - medical benefits	20,311,899	21,126,958	22,111,594	22,974,791	24,271,919
Programme support	30,714	27,254	24,522	22,164	22,510
Total Programme 3.1 expenses	20,351,460	21,168,385	22,150,530	22,996,955	24,294,429

Programme 3.1: Deliverables

Qualitative Deliverables for Programme 3.1

Improve the sustainability of the Medicare system

Qualitative Deliverable	2015-16 Reference Point or Target
Preliminary review of the Medicare Benefits Schedule with development of priority action plan.	Priorities and action plan to be provided to Government by 31 December 2015.

Programme 3.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 3.1

Improve the sustainability of the Medicare system

Qualitative Indicators	2015-16 Reference Point or Target
Medicare Benefits Schedule Review Taskforce delivers relevant and high quality advice to Government.	Committees established and engage constructively with professional and community stakeholders.
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 facilitate access to health services for Australian residents requiring medical treatment while travelling in those countries. Residents of those countries have access to health services while visiting Australia. The Department provides advice to the Department of Human Services in relation to its administration of Medicare claims made by travellers from reciprocal countries.

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 2015-16.

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.

Improve access to prostheses for women who have had a mastectomy as a result of breast cancer

The Australian Government's national External Breast Prostheses Reimbursement Programme improves the quality of life of women who have undergone mastectomy as a result of breast cancer, by providing reimbursement of up to \$400 for new and replacement prostheses.

Programme 3.2 is linked as follows:

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

Programme 3.2: Expenses

Table 3.3: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	12,689	10,675	10,675	10,675	10,675
Programme support	990	899	822	820	831
Total Programme 3.2 expenses	13,679	11,574	11,497	11,495	11,506

Programme 3.2: Deliverables

Qualitative Deliverables for Programme 3.2

Provide medical assistance to Australians who travel overseas

Qualitative Deliverable	2015-16 Reference Point or Target
Ensure that the Reciprocal Health Care Agreements are supporting Australians when they travel overseas.	Timely resolution of issues encountered by Australians attempting to access health services in reciprocal countries.

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

Qualitative Deliverable	2015-16 Reference Point or Target
Financial assistance is provided to eligible applicants through the Medical Treatment Overseas Program.	Assessments of applications for medical treatment are managed in accordance with programme guidelines.

Provide medical assistance following overseas disasters

Qualitative Deliverable	2015-16 Reference Point or Target
Facilitate health care assistance to eligible Australians in the event of overseas disasters.	Ensure appropriate assistance is provided through timely policy advice to the Department of Human Services.

Quantitative Deliverables for Programme 3.2

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

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Authorisation of payments to successful patients within agreed timeframes.	N/A ¹	90%	90%	90%	90%

Programme 3.2: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 3.2

Improve access to prostheses for women who have had a mastectomy as a result of breast cancer

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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%

¹ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

Programme 3.3: Pathology and Diagnostic Imaging Services and Radiation Oncology

Programme Objectives

Improve access to pathology services

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.

To further improve the accuracy of diagnosis for certain patients, two new pathology items will be added to the MBS to allow a second expert opinion for bone marrow specimens, tissue pathology and cytopathology (excluding gynaecology), where the original pathologist and the non-pathologist specialist clinician or general practitioner involved in the care of the patient are in agreement that a second opinion is required for diagnostic purposes. This type of analysis is integral to the management of many diseases, especially cancers. A definitive diagnosis supports appropriate clinical management for patients.

Improve the provision of safe and effective diagnostic imaging services

The Department will continue to progress implementation of the final phase of the Diagnostic Imaging Reform Package, including the review of the MBS fees for diagnostic imaging and 'appropriate requesting' of diagnostic imaging services.

A previous review of the structure of the MBS diagnostic imaging services found the structure to be outdated. As a result, a review of the MBS fee relativities for comparative effectiveness, safety, and costs will be undertaken in 2015-16.

To ensure better targeted services and a reduction in unnecessary tests, the Department will work closely with requesters, providers, and consumers to encourage more appropriate requesting of diagnostic imaging services.

A major review of the Diagnostic Imaging Accreditation Scheme will commence in 2015-16. The aim of the review is to strengthen the standards and streamline processes to ensure that Medicare funding continues to be directed to diagnostic imaging services that are safe, effective and responsive to the needs of health care consumers.

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.

Improve 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 continues to administer the Radiation Oncology Health Program Grants Scheme which gradually reimburses service providers for the cost of approved equipment used to provide radiation oncology treatment services. The grants complement the Medicare benefits payable for radiation oncology services under Programme 3.1.

The Department will continue to work with key stakeholders, including the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)² and professional bodies to reduce unnecessary regulation while ensuring the safety of Medicare funded radiation oncology services, through initiatives such as the Australian Clinical Dosimetry Services (ACDS).

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.³

Expert stakeholder engagement in pathology, diagnostic imaging and radiation oncology

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 – Health Programme 1.2) for administering Radiation Oncology Health Programme Grants.

Programme 3.3: Expenses

Table 3.4: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	77,740	78,881	78,964	78,602	78,862
Programme support	5,304	4,797	4,376	4,367	4,433
Total Programme 3.3 expenses	83,044	83,678	83,340	82,969	83,295

² For further information on the work of ARPANSA, refer to the ARPANSA chapter in these Portfolio Budget Statements.

³ For further information on the Government's workforce initiatives, refer to Outcome 8 Health Workforce Capacity in these Portfolio Budget Statements.

Programme 3.3: Deliverables

Qualitative Deliverables for Programme 3.3

Improve the provision of safe and effective diagnostic imaging services

Qualitative Deliverable	2015-16 Reference Point or Target
Undertake a major review of the Diagnostic Imaging Accreditation Scheme to strengthen the standards and streamline processes.	Review of the Diagnostic Imaging Accreditation Scheme to be completed by June 2016.

Expert stakeholder engagement in pathology, diagnostic imaging and radiation oncology

Qualitative Deliverable	2015-16 Reference Point or Target
Undertake systematic reviews of the pathology services listed on the Medicare Benefits Schedule (MBS) to ensure they are safe, effective, and cost effective.	The Pathology Services Advisory Committee (PSAC) will consider evidence from six systematic reviews of pathology services and make recommendations for change to the MBS listings where required.

Quantitative Deliverables for Programme 3.3

Improve access to pathology services

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of new and/or revised national accreditation standards produced for pathology laboratories.	4	4	4	4	4

Programme 3.3: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 3.3

Improve the provision of safe and effective diagnostic imaging services

Qualitative Indicator	2015-16 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.

Expert stakeholder engagement in pathology, diagnostic imaging and radiation oncology

Qualitative Indicator	2015-16 Reference Point or Target
Stakeholder engagement in programme and/or policy development.	Conduct two formal meetings with the pathology sector to discuss pathology policy and sector interests.

Quantitative Key Performance Indicators for Programme 3.3

Improve access to pathology services

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of Medicare-eligible pathology laboratories meeting accreditation standards.	100%	100%	100%	100%	100%

Improve access to quality radiation oncology services

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
The number of sites delivering radiation oncology.	69	71	74	76	78

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 aims to 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 – Health Programme 1.2) to administer medical indemnity activities including indemnity for eligible midwives.

Programme 3.4: Expenses

Table 3.5: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	150	150	150	150	150
Special appropriations					
<i>Medical Indemnity Act 2002</i>	79,748	82,495	85,642	89,189	92,989
<i>Midwife Professional Indemnity (Run-off Cover Support Payment) Act 2010</i>	821	1,508	4,747	8,459	9,940
Programme support	515	467	428	427	433
Total Programme 3.4 expenses	81,234	84,620	90,967	98,225	103,512

Programme 3.4: Deliverables

Quantitative Deliverables for Programme 3.4

Ensure that insurance products are available and affordable

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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%

Outcome | 03

Programme 3.4: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 3.4

Ensure that insurance products are available and affordable

Qualitative Indicator	2015-16 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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of doctors that receive a premium subsidy support through the Premium Support Scheme. ⁴	2,100	2,000	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 and subsidised hearing services for eligible people with a measurable hearing loss above a specified threshold. In 2015-16, the Department will continue to engage with industry and build upon improvements which have been implemented to support the delivery of hearing services to clients in a clinically appropriate and timely way, and reduce red tape.

In order to ensure a coordinated approach to hearing and related health care services, the Department will continue to support further roll out of the National Disability Insurance Scheme in relation to arrangements 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)⁵ and the National Acoustic Laboratories.

Programme 3.5 is linked as follows:

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

⁴ 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.

⁵ For further information on the work of the NHMRC, refer to the NHMRC chapter in these Portfolio Budget Statements.

Programme 3.5: Expenses

Table 3.6: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	479,224	532,257	556,546	569,903	581,245
Programme support	13,772	12,641	11,714	11,692	11,837
Total Programme 3.5 expenses	492,996	544,898	568,260	581,595	593,082

Programme 3.5: Deliverables

Qualitative Deliverables for Programme 3.5

Support access for eligible clients to quality hearing services

Qualitative Deliverables	2015-16 Reference Point or Target
Quality service provision and client outcomes supported through a risk-based audit framework.	Audit outcomes support a risk-based approach to identification of service provider compliance with contractual and legislative obligations.
Policies and programme improvements are developed and implemented in consultation with consumers and service providers.	Opportunity for stakeholders to participate in consultations.

Support research into hearing loss prevention and management

Qualitative Deliverable	2015-16 Reference Point or Target
Implementation of hearing health research projects in accordance with programme objectives.	Funded research projects meet NHMRC research protocols.

Programme 3.5: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 3.5

Support access for eligible clients to quality hearing services

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of people who receive voucher services nationally. ⁶	713,000	774,000	794,000	837,000	881,000
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

Between 2012-13 and 2014-15, the Government provided funding to the States and Territories for the provision of additional services to around 400,000 public dental patients through the National Partnership Agreement on Treating More Public Dental Patients.

At the expiry of the current National Partnership Agreement, a further agreement with the States and Territories is due to commence in 2015-16 to improve access to dental services for adult public dental patients.

Improve access to dental services for children

The Child Dental Benefits 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.

In the 2015-16 Budget, indexation of benefits payable under the Child Dental Benefits Schedule will be paused, consistent with the indexation pause for all Medicare services.⁷

The statutory review of the *Dental Benefits Act 2008* will be finalised in 2015-16.

⁶ Targets have been revised to account for post-implementation impacts of the three year voucher introduced on 1 January 2012.

⁷ As the Child Dental Benefits Schedule is based on a calendar year, the indexation pause will cease on 31 December 2018.

Programme 3.6 is linked as follows:

- This Programme includes National Partnership payments for:
 - *Adult Public Dental Services.*
 - *Treating more public dental patients.*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Health Programme 1.2) administers the Child Dental Benefits Schedule.

Programme 3.6: Expenses

Table 3.7: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	150	-	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	424,607	605,451	615,973	629,706	655,713
Programme support	4,380	4,234	3,954	3,946	4,740
Total Programme 3.6 expenses	429,137	609,685	619,927	633,652	660,453

Programme 3.6: Deliverables

Qualitative Deliverables for Programme 3.6

Improve access to dental services for children

Qualitative Deliverable	2015-16 Reference Point or Target
Complete independent review of the operation of the <i>Dental Benefits Act 2008</i> .	Review findings are provided for tabling in Parliament.

Programme 3.6: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 3.6

Improve access to public dental services

Qualitative Indicator	2015-16 Reference Point or Target
Improve access to 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 dental services for children

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of children accessing the Child Dental Benefits Schedule.	2.4m	2.4m	2.4m	2.4m	2.4m

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 \$16.4 billion to the States and Territories for public hospitals in 2015-16.

The Government has announced that revised public hospital funding arrangements will be introduced in 2017-18.

Outcome 4 is the responsibility of Acute Care Division.

Programme 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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 4.1: Public Hospitals and Information¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	96,496	79,783
Non cash expenses - depreciation ²	963	963
Departmental expenses		
Departmental appropriation ³	42,360	40,187
Expenses not requiring appropriation in the budget year ⁴	14,904	13,203
Total for Programme 4.1	154,723	134,136
Outcome 4 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	96,496	79,783
Non cash expenses - depreciation	963	963
Departmental expenses		
Departmental appropriation ³	42,360	40,187
Expenses not requiring appropriation in the budget year ⁴	14,904	13,203
Total expenses for Outcome 4	154,723	134,136
Average staffing level (number)	119	112

1 This programme includes National Partnerships paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in this chapter under each programme. For Budget estimates relating to the National Partnership component of this programme, please refer to Budget Paper 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

2 Non-cash expenses relate to the depreciation of buildings.

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

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

Programme 4.1: Public Hospitals and Information

Programme Objectives

Support 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 2015-16, increase its funding contribution to public hospital services to \$16.4 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.

Improve health services in Tasmania

The Australian and Tasmanian Governments will work together to improve the effectiveness, efficiency and sustainability of the State's health services through the National Partnership Agreement (NPA) on Improving Health Services in Tasmania. The NPA will contribute to an increase in Tasmania's ability to provide cost-effective and sustainable elective surgery, alleviate pressure on emergency departments, avoid unnecessary hospitalisation and reduce readmission, and provide Tasmanians with greater choice regarding where they receive palliative and end of life care.

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. Details of the arrangements to apply from 1 July 2015 will be finalised before the end of 2014-15.

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; and*
 - *Improving health services in Tasmania – reducing elective surgery waiting lists in Tasmania; improving patient pathways through clinical and system redesign; and better access to community-based palliative care services.*

National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

Programme 4.1: Expenses

Table 4.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	96,496	79,783	65,532	65,513	65,694
Non cash expenses - depreciation	963	963	963	963	963
Programme support	57,264	53,390	51,747	52,479	51,633
Total Programme 4.1 expenses	154,723	134,136	118,242	118,955	118,290

Programme 4.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 4.1

Support states to deliver efficient public hospital services

Qualitative Indicator	2015-16 Reference Point or Target
Provide accurate advice to the Minister on public hospital funding policy.	Relevant advice produced in a timely manner.

Improve health services in Tasmania

Qualitative Indicator	2015-16 Reference Point or Target
Implementation of state-wide elective surgery reform activities. ¹	Reform activities, including tendering for elective surgery, commenced.

Mersey Community Hospital

Qualitative Indicator	2015-16 Reference Point or Target
Ensure that residents of north-west Tasmania have ongoing access to hospital services.	Agreement reached with the Tasmanian Government on the arrangements for the Mersey Community Hospital.

¹ This Key Performance Indicator has been revised. Target reported in the 2014-15 Portfolio Budget Statements has been achieved.

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

The Australian Government, through Outcome 5, aims to provide cost-effective primary and mental health care services, deliver high quality essential services for Aboriginal and Torres Strait Islander people, and improve access to effective health care services for people living in rural, regional and remote areas.

In 2015-16, the Australian Government will continue strengthening primary care by focussing funding to frontline health services and improving delivery and quality of services in primary care. This will help achieve better health outcomes for patients that are most in need, including patients with chronic conditions or mental illness. It will also assist in reducing unnecessary visits to hospitals.

Primary Health Networks (PHNs) will become operational from 1 July 2015. They will play a key role in increasing the efficiency and effectiveness of medical services funded by the Australian Government, and improving coordination of care for patients by working with local providers and stakeholders.

The Primary Health Care Advisory Group will explore innovative models of primary health care funding and delivery, as part of the Government's commitment to rebuild primary care and address the growing cost of chronic disease in an ageing population. This will also include consideration of alternative funding models and partnership arrangements with the States and Territories.

The Government will develop and implement options for policy and programme changes following the conclusion of the Review of Mental Health Programmes and Services. The Government will also work with the States and Territories to develop a new national mental health plan, informed by the final report of the Review.

From 1 July 2015, the Government will progressively implement a new funding approach for the Indigenous Australians' Health Programme. This will support the delivery of effective and efficient primary health care services to Aboriginal and Torres Strait Islander people. The new approach will support the targeted use of funds in regions whose populations experience high health need and population growth. The Department will consult closely with the National Aboriginal Community Controlled Health Organisation (NACCHO) and its affiliates, and State and Territory Governments, in implementing this approach.

In 2015-16, the Department will commence the Aboriginal and Torres Strait Islander Health Plan (2013-2023) Implementation Plan, developed in conjunction with the Aboriginal and Torres Strait Islander health sector. The Implementation Plan will direct the Commonwealth's effort in Aboriginal and Torres Strait Islander health.

The Government will also continue to improve access to effective health care services for people living in rural, regional and remote areas by funding outreach health care services such as those provided through the Royal Flying Doctor Service (RFDS) and the Rural Health Outreach Fund.

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 5.1: Primary Care Financing, Quality and Access		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	539,437	424,026
Departmental expenses		
Departmental appropriation ¹	34,167	32,068
Expenses not requiring appropriation in the budget year ²	1,608	794
Total for Programme 5.1	575,212	456,888
Programme 5.2: Primary Care Practice Incentives		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	243,460	368,120
Departmental expenses		
Departmental appropriation ¹	1,459	1,349
Expenses not requiring appropriation in the budget year ²	70	34
Total for Programme 5.2	244,989	369,503
Programme 5.3: Aboriginal and Torres Strait Islander Health³		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	681,052	729,685
Departmental expenses		
Departmental appropriation ¹	50,135	46,585
Expenses not requiring appropriation in the budget year ²	2,410	1,187
Total for Programme 5.3	733,597	777,457
Programme 5.4: Mental Health³		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	633,247	698,314
Departmental expenses		
Departmental appropriation ¹	20,857	18,887
Expenses not requiring appropriation in the budget year ²	1,013	499
Total for Programme 5.4	655,117	717,700

Table 5.1: Budgeted Expenses and Resources for Outcome 5 (continued)

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 5.5: Rural Health Services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	97,197	102,215
Departmental expenses		
Departmental appropriation ¹	4,595	4,231
Expenses not requiring appropriation in the budget year ²	219	108
Total for Programme 5.5	102,011	106,554
Outcome 5 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,194,393	2,322,360
Departmental expenses		
Departmental appropriation ¹	111,213	103,120
Expenses not requiring appropriation in the budget year ²	5,320	2,622
Total expenses for Outcome 5	2,310,926	2,428,102
	2014-15	2015-16
Average staffing level (number)	605	613

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 2 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, makegood 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 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 1.9 of the Treasury's Portfolio Budget Statements.

Programme 5.1: Primary Care Financing, Quality and Access

Programme Objectives

Focus investment in frontline medical services for patients through Primary Health Networks

From 1 July 2015, PHNs will commence operations which will ensure that more funding is directed to frontline services by offering administrative savings through economies of scale and greater purchasing power. PHNs will undertake regional needs assessments and conduct service planning for their regions, in collaboration with Local Hospital Networks and State and Territory Governments. With support from Clinical Councils and Community Advisory Committees, PHNs will seek to develop local strategies to improve the operation of the health care system for patients and facilitate effective primary health care provision, to reduce avoidable hospital presentations and admissions within the PHN catchment area.

PHNs will work directly with general practice, other primary health care providers, secondary care providers, hospitals, and private providers to ensure improved outcomes for patients. These partnerships are critical to ensure better coordination of care across the local health system so that patients receive the right care in the right place at the right time.

Programme 5.1: Expenses

Table 5.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	539,437	424,026	394,181	386,195	383,485
Programme support	35,775	32,862	29,384	29,239	29,698
Total Programme 5.1 expenses	575,212	456,888	423,565	415,434	413,183

Programme 5.1: Deliverables

Qualitative Deliverables for Programme 5.1

Focus investment in frontline medical services for patients through Primary Health Networks

Qualitative Deliverable	2015-16 Reference Point or Target
Primary Health Networks operational.	Primary Health Networks operating from 1 July 2015.

Programme 5.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 5.1

Focus investment in frontline medical services for patients through Primary Health Networks

Qualitative Indicator	2015-16 Reference Point or Target
Percentage of Primary Health Networks with completed baseline needs assessments and strategies for responding to identified service gaps.	100% completed by Primary Health Networks by 30 June 2016.

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 general practitioners (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.

Following a review of after-hours primary health care funding arrangements, the Government will introduce a new PIP After Hours Incentive in 2015-16. This incentive will place general practice at the centre of after-hours service provision and will provide adequate support to ensure that all Australians have access to high quality after-hours care, integrated with their usual general practice.

In 2015-16, the Government will explore innovative service models in primary health care, including funding models through the Primary Health Care Advisory Group. The Government will also consider the potential to introduce a PIP Quality Improvement Incentive which would encourage and support general practices to better manage chronic disease through continuous quality improvement.

The Government will continue to provide PIP teaching payments to support general practices to provide teaching sessions to medical students. This will allow more students to experience general practice and is expected to result in more students pursuing a career in primary care. Higher payments will also continue to be provided to rural practices via a rural loading of up to fifty per cent. This loading recognises the difficulties of providing care in rural and remote areas.

Programme 5.2 is linked as follows:

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

Programme 5.2: Expenses

Table 5.3: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	243,460	368,120	381,308	384,347	371,896
Programme support	1,529	1,383	1,262	1,259	1,277
Total Programme 5.2 expenses	244,989	369,503	382,570	385,606	373,173

Programme 5.2: Deliverables

Qualitative Deliverables for Programme 5.2

Provide general practice incentive payments

Qualitative Deliverables	2015-16 Reference Point or Target
Implement the PIP After Hours Incentive.	Provide general practices with access to the PIP After Hours Incentive from 1 July 2015.
Investigate innovative primary health care funding models.	Provide advice to Government through the Primary Health Care Advisory Group, in relation to innovative primary health care funding models. Report due by late 2015.

Programme 5.2: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 5.2

Provide general practice incentive payments

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of GP patient care provided by PIP practices. ¹	84.0%	84.1%	84.2%	84.2%	84.2%
Number of general practices participating in the PIP After Hours Incentive.	N/A ²	4,600	4,650	4,700	4,750

Programme 5.3: Aboriginal and Torres Strait Islander Health

Programme Objectives

Improve 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 people.

Through the Indigenous Australians' Health Programme, Aboriginal and Torres Strait Islander people have access to effective health care services in urban, regional, rural and remote locations across the nation. This includes Aboriginal Community Controlled Health Organisations as well as a number of other primary health care services delivering comprehensive, culturally appropriate primary health care. Funding is also directed in ways that provide system-level support to the Indigenous primary health care sector to improve the effectiveness and

¹ 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.

² This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

efficiency of services. The Department will work with States and Territories and NACCHO and its affiliates on the new funding approach, to ensure that additional funds can be targeted at agreed regions of health need and population growth.

The Government is committed to improving quality and safety in the Indigenous primary health care sector. In 2015-16, the Government will implement a National Continuous Quality Improvement Framework for Aboriginal and Torres Strait Islander primary health care, through the expansion of the Healthy for Life activity. This will support the delivery of guideline-based primary health care and support improved health outcomes.

In 2015, the Government will release the National Aboriginal and Torres Strait Islander Health Plan (2013-2023) Implementation Plan which is being developed in partnership with the National Health Leadership Forum (NHLF). The Implementation Plan will incorporate actions across the life course and is comprised of six domains including: maternal health and parenting; childhood development; adolescents and youth; healthy adults; healthy ageing; and health systems effectiveness. In 2015-16, the Government will commence the actions outlined in the Implementation Plan and will continue working with the NHLF to monitor and review progress.

The Government will continue to address persistent challenges to accessing primary health care services for Aboriginal and Torres Strait Islander people 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, hearing, and vision health.

Reduce chronic disease

Aboriginal and Torres Strait Islander people experience more than twice the burden of disease of 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. Chronic diseases such as these are responsible for two thirds of the health gap.³

In 2015-16, 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 improving access to quality care including through disease management plans, better care coordination and follow up, cultural competency of services and assistance with medicines. The Government will also implement a redesigned Tackling Indigenous Smoking Programme arising from the review undertaken in 2014-15.

Improve child and maternal health

The Government is committed to overcoming Indigenous disadvantage, through activities that contribute to improved health, education and employment outcomes.

³ Aboriginal and Torres Strait Islander Health Performance Framework (HPF), 2012.

The Department has developed 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 Australian Nurse Family Partnership Program and New Directions: Mothers and Babies Services. This will mean the Australian Nurse Family Partnership Program will grow from three to five sites and New Directions: Mothers and Babies Services will reach an additional 25 services in 2015-16, bringing the total to 110 services. In addition, the Department will continue to enhance the capacity of New Directions: Mothers and Babies Services to identify and manage Fetal Alcohol Spectrum Disorder in affected communities.

These activities contribute to the Australian Government's Indigenous Affairs priorities of getting kids into school, adults into work, and making communities safer.

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.*
 - *Improving trachoma control services for Indigenous Australians (multilateral project agreements with SA, WA, NT and NSW); and*
 - *National Partnership for the Rheumatic Fever Strategy.*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No.3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Health Programme 1.2) to administer Indigenous access to the Pharmaceutical Benefits Scheme.
- 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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	681,052	729,685	796,495	886,626	924,240
Programme support	52,545	47,772	43,632	43,567	44,275
Total Programme 5.3 expenses	733,597	777,457	840,127	930,193	968,515

Programme 5.3: Deliverables

Qualitative Deliverables for Programme 5.3

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

Qualitative Deliverable	2015-16 Reference Point or Target
Implement the National Aboriginal and Torres Strait Islander Health Plan 2013-2023.	Commence actions in the Implementation Plan.

Quantitative Deliverables for Programme 5.3

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

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of Indigenous adult and child health checks completed.	156,644	164,476	172,700	181,335	190,401

Reduce chronic disease

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of regular Aboriginal and/or Torres Strait Islander clients with type 2 diabetes that have had a blood pressure measurement result recorded at the primary health care service within the previous 6 months. ⁴	N/A ⁵	60-65%	60-65%	60-65%	60-65%

⁴ A regular client is defined as an Aboriginal and Torres Strait Islander person who has an active medical record (attendance at least 3 times in the last 2 years) with a primary health care organisation that receives funding from the Australian Government Department of Health to provide primary care services primarily to Aboriginal and Torres Strait Islander people.

⁵ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

Improve child and maternal health

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of services funded to provide New Directions: Mothers and Babies Services.	85	110	124	136	136
Number of organisations funded to provide Australian Nurse Family Partnership Programme Services. ⁶	3	5	9	13	13

Programme 5.3: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 5.3

Reduce chronic disease

Quantitative Indicators	2013 Actual	2014 Target	2015 Forward Year 1	2016 Forward Year 2	2017 ⁷ Forward Year 3
Chronic disease related mortality rate per 100,000:					
• Aboriginal and Torres Strait Islander	784	603-642	584-622	565-602	546-582
• Non-Aboriginal and Torres Strait Islander	449	435-441	426-432	417-424	409-415
• Rate difference	335	165-204	154-193	144-181	134-170

⁶ This deliverable has not previously been published, but monitoring of this activity has occurred. As a result, a target for 2014-15 has been included to reflect the staged expansion of this activity.

⁷ Note that this data is reported on a calendar year basis. The targets are amended each year as new mortality data becomes available. The 2014 target and forward years are based on a trajectory required to close the gap between Indigenous and non-Indigenous Australians by 2031. Source: AIHW National Mortality Database, calendar years 1998-2013 (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).

Improve child and maternal health

Quantitative Indicators	2013 Actual	2014 Target	2015 Forward Year 1	2016 Forward Year 2	2017⁸ Forward Year 3
Child 0-4 mortality rate per 100,000:					
• Aboriginal and Torres Strait Islander	185	112-166	107-158	101-151	95-143
• Non-Aboriginal and Torres Strait Islander	84	80-91	78-89	76-86	74-84
• Rate difference	101	27-81	23-76	19-70	16-65

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 supporting Australians with, or at risk of, mental illness and improving service integration.

The Government tasked the National Mental Health Commission with reviewing mental health programmes and services. In 2015-16, the Department will work closely with an expert reference group and key stakeholders to inform policy and implementation options.

The Government will continue investing in frontline services and programmes during 2015-16 to ensure Australians with mental illness remain supported, and have access to care while a broader reform platform is progressed. Identified primary mental health care services will also be transitioned to Primary Health Networks to provide sustainable and efficient service delivery with continuity of care to clients.

The Government will continue its leadership role and will work in collaboration with States and Territories to develop a new national mental health plan. The plan will inform better planning, targeting and integration of services at a national and regional level, and facilitate an integrated approach to mental health and suicide prevention activities.

⁸ Note that this data is reported on a calendar year basis. The targets are amended each year as new mortality data becomes available. The 2014 target and forward years are based on a trajectory required to halve the gap between Indigenous and non-Indigenous Australians by 2018. Source: AIHW National Mortality Database, calendar years 1998-2013 (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).

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.*

National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Health 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 Social and Community Services.

Programme 5.4: Expenses

Table 5.5: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	633,247	698,314	705,225	713,186	729,315
Programme support	21,870	19,386	17,519	17,405	17,679
Total Programme 5.4 expenses	655,117	717,700	722,744	730,591	746,994

Programme 5.4: Deliverables

Qualitative Deliverables for Programme 5.4

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

Qualitative Deliverable	2015-16 Reference Point or Target
Analysis of opportunities for reform arising from the Review of Mental Health Programmes and services.	Options developed for policy and programme reform and implementation.

Quantitative Deliverables for Programme 5.4

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

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Total number of <i>headspace</i> youth-friendly service sites funded.	95	100	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	2015-16 Reference Point or Target
Support better coordination and integration of mental health services at a national and regional level to improve consumer outcomes.	Initial consultation with States and Territories on the development of a new national mental health plan completed by August 2015.

Quantitative Key Performance Indicators for Programme 5.4

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

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Increase the number of schools participating in the KidsMatter Primary initiative.	2,600	3,000	3,200	3,300	3,400

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 rural, regional and remote Australia through the Rural Health Outreach Fund. Services will be delivered across priority areas such as support for chronic disease management, mental health, eye health, and maternity and paediatric health. Access to optometry services will be provided through the Visiting Optometrists Scheme.

The Government will continue to support the delivery of essential health services to people in rural and remote areas through support for the Royal Flying Doctor

Service (RFDS), including \$20 million over two years from 2015-16. The Department will implement new funding arrangements with the RFDS from 1 July 2015 to ensure that essential services are maintained including primary aero-medical evacuations, primary and community health clinics, remote consultations (telephone consultations) 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,⁹ the Department provides Australians living in rural and remote areas with a centralised point where they can obtain health information and access services. In 2015-16, 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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	97,197	102,215	97,717	88,427	89,181
Programme support	4,814	4,339	3,890	3,811	3,870
Total Programme 5.5 expenses	102,011	106,554	101,607	92,238	93,051

Programme 5.5: Deliverables

Quantitative Deliverables for Programme 5.5

Improve access to primary health care and specialist services

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of communities receiving outreach services through the Rural Health Outreach Fund.	325	350	375	390	390
Number of locations receiving optometry services through the Visiting Optometrists Scheme.	480	500	520	540	540

⁹ Available at: www.ruralhealthaustralia.gov.au

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	2015-16 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 are contractually required to consult with stakeholder groups, and will be guided by existing 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	2015-16 Reference Point or Target
Accurate, quality place-based information is provided through the Rural and Regional Health Australia website.	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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of patient contacts supported ¹⁰ through the Rural Health Outreach Fund. ¹¹	160,000	165,000	163,000	163,000	163,000
Number of patients attending Royal Flying Doctor Service clinics.	40,000	40,000	40,000	40,000	40,000

¹⁰ Number of patients seen by participating health practitioners per annum.

¹¹ Targets for this indicator have been revised to reflect the 2014-15 Budget measure 'Health Flexible Funds – pausing indexation and achieving efficiencies'.

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 insurers to provide quality coverage whilst supporting individuals and families to purchase private health insurance with the private health insurance rebate. It is important that private health care is kept affordable and complements the public health care system.

The Government will consult on reforms to reduce and amend existing regulation that impedes the efficient operation of the private health insurance sector to support the Government's broader deregulation agenda.

Outcome 6 is the responsibility of Medical Benefits Division.

Programme 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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 6.1: Private Health Insurance		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,247	2,328
Special appropriations		
<i>Private Health Insurance Act 2007</i>		
- private health insurance rebate	5,913,293	6,122,000
- risk equalisation trust fund	454,107	557,080
- council administration levy	4,519	6,974
Departmental expenses		
Departmental appropriation ¹	12,965	11,754
Expenses not requiring appropriation in the budget year ²	551	271
Total for Programme 6.1	6,387,682	6,700,407
Outcome 6 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	2,247	2,328
Special appropriations	6,371,919	6,686,054
Departmental expenses		
Departmental appropriation ¹	12,965	11,754
Expenses not requiring appropriation in the budget year ²	551	271
Total expenses for Outcome 6	6,387,682	6,700,407
	2014-15	2015-16
Average staffing level (number)	62	60

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

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

Programme 6.1: Private Health Insurance

Programme Objectives

Promote a viable, sustainable and cost-effective private health insurance sector

The Government is committed to an efficient, competitive private health insurance industry that supports consumer choice. The Department will continue to inform consumers about changes in premiums.

Support the affordability of private health insurance through the private health insurance rebate

The private health insurance rebate helps make private health insurance more affordable, providing greater choice and accessibility for Australians to access private health care options, and reducing pressure on the public hospital system. In line with this objective, the Government has committed to restoring the Australian Government rebate on private health insurance when fiscal circumstances allow.

Ensure access to safe and effective medical devices through the Prostheses List

The Government will continue to ensure private health insurance expenditure is directed to clinically appropriate prostheses. The evidence-based processes for listing new prostheses and for reviewing listed prostheses continue to be refined and monitored, to improve outcomes and increase public confidence in the process. The Government will investigate opportunities to improve prostheses listing arrangements to achieve clinically appropriate outcomes. The Government will also continue to support the National Joint Replacement Registry.

Programme 6.1 is linked as follows:

- The Department of Human Services (Services to the Community – Health 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

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	2,247	2,328	2,371	2,414	2,461
Special appropriations					
<i>Private Health Insurance Act 2007</i>					
- private health insurance rebate	5,913,293	6,122,000	6,365,633	6,618,096	7,056,430
- risk equalisation trust fund	454,107	557,080	613,372	673,240	673,240
- council administration levy	4,519	6,974	7,186	7,404	7,404
Programme support	13,516	12,025	10,995	10,974	11,123
Total Programme 6.1 expenses	6,387,682	6,700,407	6,999,557	7,312,128	7,750,658

Programme 6.1: Deliverables

Qualitative Deliverables for Programme 6.1

Support the affordability of private health insurance through the private health insurance rebate

Qualitative Deliverable	2015-16 Reference Point or Target
Consultation with stakeholders on ways to ensure that the private health insurance rebate is communicated to policy holders and delivered through private health insurance products.	Ongoing stakeholder discussions (a minimum of two stakeholder consultation forums) to assist in the timeliness and streamlining of processes to enable consistent advice to consumers.

Ensure access to safe and effective medical devices through the Prostheses List

Qualitative Deliverable	2015-16 Reference Point or Target
Ensure consumers have access to safe and effective surgically implanted prostheses under the Prostheses List.	Consumers have access to clinically appropriate and cost-effective surgically implanted prostheses.

Quantitative Deliverables for Programme 6.1

Support the affordability of private health insurance through the private health insurance rebate

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of insurers' average premium increases publicly released in a timely manner.	100%	100%	100%	100%	100%

Programme 6.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 6.1

Promote a viable, sustainable and cost-effective private health insurance sector

Qualitative Indicator	2015-16 Reference Point or Target
Ensure that all health funds complete due diligence when assessing the increase in annual premiums.	Premium round applications demonstrate sufficient capital adequacy, solvency and prudential viability.

Quantitative Key Performance Indicators for Programme 6.1

Support the affordability of private health insurance through the private health insurance rebate

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
The number of people covered by private health insurance hospital treatment cover.	10.5m	10.7m	10.9m	11.1m	11.3m

Ensure access to safe and effective medical devices through the Prostheses List

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of applications to list devices on the Prostheses List completed ¹ within 22 weeks.	85%	86%	87%	88%	90%

¹ '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.

Consistent with the Government's productivity agenda, the Department will invest in work to strengthen safety and quality across the health system to reduce patient risks and generate efficiencies.

The \$20 billion capital-preserved Medical Research Future Fund (MRFF) will deliver a major additional injection of funds into the medical research sector. The MRFF will provide additional funding to support the sustainability of the health system and drive medical innovation through transforming how health and medical research is conducted in Australia.

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.

Consistent with the Government's broader deregulation agenda, the Department will ensure the delivery of appropriate and effective regulation across the portfolio, maintaining desired outcomes while safeguarding the health and wellbeing of the community. The Government has a red tape reduction target of \$1 billion per annum across the whole-of-government for businesses, community organisations and individuals.

The Australian Government is committed to a national shared electronic health record system. In response to the Review of the Personally Controlled Electronic Health Record (PCEHR), the Government will redevelop the system to improve its usability and clinical utility, strengthen eHealth governance and operations, and trial new participation arrangements. The PCEHR will be renamed *My Health Record* and the Australian Commission for eHealth will be established to manage governance, operation and ongoing delivery for eHealth from 1 July 2016.

The Department will also provide human health risk assessment advice on the regulation of agricultural and veterinary chemical products, medicines and poisons.

The Department will continue to work with stakeholders to improve the Quality Use of Medicines, a key objective of Australia's National Medicines Policy.

Outcome 7 is the responsibility of Acute Care Division, Best Practice Regulation and Deregulation Division, eHealth Division, Pharmaceutical Benefits Division, Portfolio Strategies Division, Primary and Mental Health Care Division, the Therapeutic Goods Administration, the Office of Chemical Safety, and the Office of the Gene Technology Regulator.

Programmes Contributing to Outcome 7

Programme 7.1: eHealth

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 7.1: eHealth¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	135,221	135,981
Non cash expenses ²	18,309	18,309
Departmental expenses		
Departmental appropriation ³	22,189	20,367
Expenses not requiring appropriation in the budget year ⁴	938	462
Total for Programme 7.1	176,657	175,119
Programme 7.2: Health Information		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	27,914	22,176
Departmental expenses		
Departmental appropriation ³	1,577	1,457
Expenses not requiring appropriation in the budget year ⁴	76	38
Total for Programme 7.2	29,567	23,671
Programme 7.3: International Policy Engagement		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	14,912	14,412
Departmental expenses		
Departmental appropriation ³	12	11
Expenses not requiring appropriation in the budget year ⁴	1	1
Total for Programme 7.3	14,925	14,424
Programme 7.4: Research Capacity and Quality¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	82,152	80,459
Special Accounts		
Medical Research Future Fund	-	10,000
Departmental expenses		
Departmental appropriation ³	15,996	14,857
Expenses not requiring appropriation in the budget year ⁴	723	356
Total for Programme 7.4	98,871	105,672

Table 7.1: Budgeted Expenses and Resources for Outcome 7 (continued)

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 7.5: Health Infrastructure¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	62,076	26,418
Special Accounts		
Health and Hospitals Fund Health Portfolio Special Account ^{5, 6}	719,802	315,944
Departmental expenses		
Departmental appropriation ³	9,192	8,508
Expenses not requiring appropriation in the budget year ⁴	435	214
Total for Programme 7.5	791,505	351,084
Programme 7.6: Blood and Organ Donation¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	18,058	16,364
Special appropriations		
National Health Act 1953 - blood fractionation, products and blood related products - to National Blood Authority	535,345	721,297
Departmental expenses		
Departmental appropriation ³	4,982	4,249
Expenses not requiring appropriation in the budget year ⁴	232	114
Total for Programme 7.6	558,617	742,024
Programme 7.7: Regulatory Policy		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	105	270
Departmental expenses		
Departmental appropriation ³	31,509	25,778
to Special Accounts	(17,484)	(15,206)
Expenses not requiring appropriation in the budget year ⁴	612	301
Special Accounts		
OGTR Special Account ⁷	7,981	7,906
NICNAS Special Account ⁸	13,267	19,620
TGA Special Account ⁹	149,392	140,921
Expense adjustment ¹⁰	(8,521)	(6,920)
Total for Programme 7.7	176,861	172,670

Table 7.1: Budgeted Expenses and Resources for Outcome 7 (continued)

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Outcome 7 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	340,438	296,080
Non cash expenses ²	18,309	18,309
Special Accounts	719,802	325,944
Special appropriations	535,345	721,297
Departmental expenses		
Departmental appropriation ³	85,457	75,227
to Special Accounts	(17,484)	(15,206)
Expenses not requiring appropriation in the budget year ⁴	3,017	1,486
Special Accounts	162,119	161,527
Total expenses for Outcome 7	1,847,003	1,584,664
Average staffing level (number)	2014-15 1,134	2015-16 1,142

- 1 This programme includes National Partnerships paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations 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 1.9 of the Treasury's 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 (s74)".
- 4 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, makegood 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 programme 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 August 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

Programme Objectives

Redevelop and operate a national shared eHealth record system

The report from the Review of the Personally Controlled Electronic Health Record, released in May 2014, made recommendations aimed at improving the operation of the system and increasing use by healthcare providers and individuals. In 2015-16, the Government will work with stakeholders to implement key recommendations from the review including: usability improvements; renaming the system as *My Health Record*; revised incentives; and education and training for healthcare providers. The Government will also commence trials of new participation arrangements, including an opt-out system recommended by the review, to inform future strategies for increasing uptake and meaningful use of the *My Health Record*.

Provide national eHealth leadership

The Australian Government will continue to lead the national roll out of eHealth technology and services, and work with the States and Territories to support eHealth foundations, and finalise a national eHealth strategy. This strategy will identify the priorities for future Commonwealth and jurisdictional investment in eHealth.

In 2015-16, an Implementation Taskforce will be established to oversee and manage the transition of governance arrangements and eHealth operations from the National eHealth Transition Authority and the Department of Health to the Australian Commission for eHealth. This Commission will assume responsibility for the governance, operation and ongoing delivery of all eHealth across Australia, including the *My Health Record* from 1 July 2016.

In 2015-16, the Practice Incentives Programme (PIP) eHealth Incentive will be reviewed with the aim of encouraging general practices to contribute to and use the *My Health Record* system to improve clinical decision-making and the continuity of care for their patients.

Programme 7.1 is linked as follows:

- This Programme includes National Partnership payments for:
 - *Tasmanian electronic patient information sharing.*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Health Programme 1.2) to support operation of the *My Health Record*.
- The Department of Industry and Science (Business and Market Development – Programme 3.2) to expedite clinical trial reform in Australia.

Programme 7.1: Expenses

Table 7.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	135,221	135,981	129,963	120,944	5,062
Non cash expenses ¹	18,309	18,309	18,308	-	-
Programme support	23,127	20,829	10,515	10,577	10,830
Total Programme 7.1 expenses	176,657	175,119	158,786	131,521	15,892

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

Programme 7.1: Deliverables

Qualitative Deliverables for Programme 7.1

Redevelop and operate a national shared eHealth record system

Qualitative Deliverables	2015-16 Reference Point or Target
Good practice principles and methods are applied to the operation and support of the <i>My Health Record</i> system.	The <i>My Health Record</i> system operations and practices are regularly reviewed to improve performance and usability.
Trials of new participation arrangements are undertaken, including for an opt-out system.	Trials to commence in 2016.

Provide national eHealth leadership

Qualitative Deliverable	2015-16 Reference Point or Target
New eHealth governance arrangements are implemented, including establishment of the Australian Commission for eHealth.	The Commission is operational from 1 July 2016.

Programme 7.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 7.1

Redevelop and operate a national shared eHealth record system

Qualitative Indicator	2015-16 Reference Point or Target
Participation trial findings inform future planning to increase participation in, and meaningful use of, the <i>My Health Record</i> .	Trials to commence in 2016.

Quantitative Key Performance Indicators for Programme 7.1**Redevelop and operate a national shared eHealth record system**

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
System availability	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	N/A ¹

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.

The Department will work to ensure that relevant Australian Government priorities are reflected in the activities of the COAG Health Council.

Support the Australian Government with informed policy advice and facilitate engagement with the health sector

The Australian Government recognises the important role national peak and advisory bodies in the health sector play in informing and supporting the achievement of positive health outcomes. In 2015-16, the Australian Government will continue to support and engage with national peak and advisory bodies to inform the development of policies and programmes that contribute to the Australian Government's health agenda. This will be done through effective consultation and information sharing between members, the wider health community and the Government; and the provision of well-informed and impartial advice.

¹ The Government has agreed to continue and improve the operation of eHealth records for three years, ending 30 June 2018.

Programme 7.2: Expenses

Table 7.3: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	27,914	22,176	21,136	20,587	21,593
Programme support	1,653	1,495	1,363	1,360	1,381
Total Programme 7.2 expenses	29,567	23,671	22,499	21,947	22,974

Programme 7.2: Deliverables

Qualitative Deliverables for Programme 7.2

Provide support to the COAG Health Council and AHMAC

Qualitative Deliverable	2015-16 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 COAG Health Council.

Support the Australian Government with informed policy advice and facilitate engagement with the health sector

Qualitative Deliverable	2015-16 Reference Point or Target
Advice obtained from national peak and advisory bodies informs policy and programme development.	Negotiation and execution of appropriate funding agreements with a range of national peak and advisory bodies to be completed by 31 December 2015.

Programme 7.3: International Policy Engagement

Programme Objectives

Facilitate international engagement on global health issues

The Department will continue to pursue Australia's global health interests through multilateral engagements and country-to-country partnerships. The Health portfolio maintains lead responsibility in Australia's relationship with the World Health Organization (WHO). In 2015-16, together with fellow Member States, Australia will focus on: continuing the process to reform the WHO; strengthening the WHO's ability to respond to global health security threats (including through preparedness and surveillance activities); building resilient health systems; the prevention and treatment of malaria, tuberculosis and HIV/AIDS; and non-communicable disease prevention and control (including tobacco control).

In 2015-16, the Department will look to further strengthen the Organisation for Economic Co-operation and Development's (OECD) health stream of work, particularly in regard to comparative data and information on health systems including: quality of health care; measuring outcomes; achieving value for money in health spending; and health system financing.

The Department will also lead Australia's efforts to ensure the region has a strategic approach to managing health challenges, by actively participating in the development of regional health architecture, and engagement on regional health priorities with the East Asia Summit and the Asia-Pacific Economic Cooperation (APEC) Health Working Group.

Additionally, the Department will influence international regulatory policy in relation to therapeutic goods through continued participation in fora such as the International Coalition of Medicines Regulatory Authorities and the International Medical Devices Regulators' Forum.²

Bilaterally, the Department will continue to partner with the Department of Foreign Affairs and Trade (DFAT) in promoting regional and global strategic interests as they relate to health.

Programme 7.3: Expenses

Table 7.4: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	14,912	14,412	14,412	14,412	14,412
Programme support	13	12	11	11	11
Total Programme 7.3 expenses	14,925	14,424	14,423	14,423	14,423

² Refer to Programme 7.7 in this chapter for more information about the Therapeutic Goods Administration.

Programme 7.3: Deliverables

Quantitative Deliverables for Programme 7.3

Facilitate international engagement on global health issues

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of international health delegation visits facilitated by the Department. ³	20-25	15-20	15-20	15-20	15-20

Programme 7.3: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 7.3

Facilitate international engagement on global health issues

Qualitative Indicator	2015-16 Reference Point or Target
Australia's interests secured at relevant meetings of key international health bodies and organisations. ⁴	Departmental representatives will have actively engaged in meetings of the WHO governing bodies, OECD Health Committee, APEC Health Working Group and other international fora.

Programme 7.4: Research Capacity and Quality

Programme Objectives

Improve research capacity

The capital-preserved \$20 billion Medical Research Future Fund (MRFF) will provide a sustainable source of funding for vital medical research over the medium to longer term, support the sustainability of the health system into the future, and drive further medical innovation. Discoveries in medical research and important medical innovations will continue to contribute to improving the health and wellbeing of Australians. The first distribution from the MRFF will be made in 2015-16, following the passage of legislation.

Medical research is vital for the future of the Australian health system, and the Australian economy. The MRFF will inform strategies to address the challenges facing our health services and to deliver high quality health care into the future.

³ The number of international health delegation visits has been revised down from the 2014-15 *Portfolio Budget Statements* as it is expected that fewer visits will be facilitated now that policy for aged care and population ageing and some Indigenous health programmes have moved to other portfolios under Machinery of Government changes.

⁴ The 2014-15 Key Performance Indicator relating to the WHO Executive Board has been removed as the Department is no longer a member.

The MRFF may lead to the discovery and development of new medicines and technologies. It will encourage innovation in research and in business.

Medical research 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 of over 100 per cent. Expenditure from the MRFF will add to the research funding allocated by the National Health and Medical Research Council (NHMRC).⁵

Clinical trials are a critical element of translating research into better care. The Department is working with key stakeholders (including the NHMRC, the Department of Industry and Science, and State and Territory Health Departments) to implement a range of strategies to make Australia more competitive in this arena.

The recommendations of the *Strategic Review of Health and Medical Research – Better Health Through Research* (McKeon Review released in April 2013) are continuing to inform future policy directions.

Monitor the use of diagnostics, therapeutics and pathology

Through the Quality Use of Diagnostics, Therapeutics and Pathology Fund, the Government currently 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 (PBS) and the Medicare Benefits Schedule. The fund also supports the National Return and Disposal of Unwanted Medicines Programme (NatRUM) to collect consumers' expired and unwanted medicines and help avoid accidental childhood poisoning and medication misuse.

The Government has extended the services of NPS MedicineWise and NatRUM for a period of three years, with key focus areas of supporting health professionals and consumers to reduce inappropriate care by choosing medical treatments and procedures wisely, continuing to support the appropriate prescribing and use of antibiotics to reduce antimicrobial resistance, and providing a safe and environmentally-friendly service for the disposal of unwanted medicines through community pharmacies.

Improve safety and quality in health care

In 2015-16, the Department, with States and Territories, will provide policy direction and funding to the Australian Commission on Safety and Quality in Health Care (ACSQHC)⁶ to continue its work strengthening safety and quality across the health system to reduce patient risks and generate efficiencies. In 2015-16, the Australian Government will examine healthcare variation in specific

⁵ For further information on the work of the NHMRC, refer to the NHMRC chapter in these Portfolio Budget Statements.

⁶ For further information on the work of the ACSQHC, refer to the ACSQHC chapter in these Portfolio Budget Statements.

clinical areas to determine to what degree it may be unwarranted and what might be done to promote more appropriate care.

Programme 7.4 is linked as follows:

- This Programme includes National Partnership payments for:
 - *Vaccine-preventable diseases surveillance*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

Programme 7.4: Expenses

Table 7.5: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	82,152	80,459	70,176	68,407	66,358
Special Account expenses					
Medical Research Future Fund	-	10,000	53,232	130,340	224,258
Programme support	16,719	15,213	13,961	13,933	14,129
Total Programme 7.4 expenses	98,871	105,672	137,369	212,680	304,745

Programme 7.4: Deliverables

Qualitative Deliverables for Programme 7.4

Improve research capacity

Qualitative Deliverable	2015-16 Reference Point or Target
Stakeholders are engaged in developing strategies to improve clinical trials processes.	Agreement reached by jurisdictions on strategies to improve clinical trials processes.

Monitor the use of diagnostics, therapeutics and pathology

Qualitative Deliverable	2015-16 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 provide funding for the provision of quality use of medicines information to be available in a variety of formats throughout the year, designed to support clinicians and consumers.

Improve safety and quality in health care

Qualitative Deliverable	2015-16 Reference Point or Target
Relevant evidence-based resources are available to help reduce unwarranted healthcare variation by changing clinical practice.	Tools are available to consumers, clinicians and health services to promote adoption of clinical best practice.

Programme 7.4: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 7.4

Improve research capacity

Qualitative Indicators	2015-16 Reference Point or Target
Clinical trials reform continues to deliver improved processes and drive further investment.	Adoption of national metrics system by all jurisdictions as a mechanism for quality improvement.
Investment in medical research supports sustainability for the health system and drives innovation.	Strategic investment of total available funding in 2015-16.

Improve safety and quality in health care

Qualitative Indicator	2015-16 Reference Point or Target
Identification of potential unwarranted healthcare variation.	Agreement with relevant stakeholders on unwarranted healthcare variation for further investigation.

Programme 7.5: Health Infrastructure

Programme Objectives

Improve primary health care infrastructure

The Government will provide Rural and Regional Teaching Infrastructure Grants to enable regional and rural GP practices to extend or renovate existing premises to provide additional space for supervision, teaching and training. This will enable the GP practices to engage medical students and supervising GP registrars.

Invest in other major health infrastructure

Construction will continue on projects funded under the Health and Hospitals Fund (HHF). The Department will actively monitor the progress of all projects, especially those nearing completion. It is expected that 52 projects will be completed in 2015-16.

Australia has a world class cancer care and research system. The Department will continue to monitor the progress of cancer infrastructure projects across the country, which once complete, will significantly enhance existing care and research

capacity. This will include the Victorian Comprehensive Cancer Centre in Melbourne, and the important regional cancer centre projects that 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 rounds.*

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

For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

Programme 7.5: Expenses

Table 7.6: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	62,076	26,418	11,054	7,017	7,115
Special Account expenses					
Health and Hospital Fund					
Health Portfolio ^{1,2}	719,802	315,944	129,089	33,987	-
Programme support	9,627	8,722	7,922	7,906	8,024
Total Programme 7.5 expenses	791,505	351,084	148,065	48,910	15,139

- 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 August 2015.

Programme 7.5: Deliverables

Qualitative Deliverables for Programme 7.5

Invest in other major health infrastructure

Qualitative Deliverable	2015-16 Reference Point or Target
Funding arrangements in place for all successful projects under the 2010 and 2011 Regional Priority Round of HHF grants.	Remaining six funding agreements signed by 31 December 2015.

Programme 7.5: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 7.5

Improve primary health care infrastructure

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of grants to support the provision of additional space for teaching and training to strengthen the rural workforce.	100	75	N/A ⁷	N/A	N/A

Qualitative Key Performance Indicators for Programme 7.5

Invest in other major health infrastructure

Qualitative Indicator	2015-16 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.

Programme 7.6: Blood and Organ Donation

Programme Objectives

Improve Australians' access to organ and tissue transplants

The Government will support a national approach by continuing to work with other Commonwealth entities, States and Territories to coordinate, monitor and increase organ and tissue donation for transplantation and to improve Australians' access to life-saving and life-transforming transplants. In the 2015-16 Budget, funding will be provided for two years, from 1 July 2015, to accelerate growth in organ and tissue donation for transplantation.

In 2015-16, as part of this initiative, the Government will provide further funding to support living organ donors through the Supporting Leave for Living Organ Donors Programme. This programme will continue efforts to reduce the financial stress that can be experienced by people who take leave from work to undergo organ donation surgery.

To provide patients in need of life-saving stem cell transplants with the best possible chance of finding a stem cell match, the Government will support the Australian Bone Marrow Donor Registry and the National Cord Blood Collection Network (Network). In 2015-16, the Government will consider the findings of a

⁷ No new activities will commence in 2016-17, however funding will continue to be available for activities commenced in previous years.

review of the Network Clinical Services Plan and work with the States, Territories and the Network to further assess its structure.

The 2015-16 Budget will consolidate the International Searches Programme and the Bone Marrow Transplant Programme into a single Haemopoietic Progenitor Cell Programme, to provide a seamless and more efficient process for patients and clinicians.

Support access to blood and blood products

In 2015-16, the Government will work with States and Territories under the National Blood Agreement to fund, in the ratio of 63 per cent for the Commonwealth and 37 per cent for the States and Territories, the supply of blood and a range of essential blood products to meet Australia's clinical need, and as much as is possible to ensure that their use is efficient, effective, and evidence-based.

The Government will also work with States and Territories to further reduce avoidable inventory wastage and variations in transfusion practice, and support the strengthening of clinical access arrangements for a range of funded products, particularly immunoglobulins.

Programme 7.6 is linked as follows:

- This Programme includes National Partnership payments for:
 - *Hepatitis C settlement fund.*

National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 of the Treasury's Portfolio Budget Statements.

- The Department of Human Services (Services to the Community – Health Programme 1.2) to administer the Australian Organ Donor Register.

Programme 7.6: Expenses

Table 7.7: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	18,058	16,364	17,363	17,756	18,949
Special appropriations					
<i>National Health Act 1953 -</i>					
Blood fractionation, products					
and blood related products -					
to National Blood Authority	535,345	721,297	781,772	833,954	890,500
Programme support	5,214	4,363	3,824	3,815	3,877
Total Programme 7.6 expenses	558,617	742,024	802,959	855,525	913,326

Programme 7.6: Deliverables

Qualitative Deliverables for Programme 7.6

Improve Australians' access to organ and tissue transplants

Qualitative Deliverable	2015-16 Reference Point or Target
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

Qualitative Deliverable	2015-16 Reference Point or Target
Effective planning of the annual blood supply through the National Supply Plan and Budget.	Implementation of the 2015-16 National Supply Plan and Budget that was agreed by all Health Ministers in 2014-15.

Quantitative Deliverables for Programme 7.6

Improve Australians' access to organ and tissue transplants

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target ⁸	2016-17 Forward Year 1	2017-18 Forward Year 2 ⁹	2018-19 Forward Year 3
Number of banked cord blood units:					
• Total	2,379	1,600	1,600	N/A	N/A
• Indigenous	129	50	50	N/A	N/A

⁸ Revised targets for 2015-16 and 2016-17 as proposed to Health Ministers following a review concluded late 2014. Targets have been reduced as they are now for 'banked and searchable' cord blood units, rather than 'banked', which requires the units to have been tissue typed and to have met all regulatory requirements, and therefore to be available for use by patients.

⁹ Targets for forward years two and three to be determined by Health Ministers after a follow up analysis of the Network scheduled for 2015-16.

Programme 7.6: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 7.6

Improve Australians' access to organ and tissue transplants

Qualitative Indicator	2015-16 Reference Point or Target
Support provided to the Australian Bone Marrow Donor Registry to search for (and transport) matched donors and stem cells internationally, when a domestic match is unavailable for transplant.	Funding is provided to meet the Commonwealth's agreement with the Australian Bone Marrow Donor Registry.

Support access to blood and blood products

Qualitative Indicator	2015-16 Reference Point or Target
The supply of blood and essential blood products are effectively supported in order to meet Australia's clinical need.	Funding is provided to meet the Commonwealth's contribution under the National Blood Agreement.

Programme 7.7: Regulatory Policy

In 2015-16, the Department will continue to provide direction and national leadership in regulatory policy across the Health Portfolio, including in gene technology, and to maintain and improve the therapeutic goods and industrial chemicals regulatory frameworks.

The Health portfolio has a focus on best-practice regulation, which involves effective engagement with risk, and the use of proportionate and appropriate regulatory levers to achieve the desired behavioural outcomes. This is achieved through the review of regulatory frameworks and legislation, through the assessment of policy settings over time, and drawing on the experiences of other jurisdictions, including internationally. Risk is identified and managed, including with appropriate protections for health and safety, and without imposing unnecessary 'red tape' on the end user, whether they be businesses or individuals.

The regulatory performance of the Department, its statutory agencies and traditional regulators will be reflected in Deregulation Annual Reports under the Deregulation Agenda and through the Regulator Performance Framework which applies to all Commonwealth Regulators.

Programme 7.7: Expenses

Table 7.8: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	105	270	272	272	284
Programme support	14,637	10,873	9,815	9,791	9,956
Departmental Special Accounts					
OGTR Special Account ¹	7,981	7,906	9,835	7,092	5,909
NICNAS Special Account ²	13,267	19,620	19,489	13,533	14,085
TGA Special Account ³	149,392	140,921	139,039	137,254	132,094
Expense adjustment ⁴	(8,521)	(6,920)	(5,434)	5,035	11,760
Total Programme 7.7 expenses	176,861	172,670	173,016	172,977	174,088

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

Regulate therapeutic goods for safety, effectiveness/performance and quality

The TGA will continue to provide a world class, efficient and timely regulatory system for therapeutic goods, which effectively involves and engages stakeholders and participants to ensure the safe use of medicines, medical devices, cell and tissue products, blood and blood products.

The TGA will also continue to administer a licencing and permit regime for controlled drugs in line with Australian legislation and international conventions.

Participate in international regulatory convergence and work sharing

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

This work also includes identifying opportunities for Australia to respond effectively to global trends in the development, manufacture, marketing and regulation of therapeutic goods.

Continue the quality improvement and regulatory reform process

In 2015-16, the TGA will continue implementation of a comprehensive reform agenda that 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 Department will also continue to identify opportunities and implement actions to reduce 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.

Subject to the Government's response to the Expert Panel Review of Medicines and Medical Devices Regulation, the Department will develop an implementation plan for identified reforms. The review was established to identify areas of unnecessary, duplicative or ineffective regulation that could be removed or streamlined without undermining the safety or quality of therapeutic goods available in Australia.

Deliverables

Qualitative Deliverables for Therapeutic Goods

Regulate therapeutic goods for safety, effectiveness/performance and quality

Qualitative Deliverables	2015-16 Reference Point or Target
Continue to regulate therapeutic goods for safety, effectiveness/performance and quality.	Effective premarket evaluation and post-market monitoring and assessment of therapeutic goods, as required under the <i>Therapeutic Goods Act 1989</i> and associated regulations.
Update and maintain the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP) for medicines.	SUSMP is amended as soon as practicable after the Secretary's delegate's final decision under the <i>Therapeutic Goods Regulations 1990</i> .

Participate in international regulatory convergence and work sharing activities

Qualitative Deliverable	2015-16 Reference Point or Target
Implement international harmonisation and work sharing activities with comparable international regulators.	Enhanced cooperation and work sharing, including increased reliance on medicines evaluation and facilities inspection information from international regulators, as outlined in TGA's <i>International Engagement Strategy 2013-2015</i> .

Continue the quality improvement and regulatory reform process

Qualitative Deliverables	2015-16 Reference Point or Target
Contribute to the Government's deregulation and red tape reduction agenda by identifying and progressing opportunities to reduce red tape.	Opportunities to reduce regulatory and red tape burden are identified and contribute to the Government's \$1 billion per annum regulation reduction target.
Implement reforms that enhance TGA's current regulatory processes and are consistent with the Government's deregulation and red tape reduction agenda.	Begin implementation of the Government's response to the Review of Medicines and Medical Devices Regulation.

Quantitative Deliverables for Therapeutic Goods

Regulate therapeutic goods for safety, effectiveness/performance and quality

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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%

Participate in international regulatory convergence and work sharing activities

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of good manufacturing practice clearances of overseas manufacturers that take into account approvals by equivalent international regulators.	85%	85%	85%	85%	85%

Continue the quality improvement and regulatory reform process

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of reforms implemented to enhance TGA's regulatory processes. ¹⁰	2	9	N/A	N/A	N/A

¹⁰ 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. The reference targets have changed as implementation of a small number of recommendations are on hold pending the consideration of the Expert Panel Review of Medicines and Medical Device Regulation.

Key Performance Indicators

Quantitative Key Performance Indicators for Therapeutic Goods

Regulate therapeutic goods for safety, effectiveness/performance and quality

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of evaluations/assessments completed within legislated timeframes: ¹¹					
a) Applications lodged under prescription medicines registration (Category 1 applications) processed within 255 working days	100%	100%	100%	100%	100%
b) Quality related evaluations of prescription medicines (Category 3 applications) processed within 45 working days					
c) Conformity assessments for medical devices processed within 255 working days.					
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%
Percentage of licensing and surveillance inspections closed out within target timeframes.	85%	85%	85%	85%	85%

¹¹ Further information available at: www.tga.gov.au. Legislated timeframes refers to various timeframes specified in the *Therapeutic Goods Act 1989* and subordinate regulations.

Chemical Safety

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

The Department's Office of Chemical Safety manages the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), which registers introducers of industrial chemicals, assesses industrial chemicals for their risks to human health and the environment, and makes recommendations to applicable regulatory authorities regarding risk mitigation.

In 2015-16, the Department will review the NICNAS Inventory Multi-tiered Assessment and Prioritisation (IMAP) framework. The IMAP framework 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.

The Department's Office of Chemical Safety will also continue to provide human health risk assessment advice and set health standards relating to the regulation of agricultural and veterinary chemicals, and determine the need for chemicals to be considered for inclusion in the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP).

Consistent with the Government's Industry Innovation and Competitiveness Agenda, the Department will commence implementation of reforms to improve the efficiency and effectiveness of the regulation of industrial chemicals, including the increased use of trusted international assessment materials. Consistent with the Government's broader deregulation agenda, 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 and Science (Programme Support – Programme 4) in relation to COAG chemical reforms.
- The Department of the Environment (Management of Hazardous Wastes, Substances and Pollutants – Programme 1.6), the Department of Employment (Safe Work Australia – Programme 1 for reform of and improvements to Australian health work and safety, and worker's compensation arrangements), and the Treasury (Australian Competition and Consumer Commission – Programme 1.1) for managing risks arising from industrial chemicals.
- The Department of Agriculture (Australian Pesticides and Veterinary Medicines Authority – Programme 1.1) to improve harmonisation of regulatory requirements.

Deliverables

Qualitative Deliverables for Chemical Safety

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

Qualitative Deliverables	2015-16 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 Inventory Multi-tiered Assessment and Prioritisation (IMAP) framework.	The IMAP framework will be reviewed to inform future assessment approaches for industrial chemicals already in use.
Contribution to the international harmonisation of regulatory approaches and methodologies for assessing industrial chemicals by reviewing Australian processes.	Regulatory approaches are reviewed and methodologies developed by the OECD Chemicals Committee and its key sub-committees for their application to NICNAS assessments of industrial chemicals.
All introducers of industrial chemicals are aware of their legal obligations.	Identified introducers are registered and provided with 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> .
Update and maintain the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP) for chemical poisons.	SUSMP is amended as soon as practicable after the Secretary's delegate's final decision under the <i>Therapeutic Goods Regulations 1990</i> .

Key Performance Indicators

Qualitative Key Performance Indicators for Chemical Safety

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

Qualitative Indicators	2015-16 Reference Point or Target
Effective use of international information.	In order to better utilise and increase the acceptance of international risk assessment materials, the Office of Chemical Safety will work with trusted overseas regulators to harmonise assessment approaches.
Human health risk assessments for agricultural and veterinary chemicals are performed in a timely manner.	Chemical assessments and public health regulation completed in accordance with the service level agreement between Health and the Australian Pesticides and Veterinary Medicines Authority (APVMA).

Quantitative Key Performance Indicators for Chemical Safety

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

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of new industrial chemical assessments completed within legislated timeframes.	96%	96%	96%	96%	96%
Cumulative percentage of Stage One industrial chemicals ¹² assessed through effective application of IMAP framework.	90%	95%	N/A ¹³	N/A	N/A
Percentage of Level C and D introducers ¹⁴ of industrial chemicals assessed for compliance with their new chemicals obligations under the <i>Industrial Chemicals (Notification and Assessment) Act 1989</i> .	40%	45%	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.

During 2015-16, Office of the Gene Technology Regulator (OGTR) will commence a technical review of the *Gene Technology Regulations 2001* to ensure the level of regulation of activities with GMOs remains commensurate with risk according to current science. Consistent with the Government's deregulation agenda, the review will seek to identify opportunities to decrease regulatory burden for stakeholders while ensuring protection of human health and the environment where it is appropriate to do so.

¹² In July 2012, NICNAS started assessing around 3,000 existing chemicals using the IMAP framework. The chemicals in the first group are identified as 'Stage One Chemicals'.

¹³ Forward Years 1-3 are subject to the outcome of the programme review in 2015-16.

¹⁴ Level C and Level D introducers are those NICNAS registrants introducing at least \$500,000 worth of relevant industrial chemicals annually.

In 2015-16, OGTR will continue to ensure that all risk assessments of GMOs 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 worldwide. OGTR will also engage in bilateral arrangements with other Australian Government regulators to enhance the reciprocal provision of advice on applications to support timely, efficient and comprehensive assessment of GMOs and genetically modified products. OGTR will work with the Department of Agriculture to improve harmonisation of regulatory requirements for containment facilities. OGTR will also engage in international harmonisation activities including collaborations in the region.

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	2015-16 Reference Point or Target
Commence technical review of the <i>Gene Technology Regulations 2001</i> .	Review undertaken in consultation with relevant stakeholders.
Provide open, effective and transparent regulation of GMOs.	Risk assessments and risk management plans prepared for 100% of applications for licensed dealings and made publicly available. 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. ¹⁵

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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of field trial sites and higher level containment facilities inspected.	≥20%	≥20%	≥20%	≥20%	≥20%

¹⁵ Available at: 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	2015-16 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. 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.	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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of licence decisions made within statutory timeframes.	100%	100%	100%	100%	100%

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.

In 2015-16, the Government is addressing the most significant workforce challenge, distribution, by better targeting and refocussing our investments in workforce support.

The return on the Commonwealth's ongoing investment in Australia's health workforce will be increased by better integrating programmes to further support the medical training pathway and address identified imbalances. A new classification system will be introduced to provide a more accurate assessment tool for determining eligibility for rural health workforce incentives. The new system will be applied to the redesigned General Practice Rural Incentives Programme to encourage doctors to practice in small rural and remote communities, where they are most needed. It will also be applied to the redesigned Dental Relocation Incentives Support Scheme to better target support for dentists to relocate to rural and remote areas where they are most needed.

The Government will continue to support health workforce training through scholarships. The current range of medical, nursing and allied health scholarships within the Health portfolio will be streamlined to increase consistency and fairness, reduce costs and administrative overheads and improve agility to respond to changes in supply and demand for particular parts of the health workforce.

In 2015-16, the Government will continue to ensure high quality training by working with the GP colleges to streamline accreditation arrangements for GP registrars and supporting 1,500 commencing GP trainees each year under the Australian General Practice Training Program, with at least 50 per cent of all GP training occurring in rural and regional areas. Available places will continue to increase, as the Government works in partnership with business and the medical profession to reduce training costs and red tape.

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 8.1: Workforce and Rural Distribution		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,181,386	1,101,931
Departmental expenses		
Departmental appropriation ¹	35,158	34,525
Expenses not requiring appropriation in the budget year ²	1,691	833
Total for Programme 8.1	1,218,235	1,137,289
Programme 8.2: Workforce Development and Innovation		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	169,980	216,710
Departmental expenses		
Departmental appropriation ¹	9,006	7,445
Expenses not requiring appropriation in the budget year ²	431	212
Total for Programme 8.2	179,417	224,367
Outcome 8 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	1,351,366	1,318,641
Departmental expenses		
Departmental appropriation ¹	44,164	41,970
Expenses not requiring appropriation in the budget year ²	2,122	1,045
Total expenses for Outcome 8	1,397,652	1,361,656
	2014-15	2015-16
Average staffing level (number)	232	257

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

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

Programme 8.1: Workforce and Rural Distribution

Programme Objectives

Increase the effectiveness of medical training and education

The Australian Government recognises that investment in medical training and education underpins the delivery of sustainable health care services for all Australians.

The Government is maintaining its support of 1,500 commencing GP trainees every year from 2015, an increase of 300 from 2014. The Government is working to increase the effectiveness of this investment by freeing up resources currently supporting unnecessary administration and bureaucracy, and working with employers to develop innovative approaches to grow the future GP workforce. The Government will continue to work with the GP colleges to facilitate a profession-led GP training system which maintains and improves Australia's high standards of GP training.

In 2015, the Commonwealth Medical Internships Programme continues to increase medical training capacity in regional Australia and private hospitals, as well as retaining Australian trained medical graduates to work in Australia. The Department will also contribute to the national independent review of medical internship training commissioned by the COAG Health Council. The review aims to consider potential reforms to support medical graduate transition into practice and further training, ensuring that the workforce continues to be well trained and equipped to meet the health needs of the Australian population.

Funding for training positions in private hospitals will transfer from the Veterans' Affairs portfolio to the Health portfolio. This will provide the potential for greater integration with existing medical training programmes and the ability to link future investment priorities with the work of the National Medical Training Advisory Network.

Redesign the supply of, and support for, health professionals in rural, regional and remote Australia

The Australian Government makes a significant investment in rural health education and training strategies to increase the availability of health services in rural, regional and remote communities.

In 2015-16, the General Practice Rural Incentives Programme will be redeveloped to better support delivery of medical services in rural and remote communities. Financial support will be targeted to doctors practicing in areas that experience the greatest difficulty in attracting and retaining doctors.

From 1 July 2016, a streamlined Health Workforce Scholarship Programme will ensure increased flexibility to meet changes in supply and demand for particular professionals and areas of practice. Priority areas will be reviewed annually, informed by national workforce planning activities, resulting in better targeting of scholarships to those professions and areas of practice most in need, and better supporting a rural and remote workforce.

The Government continues to support the Rural Health Multidisciplinary Training Programme, with its 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 rural training network will be streamlined and enhanced through a consultation process to reform these initiatives during 2015, with implementation from 2016. Key rural training targets will be retained, but participating universities will have more flexibility to structure their delivery of activities to respond to regional needs, while reducing red tape.

Under the Practice Nurse Incentive Programme, the Government also continues to support an expanded and enhanced role for nurses working in general practice.

Programme 8.1 is linked as follows:

- The Department of Human Services (Services to the Community – Health Programme 1.1) for administering the General Practice Rural Incentives Programme, 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) for the Practice Nurse Incentive Programme.

Programme 8.1: Expenses

Table 8.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	1,181,386	1,101,931	1,099,155	1,113,286	1,096,979
Programme support	36,849	35,358	32,420	31,498	31,954
Total Programme 8.1 expenses	1,218,235	1,137,289	1,131,575	1,144,784	1,128,933

Programme 8.1: Deliverables

Qualitative Deliverables for Programme 8.1

Redesign the supply of, and support for, health professionals in rural, regional and remote Australia

Qualitative Deliverable	2015-16 Reference Point or Target
Consolidate Health portfolio scholarships into a streamlined Health Workforce Scholarship Programme.	Conduct open tender process to identify a provider to administer the Health Workforce Scholarship Programme, to be completed by 31 March 2016.

Quantitative Deliverables for Programme 8.1

Increase the effectiveness of medical training and education

Quantitative Deliverables ¹	Academic Year 2014 Revised Budget	Academic Year 2015 Target	Academic Year 2016	Academic Year 2017	Academic Year 2018
Number of commencing GP trainees funded through the Australian General Practice Training Program.	1,192	1,500	1,500	1,500	1,500
Number of training positions funded through the Specialist Training Program.	900	900	900	900	900
Number of medical internship positions funded through the Commonwealth Medical Internships Programme.	76	84	≤100	≤100	≤100

Redesign the supply of, and support for, health professionals in rural, regional and remote Australia

Quantitative Deliverables ²	Academic Year 2014 Revised Budget	Academic Year 2015 Target	Academic Year 2016	Academic Year 2017	Academic Year 2018
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 weeks of rural multidisciplinary placements supported through the Rural Health Multidisciplinary Training Programme.	17,250	18,113	19,018	19,969	20,967

¹ Placements are allocated on an academic year basis.

² Placements are allocated on an academic year basis.

Programme 8.1: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 8.1

Redesign the supply of, and support for, health professionals in rural, regional and remote Australia

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of practices supported through the Practice Nurse Incentive Programme.	4,100	4,100	4,100	4,100	4,100
Number of doctors supported by the General Practice Rural Incentives Programme in rural and remote areas.	6,500	6,500	6,500	6,500	6,500

Programme 8.2: Workforce Development and Innovation

Programme Objectives

Develop the workforce through clinical training

The Australian Government is continuing its investment in developing a more efficient and sustainable workforce to support the delivery of health services for all Australians.

The Department works with key stakeholders to develop and deliver a range of programmes that build a well-qualified workforce to meet the needs of the Australian community. This includes: Clinical Training Funding (CTF); Integrated Regional Clinical Training Networks; Simulated Learning Environments; and Clinical Supervision Support Programmes. The Clinical Training Reform Programme supports the delivery of clinical training; increases clinical training capacity using simulation as an education technique; builds an evidence base to embed simulation into accredited programmes of study; and provides access to clinical training resources and trained educators.

Improve the distribution of the dental workforce

The Australian Government is committed to improving the distribution of dental services for all Australians.

Recently published workforce planning projections indicate that while there is an oversupply of dentists, there continues to be maldistribution of this workforce in non-metropolitan areas. The Government will continue to support the Dental Relocation and Infrastructure Support Scheme which encourages dentists to work in regional and remote communities of Australia, through the provision of relocation and infrastructure grants.

The Government will cease the Voluntary Dental Graduate Year Programme and the Oral Health Therapist Graduate Year Programme at the end of the current placements in December 2015. Graduate placements were intended to be directed towards areas of need, however less than 5 per cent occurred in remote and very remote regions, and the overwhelming majority of placements were in the public sector, duplicating the efforts of State and Territory Governments.

Programme 8.2: Expenses

Table 8.3: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	169,980	216,710	194,169	196,682	199,253
Programme support	9,437	7,657	6,877	6,966	7,082
Total Programme 8.2 expenses	179,417	224,367	201,046	203,648	206,335

Programme 8.2: Deliverables

Qualitative Deliverables for Programme 8.2

Improve the distribution of the dental workforce

Qualitative Deliverable	2015-16 Reference Point or Target
Redesign of the Dental Relocation Infrastructure Support Scheme to better match demand, and align with the new Modified Monash Model classification system. ³	New programme guidelines developed in consultation with stakeholders.

³ The Modified Monash Model is a new classification system that better categorises metropolitan, rural, regional and remote areas according to both geographical remoteness and town size.

Programme 8.2: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 8.2

Develop the workforce through clinical training

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
The number of universities providing students with clinical training placements in priority settings.	38	38	38	38	38

Improve the distribution of the dental workforce

Quantitative Indicators ⁴	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.	50	50	N/A ⁵	N/A	N/A
Number of oral health therapist graduates participating in the Oral Health Therapist Graduate Year Programme.	50	50	N/A ⁶	N/A	N/A

⁴ Placements are allocated on an academic year basis.

⁵ Targets for this Key Performance Indicator have been revised to reflect a Government decision to cease the Voluntary Dental Graduate Year Programme at the end of the current placements in December 2015.

⁶ Targets for this Key Performance Indicator have been revised to reflect a Government decision to cease the Oral Health Therapist Graduate Year Programme at the end of the current placements in December 2015.

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 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.

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 across Australian Government entities, 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.

Outcome 9 is the responsibility of the Office of Health Protection.

Programme 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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 9.1: Health Emergency Planning and Response¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	npf	npf
Special Accounts		
Human Pituitary Hormones	160	160
Non cash expenses – write down of assets ²	3,228	101,656
Departmental expenses		
Departmental appropriation ³	23,655	21,874
Expenses not requiring appropriation in the budget year ⁴	1,237	627
Total for Programme 9.1	28,280	124,317
Outcome 9 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	npf	npf
Special Accounts	160	160
Non cash expenses - write down of assets ²	3,228	101,656
Departmental expenses		
Departmental appropriation ³	23,655	21,874
Expenses not requiring appropriation in the budget year ⁴	1,237	627
Total expenses for Outcome 9	28,280	124,317
	2014-15	2015-16
Average staffing level (number)	121	121

1 This programme includes National Partnerships paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations 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 1.9 of the Treasury's 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 (s74)".

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

Programme 9.1: Health Emergency Planning and Response

Programme Objectives

Provide a comprehensive and effective response to a national health emergency

The Department will continue to work with the relevant Commonwealth entities and States and Territories to plan, prepare for, and provide, a coordinated, comprehensive and effective response to public health or mass casualty incidents of national significance. The Department's contribution to this work will be managed through the Australian Government Crisis Management Framework, and the Australian Health Protection Principal Committee of the Australian Health Ministers' Advisory Council.

Since the time of the Bali bombings, the Australian Government has demonstrated a long standing commitment to investing in activities and assets that ensure Australia is well placed to respond to large scale emergencies and disasters. Funding of \$63.5 million over four years will be provided for the Critical Care and Trauma Response Centre at the Royal Darwin Hospital.

Replenishment and reform of the National Medical Stockpile

The Australian Government will continue to ensure that the National Medical Stockpile holds a contingency reserve of essential pharmaceuticals and protective equipment to maintain Australia's capacity to respond to health emergencies. Funding of \$34.2 million over two years from 2015-16 will support the replenishment of expired or expiring stock.

Reform activities to improve the efficiency and effectiveness of the operation and management of the National Medical Stockpile will continue. Engagement of a Prime Vendor, negotiation of a National Stockpiling Agreement with the States and Territories, and pre-deployment of inventory will occur over 2015-16.

Improve biosecurity and minimise the risks posed by communicable diseases

In 2015-16, the Government will continue to administer the Security Sensitive Biological Agent Regulatory Scheme to minimise the risk of access to biological agents that could be used in acts of terrorism or biocrime.

The Government will continue to strengthen national laboratory capacity through funding support of \$5.9 million over 2015-16 to the World Health Collaborating Centre for Reference and Research on Influenza, the National High Security Quarantine and Smallpox Laboratory, and the Proficiency Testing Program for biological agents of security concern by the Royal College of Pathology Australia.

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 2015-16, this will include working closely with the Department of Agriculture on vector monitoring, and on planning the implementation of the *Biosecurity Bill 2014*. In addition, 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.

The Department will continue to maintain the National Notifiable Diseases Surveillance System. Under this system, notifications of more than 50 communicable diseases are made to State and Territory health authorities to ensure effective surveillance of communicable diseases.

In 2015-16, the Department will also continue to maintain surveillance systems for seasonal and pandemic influenza to ensure national surveillance capacity is strengthened.

The Australian Government is providing national and international leadership to help prevent and contain the spread of antimicrobial resistance (AMR). In 2015-16, the National AMR Implementation Plan will be developed, in consultation with States and Territories and industry to support the National AMR Strategy. The Government will also continue to fund the Australian Commission on Safety and Quality in Health Care (ACSQHC)¹ to establish national surveillance of AMR and antibiotic usage.

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;*
 - *Continuation of mosquito control and cross border liaison in the Torres Strait; and*
 - *Continuation of contribution towards the cost of treating PNG nationals at Queensland Health facilities.*

National Partnership payments are paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. For Budget estimates relating to the National Partnership component of the programme, refer to Budget Paper No. 3 or Programme 1.9 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.
- The Department of Agriculture (Biosecurity and Export Services – Programme 2.1) for the human health aspects of biosecurity.

¹ For further information on the work of the ACSQHC, refer to the ACSQHC chapter in these Portfolio Budget Statements.

Programme 9.1: Expenses

Table 9.2: Programme Expenses

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	npf	npf	npf	npf	npf
Special Accounts					
Human Pituitary Hormones	160	160	160	170	170
Non cash expenses ¹	3,228	101,656	17,577	28,276	20,796
Programme support	24,892	22,501	20,546	20,502	20,808
Total Programme 9.1 expenses	28,280	124,317	38,283	48,948	41,774

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

Provide a comprehensive and effective response to a national health emergency

Qualitative Deliverable	2015-16 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 and minimise the risks posed by communicable diseases

Qualitative Deliverables	2015-16 Reference Point or Target
Collect and disseminate data in the National Notifiable Diseases Surveillance System and monitor data quality in accordance with the <i>National Health Security Act 2007</i> .	Data is collected and available for regular reporting by the Commonwealth and ad hoc requests by stakeholders, including publishing in the Department's journal <i>Communicable Diseases Intelligence</i> .
Manage and control exotic mosquito populations to reduce the risk of disease transmission in the Torres Strait and mainland Australia.	Regular mosquito surveillance to indicate whether the mosquito population has reduced in the target areas in the Torres Strait and not spread to the mainland.
Commence implementation of actions under the National Antimicrobial Resistance (AMR) Strategy.	National AMR Implementation Plan is developed by 30 June 2016.

Programme 9.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 9.1

Provide a comprehensive and effective response to a national health emergency

Qualitative Indicator	2015-16 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 and minimise the risks posed by communicable diseases

Qualitative Indicator	2015-16 Reference Point or Target
The development and spread of antimicrobial resistance (AMR) is minimised.	Progress reports indicate that actions to minimise the development and spread of AMR are being implemented in accordance with the National AMR Implementation Plan.

Quantitative Key Performance Indicators for Programme 9.1

Improve biosecurity and minimise the risks posed by communicable diseases

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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.

The Department will work closely with States and Territories, the Australian Sports Commission (ASC)¹ and national sporting organisations to support and facilitate initiatives which encourage increased participation in sport and physical activity.

The Department will coordinate the Australian Government's involvement in the staging of major international sporting events held in Australia, including the 2015 International Netball Federation (INF) Netball World Cup, the 2017 Rugby League International Federation (RLIF) Rugby League World Cup (co-hosted with New Zealand) and the 2018 Gold Coast 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.

The Government supports the Australian Water Safety Council's goal of reducing drowning deaths by 50 per cent by 2020. In 2015-16, the Department will continue to work with Australia's leading water safety organisations to deliver a range of water safety programmes and activities aimed at reducing drowning injuries and deaths around Australia.

The Government is committed to playing a strong role in protecting the integrity of Australian sport. In 2015-16, the Department will continue working with stakeholders across governments, law enforcement, sporting bodies, betting providers and international counterparts on existing and emerging sport integrity issues. The Department will also support the activities of the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Anti-Doping Agency, consistent with Australia's obligations under the UNESCO International Convention against Doping in Sport.

Outcome 10 is the responsibility of the Office for Sport.

¹ For further information on the work of the ASC, refer to the ASC chapter in these Portfolio Budget Statements.

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

	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 10.1: Sport and Recreation¹		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	47,796	26,948
Special Accounts		
Sport and Recreation Special Account	12,168	378
Departmental expenses		
Departmental appropriation ²	13,308	11,582
Expenses not requiring appropriation in the budget year ³	653	326
Total for Programme 10.1	73,925	39,234
Outcome 10 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	47,796	26,948
Special Accounts	12,168	378
Departmental expenses		
Departmental appropriation ²	13,308	11,582
Expenses not requiring appropriation in the budget year ³	653	326
Total expenses for Outcome 10	73,925	39,234
	2014-15	2015-16
Average staffing level (number)	60	56

- 1 This programme includes National Partnerships paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations 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 1.9 of the Treasury's Portfolio Budget Statements.
- 2 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 3 "Expenses not requiring appropriation in the Budget year" is made up of depreciation expense, amortisation expense, makegood 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.

In 2013-14, 60 per cent of people aged over 15 years reported that they participated in sport and physical recreation, a decline from 65 per cent in 2011-12.² Over 60 per cent of children aged 5 to 14 also participated in sport and recreation.³ The Department will develop and promote policies and strategies to support participation in sport and physical activity. This includes working with the ASC, other Australian Government entities, the States and Territories, academia and other stakeholders to support increased participation in sport for all Australians.

The Department will support the ASC to implement its new participation strategy, *Play. Sport. Australia.* and other initiatives to increase participation in sport (from the community to elite level), improve safety and health outcomes for people involved in sport, and protect the integrity of sport. The Department will also continue to provide support and assistance to national sporting organisations to encourage community-based sporting activity and increase participation.

The Department will provide advice and support the delivery of infrastructure projects which contribute to delivering on the Government's broader objectives around increasing participation in sport, physical activity and recreation.

Support for upcoming major sporting events

The Department will coordinate support for hosting of selected major international sporting events in Australia, including the delivery of the 2015 INF Netball World Cup, and further planning for the 2017 RLIF Rugby League World Cup (co-hosted with New Zealand) and the 2018 Gold Coast Commonwealth Games. This will include supporting detailed planning across Government, in relation to critical operational support required, to ensure the delivery of safe and successful international sporting events that maintain and enhance Australia's reputation as a host of world class major events.

The Department will continue to work with the Queensland Government in relation to the \$156 million contribution to the 2018 Gold Coast Commonwealth Games, to support the development of critical sports infrastructure.

² Australian Bureau of Statistics 2015, *Participation in Sport and Physical Recreation, Australia, 2013-14*, cat. no. 4177.0, ABS, Canberra.

³ Australian Bureau of Statistics 2012, *Children's Participation in Cultural and Leisure Activities, April 2012*, cat. no. 4901.0, ABS, Canberra.

Improve water and snow safety

The Australian Government is committed to reducing the number of water and snow injuries and deaths in Australia. In 2015-16, the Department will provide policy support to leading water and snow safety organisations to improve water and snow safety in Australia, including through implementation of the Government's commitment to reduce drownings. The Department will continue to work with key water safety organisations to deliver a range of initiatives to improve water safety among community groups known to miss out and to tackle the incidence of drowning in identified high risks areas. The Department will also work with key stakeholders to provide funding to surf lifesaving clubs to purchase rescue equipment, first aid and medical supplies to enhance safety outcomes.

Protect the integrity of sport

The Australian Government is committed to play its part in the collaborative effort required to protect the integrity of Australian and international sport. The Department works closely with the Australian Sports Anti-Doping Authority (ASADA),⁴ State and Territory Governments, sports and other relevant organisations to increase capacity to address a range of sports integrity issues including match-fixing, doping and other forms of corruption in sport.

In 2015-16, the Department plans to deliver initiatives to address high priority sports integrity issues through the Sports Integrity Programme, including meeting Australia's international anti-doping obligations under existing treaties and conventions.

Programme 10.1: Expenses**Table 10.2: Programme Expenses**

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Annual administered expenses					
Ordinary annual services	47,796	26,948	16,011	18,004	13,477
Special Account expenses					
Sport and Recreation					
Special Account	12,168	378	407	407	407
Programme support	13,961	11,908	10,465	10,445	10,615
Total Programme 10.1 expenses	73,925	39,234	26,883	28,856	24,499

⁴ For further information on the work of ASADA, refer to the ASADA chapter in these Portfolio Budget Statements.

Programme 10.1: Deliverables

Qualitative Deliverables for Programme 10.1

Increase participation in sport and recreation

Qualitative Deliverable	2015-16 Reference Point or Target
Coordination across Government to support the development, implementation and promotion of strategies, policies and projects to support increased participation in sport and physical activity.	<p>Strategies, policies and projects are implemented in consultation with relevant Australian Government agencies, the Australian Sports Commission, the States and Territories and other relevant stakeholders.</p> <p>Strategies, policies and projects support increased participation, encompass health outcomes and deliver whole-of-Government objectives.</p>

Support for upcoming major sporting events

Qualitative Deliverable	2015-16 Reference Point or Target
Coordination across Government entities to facilitate the implementation of strategies and policies which support the hosting of major international sporting events in Australia, including the 2015 INF Netball World Cup, the 2017 RLIF Rugby League World Cup and the 2018 Gold Coast Commonwealth Games.	<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>Strategies and policies contribute to the Australian Government's security plan to deliver a safe and secure event environment for athletes and spectators.</p>

Protect the integrity of sport

Qualitative Deliverables	2015-16 Reference Point or Target
Implement initiatives and facilitate stakeholder interaction with Government entities to build resilience of sporting organisations and their capacity to deliver integrity measures.	<p>Regular Australian and Jurisdictional Sports Integrity Network meetings are initiated and convened with sporting organisations, State and Territory Governments, industry stakeholders, and relevant entities.</p> <p>Sports integrity education platforms are developed and supported.</p>
Implement an Australian anti-doping legislative framework that fulfils Australia's international anti-doping obligations.	<p>Australian anti-doping arrangements are compliant with the World Anti-Doping Code.</p> <p>Participation in the 5th Conference of Parties on the UNESCO International Convention Against Doping in Sport is supported.</p>

Programme 10.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 10.1⁵

Increase participation in sport and recreation

Qualitative Indicator	2015-16 Reference Point or Target
Support the development and implementation of strategies and policies to increase participation in sport at a community to elite level, and improve safety and health outcomes for people involved in sport through the provision of advice to Government entities and delivery of sport infrastructure projects.	<p>Participation strategies, policies and projects reflect whole-of-Government and broader health objectives.</p> <p>Strategic policy advice provided to Government on matters relating to participation in sport, physical activity and recreation.</p> <p>Sport infrastructure projects deliver on the Government's objectives around increasing participation in sport, physical activity and recreation.</p>

Support for upcoming major sporting events

Qualitative Indicator	2015-16 Reference Point or Target
Well-coordinated preparation for the safe and successful delivery of the 2015 INF Netball World Cup, the 2017 RLIF Rugby League World Cup and the 2018 Gold Coast Commonwealth Games.	<p>Safe and secure delivery of the 2015 INF Netball World Cup.</p> <p>Continued preparation to support planning for the 2017 RLIF Rugby League World Cup and 2018 Gold Coast Commonwealth Games.</p> <p>Post event analysis of completed major events including analysis on whether trade, tourism, diplomatic and community objectives were achieved.</p>

Improve water and snow safety

Qualitative Indicator	2015-16 Reference Point or Target
Develop and implement water and snow safety strategies, programmes and projects to support a 50% reduction in drowning deaths by 2020.	<p>Water and snow safety programmes and projects reflect whole-of-Government and broader health objectives.</p> <p>Strategic policy advice provided to Government on matters relating to water and snow safety.</p> <p>Increased water and snow safety awareness, as reported by water and snow safety organisations.</p>

⁵ Key Performance Indicators have been revised from 2014-15 to better align with, and measure the Programme Objectives.

Protect the integrity of sport

Qualitative Indicators	2015-16 Reference Point or Target
Increased capacity of Australian sporting organisations to address sports integrity issues.	Ongoing assessment of integrity vulnerabilities of priority national sporting organisations and delivery of support for relevant sports integrity initiatives.
Delivery of internationally compliant Australian anti-doping arrangements.	Effective operation of Australian anti-doping arrangements to address doping in the contemporary sports environment.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 7					
7.5 Health Infrastructure	4,256	(93,427)	70,502	18,669	-
Total movement of administered funds	4,256	(93,427)	70,502	18,669	-

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 section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department of Health.

Table 3.1.2: Estimates of Special Account Flows and Balances¹

		Opening balance 2015-16 2014-15 Outcome	Appropriation receipts 2015-16 2014-15 \$'000	Other receipts 2015-16 2014-15 \$'000	Payments 2015-16 2014-15 \$'000	Closing balance 2015-16 2014-15 \$'000
Australian Childhood Immunisation Register (A)	1	2,442 2,442	5,858 5,802	3,705 3,673	9,563 9,475	2,442 2,442
Health and Hospitals Fund Health Portfolio ² (A)	7	- -	- -	315,944 719,802	315,944 719,802	- -
Human Pituitary Hormones (A)	9	2,697 2,857	- -	- -	160 160	2,537 2,697
Medical Research Future Fund ³ (A)	7	- -	- -	10,000 -	10,000 -	- -
National Industrial Chemicals Notification and Assessment Scheme (D)	7	11,125 11,069	3,874 354	15,870 12,969	19,620 13,267	11,249 11,125
Office of Gene Technology Regulator (D)	7	7,042 7,042	7,730 7,810	176 171	7,906 7,981	7,042 7,042
Services for Other Entities and Trust Moneys (S)	various	13,840 16,246	1,437 5,976	4,521 9,164	5,920 17,546	13,878 13,840
Sport and Recreation (A)	10	5,435 5,406	- -	407 12,197	378 12,168	5,464 5,435
Therapeutic Goods Administration (D)	7	55,252 63,330	3,602 9,320	133,314 131,994	140,921 149,392	51,247 55,252
Total Special Accounts 2015-16 estimate		97,833	22,501	483,937	510,412	93,859
Total Special Accounts 2014-15 estimated actual		108,392	29,262	889,970	929,791	97,833

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

1 The *Local Hospitals Network Special Account* (administered) ceased on 1 July 2014 and is therefore excluded from the table.

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 August 2015.

3 The legislation to create the Medical Research Future Fund has not yet passed.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Table 3.1.3: Australian Government Indigenous expenditure

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000	\$'000	\$'000
Department of Health						
Outcome 1						
Population Health						
Administered 2015-16	13,430	-	8,312	21,742	-	21,742
<i>Administered 2014-15</i>	<i>15,599</i>	-	<i>8,492</i>	<i>24,091</i>	-	<i>24,091</i>
Departmental 2015-16	-	-	-	-	-	-
<i>Departmental 2014-15</i>	-	-	-	-	-	-
Total Outcome 1 2015-16	13,430	-	8,312	21,742	-	21,742
<i>Total Outcome 1 2014-15</i>	<i>15,599</i>	-	<i>8,492</i>	<i>24,091</i>	-	<i>24,091</i>
Outcome 2						
Access to Pharmaceutical Services						
Administered 2015-16	-	-	47,316	47,316	-	47,316
<i>Administered 2014-15</i>	<i>3,120</i>	-	<i>45,153</i>	<i>48,273</i>	-	<i>48,273</i>
Departmental 2015-16	-	-	-	-	-	-
<i>Departmental 2014-15</i>	-	-	-	-	-	-
Total Outcome 2 2015-16	-	-	47,316	47,316	-	47,316
<i>Total Outcome 2 2014-15</i>	<i>3,120</i>	-	<i>45,153</i>	<i>48,273</i>	-	<i>48,273</i>
Outcome 3						
Access to Medical and Dental Services						
Administered 2015-16	3,503	-	49,852	53,355	-	53,355
<i>Administered 2014-15</i>	<i>3,455</i>	-	<i>44,784</i>	<i>48,239</i>	-	<i>48,239</i>
Departmental 2015-16	-	-	-	-	-	-
<i>Departmental 2014-15</i>	-	-	-	-	-	-
Total Outcome 3 2015-16	3,503	-	49,852	53,355	-	53,355
<i>Total Outcome 3 2014-15</i>	<i>3,455</i>	-	<i>44,784</i>	<i>48,239</i>	-	<i>48,239</i>
Outcome 5						
Primary Health Care						
Administered 2015-16	779,276	-	-	779,276	-	779,276
<i>Administered 2014-15</i>	<i>694,582</i>	-	-	<i>694,582</i>	-	<i>694,582</i>
Departmental 2015-16	48,041	-	-	48,041	-	48,041
<i>Departmental 2014-15</i>	<i>52,545</i>	-	-	<i>52,545</i>	-	<i>52,545</i>
Total Outcome 5 2015-16	827,317	-	-	827,317	-	827,317
<i>Total Outcome 5 2014-15</i>	<i>747,127</i>	-	-	<i>747,127</i>	-	<i>747,127</i>

Table 3.1.3: Australian Government Indigenous expenditure (continued)

Outcome	Appropriations				Other	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000	\$'000	\$'000
Outcome 7						
Health Infrastructure, Regulation, Safety and Quality						
Administered 2015-16	-	-	-	-	-	-
<i>Administered 2014-15</i>	227	-	-	227	-	227
Departmental 2015-16	-	-	-	-	-	-
<i>Departmental 2014-15</i>	-	-	-	-	-	-
Total Outcome 7 2015-16	-	-	-	-	-	-
<i>Total Outcome 7 2014-15</i>	227	-	-	227	-	227
Outcome 8						
Health Workforce Capacity						
Administered 2015-16	42,473	-	-	42,473	-	42,473
<i>Administered 2014-15</i>	41,498	-	-	41,498	-	41,498
Departmental 2015-16	-	-	-	-	-	-
<i>Departmental 2014-15</i>	-	-	-	-	-	-
Total Outcome 8 2015-16	42,473	-	-	42,473	-	42,473
<i>Total Outcome 8 2014-15</i>	41,498	-	-	41,498	-	41,498
Total Administered 2015-16	838,682	-	105,480	944,162	-	944,162
<i>Total Administered 2014-15</i>	<i>758,481</i>	-	<i>98,429</i>	<i>856,910</i>	-	<i>856,910</i>
Total Departmental 2015-16	48,041	-	-	48,041	-	48,041
<i>Total Departmental 2014-15</i>	<i>52,545</i>	-	-	<i>52,545</i>	-	<i>52,545</i>
Total AGIE 2015-16	886,723	-	105,480	992,203	-	992,203
<i>Total AGIE 2014-15</i>	<i>811,026</i>	-	<i>98,429</i>	<i>909,455</i>	-	<i>909,455</i>

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 in the current and forward years.

Revenues predominantly relate to the cost recovery operations of TGA and NICNAS.

Reduced amortisation estimates are a result of the disposal of IT assets to the Department's new IT service provider.

Balance Sheet

Property, plant and equipment estimates reflect the Department's IT asset disposal and finance lease-back arrangement with a new IT service provider.

Assets and liabilities are anticipated to remain relatively stable across the forward years.

Cash Flow

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

Administered**Schedule of Budgeted Income and Expenses****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.

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 and provisions for medical indemnity.

Schedule of Administered Capital Budget

Additional capital funding of \$31.7 million has been provided in 2015-16 to enable the replenishment of the National Medical Stockpile and enhancements to eHealth systems.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	441,836	419,648	398,826	394,134	398,853
Supplier expenses	202,026	181,675	169,331	170,219	171,487
Depreciation and amortisation	42,731	31,143	17,599	16,900	16,931
Other expenses	2,811	2,856	2,910	2,965	3,022
Total expenses	689,404	635,322	588,666	584,218	590,293
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	156,444	160,884	162,424	162,894	163,796
Interest	-	-	2,300	2,300	2,300
Other revenue	14,766	15,004	15,291	15,578	15,871
Total revenue	171,210	175,888	180,015	180,772	181,967
Gains					
Other	964	1,050	964	964	964
Total gains	964	1,050	964	964	964
Total own-source income	172,174	176,938	180,979	181,736	182,931
Net cost of (contribution by) services	517,230	458,384	407,687	402,482	407,362
Revenue from Government	479,885	433,784	397,678	395,701	400,550
Surplus (Deficit)	(37,345)	(24,600)	(10,009)	(6,781)	(6,812)
Surplus (Deficit) attributable to the Australian Government	(37,345)	(24,600)	(10,009)	(6,781)	(6,812)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(37,345)	(24,600)	(10,009)	(6,781)	(6,812)

Table 3.2.1: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June (continued)

Note: Reconciliation of comprehensive income attributable to the entity

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(37,345)	(24,600)	(10,009)	(6,781)	(6,812)
plus non-appropriated expenses:					
depreciation and amortisation expenses	37,345	24,600	10,009	6,781	6,812
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	74,970	71,089	70,619	74,678	84,247
Receivables	150,110	116,122	116,401	115,830	114,583
Other	173	6,173	6,173	6,173	6,173
Total financial assets	225,253	193,384	193,193	196,681	205,003
Non-financial assets					
Land and buildings	36,193	32,321	31,226	30,734	31,537
Property, plant and equipment	5,542	6,085	9,816	8,437	3,846
Intangibles	86,914	94,389	97,259	101,871	97,169
Assets held for sale	9,130	-	-	-	-
Other	7,796	7,796	7,796	7,796	7,796
Total non-financial assets	145,575	140,591	146,097	148,838	140,348
Total assets	370,828	333,975	339,290	345,519	345,351
LIABILITIES					
Payables					
Suppliers	89,200	61,801	61,801	61,801	61,801
Other payables	71,761	69,445	74,748	73,688	72,441
Total payables	160,961	131,246	136,549	135,489	134,242
Provisions					
Employees	111,107	106,786	105,647	106,955	106,955
Other provisions	21,108	23,272	23,272	23,272	23,272
Total provisions	132,215	130,058	128,919	130,227	130,227
Total liabilities	293,176	261,304	265,468	265,716	264,469
Net Assets	77,652	72,671	73,822	79,803	80,882
EQUITY					
Contributed equity	217,325	236,944	248,104	260,866	268,757
Reserves	14,112	14,112	14,112	14,112	14,112
Accumulated deficits	(153,785)	(178,385)	(188,394)	(195,175)	(201,987)
Total equity	77,652	72,671	73,822	79,803	80,882

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2015-16)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(153,785)	14,112	217,325	77,652
Surplus (deficit) for the period	(24,600)	-	-	(24,600)
Equity injection - appropriations	-	-	8,410	8,410
Departmental capital budget	-	-	11,209	11,209
Estimated closing balance as at 30 June 2016	(178,385)	14,112	236,944	72,671

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	155,748	188,519	162,424	162,894	163,796
Appropriations	567,283	532,479	473,546	475,157	477,842
Interest	-	-	2,300	2,300	2,300
Net GST received	19,780	19,946	20,310	20,510	20,570
Other cash received	18,298	11,790	15,291	15,578	15,871
Total cash received	761,109	752,734	673,871	676,439	680,379
Cash used					
Employees	445,671	433,472	399,214	392,791	398,953
Suppliers	201,114	204,756	168,367	169,255	170,523
Net GST paid	19,780	20,113	20,310	20,510	20,570
Cash to the Official Public					
Account	75,589	76,558	76,147	79,980	77,192
Other	6,046	6,046	2,910	2,965	3,022
Total cash used	748,200	740,945	666,948	665,501	670,260
Net cash from (or used by) operating activities	12,909	11,789	6,923	10,938	10,119
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	35,779	35,289	18,553	19,641	8,441
Total cash used	35,779	35,289	18,553	19,641	8,441
Net cash from (or used by) investing activities	(35,779)	(35,289)	(18,553)	(19,641)	(8,441)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	14,848	19,619	11,160	12,762	7,891
Total cash received	14,848	19,619	11,160	12,762	7,891
Net cash from (or used by) financing activities	14,848	19,619	11,160	12,762	7,891
Net increase (or decrease) in cash held	(8,022)	(3,881)	(470)	4,059	9,569
Cash and cash equivalents at the beginning of the reporting period	82,992	74,970	71,089	70,619	74,678
Cash and cash equivalents at the end of the reporting period	74,970	71,089	70,619	74,678	84,247

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	8,820	8,410	5,321	1,866	1,866
Capital budget - Bill 1 (DCB)	6,028	11,209	5,839	10,896	6,025
Total capital appropriations	14,848	19,619	11,160	12,762	7,891
Total new capital appropriations represented by:					
Purchase of non-financial assets	14,848	19,619	11,160	12,762	7,891
Total items	14,848	19,619	11,160	12,762	7,891
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	18,358	13,609	5,821	1,866	1,866
Funded by capital appropriation - DCB ²	6,028	11,209	5,839	10,896	6,025
Funded internally from departmental resources	11,393	10,471	6,893	6,879	550
Funded by finance leases	-	-	4,552	-	-
Total acquisitions of non-financial assets	35,779	35,289	23,105	19,641	8,441
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	35,779	35,289	23,105	19,641	8,441
less additions by finance lease	-	-	4,552	-	-
Total cash used to acquire assets	35,779	35,289	18,553	19,641	8,441

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment¹	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	66,995	23,663	196,086	286,744
Accumulated depreciation/amortisation and impairment	(30,802)	(8,991)	(109,172)	(148,965)
Opening net book balance	36,193	14,672	86,914	137,779
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	13,609	13,609
By purchase - appropriation ordinary annual services	1,652	526	9,031	11,209
By purchase - other	-	3,401	7,070	10,471
Sub-total	1,652	3,927	29,710	35,289
Other movements				
Depreciation/amortisation expense	(5,524)	(3,384)	(22,235)	(31,143)
Disposal	-	(9,130)	-	(9,130)
Total other movements	(5,524)	(12,514)	(22,235)	(40,273)
As at 30 June 2016				
Gross book value	68,647	18,460	225,796	312,903
Accumulated depreciation/amortisation and impairment	(36,326)	(12,375)	(131,407)	(180,108)
Closing net book balance	32,321	6,085	94,389	132,795

1 Gross book value as at 1 July 2015 includes assets held for sale of \$9.130 million.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	26,036	26,036	26,036	26,036	26,036
Total taxation	26,036	26,036	26,036	26,036	26,036
Non-taxation					
Other sources of non-taxation revenues	1,189,876	1,600,842	1,778,364	1,859,866	1,869,613
Health and Hospitals Fund ¹	719,802	315,944	129,089	33,987	-
Medical Research Future Fund	-	10,000	53,232	130,340	224,258
Total non-taxation	1,909,678	1,926,786	1,960,685	2,024,193	2,093,871
Total revenues administered on behalf of Government	1,935,714	1,952,822	1,986,721	2,050,229	2,119,907
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	1,935,714	1,952,822	1,986,721	2,050,229	2,119,907
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	441,798	497,579	509,090	526,937	507,080
Subsidies	122,347	104,067	110,796	118,401	124,035
Personal benefits	37,251,267	39,124,195	40,831,697	42,375,445	44,472,585
Grants	6,148,549	5,971,750	5,925,298	6,078,887	6,121,837
Depreciation/amortisation	19,272	19,272	19,271	963	963
Write down and impairment of assets	3,228	101,656	17,577	28,276	20,796
Payments to corporate entities	358,874	346,502	344,749	307,900	310,752
Total expenses administered on behalf of Government	44,345,335	46,165,021	47,758,478	49,436,809	51,558,048

- 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 August 2015.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	13,283	13,312	13,312	13,312	13,312
Receivables	439,355	566,792	606,970	631,752	666,644
Investments	342,124	342,124	342,124	342,124	342,124
Total financial assets	794,762	922,228	962,406	987,188	1,022,080
Non-financial assets					
Land and buildings	24,468	23,505	22,542	21,579	20,616
Intangibles	36,617	43,125	35,406	35,406	35,406
Inventories	211,880	117,148	125,108	96,832	76,036
Total non-financial assets	272,965	183,778	183,056	153,817	132,058
Total assets administered on behalf of Government	1,067,727	1,106,006	1,145,462	1,141,005	1,154,138
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	12,071	12,071	12,071	12,071	12,071
Subsidies	2,634	2,634	2,634	2,634	2,634
Personal benefits payable	1,024,839	1,173,946	1,271,147	1,389,479	1,524,042
Grants	236,857	232,586	231,586	231,588	231,590
Total payables	1,276,401	1,421,237	1,517,438	1,635,772	1,770,337
Provisions					
Personal benefits	1,027,297	1,027,297	1,027,297	1,027,297	1,027,297
Subsidies	350,276	359,787	370,396	383,948	398,564
Total payables	1,377,573	1,387,084	1,397,693	1,411,245	1,425,861
Total liabilities administered on behalf of Government	2,653,974	2,808,321	2,915,131	3,047,017	3,196,198

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	26,036	26,036	26,036	26,036	26,036
Net GST received	423,789	418,981	419,578	443,575	457,373
Nation Building Fund receipts	719,802	315,944	129,089	33,987	-
Medical Research Future Fund receipts	-	10,000	53,232	130,340	224,258
PHIAC receipts	458,626	564,054	620,558	680,644	680,644
Other	646,818	909,351	1,117,628	1,154,440	1,154,082
Total cash received	2,275,071	2,244,366	2,366,121	2,469,022	2,542,393
Cash used					
Grants	6,153,041	5,980,585	5,934,430	6,088,975	6,131,925
Subsidies	112,442	89,992	92,055	94,759	99,329
Personal benefits	37,106,864	38,975,088	40,734,496	42,256,276	44,335,506
Suppliers	450,310	504,503	534,627	526,937	507,080
Payments to corporate entities	358,874	346,502	344,749	307,900	310,752
Net GST paid	423,789	418,981	419,578	443,575	457,373
Total cash used	44,605,320	46,315,651	48,059,935	49,718,422	51,841,965
Net cash from (or used by) operating activities	(42,330,249)	(44,071,285)	(45,693,814)	(47,249,400)	(49,299,572)
FINANCING ACTIVITIES					
Cash received					
Administered GST Appropriations	423,789	418,981	419,578	443,575	457,373
Total cash received	423,789	418,981	419,578	443,575	457,373
Cash used					
Return of GST	423,789	418,981	419,578	443,575	457,373
Investment in Portfolio entities	1,500	-	-	-	-
Total cash used	425,289	418,981	419,578	443,575	457,373
Net cash from (or used by) financing activities	(1,500)	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	24,817	10,589	-	-
Total cash used	-	24,817	10,589	-	-
Net cash from (or used by) financing activities	-	(24,817)	(10,589)	-	-
Net increase (or decrease) in cash held	(42,331,749)	(44,096,102)	(45,704,403)	(47,249,400)	(49,299,572)
Cash at beginning of reporting period	13,254	13,283	13,312	13,312	13,312
Cash from Official Public Account for:					
- appropriations	43,443,819	45,563,424	47,432,092	49,110,113	51,159,927
- capital injections	7,242	31,741	36,126	-	-
Cash to the Official Public Account	(1,119,283)	(1,499,034)	(1,763,815)	(1,860,713)	(1,860,355)
Cash at end of reporting period	13,283	13,312	13,312	13,312	13,312

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Administered assets	5,682	31,741	36,126	-	-
Total capital appropriations	5,682	31,741	36,126	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	5,682	31,741	36,126	-	-
Total items	5,682	31,741	36,126	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	7,242	31,741	36,126	-	-
Total acquisition of non-financial assets	7,242	31,741	36,126	-	-

Table 3.2.11: Statement of Administered Asset Movements (Budget year 2015-16)

	Land \$'000	Buildings \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	1,895	23,536	91,544	116,975
Accumulated depreciation/amortisation and impairment	-	(963)	(54,927)	(55,890)
Opening net book balance	1,895	22,573	36,617	61,085
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	-	-	24,817	24,817
Sub-total	-	-	24,817	24,817
Other Movements				
Depreciation/amortisation expense	-	(963)	(18,309)	(19,272)
Impairments	-	-	-	-
As at 30 June 2016				
Gross book value	1,895	23,536	116,361	141,792
Accumulated depreciation/amortisation and impairment	-	(1,926)	(73,236)	(75,162)
Closing net book balance	1,895	21,610	43,125	66,630

AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE

Entity Resources and Planned Performance

Australian Commission on Safety and Quality in Health Care

Health Portfolio Entity

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Section 1: Entity 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 based on best available evidence. This includes providing strategic advice to Health Ministers on best practice to drive safety and quality improvements. The ACSQHC works in partnership with patients, consumers, clinicians, managers, policy makers and health care organisations to achieve a sustainable, safe and high-quality health system.

The ACSQHC has four priority areas of work. The aims of these priority areas are:

1. Patient safety: to have a safe health system that is designed to ensure that patients and consumers are kept safe from preventable harm.
2. Partnering with patients, consumers and communities: to have a health system where patients, consumers and members of the community participate with health professionals as partners in all aspects of health care.
3. Quality, cost and value: to have a health system that provides the right care, minimises waste and optimises value and productivity.
4. Supporting health professionals to provide safe and high-quality care: to have a health system that supports safe clinical practice by having robust and sustainable improvement systems.

The *National Health Reform Act 2011* specifies the roles and responsibilities of the ACSQHC. ACSQHC is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: ACSQHC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	13,159	11,030	-	11,030
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	-	-	-	-
Total ordinary annual services	-	-	-	-
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	-	-	-	-
Payments from related entities³				
Amounts from Other				
Government Entities	670	-	-	-
Amounts from the Portfolio				
Department	16,479	-	12,413	12,413
Total payments	17,149	-	12,413	12,413
Total funds from Government	17,149	-	12,413	12,413
FUNDS FROM OTHER SOURCES				
State Government Contributions	6,760	-	7,190	7,190
Interest	450	-	200	200
Total other sources	7,210	-	7,390	7,390
Total net resourcing for ACSQHC	37,518	11,030	19,803	30,833

All figures are GST exclusive.

The ACSQHC is not directly appropriated. 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) 2015-16.

2 Appropriation Bill (No. 2) 2015-16.

3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

Section 1.3 is not applicable to ACSQHC.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

Outcome Strategy

Lapses in safety and quality of health care have enormous costs, both in terms of the impact on people's lives and financially: healthcare associated injury and ill health add 8-12 per cent to hospital costs alone.^{1, 2, 3} Underuse and/or overuse of healthcare services identified through observed variation in practice raises questions about the overall productivity, safety and quality of healthcare delivery.⁴

The ACSQHC is undertaking work in four priority areas to address these challenges. 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 works with the States, Territories and the private sector, to coordinate the implementation of these standards and monitor their effectiveness.

The ACSQHC is also examining healthcare variation in Australia and developing solutions to reduce variation that is unwarranted. These tools include standards that describe the clinical care that a patient should be offered for a specific clinical condition. The ACSQHC provides guidance and tools to health professionals and healthcare organisations that support safe clinical practice and local improvement in the safety and quality of health care.

¹ Health Policy Analysis 2013, *Analysis of hospital-acquired diagnoses and their effect on case complexity and resource use - Final report*, ACSQHC, Sydney.

² Trentino KM, Swain SG, Burrows, SA, Sprivulis PC, Daly FFS 2013, 'Measuring the incidence of hospital acquired complications and their effect on length of stay using CHADx', *Medical Journal of Australia*, vol. 199, no. 8, pp. 543-547.

³ Ehsani JP, Jackson T, Duckett SJ 2006, 'The incidence and cost of adverse events in Victorian hospitals 2003-2004', *Medical Journal of Australia*, vol. 184, no. 11, pp. 551-555.

⁴ Australian Institute of Health and Welfare and Australian Commission on Safety and Quality in Health Care 2014, *Exploring Healthcare Variation in Australia: Analyses Resulting from an OECD Study*, ACSQHC, Sydney.

ACSQHC Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for ACSQHC by programme.

Table 2.1: Budgeted Expenses for ACSQHC

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Safety and quality in health care					
Revenue from Government					
Amounts from the Portfolio					
Department	16,708	19,238	7,811	7,628	7,857
Amounts from Other					
Government Entities	9,329	7,266	7,406	7,628	7,857
Revenues from independent sources	450	200	200	200	200
Operating deficit (surplus)	-	-	-	-	-
Total for Programme 1.1	26,487	26,704	15,417	15,456	15,914
Total expenses for Outcome 1	26,487	26,704	15,417	15,456	15,914
	2014-15	2015-16			
Average staffing level (number)	82	92			

Programme 1.1: Safety and Quality in Health Care

Programme Objectives

Patient safety

In 2015-16, the ACSQHC will continue to drive the uptake and monitor the effectiveness of the NSQHS Standards with the States, Territories and private hospital sector. The ACSQHC will administer the Australian Health Service Safety and Quality Accreditation Scheme that provides the arrangements for accreditation of health services. The ACSQHC will continue to support health services to implement the NSQHS Standards. The NSQHS Standards will be reviewed in 2015-16.

The ACSQHC will also work with the Department of Health and the States and Territories to provide a nationally coordinated approach to the prevention of antimicrobial resistance, antibiotic usage, and unwarranted healthcare variation.⁵

Partnering with patients, consumers and the community

The ACSQHC will work towards a health system where patients and consumers participate with health professionals as partners in all aspects of health care. The ACSQHC will support health services to meet the requirements of the NSQHS Standards that relate to partnerships, and further embed partnerships in the next version of the NSQHS Standards.

The ACSQHC will continue to provide information about safety and quality that is relevant to the general public, as well as health professionals.

Quality, cost and value

In 2015-16, the ACSQHC will release the first Australian Atlas of Healthcare Variation that will include a range of clinical topics agreed with the Department of Health and the States and Territories. The ACSQHC will examine and work to reduce healthcare variation where it is unwarranted through the development tools such as patient decision aids and clinical care standards. In 2015-16, the ACSQHC will work with expert clinicians, clinical and consumer groups to develop clinical care standards and other tools focussing on areas of high volume, high cost where there is known variation from well-established models of care.

Supporting health professionals to provide safe and high-quality care

In 2015-16, the ACSQHC will continue to identify and specify clinical measures and safety and quality indicators to assist health professionals to improve the safety and quality of health care at a local level. This work is undertaken in partnership with health professionals, health services and technical experts.

⁵ For further information on antimicrobial resistance, refer to Outcome 9 Biosecurity and Emergency Response in these Portfolio Budget Statements.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Patient safety

Qualitative Deliverable	2015-16 Reference Point or Target
Establish a national surveillance system for antimicrobial resistance and antibiotic usage across hospital and community settings.	Establish a national surveillance system for antimicrobial resistance and antibiotic usage based on the collection and analysis of data from an enhanced nationwide network of surveillance systems.

Partnering with patients, consumers and the community

Qualitative Deliverable	2015-16 Reference Point or Target
Provide safety and quality information to the general public.	Reporting in the Annual Report on the state of safety and quality in health care, and in the report for the general public, Vital Signs 2015. Reporting to the general public through regular ACSQHC newsletters.

Quality, cost and value

Qualitative Deliverables	2015-16 Reference Point or Target
Production of an Australian Atlas of Healthcare 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.
Develop Clinical Care Standards for consultation, informed by outcomes from the work on health care variation.	Clinical standards focussing on high impact, high burden and high variation areas of clinical care.

Supporting health professionals to provide safe and high-quality care

Qualitative Deliverable	2015-16 Reference Point or Target
Provide safety and quality information and resources to health professionals.	Development and distribution of sector-specific implementation tools and resources for the public and private acute sector and primary care.

Quantitative Deliverables for Programme 1.1

Supporting health professionals to provide safe and high-quality care

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Condition specific clinical indicator sets developed.	2	2	3	3	3

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Patient safety

Qualitative Indicator	2015-16 Reference Point or Target
Successful implementation of the NSQHS Standards.	Successful negotiations with States and Territories on ongoing arrangements for the maintenance and review of the NSQHS Standards in hospitals and day procedure services.

Quantitative Key Performance Indicators for Programme 1.1

Patient safety

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of hospitals and day procedure services assessed to the NSQHS Standards.	70%	100%	100%	100%	100%
Percentage of public hospitals meeting the benchmark for hand hygiene compliance. ⁶	N/A	≥70%	≥70%	≥70%	≥70%
Number of clinicians completing the health care associated infection online education modules.	≥10,000	≥12,000	≥13,000	≥14,000	≥15,000

⁶ This Key Performance Indicator has been revised to reflect the fact that almost all public hospitals are now submitting data for the National Hand Hygiene Initiative. This Key Performance Indicator is a better reflection of actions to reduce healthcare associated infections and to improve patient safety.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to ACSQHC.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 for 2015-16 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 2015-16 is estimated at \$30.8 million, including Commonwealth and State Workplan funding of \$14.4 million and other carry forward and funding receipts of \$16.4 million. The 2015-16 estimated resourcing 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.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	12,077	12,264	10,888	11,052	11,217
Supplier expenses	14,410	14,440	4,529	4,404	4,697
Total expenses	26,487	26,704	15,417	15,456	15,914
LESS:					
OWN-SOURCE INCOME					
Revenue					
Interest	450	200	200	200	200
Grants received	16,708	19,238	7,811	7,628	7,857
Other	9,329	7,266	7,406	7,628	7,857
Total revenue	26,487	26,704	15,417	15,456	15,914
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	26,487	26,704	15,417	15,456	15,914
Net cost of (contribution by) services	-	-	-	-	-
Revenue from Government	-	-	-	-	-
Surplus (Deficit)	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,030	4,129	4,129	4,129	4,129
Receivables	2,214	2,214	2,214	2,214	2,214
Other	91	185	185	185	185
Total financial assets	13,335	6,528	6,528	6,528	6,528
Non-financial assets					
Property, plant and equipment	56	56	56	56	56
Prepayments	155	155	155	155	155
Other	100	200	200	200	200
Total non-financial assets	311	411	411	411	411
Total assets	13,646	6,939	6,939	6,939	6,939
LIABILITIES					
Payables					
Suppliers	6,130	2,037	2,389	2,389	2,389
Other	3,544	891	882	853	823
Total payables	9,674	2,928	3,271	3,242	3,212
Provisions					
Employees	2,260	2,299	1,956	1,985	2,015
Other	389	389	389	389	389
Total provisions	2,649	2,688	2,345	2,374	2,404
Total liabilities	12,323	5,616	5,616	5,616	5,616
Net Assets	1,323	1,323	1,323	1,323	1,323
EQUITY					
Contributed Equity	1,836	1,836	1,836	1,836	1,836
Reserves	5	5	5	5	5
Retained surpluses or accumulated deficits	(518)	(518)	(518)	(518)	(518)
Total equity	1,323	1,323	1,323	1,323	1,323

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(518)	5	1,836	1,323
Surplus (deficit) for the period	-	-	-	-
Contribution by Government	-	-	-	-
Estimated closing balance as at 30 June 2016	(518)	5	1,836	1,323

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Grants from Portfolio Department	16,479	12,413	7,811	7,628	7,857
State Government contributions	6,760	7,190	7,406	7,628	7,857
Amounts from Other					
Government Entities	670	-	-	-	-
Interest	450	200	200	200	200
Net GST received	500	500	500	500	500
Other cash received	-	-	-	-	-
Total cash received	24,859	20,303	15,917	15,956	16,414
Cash used					
Employees	11,354	12,260	11,231	11,023	11,187
Suppliers	15,134	14,444	4,186	4,433	4,727
Net GST paid	500	500	500	500	500
Total cash used	26,988	27,204	15,917	15,956	16,414
Net cash from (or used by) operating activities	(2,129)	(6,901)	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(2,129)	(6,901)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	13,159	11,030	4,129	4,129	4,129
Cash and cash equivalents at the end of the reporting period	11,030	4,129	4,129	4,129	4,129

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	-	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	-	-	-	-
Total cash used to acquire assets	-	-	-	-	-

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2015				
Gross book value	-	328	-	328
Accumulated depreciation/amortisation and impairment	-	(272)	-	(272)
Opening net book balance	-	56	-	56
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - funded internally	-	-	-	-
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2016				
Gross book value	-	328	-	328
Accumulated depreciation/amortisation and impairment	-	(272)	-	(272)
Closing net book balance	-	56	-	56

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE

Entity Resources and Planned Performance

Australian Institute of Health and Welfare

Health Portfolio Entity

AIHW

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Section 1: Entity 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 metadata¹ standards, improving the quality of data collections and, where possible, filling identified data and information gaps.

AIHW provides information that informs change in significant public policies, for example, closing the gap in health outcomes for Indigenous Australians, improving outcomes from cancer screening programmes and other disease prevention activities, improving housing outcomes for the homeless, and ensuring the protection of children who are in state care. Fulfilling the data requirements of the Council of Australian Governments (COAG) national agreements on health, housing and homelessness, disability and Indigenous reform is one of AIHW's major tasks.

AIHW will continue to focus on improving the quality, timeliness, relevance and accessibility of the products and information it provides to customers and the community. AIHW will also look for opportunities to make more information available through data integration, while carefully protecting privacy.

The role and functions of AIHW are set out in the *Australian Institute of Health and Welfare Act 1987*. AIHW is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

¹ Metadata is information that describes data in relation to its structure, organisation and content.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by departmental classifications.

Table 1.1: AIHW Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	21,984	22,112	-	22,112
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	15,800	-	15,625	15,625
Total ordinary annual services	15,800	-	15,625	15,625
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	15,800	-	15,625	15,625
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	15,800	-	15,625	15,625
FUNDS FROM OTHER SOURCES				
Interest	700	-	600	600
Sale of goods and services	32,000	-	30,000	30,000
Other	30	-	30	30
Total other sources	32,730	-	30,630	30,630
Total net resourcing for AIHW	70,514	22,112	46,255	68,367

All figures are GST exclusive.

The AIHW is not directly appropriated as it is a Corporate Commonwealth entity. Appropriations are made to the Department of Health, which are then paid to the AIHW and are considered 'departmental' for all purposes.

1 Appropriation Bill (No. 1) 2015-16.

2 Appropriation Bill (No. 2) 2015-16.

3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

Section 1.3 is not applicable to the AIHW.

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-relevant 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 *Australia's welfare*.

AIHW produces data and information in areas such as population health, health services (including expenditure, hospitals, cancer screening, palliative care 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 services. 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 in place to provide data and statistical services to a wide range of 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 Department of Employment, the Department of the Prime Minister and Cabinet, and a number of health and social services portfolio agencies.

AIHW also has a number of multi-lateral and bilateral intergovernmental agreements that enable national reporting of health and welfare information. For example, a Memorandum of Understanding with State and Territory departments responsible for children and families services enables provision of child protection and adoptions data and an agreement with Australian Government, State and Territory departments with responsibility for housing and homelessness enables provision of data by specialist homelessness services.

Agreements are also in place with a number of non-government organisations that enable data sharing. For example, bilateral agreements are in place with four universities, several other specialist centres and a national peak body that enable

reporting of data for injury, dental health, perinatal health, asthma, immunisation, human immunodeficiency virus and diabetes.

AIHW Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for AIHW by programme.

Table 2.1: Budgeted Expenses for AIHW

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Develop, collect, analyse and report high quality national health and welfare information and statistics for governments and the community					
Revenue from Government					
Amounts from the Portfolio					
Department	15,800	15,625	15,478	15,569	15,652
Revenues from independent sources	32,730	30,630	30,630	30,630	30,630
Operating deficit (surplus)	596	522	445	366	-
Total for programme 1.1	49,126	46,777	46,553	46,565	46,282
Total expenses for Outcome 1	49,126	46,777	46,553	46,565	46,282
	2014-15	2015-16			
Average staffing level (number)	298	285			

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 actively works to increase the availability and use of health and welfare data, including those that assist reporting on performance indicators and targets for national agreements. AIHW develops and improves national health and welfare data collections, and presents data in diverse and innovative ways to meet national information needs for governments, agencies and services in the health and welfare sectors, and the public. At the same time, it maintains a strong focus on protecting the privacy of individuals whose records are, at times, the building blocks of those data.

AIHW activities in 2015–16 will include: the delivery of publications and reports prescribed by its enabling legislation produced using internal funds, and those agreed under arrangements with a wide array of government and non-government entities; and continued operation of the National Centre for Monitoring Vascular Diseases, the Data Integration Services Centre, and the National Aged Care Data Clearinghouse.

Improve the quality and timeliness of health and welfare information

The AIHW's objective of increasing the utility and relevance of its data is largely achieved through a continued focus on improving data quality and timeliness, and producing objective measurements of performance. Activities in this sphere include: supporting the production of national data standards, datasets and metadata; working with national information committees to develop and implement new data items for collection; and redeveloping data standards for collections to ensure that nationally consistent definitions are applied. The AIHW makes standards and metadata available in various forms through its Metadata Online Registry (METeOR).²

AIHW's implementation of enhanced data validation processes improves the quality and timeliness of information by supporting a richer array of data edits, reducing multiple handling of data and providing a better data audit trail. In 2015–16, AIHW's data quality and timeliness activities will include: implementing improved data validation processes; finalising the data linkage phase of national reporting on the educational outcomes of children in child protection services; developing a data quality framework for housing and homelessness administrative data collections; and reporting earlier in the annual production cycle on a number of collections.

² Available at: www.meteor.aihw.gov.au

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Improve the availability of health and welfare information

Qualitative Deliverables	2015-16 Reference Point or Target
Release the <i>Australia's welfare 2015</i> and <i>Australia's health 2016</i> reports.	New editions to be presented to the Minister for Health by 31 December 2015 and 30 June 2016 respectively.
Release a range of information products relevant to key policy areas.	Reports to be released by 30 June 2016 include: <ul style="list-style-type: none"> • national key performance indicators for Indigenous primary health care services for 2014; • cardiovascular, diabetes and chronic kidney disease in Indigenous Australians; • health expenditure for 2014-15; • monitoring screening programmes for breast, bowel and cervical cancer; • hospital statistics for 2014-15; and • links between homelessness services and public housing.
Operate the National Aged Care Data Clearinghouse to provide access to significant aged care collections.	Monitor and respond to data requests made to the Data Clearinghouse and, by 30 June 2016, deliver aged care data for national reporting purposes.
Operate the Data Integration Services Centre to undertake complex data integration (linkage) projects as agreed under the National Collaborative Research Infrastructure Strategy 2013.	Satisfy requests for data linkage relating to more than 30 projects by 30 June 2016.

Improve the quality and timeliness of health and welfare information

Qualitative Deliverable	2015-16 Reference Point or Target
Perform high quality data validation and support improved data validation practices by data suppliers.	Complete the capture of current data for the juvenile justice, disability services, public rental housing and state owned and managed Indigenous housing collections using corporate Validata™ software processes by 30 June 2016.

Quantitative Deliverables for Programme 1.1

Improve the availability of health and welfare information

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Improved availability of information measured by the number of:					
• products ³ released; ⁴	141	151	161	166	171
• statistical products released that include data in a manipulatable format; and	N/A ⁵	45%	50%	55%	60%
• completed requests for customised data analysis.	N/A ⁶	230	240	250	260

³ A product 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.

⁴ Targets have been increased based on more recent estimates.

⁵ This measure replaces a previous measure relating to products released in HTML formats, to reflect the increasing release of data in formats that allow users to manipulate data and perform their own calculations and presentations. As a result, there is no target for 2014-15.

⁶ This measure provides a more direct measure than one used in the 2014-15 *Portfolio Budget Statements*, which related to new external research projects considered by the AIHW Ethics Committee. The figures exclude analyses undertaken through funding agreements and relate to requests received via the AIHW website. As a result, there is no target for 2014-15.

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Improve the availability of health and welfare information

Qualitative Indicators	2015-16 Reference Point or Target
Collect, produce and release data and information that assists community understanding, policy purposes, or research purposes, within privacy and confidentiality constraints.	<p>AIHW data collections, a number of which are 'Essential Statistical Assets for Australia', are:</p> <ul style="list-style-type: none"> maintained securely over time and, enhanced, where relevant; made accessible for the purposes of external research; and used to disseminate information in diverse and accessible formats. <p>Active engagement with key stakeholders to ensure current and emerging information needs that contribute to the evidence base for policy and service delivery are met.</p>
Leadership in satisfying information-related development requested by the Australian Government and State and Territory Governments. ⁷	<p>Continued contribution to the Australian statistical system, including through membership of the National Statistical Service.</p> <p>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.⁸</p>

Improve the quality and timeliness of health and welfare information

Qualitative Indicator	2015-16 Reference Point or Target
Exemplify and promote the National Statistical Service Key Principles.	<p>End-to-end data management is applied in a manner that accords with the National Statistical Service Key Principles of statistical integrity, relevance, coherence, timeliness, accessibility, interpretability, accuracy, professionalism and trust of data providers.</p> <p>Timeliness of data releases is improved by compliance with internal streamlined production processes.</p>

⁷ This indicator has been revised to broaden the range of activity covered.

⁸ Arrangements for supply of data in 2015-16 to satisfy the requirements of COAG national agreements are expected to proceed through the Department of the Prime Minister and Cabinet.

Quantitative Key Performance Indicators for Programme 1.1

Improve the availability of health and welfare information

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Provision of free, high quality information measured by the minimum number of:					
• website downloads of <i>Australia's health</i> ;	46,500	49,500	54,000	57,000	65,500
• website downloads of <i>Australia's welfare</i> ; ⁹	3,000	7,000	3,500	8,000	4,000
• visits to the AIHW's website; ¹⁰ and	2,600,000	2,800,000	3,000,000	3,200,000	3,600,000
• references to AIHW and its products in the media. ¹¹	6,500	7,000	7,500	8,000	8,500

Improve the quality and timeliness of health and welfare information

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Improved timeliness of statistical information products ¹² measured by the percentage of annual national collections for which data are reported less than 1 year after the end of their data collection period.	N/A ¹³	60%	65%	70%	75%

⁹ *Australia's welfare* is produced biennially and therefore downloads are anticipated to fluctuate between years.

¹⁰ Figures for website visits exclude the METeOR, Specialist Homelessness Services and Clearinghouse websites.

¹¹ Targets have been increased based on more recent estimates.

¹² Products that fully report or publicly release an annual national data collection is collated by the AIHW.

¹³ This indicator has been revised to focus on the most directly relevant measure of the timeliness of products. As a result, there is no target for 2014-15.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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 AIHW.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to the AIHW.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Table 3.1.1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other	Total
	Bill	Bill	Special	Total		
	No. 1	No. 2	Special	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australian Institute of Health and Welfare						
Outcome 1						
Departmental 2015-16	1,301	-	-	1,301	-	1,301
Departmental 2014-15	1,316	-	-	1,316	-	1,316
Total Outcome 1 2015-16	1,301	-	-	1,301	-	1,301
Total Outcome 1 2014-15	1,316	-	-	1,316	-	1,316
Total Departmental 2015-16	1,301	-	-	1,301	-	1,301
Total Departmental 2014-15	1,316	-	-	1,316	-	1,316
Total AGIE 2015-16	1,301	-	-	1,301	-	1,301
Total AGIE 2014-15	1,316	-	-	1,316	-	1,316

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 from Government will be \$175,000 lower in 2015-16 than in 2014-15 due to the application of the efficiency dividend. Revenue from sale of goods and services in 2015-16 is expected to decrease by \$2.0 million compared to 2014-15 due to the completion of some large projects. The AIHW has budgeted to breakeven in 2015-16 prior to an accrual of \$522,000 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	34,671	33,535	33,451	33,408	33,491
Supplier expenses	13,455	12,242	12,102	12,157	11,791
Depreciation and amortisation	1,000	1,000	1,000	1,000	1,000
Total expenses	49,126	46,777	46,553	46,565	46,282
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	32,000	30,000	30,000	30,000	30,000
Interest	700	600	600	600	600
Other revenue	30	30	30	30	30
Total revenue	32,730	30,630	30,630	30,630	30,630
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	32,730	30,630	30,630	30,630	30,630
Net cost of (contribution by) services	16,396	16,147	15,923	15,935	15,652
Revenue from Government	15,800	15,625	15,478	15,569	15,652
Surplus (Deficit)	(596)	(522)	(445)	(366)	-
Surplus (Deficit) attributable to the Australian Government	(596)	(522)	(445)	(366)	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(596)	(522)	(445)	(366)	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	22,112	22,540	22,968	23,396	23,824
Receivables	4,837	4,837	4,837	4,511	4,511
Total financial assets	26,949	27,377	27,805	27,907	28,335
Non-financial assets					
Land and buildings	5,181	4,826	4,471	4,116	3,761
Property, plant and equipment	4,446	4,373	4,300	4,227	4,154
Intangibles	5	5	5	5	5
Other	619	619	619	619	619
Total non-financial assets	10,251	9,823	9,395	8,967	8,539
Total assets	37,200	37,200	37,200	36,874	36,874
LIABILITIES					
Payables					
Suppliers	2,282	2,532	2,782	2,706	2,956
Other payables	14,586	14,586	14,586	14,586	14,586
Total payables	16,868	17,118	17,368	17,292	17,542
Provisions					
Employees	11,633	11,633	11,633	11,633	11,633
Other provisions	4,566	4,838	5,033	5,149	4,899
Total provisions	16,199	16,471	16,666	16,782	16,532
Total liabilities	33,067	33,589	34,034	34,074	34,074
Net assets	4,133	3,611	3,166	2,800	2,800
EQUITY					
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	(911)	(1,433)	(1,878)	(2,244)	(2,244)
Total equity	4,133	3,611	3,166	2,800	2,800

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(911)	2,288	2,756	4,133
Surplus (deficit) for the period	(522)	-	-	(522)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016	(1,433)	2,288	2,756	3,611

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	31,929	30,000	30,000	30,000	30,000
Appropriations	15,800	15,625	15,478	15,569	15,652
Interest	700	600	600	600	600
Net GST received	1,198	1,011	1,000	1,000	1,000
Other cash received	30	30	30	30	30
Total cash received	49,657	47,266	47,108	47,199	47,282
Cash used					
Employees	34,670	33,535	33,451	33,408	33,491
Suppliers	12,789	11,720	11,657	11,791	11,791
Net GST paid	1,198	1,011	1,000	1,000	1,000
Total cash used	48,657	46,266	46,108	46,199	46,282
Net cash from (or used by) operating activities	1,000	1,000	1,000	1,000	1,000
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	872	572	572	572	572
Total cash used	872	572	572	572	572
Net cash from (or used by) investing activities	(872)	(572)	(572)	(572)	(572)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	128	428	428	428	428
Cash and cash equivalents at the beginning of the reporting period	21,984	22,112	22,540	22,968	23,396
Cash and cash equivalents at the end of the reporting period	22,112	22,540	22,968	23,396	23,824

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	872	572	572	572	572
Total acquisitions of non-financial assets	872	572	572	572	572
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	872	572	572	572	572
Total cash used to acquire assets	872	572	572	572	572

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	7,010	6,302	1,086	14,398
Accumulated depreciation/amortisation and impairment	(1,829)	(1,856)	(1,081)	(4,766)
Opening net book balance	5,181	4,446	5	9,632
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	100	472	-	572
Total additions	100	472	-	572
Other movements				
Depreciation/amortisation expense	(455)	(545)	-	(1,000)
Total other movements	(455)	(545)	-	(1,000)
As at 30 June 2016				
Gross book value	7,110	6,774	1,086	14,970
Accumulated depreciation/amortisation and impairment	(2,284)	(2,401)	(1,081)	(5,766)
Closing net book balance	4,826	4,373	5	9,204

AUSTRALIAN ORGAN AND TISSUE DONATION AND TRANSPLANTATION AUTHORITY

Entity Resources and Planned Performance

Australian Organ and Tissue Donation and Transplantation Authority

Health Portfolio Entity

AOTDTA

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Section 1: Entity 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.

In the 2014-15 Budget, the Government announced the merger of AOTDTA and the National Blood Authority to create a new independent body by 1 July 2015. The creation of a single entity will reduce running costs as well as streamlining and consolidating service delivery.

Implementation is progressing in the context of a whole-of-Government approach with other entity mergers to ensure new arrangements are effectively implemented.

AOTDTA is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: AOTDTA Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	2,282	2,282	-	2,282
Departmental appropriation ³	6,862	-	5,926	5,926
s74 retained revenue receipts ⁴	-	-	-	-
Total	9,144	2,282	5,926	8,208
Administered resources¹				
Outcome 1	40,394	-	46,872	46,872
Total	40,394	-	46,872	46,872
Total ordinary annual services	49,538	2,282	52,798	55,080
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	49,538	2,282	52,798	55,080
Total net resourcing for AOTDTA	49,538	2,282	52,798	55,080

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.255m in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

1.3 Budget Measures

Budget measures relating to AOTDTA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.3: AOTDTA Budget Measures

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Accelerating Growth in Organ and Tissue Donation for Transplantation¹						
Australian Organ and Tissue Donation and Transplantation Authority						
Administered expenses	1.1	-	5,912	2,194	-	-
Total expenses		-	5,912	2,194	-	-

- 1 Only AOTDTA inputs of this measure are shown here. For all agency impact of this measure refer Table 1.3 in the Department of Health chapter of this publication.

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.

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.

Only around 1-2 per cent of people who die in hospitals, die in the specific circumstances required to be a potential organ donor. AOTDTA, the DonateLife Network, and broader stakeholders, will continue to focus on optimising the identification of all potential donors and the conversion of these potential to actual donors, while also ensuring that the appropriate national systems are in place to support this work agenda.

At the same time, the Australian community also has a major, ongoing role in increasing organ and tissue donation for transplantation. AOTDTA will continue to work with the community to build on the high level of support for donation; to encourage all Australians to register their donation decision on the Australian Organ Donor Register; and most importantly to discuss their donation decision with family members.

AOTDTA Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for AOTDTA by programme.

Table 2.1: Budgeted Expenses for AOTDTA

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Coordination of organ and tissue donation and transplantation					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	40,394	46,872	43,852	42,366	43,086
Departmental expenses					
Departmental appropriation ¹	6,213	5,671	5,622	5,661	5,738
Expenses not requiring appropriation in the budget year ²	491	433	415	420	149
Operating loss	-	-	-	-	-
Total for Programme 1.1	47,098	52,976	49,889	48,447	48,973
Total expenses for Outcome 1	47,098	52,976	49,889	48,447	48,973

	2014-15	2015-16
Average staffing level (number)	28	28

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 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: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation

Programme Objectives

Increase sector capability and capacity to maximise donation rates

The AOTDTA, in partnership with State and Territory Governments and the DonateLife Network, will continue to implement the Clinical Governance Framework and Clinical Practice Improvement Program (CPIP) to expand the donor pool and increase donation consent rates. From 1 July 2015, Phase 2 of the CPIP will build cross-border hospital team peer relationships, to strengthen local organ and donation practice through exposure to alternate systems and approaches, within a national framework.

In 2015-16, the AOTDTA will continue to develop and deliver education opportunities for health professionals involved in family donation conversations. This work will contribute to increasing the donation consent rate. Advanced Family Donation Conversation (FDC) workshops¹ will be developed to provide treating clinicians and donation specialists with increased knowledge and skills to support families in making donation decisions. In addition, the AOTDTA will develop and deliver an Eye and Tissue FDC workshop tailored to telephone-based family consent for eye and tissue donation outside of the hospital setting.

In further developing systems to support safety and quality in organ donation for transplantation, the AOTDTA will consult with States and Territories and stakeholders to endorse the National Vigilance and Surveillance Framework. The Framework will support the investigation, resolution and learning from adverse outcomes related to organ donation for transplantation. In addition, the AOTDTA will establish a Vigilance and Surveillance Expert Advisory Committee to provide advice on appropriate evaluation, reporting and remedial action required for notified adverse events related to deceased organ donation for transplantation.

In 2015-16, the AOTDTA will commence development of the Australian Organ Matching System (AOMS), which will replace the current organ matching system. The AOMS will be developed with the capacity for enhanced change management functionality, to facilitate future clinical developments. The system will allow for optimal matching of organ recipients through the application of best-practice algorithms to continue maximising equity of access and clinical outcomes of transplants in Australia.

Improve community awareness to promote organ and tissue donation

In 2015-16, the AOTDTA will continue to educate the Australian community about the need for family discussion, knowledge, and registration of organ and tissue donation decisions. To increase consent registrations on the Australian Organ Donor Register, the AOTDTA will implement a national online donor registration drive campaign supported by media and social marketing activity. In partnership

¹ Advanced FDC workshops will provide additional training for donation professionals who have completed the core and practical FDC workshops.

with sector organisations and the broader community the AOTDTA will deliver awareness-raising activities comprising: DonateLife Week; community education and outreach activity; 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 – Health Programme 1.2) to administer the Australian Organ Donor Register.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Increase sector capability and capacity to maximise donation rates

Qualitative Deliverables	2015-16 Reference Point or Target
Embed Phase 2 of the Clinical Practice Improvement Program under the Clinical Governance Framework in all Australian DonateLife hospitals.	Implement cross-border hospital team peer relationships between DonateLife hospitals across Australia by 30 June 2016.
Increase education opportunities available to health professionals involved in conversations about organ and tissue donation.	Develop and deliver advanced Family Donation Conversation (FDC) workshops and the Eye and Tissue FDC workshop by 30 June 2016.
Consult with States and Territories and stakeholders to endorse the Australian Vigilance and Surveillance Framework for Organ Donation for Transplantation.	Develop data and reporting mechanisms for implementation of the national vigilance and surveillance system by 30 June 2016.
Development of the Australian Organ Matching System to support optimal matching of organ recipients.	Commence development of the Australian Organ Matching System by 30 June 2016.

Improve community awareness to promote organ and tissue donation

Qualitative Deliverable	2015-16 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 and education programme comprising DonateLife Week in August 2015, an online Australian Organ Donor registration drive, and a targeted engagement with culturally and linguistically diverse communities.

Programme 1.1: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 1.1

Increase sector capability and capacity to maximise donation rates

Quantitative Indicators ²	2014 Calendar Year Target	2015 Calendar Year Target	2016 Calendar Year Target	2017 Calendar Year Target	2018 Calendar Year Target
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%

² Key performance indicators are reported on a calendar year basis to align with Australian and international donation performance reporting.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to AOTDTA.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 2015-2016 is provided below.

Departmental Resources

For the budget and forward years the AOTDTA is expected to achieve a break even position net of unfunded depreciation. In 2015-2016, the AOTDTA has appropriation revenue of \$5.671 million and total expenses are estimated at \$6.029 million.

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 2015-2016, the AOTDTA has forecast Administered expenses of \$46.872 million, which includes a new measure for *'Accelerating growth in organ and tissue donation for transplantation'* (\$5.912 million).

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	4,528	4,382	4,382	4,382	4,382
Supplier expenses	1,755	1,364	1,320	1,364	1,446
Depreciation and amortisation	421	358	335	335	59
Total expenses	6,704	6,104	6,037	6,081	5,887
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	70	75	80	85	90
Total gains	70	75	80	85	90
Total own-source income	70	75	80	85	90
Net cost of (contribution by) services	6,634	6,029	5,957	5,996	5,797
Revenue from Government	6,213	5,671	5,622	5,661	5,738
Surplus (Deficit)	(421)	(358)	(335)	(335)	(59)
Surplus (Deficit) attributable to the Australian Government	(421)	(358)	(335)	(335)	(59)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(421)	(358)	(335)	(335)	(59)
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(421)	(358)	(335)	(335)	(59)
plus non-appropriated expenses depreciation and amortisation expenses	421	358	335	335	59
Total comprehensive income (loss) attributable to the agency	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	53	53	53	53	53
Receivables	2,247	2,247	2,247	2,247	2,247
Other	28	28	28	28	28
Total financial assets	2,328	2,328	2,328	2,328	2,328
Non-financial assets					
Land and buildings	584	552	543	534	534
Property, plant and equipment	164	188	217	245	283
Intangibles	1,046	951	850	752	913
Total non-financial assets	1,794	1,691	1,610	1,531	1,730
Total assets	4,122	4,019	3,938	3,859	4,058
LIABILITIES					
Payables					
Suppliers	44	44	44	44	44
Other payables	1,139	1,139	1,139	1,139	1,139
Total payables	1,183	1,183	1,183	1,183	1,183
Provisions					
Employees	1,049	1,049	1,049	1,049	1,049
Other provisions	-	-	-	-	-
Total provisions	1,049	1,049	1,049	1,049	1,049
Total liabilities	2,232	2,232	2,232	2,232	2,232
Net Assets	1,890	1,787	1,706	1,627	1,826
EQUITY					
Contributed equity	2,549	2,804	3,058	3,314	3,572
Reserves	363	363	363	363	363
Retained surpluses or accumulated deficits	(1,022)	(1,380)	(1,715)	(2,050)	(2,109)
Total equity	1,890	1,787	1,706	1,627	1,826

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(1,022)	363	2,549	1,890
Surplus (deficit) for the period	(358)	-	-	(358)
Capital budget - Bill 1 (DCB)	-	-	255	255
Estimated closing balance as at 30 June 2016	(1,380)	363	2,804	1,787

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,213	5,671	5,669	5,683	5,794
GST received	203	203	203	752	752
Total cash received	6,416	5,874	5,872	6,435	6,546
Cash used					
Employees	4,528	4,382	4,382	4,382	4,382
Suppliers	1,685	1,289	1,287	1,301	1,412
GST paid	203	203	203	752	752
Total cash used	6,416	5,874	5,872	6,435	6,546
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	649	255	254	256	258
Total cash used	649	255	254	256	258
Net cash from (or used by) investing activities	(649)	(255)	(254)	(256)	(258)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	649	255	254	256	258
Total cash received	649	255	254	256	258
Net cash from (or used by) financing activities	649	255	254	256	258
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	53	53	53	53	53
Cash and cash equivalents at the end of the reporting period	53	53	53	53	53

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	649	255	254	256	258
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	649	255	254	256	258
Total new capital appropriations represented by:					
Purchase of non-financial assets	649	255	254	256	258
Other	-	-	-	-	-
Total items	649	255	254	256	258
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	649	255	254	256	258
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	649	255	254	256	258
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	649	255	254	256	258
Total cash used to acquire assets	649	255	254	256	258

DCB = Departmental Capital Budget.

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

2 Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	860	291	1,595	2,746
Accumulated depreciation/amortisation and impairment	(276)	(127)	(549)	(952)
Opening net book balance	584	164	1,046	1,794
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	64	191	255
Sub-total	-	64	191	255
Other movements				
Depreciation/amortisation expense	(32)	(40)	(286)	(358)
Disposals ¹	-	-	-	-
Other	-	-	-	-
Total other movements	(32)	(40)	(286)	(358)
As at 30 June 2016				
Gross book value	860	355	1,786	3,001
Accumulated depreciation/amortisation and impairment	(308)	(167)	(835)	(1,310)
Closing net book balance	552	188	951	1,691

1 Net 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	37,564	41,527	38,126	37,564	37,564
Supplier expenses	2,830	5,345	5,726	4,802	5,522
Total expenses administered on behalf of Government	40,394	46,872	43,852	42,366	43,086

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	80	80	80	80	80
Receivables	187	187	187	187	187
Total financial assets	267	267	267	267	267
Total assets administered on behalf of Government	267	267	267	267	267
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	11,641	11,641	11,641	11,641	11,641
Suppliers	18	18	18	18	18
Other payables	254	254	254	254	254
Total payables	11,913	11,913	11,913	11,913	11,913
Total liabilities administered on behalf of Government	11,913	11,913	11,913	11,913	11,913

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
GST received	752	752	752	752	752
Total cash received	752	752	752	752	752
Cash used					
Grant payments	37,564	41,527	38,126	37,564	37,564
Suppliers	2,830	5,345	5,887	4,802	5,522
GST paid	752	752	752	752	752
Total cash used	41,146	47,624	44,765	43,118	43,838
Net cash from (or used by) operating activities	(40,394)	(46,872)	(44,013)	(42,366)	(43,086)
Net increase (or decrease) in cash held	(40,394)	(46,872)	(44,013)	(42,366)	(43,086)
Cash at beginning of reporting period	80	80	80	80	80
Cash from Official Public Account for: - appropriations	40,394	46,872	44,013	42,366	43,086
Cash to the Official Public Account	-	-	-	-	-
Cash at end of reporting period	80	80	80	80	80

AUSTRALIAN RADIATION PROTECTION AND NUCLEAR SAFETY AGENCY

ARPANSA

Entity Resources and Planned Performance

Australian Radiation Protection and Nuclear Safety Agency

Health Portfolio Entity

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Section 1: Entity 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 a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: ARPANSA Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	2,869	2,869	-	2,869
Departmental appropriation ³	15,256	-	15,043	15,043
s74 retained revenue receipts ⁴	-	-	-	-
Total	18,125	2,869	15,043	17,912
Total ordinary annual services	18,125	2,869	15,043	17,912
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	18,125	2,869	15,043	17,912
Total appropriations excluding Special Accounts	18,125	2,869	15,043	17,912
Special Accounts				
Opening balance ⁶	1,395	880	-	880
Appropriation receipts ⁷	15,256	-	15,907	15,907
Non-appropriation receipts to Special Accounts	9,561	-	9,561	9,561
Total Special Accounts	26,212	880	25,468	26,348
Total resourcing	44,337	3,749	40,511	44,260
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations	(15,256)	-	(15,907)	(15,907)
Total net resourcing for ARPANSA	29,081	3,749	24,604	28,353

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$1.979m in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

6 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1.

7 Appropriation receipts from ARPANSA annual and special appropriations for 2015-16 included above.

1.3 Budget Measures

Section 1.3 is not applicable to ARPANSA.

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's regulatory and advisory frameworks are based on evidence regarding levels of ionising¹ and non-ionising² radiation in the environment and the effect on human and environmental health and wellbeing. In 2015-16, ARPANSA will continue to develop its risk-informed and proportionate approach to the radiation regulation framework. ARPANSA will continue to assess exposure to the public, workers and the environment to ionising and non-ionising radiation from natural and man-made sources.

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, 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.

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 response to nuclear and radiological emergencies, and will work with regional regulators to strengthen the safety and security infrastructure. 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.

¹ 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.

² Radiation that does not produce ionisation in matter, for example, ultraviolet, radio frequency radiation.

ARPANSA Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for ARPANSA by programme.

Table 2.1: Budgeted Expenses for ARPANSA

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Radiation protection and nuclear safety					
Departmental expenses					
Ordinary annual services					
(Appropriation Bill No. 1)	13,253	13,064	12,937	13,019	13,103
Special Accounts	10,046	10,046	10,046	10,046	10,046
Expenses not requiring appropriation in the budget year ¹	2,171	2,171	2,171	2,171	2,171
Operating Loss (Surplus)	536	643	-	-	-
Total for Programme 1.1	26,006	25,924	25,154	25,236	25,320
Total expenses for Outcome 1	26,006	25,924	25,154	25,236	25,320

	2014-15	2015-16
Average staffing level (number)	127	135

- 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 up-to-date scientific knowledge to inform its regulatory activities and to provide evidence-based expert advice to the Australian Government and community. In 2015-16, these activities will focus on the assessment of sources of, and exposures to, ionising radiation (naturally occurring as well as resulting from regulated and legacy activities), ultraviolet radiation (UV), electromagnetic radiation (EMR); and associated health and environmental risks.

ARPANSA will continue to evaluate and monitor work environments to ensure workers are adequately protected and well informed about health risks from exposure to radiation. This includes providing a personal radiation monitoring service to assess worker 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 develop its own capability, and will support the Australian Government's and other entities' capabilities, to deal with nuclear and radiological incidents and emergencies. This will be achieved through: the continued monitoring and control of nuclear and radiological imports and exports across our borders; the execution of ARPANSA's safety and security monitoring and compliance regime for regulated entities; the development of trained radiation security advisors and emergency response personnel; and the continued engagement in nuclear emergency response planning and exercises, both nationally and internationally. ARPANSA will continue to support a national approach to the secure management of radiological material with the management of a national sealed source register and a security incident reporting system.

Promote the effective use of ionising radiation in medicine

In 2015-16, ARPANSA will continue to promote radiation protection of the patient through the safe and effective use of ionising radiation in diagnostic imaging. ARPANSA will continue to conduct surveys of radiation doses from computed tomography, nuclear medicine and interventional fluoroscopy that will either establish or develop Diagnostic Reference Levels for each of these disciplines.³

The four year Australian Clinical Dosimetry Service pilot programme has developed and delivered a national audit programme for radiotherapy facilities which ensures that patients undergoing radiation therapy are receiving the correct dose in their treatment. It has been funded to continue until December 2016. In 2015-16, the programme will engage with stakeholders and design an on-going service incorporating a user contribution to the operational cost.

³ Diagnostic Reference Levels allow facilities to compare operating standards against their peers and international best practice.

ARPANSA will continue to provide traceable calibration services to ensure radiotherapy centres hold correct dose calibration standards.

Ensure effective and proportionate regulation and enforcement activities

ARPANSA is also committed to the effective and efficient regulation of radiation sources, radiation facilities and nuclear installations, as well as to the safe transport of radioactive material. In 2015-16, ARPANSA will continue to enhance its regulatory framework through implementation and continuous improvement of the new risk-informed regulatory delivery model. It will continue to regulate the use of radiation by Commonwealth entities through licensing, inspection, monitoring, and enforcement when necessary. ARPANSA will also continue to enhance awareness of radiation risks and to promote good practice in radiation protection and nuclear safety. 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 upon international best practice to ensure effective, efficient and internationally harmonised regulation and enforcement activities. It will also coordinate and maintain the Australian Radiation Incident Register as a source of important information for regulatory activities.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Protect the public, workers and environment from radiation exposure

Qualitative Deliverables	2015-16 Reference Point or Target
Ensure appropriate strategies are in place to allow individuals and groups to make informed decisions about their risks from radiation exposure.	Adequate information is provided to individuals and groups.
Undertake assessments of worker exposure to ionising radiation.	Personal radiation monitoring services provided to enable effective monitoring of worker exposure.

Ensure radiological and nuclear security and emergency preparedness

Qualitative Deliverable	2015-16 Reference Point or Target
Enhanced system for response to radiological and nuclear threats and events consistent with international guidance and best practice.	Effective integration of ARPANSA's Emergency Preparedness and Response Manual into national planning arrangements.

Quantitative Deliverables for Programme 1.1

Ensure effective and proportionate regulation and enforcement activities

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of scheduled inspections performed on time for licensed Commonwealth radiation sources, facilities and nuclear installations.	N/A ⁴	>90%	>90%	>90%	>90%

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	2015-16 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.
Monitor 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.

⁴ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

Quantitative Key Performance Indicators for Programme 1.1

Promote the effective use of ionising radiation in medicine

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of Australian Radiotherapy Providers participating in the national dosimetric auditing programme provided by the Australian Clinical Dosimetry Service.	N/A ⁵	>95%	>80% ⁶	>80%	>80%
Percentage of Australian Radiotherapy Providers covered by ARPANSA dose calibration services.	N/A ⁷	>70%	>70%	>70%	>70%

Ensure effective and proportionate regulation and enforcement activities

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
The percentage of inspections at which non-compliance is not observed.	>90%	>90%	>90%	>90%	>90%
Number of holistic safety regulatory interventions embraced by licence holders.	10	10	10	10	10
Percentage of licence applications assessed within the time agreed with licence holder.	N/A ⁸	>90%	>90%	>90%	>90%

⁵ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

⁶ From 2016-17, a user contribution to the operational cost will be required from providers. This may lead to a reduction in the number of participating providers.

⁷ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

⁸ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to ARPANSA.

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 section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by ARPANSA.

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2015-16 2014-15	Appropriation receipts 2015-16 2014-15	Other receipts 2015-16 2014-15	Payments 2015-16 2014-15	Closing balance 2015-16 2014-15
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
ARPANSA Account ¹ (D)	1	880 1,395	15,907 15,256	10,046 10,046	25,707 25,817	1,126 880
Total Special Accounts						
2015-16 Estimate		880	15,907	10,046	25,707	1,126
<i>Total Special Accounts</i>						
<i>2014-15 estimate actual</i>		1,395	15,256	10,046	25,817	880

D = Departmental.

1 Australian Radiation Protection and Nuclear Safety Act 1998 - s80 PGPA Act.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Section 3.1.3 is not applicable to ARPANSA.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive Income Statement

The estimated operating losses of \$0.536 million in 2014-15 and \$0.643 million in 2015-16 after unfunded depreciation have been approved by the Minister for Finance. 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.

Balance Sheet

ARPANSA's total 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	16,348	16,348	16,348	16,348	16,348
Supplier expenses	6,951	6,762	6,635	6,717	6,801
Depreciation and amortisation	2,171	2,171	2,171	2,171	2,171
Write-down and impairment of assets	536	643	-	-	-
Total expenses	26,006	25,924	25,154	25,236	25,320
LESS:					
OWN-SOURCE INCOME					
Revenue					
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
Total revenue	10,046	10,046	10,046	10,046	10,046
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	10,046	10,046	10,046	10,046	10,046
Net cost of (contribution by) services	15,960	15,878	15,108	15,190	15,274
Revenue from Government	13,253	13,064	12,937	13,019	13,103
Surplus (Deficit)	(2,707)	(2,814)	(2,171)	(2,171)	(2,171)
Surplus (Deficit) attributable to the Australian Government	(2,707)	(2,814)	(2,171)	(2,171)	(2,171)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(2,707)	(2,814)	(2,171)	(2,171)	(2,171)
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(2,707)	(2,814)	(2,171)	(2,171)	(2,171)
plus non-appropriated expenses depreciation and amortisation expenses	2,171	2,171	2,171	2,171	2,171
Total comprehensive income (loss) attributable to the agency	(536)	(643)	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	880	1,126	1,126	1,126	1,126
Receivables	4,075	3,211	3,211	3,211	3,211
Accrued revenue	91	91	91	91	91
Total financial assets	5,046	4,428	4,428	4,428	4,428
Non-financial assets					
Land and buildings	21,388	21,593	21,798	21,945	22,092
Property, plant and equipment	5,356	4,944	4,531	4,195	3,873
Inventories	1,453	1,428	1,428	1,428	1,428
Intangibles	606	621	636	651	666
Other	369	369	369	369	369
Total non-financial assets	29,172	28,955	28,762	28,588	28,428
Total assets	34,218	33,383	33,190	33,016	32,856
LIABILITIES					
Payables					
Suppliers	-	-	-	-	-
Other payables	1,240	1,240	1,240	1,240	1,240
Total payables	1,240	1,240	1,240	1,240	1,240
Provisions					
Employees	5,370	5,370	5,370	5,370	5,370
Total provisions	5,370	5,370	5,370	5,370	5,370
Total liabilities	6,610	6,610	6,610	6,610	6,610
Net Assets	27,608	26,773	26,580	26,406	26,246
EQUITY					
Contributed equity	17,503	19,482	21,460	23,457	25,468
Reserves	11,014	11,014	11,014	11,014	11,014
Retained surpluses or accumulated deficits	(909)	(3,723)	(5,894)	(8,065)	(10,236)
Total equity	27,608	26,773	26,580	26,406	26,246

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(909)	11,014	17,503	27,608
Surplus (deficit) for the period	(2,814)	-	-	(2,814)
Capital budget - Bill 1 (DCB)	-	-	1,979	1,979
Equity Injection - Appropriation	-	-	-	-
Estimated closing balance as at 30 June 2016	(3,723)	11,014	19,482	26,773

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	4,286	4,286	4,286	4,286	4,286
Appropriations	13,253	13,928	12,937	13,019	13,103
Net GST received	485	485	485	485	485
Other cash received	5,275	5,275	5,275	5,275	5,275
Total cash received	23,299	23,974	22,983	23,065	23,149
Cash used					
Employees	16,348	16,349	16,349	16,348	16,348
Suppliers	6,740	6,678	5,933	6,034	6,118
Net GST paid	726	701	701	683	683
Total cash used	23,814	23,728	22,983	23,065	23,149
Net cash from (or used by) operating activities	(515)	246	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,003	1,979	1,978	1,997	2,011
Total cash used	2,003	1,979	1,978	1,997	2,011
Net cash from (or used by) investing activities	(2,003)	(1,979)	(1,978)	(1,997)	(2,011)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	2,003	1,979	1,978	1,997	2,011
Total cash received	2,003	1,979	1,978	1,997	2,011
Net cash from (or used by) financing activities	2,003	1,979	1,978	1,997	2,011
Net increase (or decrease) in cash held	(515)	246	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,395	880	1,126	1,126	1,126
Cash and cash equivalents at the end of the reporting period	880	1,126	1,126	1,126	1,126

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	2,003	1,979	1,978	1,997	2,011
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	2,003	1,979	1,978	1,997	2,011
Total new capital appropriations represented by:					
Purchase of non-financial assets	2,003	1,979	1,978	1,997	2,011
Total items	2,003	1,979	1,978	1,997	2,011
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	2,003	1,979	1,978	1,997	2,011
Total acquisitions of non-financial assets	2,003	1,979	1,978	1,997	2,011
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,003	1,979	1,978	1,997	2,011
Total cash used to acquire assets	2,003	1,979	1,978	1,997	2,011

DCB = Departmental Capital Budget.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	5,700	20,920	14,773	3,295	44,688
Accumulated depreciation/amortisation and impairment	-	(5,232)	(9,417)	(2,689)	(17,338)
Opening net book balance	5,700	15,688	5,356	606	27,350
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	785	747	447	1,979
Total additions	-	785	747	447	1,979
Other movements					
Depreciation/amortisation expense	-	(580)	(1,159)	(432)	(2,171)
Total other movements	-	(580)	(1,159)	(432)	(2,171)
As at 30 June 2016					
Gross book value	5,700	21,705	15,520	3,742	46,667
Accumulated depreciation/amortisation and impairment	-	(5,812)	(10,576)	(3,121)	(19,509)
Closing net book balance	5,700	15,893	4,944	621	27,158

AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY

Entity Resources and Planned Performance

ASADA

Australian Sports Anti-Doping Authority

Health Portfolio Entity

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ASADA

Section 1: Entity 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 the health of Australian athletes and the integrity of Australian sport.

ASADA provides a comprehensive anti-doping programme for the Australian sports community, encompassing engagement, 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 (ADRVs), from athlete testing to managing and presenting ADRV cases;
- collecting and analysing anti-doping intelligence, and conducting investigations on possible ADRV;
- 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 a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: ASADA Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available	Proposed at Budget	Total estimate
	2014-15 \$'000	in 2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	4,500	2,226	-	2,226
Departmental appropriation ³	13,295	-	12,607	12,607
s74 Retained revenue receipts ⁴	1,984	-	1,984	1,984
Total	19,779	2,226	14,591	16,817
Total ordinary annual services	19,779	2,226	14,591	16,817
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	19,779	2,226	14,591	16,817
Total net resourcing for ASADA	19,779	2,226	14,591	16,817

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$0.373m in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

1.3 Budget Measures

Section 1.3 is not applicable to ASADA.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

Protection of the health of athletes and the integrity of Australian sport including through deterrence, detection and enforcement to eliminate doping

Outcome Strategy

The Australian Government aims to protect the health of athletes, as well as the integrity of sport. To achieve this, ASADA will conduct anti-doping activities encompassing engagement, deterrence, detection and enforcement:

- **Engagement** – strengthening relationships with sport to build anti-doping capabilities and facilitate the sharing of information.
- **Deterrence** – minimising the risk of doping by building awareness with athletes, support personnel and other stakeholders through communication, education and testing initiatives.
- **Detection** – implementing an integrated programme of intelligence gathering, targeted testing, and investigation of possible ADRVs.
- **Enforcement** – 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 to 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 with partners will assist Australian athletes to participate internationally on an equitable basis.

In 2015-16, 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 Australian sport. Particular focus will be placed on incorporating ASADA's expanded information gathering and investigative powers as part of a holistic anti-doping programme. Work will also focus on implementation of the Code into Australia's anti-doping framework.

ASADA Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for ASADA by programme.

Table 2.1: Budgeted Expenses for ASADA

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Deterrence, Detection and Enforcement					
Departmental expenses					
Departmental appropriation ¹	14,900	14,218	13,017	13,217	13,331
Expenses not requiring appropriation in the budget year ²	588	548	477	472	374
Operating deficit (surplus)	750	-	-	-	-
Total for Programme 1.1	16,238	14,766	13,494	13,689	13,705
Total expenses for Outcome 1	16,238	14,766	13,494	13,689	13,705

	2014-15	2015-16
Average staffing level (number)	60	57

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

Engagement, Deterrence, Detection and Enforcement Programme

In 2015-16, ASADA will engage in 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 communication activities. ASADA will engage regularly with sporting organisations to assist sports and ensure they meet their obligations under the Code and ASADA's legislative framework.

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 2015-16, ASADA will apply the tools of science, intelligence, investigations, testing and education to implement an effective anti-doping programme in Australia. This will be supported through engagement with other agencies, including law enforcement, to build upon the cooperative framework necessary to identify possible ADRVs.

In the lead up to major sporting events, such as the 2016 Rio Olympic and Paralympic Games and 2018 Gold Coast Commonwealth Games, ASADA will contribute to protecting the integrity of Australian sporting teams. From an anti-doping perspective, this contribution will 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 Whereabouts¹ obligations; and
- the delivery of anti-doping education to athletes and support personnel.

In 2015-16, ASADA will continue to identify and pursue alleged violations. This will be conducted in an environment of:

- increasingly sophisticated doping regimes;
- greater reliance on intelligence and investigations to prove alleged violations; and
- increasing legal challenges to such investigations.

¹ A select group of 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

Engagement, Deterrence, Detection and Enforcement Programme

Qualitative Deliverables	2015-16 Reference Point or Target
Assist Australian sporting organisations to build capability, increase the effectiveness of their programmes and share information and expertise on effective anti-doping programmes.	Australian sports better understand and respond to the threat of doping.
Ongoing 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 2015-16.
Contribute to the global effort of combating doping in sport.	ASADA engages with domestic and international partners to improve anti-doping outcomes at forums and through information sharing opportunities throughout 2015-16.

Quantitative Deliverables for Programme 1.1

Engagement, Deterrence, Detection and Enforcement Programme

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Completion/attendance figures for ASADA's core education resources.	12,000	12,000	12,000	12,000	12,000
Number of Government-funded doping control tests conducted. ²	2,700 - 3,400	2,700 - 3,400	2,700 - 3,400	2,700 - 3,400	2,700 - 3,400
Number of intelligence incident reports and referrals received by ASADA. ³	450	500	600	700	700
Number of incidents formally accepted as investigation cases. ⁴	45	50	60	70	70

² Range in planned tests reflects operational flexibility to conduct more technically complex (blood and urine) and intelligence-based testing.

³ Reported incidents include reports and referrals derived from external party notifications, anonymous tip-offs, scientific analysis reports and field staff incident reports.

⁴ Derived from the intelligence incident reports, these incidents were formally accepted as investigation cases and forwarded to the Investigation team.

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Engagement, Deterrence, Detection and Enforcement Programme

Qualitative Indicators	2015-16 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 throughout 2015-16 demonstrates a greater 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.	Sport policies and programmes reflect international and Australian anti-doping obligations.
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 considered, and if action is deemed warranted, pursued in accordance with the Code and Australian legislation.	All enforcement activities comply with the Code and Australian legislation in 2015-16.

Quantitative Key Performance Indicators for Programme 1.1**Engagement, Deterrence, Detection and Enforcement Programme**

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of national sporting organisations, athletes and support personnel satisfied with anti-doping education and awareness raising programmes.	80% - 85%	80% - 85%	80% - 85%	80% - 85%	80% - 85%
Percentage of sporting organisations, athletes and support personnel aware of ASADA legislation and the Code.	80% - 85%	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% - 85%	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 entity finances for the 2015-16 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 Australian Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to ASADA.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to ASADA.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Section 3.1.3 is not applicable to ASADA.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive income statement

ASADA is budgeting for an operating loss of \$0.75 million in 2014-15 after adjustment for unfunded depreciation and amortisation expenses. The approved loss is attributable to one-off resources required to respond to the scope of the enforcement phase of ASADA's investigation following on from the Australian Crime Commission's report *Organised Crime and Drugs in Sport*.

For the 2015-16 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 2015-16 is estimated at \$14.25 million and comprises appropriation funding for ordinary annual services of \$12.23 million and revenue from independent sources of \$2.02 million, primarily comprised of revenue from contracted testing services.

Total expenses in 2015-16 are anticipated to be \$14.77 million including \$0.51 million in unfunded depreciation and amortisation costs

Balance sheet

No significant movements are expected in assets or liabilities over the forward estimates period.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	7,684	7,746	6,966	7,141	7,316
Supplier expenses	7,989	6,495	6,074	6,099	6,038
Depreciation and amortisation	554	514	443	438	340
Other expenses	11	11	11	11	11
Total expenses	16,238	14,766	13,494	13,689	13,705
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	1,684	1,684	1,684	1,684	1,684
Other revenue	300	300	-	-	-
Total revenue	1,984	1,984	1,684	1,684	1,684
Gains					
Other	34	34	34	34	34
Total gains	34	34	34	34	34
Total own-source income	2,018	2,018	1,718	1,718	1,718
Net cost of (contribution by) services	14,220	12,748	11,776	11,971	11,987
Revenue from Government	12,916	12,234	11,333	11,533	11,647
Surplus (Deficit)	(1,304)	(514)	(443)	(438)	(340)
Surplus (Deficit) attributable to the Australian Government	(1,304)	(514)	(443)	(438)	(340)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(1,304)	(514)	(443)	(438)	(340)

Table 3.2.1: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June (continued)

Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(1,304)	(514)	(443)	(438)	(340)
plus non-appropriated expenses					
depreciation and amortisation expenses	554	514	443	438	340
Total comprehensive income (loss) attributable to the agency¹	(750)	-	-	-	-

- 1 ASADA has received approval from the Minister for Finance to incur a maximum operating loss of \$0.75m for the 2014-15 financial year. The loss arises from one-off resources required to respond to the scope of the enforcement phase of ASADA's investigation following on from the Australian Crime Commission's report *Organised Crime and Drugs in Sport*.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	159	159	159	159	159
Receivables	2,619	2,619	2,619	2,619	2,619
Other financial assets	150	150	150	150	150
Total financial assets	2,928	2,928	2,928	2,928	2,928
Non-financial assets					
Land and buildings	541	302	99	178	78
Property, plant and equipment	169	409	651	527	480
Intangibles	489	347	237	224	414
Inventories	145	145	145	145	145
Other	112	112	112	112	112
Total non-financial assets	1,456	1,315	1,244	1,186	1,229
Total assets	4,384	4,243	4,172	4,114	4,157
LIABILITIES					
Payables					
Suppliers	1,170	1,170	1,170	1,170	1,170
Other payables	199	199	199	199	199
Total payables	1,369	1,369	1,369	1,369	1,369
Provisions					
Employees	2,610	2,610	2,610	2,610	2,610
Other provisions	28	28	28	28	28
Total provisions	2,638	2,638	2,638	2,638	2,638
Total liabilities	4,007	4,007	4,007	4,007	4,007
Net assets	377	236	165	107	150
EQUITY					
Contributed equity	2,716	3,089	3,461	3,841	4,224
Reserves	249	249	249	249	249
Retained surpluses or accumulated deficits	(2,588)	(3,102)	(3,545)	(3,983)	(4,323)
Total equity	377	236	165	107	150

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(2,588)	249	2,716	377
Surplus (deficit) for the period	(514)	-	-	(514)
Capital budget - Bill 1 (DCB)	-	-	373	373
Estimated closing balance as at 30 June 2016	(3,102)	249	3,089	236

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	15,190	12,234	11,333	11,533	11,647
Goods and services	2,067	1,667	1,619	1,684	1,684
Net GST received	412	574	240	250	247
Other cash received	300	300	-	-	-
Total cash received	17,969	14,775	13,192	13,467	13,578
Cash used					
Employees	8,464	7,746	6,966	7,141	7,316
Suppliers	7,983	6,489	6,068	6,065	6,004
Net GST paid	367	540	158	250	247
Other cash used	1,155	-	-	11	11
Total cash used	17,969	14,775	13,192	13,467	13,578
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	379	373	372	380	383
Total cash used	379	373	372	380	383
Net cash from (or used by) investing activities	(379)	(373)	(372)	(380)	(383)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	379	373	372	380	383
Total cash received	379	373	372	380	383
Net cash from (or used by) financing activities	379	373	372	380	383
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	159	159	159	159	159
Cash and cash equivalents at the end of the reporting period	159	159	159	159	159

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	379	373	372	380	383
Total capital appropriations	379	373	372	380	383
Total new capital appropriations represented by:					
Purchase of non-financial assets	379	373	372	380	383
Total items	379	373	372	380	383
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	379	373	372	380	383
Total acquisitions of non-financial assets	379	373	372	380	383
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	379	373	372	380	383
Total cash used to acquire assets	379	373	372	380	383

DCB = Departmental Capital Budget.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	2,207	1,594	2,652	6,453
Accumulated depreciation/amortisation and impairment	(1,666)	(1,425)	(2,163)	(5,254)
Opening net book balance	541	169	489	1,199
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	373	-	373
Total additions	-	373	-	373
Other movements				
Depreciation/amortisation expense	(239)	(133)	(142)	(514)
Total other movements	(239)	(133)	(142)	(514)
As at 30 June 2016				
Gross book value	2,207	1,967	2,652	6,826
Accumulated depreciation/amortisation and impairment	(1,905)	(1,558)	(2,305)	(5,768)
Closing net book balance	302	409	347	1,058

AUSTRALIAN SPORTS COMMISSION

Entity Resources and Planned Performance

ASC

Australian Sports Commission

Health Portfolio Entity

Section 1: Entity Overview and Resources

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government provides leadership, coordination and support for Australian sport. The Australian Sports Commission (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 a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and departmental classifications.

Table 1.1: ASC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank¹	72,991	70,702	-	70,702
FUNDS FROM GOVERNMENT				
Ordinary annual services²				
Outcome 1	88,337	-	83,319	83,319
Outcome 2	177,731	-	170,327	170,327
Total ordinary annual services	266,068	-	253,646	253,646
Other services³				
Non-operating	1,500	-	-	-
Total other services	1,500	-	-	-
Total annual appropriations	267,568	-	253,646	253,646
FUNDS FROM OTHER SOURCES				
Interest	3,509	-	3,029	3,029
Sale of goods and services	30,722	-	20,723	20,723
Total other sources	34,231	-	23,752	23,752
Total net resourcing for ASC	374,790	70,702	277,398	348,100

All figures are GST exclusive.

The ASC is not directly appropriated as it is a Corporate Commonwealth entity. 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) 2015-16.

3 Appropriation Bill (No. 2) 2015-16.

1.3 Budget Measures

Section 1.3 is not applicable to the ASC.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity

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 ASC's two outcomes, the Commission aims to increase participation in structured physical activity (sport) and contribute to continued international sporting success.

In March 2015, the ASC launched its new participation blueprint *Play. Sport. Australia.* to grow participation in Australian sport. *Play. Sport. Australia.* articulates priority action areas to address the challenges of keeping sports relevant and viable and keeping Australians active and healthy through sport.

Grass roots sport is fundamental to the Australian way of life with tens of thousands of sporting organisations across Australia and thousands of private-sector providers. The ASC plays a national leadership role in influencing a large part of the sector.

The ASC aims to use its unique position of influence and leadership role to inform, support and create alignment through the sport sector to achieve the collective national goal of participation growth. It will work to develop and share research and data to better understand what is happening in sport, help drive demand for lifelong participation in sport and support the network that supplies sport – sporting organisations.

The Australian Institute of Sport (AIS), a division of the ASC, is Australia's strategic high performance sport agency, responsible for leading the delivery of Australia's international sporting success. The AIS works in partnership with national sporting organisations, state institutes and academies of sport, and peak bodies such as the Australian Olympic Committee, Australian Paralympic Committee and the Australian Commonwealth Games Association.

The blueprint for Australia's high performance success is *Australia's Winning Edge*. Launched in 2012, *Australia's Winning Edge* is a national high performance strategy which provides the high performance sports sector with clear performance targets and a framework for collaboration from 2012-2022.

ASC Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for the ASC by programme.

Table 2.1: Budgeted Expenses and Resources for ASC

Outcome 1: Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 1.1		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	88,337	83,319
Revenues from other independent sources	14,054	6,723
Expenses not requiring appropriation in the Budget year ¹	6,800	1,813
Total expenses for Outcome 1	109,191	91,855
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	2014-15 Estimated actual expenses \$'000	2015-16 Estimated expenses \$'000
Programme 2.1		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	177,731	170,327
Revenues from other independent sources	20,214	17,056
Expenses not requiring appropriation in the Budget year ¹	6,871	4,231
Total expenses for Outcome 2	204,816	191,614
	2014-15	2015-16
Average Staffing Level (number)	610	584

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

Table 2.2: Programme Expenses

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
Annual departmental expenses:					
Ordinary annual services	109,191	91,855	91,154	52,090	50,591
Total Programme 1.1 expenses	109,191	91,855	91,154	52,090	50,591
	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
Annual departmental expenses:					
Ordinary annual services	204,816	191,614	189,765	190,997	188,481
Total Programme 2.1 expenses	204,816	191,614	189,765	190,997	188,481

Programme 1.1: Australian Sports Commission

Programme Objective

Growth in sport participation

As identified in *Play. Sport. Australia*, the ASC is committed to achieving three results for growth in participation:

- more Australians, particularly young Australians, participating in sport more often;
- sports achieving year-on-year membership and participation growth; and
- sporting organisations being effective – well governed, strategic, commercially astute and delivering sports opportunities that are relevant to the changing environment.

To achieve this, the ASC will concentrate on three key areas: a better understanding of what is happening in sport; helping drive demand for lifelong participation in sport (including through the delivery of the Sporting Schools programme); and supporting the network that supplies sport – sporting organisations.

The ASC will also continue its work to inform, support and create alignment through the sport sector. This includes maintaining a focus on building the capability and sustainability of Australian sport through improved organisational governance.

Programme 1.1 is linked as follows:

- The Department of the Prime Minister and Cabinet (Office for Women – Programme 1.1) to increase female representation in sport leadership roles.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Growth in sport participation

Qualitative Deliverables	2015-16 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.	Initial phase of data collection and analysis to establish benchmark participation data and enable development of key performance indicators.
Establishment of benchmark data through the Annual Sports Performance Review and related data collection to measure and track improvements in the organisational capability of national sporting organisations.	Initial data collection to establish benchmark organisational capability measures.

Quantitative Deliverables for Programme 1.1

Growth in sport participation

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of schools funded to deliver practical physical activity in a school setting through the Sporting Schools programme.	N/A ¹	4,030	5,760	N/A ²	N/A
Number of governance, commercialisation and workforce capability projects with national sporting organisations completed. ³	N/A ⁴	20	20	20	20

Programme 1.1: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 1.1

Growth in sport participation

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of priority participation national sporting organisations growing their participation base.	80%	80%	80%	80%	80%
Number of children participating in the Sporting Schools programme.	N/A ⁵	600,000	860,000	N/A ⁶	N/A

¹ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

² The Sporting Schools programme is funded until the end of 2016-17.

³ This deliverable refers to the number of new projects completed during each year.

⁴ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

⁵ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

⁶ The Sporting Schools programme is funded until the end of 2016-17.

Programme 2.1: Australian Sports Commission

Programme Objective

Excellence in sports performance

The AIS, as Australia's strategic high performance sports agency, is focused on delivery of excellence in sports performance and continued international success, measured particularly through Australia's results at Olympic and Paralympic Games, Commonwealth Games and world championships.

To achieve this, the AIS focuses on:

- providing targeted investment to national sporting organisations and athletes to deliver on *Australia's Winning Edge* performance targets;
- providing high performance advice and guidance that assists national sporting organisations with strategy, high performance planning and programme delivery;
- implementing innovative programmes to optimise athlete, coach and leader talent;
- planning, coordinating and delivering sport science and sports medicine expertise to Australia's best high performing athletes;
- supporting innovative projects that promote the growth of knowledge and expertise for high performance sport; and
- facilitating a more aligned and streamlined performance network that supports *Australia's Winning Edge*-identified athletes and teams across jurisdictions.

Programme 2.1: Deliverables

Quantitative Deliverables for Programme 2.1

Excellence in sports performance

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of national sporting organisations that receive high performance investment to implement their high performance plans.	N/A ⁷	33	33	33	33
Number of athletes that receive direct financial support to achieve their high performance outcomes.	N/A ⁸	750	750	750	750

⁷ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

⁸ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of high performance innovation projects focused on improving sport performance. ⁹	N/A ¹⁰	20	20	20	20

Programme 2.1: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 2.1

Excellence in sports performance

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of <i>Australia's Winning Edge</i> funded sports rated by the AIS as achieving their performance targets.	80%	80%	90%	90%	90%
Number of <i>Australia's Winning Edge</i> athletes whose performance is being tracked through the national athlete management system.	N/A ¹¹	1,500	1,500	1,500	1,500
Percentage of projects completed in accordance with the agreed National Institute Network Review Recommendation Implementation Schedule.	N/A ¹²	90%	90%	N/A ¹³	N/A

⁹ This deliverable refers to the number of new projects completed during each year.

¹⁰ This is a new deliverable for 2015-16, therefore there is no target for 2014-15.

¹¹ This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

¹² This is a new Key Performance Indicator for 2015-16, therefore there is no target for 2014-15.

¹³ All projects are scheduled to be completed by the end of 2016-17.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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 ASC.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to the ASC.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Table 3.1.1: Australian Government Indigenous expenditure

Outcome	Appropriations			Other	Total	
	Bill No. 1	Bill No. 2	Special approp			Total approp
	\$'000	\$'000	\$'000			\$'000
Australian Sports Commission						
Outcome 1						
Departmental 2015-16	-	-	-	-	-	
Departmental 2014-15	2,028	-	-	2,028	2,028	
Total Outcome 1 2015-16	-	-	-	-	-	
Total Outcome 1 2014-15	2,028	-	-	2,028	2,028	
Outcome 2						
Departmental 2015-16	-	-	-	-	-	
Departmental 2014-15	-	-	-	600	600	
Total Outcome 1 2015-16	-	-	-	-	-	
Total Outcome 1 2014-15	-	-	-	600	600	
Total Departmental 2015-16	-	-	-	-	-	
Total Departmental 2014-15	2,028	-	-	600	2,628	
Total AGIE 2015-16	-	-	-	-	-	
Total AGIE 2014-15	2,028	-	-	600	2,628	

3.2 Budgeted Financial Statements

3.2.1 Differences in agency resourcing and financial statements

The entity resource statement (Table 1.2.1) provides a consolidated view of all the resources available in 2015-16. 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 budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive income statement

The ASC is budgeting for an operating loss of \$13.671 million in 2014-15 mainly arising from: (i) additional and unfunded depreciation expense reflecting revaluations of assets; and (ii) timing differences across financial years as to when revenue is received and when expenditure for certain activities and externally funded programmes occurs.

The ASC is budgeting for an operating loss for the 2015-16 Budget year and two forward estimates periods arising from additional and unfunded depreciation expense reflecting revaluations of assets. The impact of the additional depreciation expense from revaluations has not been factored into 2018-19 while the ASC undertakes a review of its options for depreciation and capital funding.

Budgeted departmental balance sheet

Total assets at 30 June 2016 are anticipated to be \$319.288 million, \$226.648 million (71 per cent) 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 supplier payables and employee entitlements.

Total equity is estimated at \$299.071 million at 30 June 2016. The reduction in equity over the forward estimates periods reflects the impact of the budgeted technical accounting loss for increased depreciation expense arising from revaluations of assets.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	68,406	63,626	65,311	57,779	59,591
Suppliers	47,459	34,945	33,394	30,819	29,627
Grants	175,336	161,962	159,274	132,031	133,342
Depreciation and amortisation	22,806	22,936	22,940	22,458	16,512
Total expenses	314,007	283,469	280,919	243,087	239,072
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	30,722	20,723	20,542	20,378	20,657
Interest	3,546	3,056	2,549	2,535	2,518
Total revenue	34,268	23,779	23,091	22,913	23,175
Total own-source income	34,268	23,779	23,091	22,913	23,175
Net cost of (contribution by) services	279,739	259,690	257,828	220,174	215,897
Revenue from Government	266,068	253,646	251,780	214,126	215,897
Surplus (Deficit) attributable to the Australian Government	(13,671)	(6,044)	(6,048)	(6,048)	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	6,955	-	-	-	-
Total other comprehensive income	6,955	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(6,716)	(6,044)	(6,048)	(6,048)	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,702	24,262	17,592	19,746	8,139
Trade and other receivables	6,829	6,828	6,837	6,829	6,821
Loans	1,522	1,550	1,397	964	532
Investments	60,000	60,000	60,000	60,000	60,000
Total financial assets	79,053	92,640	85,826	87,539	75,492
Non-financial assets					
Land and buildings	227,270	212,661	213,014	204,108	215,382
Property, plant and equipment	12,121	8,699	8,416	9,014	10,468
Intangibles	3,560	2,192	2,192	3,125	2,842
Inventories	486	486	486	486	486
Other	2,610	2,610	2,610	2,610	2,610
Total non-financial assets	246,047	226,648	226,718	219,343	231,788
Total assets	325,100	319,288	312,544	306,882	307,280
LIABILITIES					
Payables					
Suppliers	2,113	2,113	2,113	2,113	2,113
Grants	1,608	1,608	1,608	1,608	1,608
Other payables	2,787	2,787	2,787	2,787	2,787
Total payables	6,508	6,508	6,508	6,508	6,508
Provisions					
Employees	13,332	13,564	12,868	13,254	13,652
Other provisions	145	145	145	145	145
Total provisions	13,477	13,709	13,013	13,399	13,797
Total liabilities	19,985	20,217	19,521	19,907	20,305
Net assets	305,115	299,071	293,023	286,975	286,975
EQUITY					
Contributed equity	150,210	150,210	150,210	150,210	150,210
Reserves	183,904	183,904	183,904	183,904	183,904
Retained surpluses (accumulated deficits)	(28,999)	(35,043)	(41,091)	(47,139)	(47,139)
Total equity	305,115	299,071	293,023	286,975	286,975

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings/ (accumulated deficit)	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(28,999)	183,904	150,210	305,115
Surplus (deficit) for the period	(6,044)	-	-	(6,044)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016	(35,043)	183,904	150,210	299,071

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	30,722	20,723	20,542	20,378	20,657
Appropriations	266,068	253,646	251,780	214,126	215,897
Interest	3,500	3,000	2,500	2,500	2,500
Total cash received	300,290	277,369	274,822	237,004	239,054
Cash used					
Employees	69,413	63,394	66,007	57,393	59,193
Suppliers	47,536	34,945	33,394	30,819	29,627
Grants	175,336	161,962	159,274	132,031	133,342
Total cash used	292,285	260,301	258,675	220,243	222,162
Net cash from (or used by) operating activities	8,005	17,068	16,147	16,761	16,892
INVESTING ACTIVITIES					
Cash Received					
Repayment of loans and interest	9	29	193	476	458
Total cash received	9	29	193	476	458
Cash used					
Purchase of property, plant and equipment	10,303	3,537	23,010	15,083	28,957
Loan Issuance	1,500	-	-	-	-
Total cash used	11,803	3,537	23,010	15,083	28,957
Net cash from (or used by) investing activities	(11,794)	(3,508)	(22,817)	(14,607)	(28,499)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,500	-	-	-	-
Total cash received	1,500	-	-	-	-
Net cash from (or used by) financing activities	1,500	-	-	-	-
Net increase (or decrease) in cash held	(2,289)	13,560	(6,670)	2,154	(11,607)
Cash and cash equivalents at the beginning of the reporting period	72,991	70,702	84,262	77,592	79,746
Cash and cash equivalents at the end of the reporting period	70,702	84,262	77,592	79,746	68,139

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	1,500	-	-	-	-
Total capital appropriations	1,500	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,500	-	-	-	-
Total items	1,500	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection	1,500	-	-	-	-
Funded internally from departmental resources	8,803	3,537	23,010	15,083	28,957
Total acquisitions of non-financial assets	10,303	3,537	23,010	15,083	28,957
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,303	3,537	23,010	15,083	28,957
Total cash used to acquire assets	10,303	3,537	23,010	15,083	28,957

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	10,000	516,651	32,999	9,558	569,208
Accumulated depreciation/amortisation and impairment	-	(299,381)	(20,878)	(5,998)	(326,257)
Opening net book balance	10,000	217,270	12,121	3,560	242,951
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - internal resources	-	2,350	1,187	-	3,537
Total additions	-	2,350	1,187	-	3,537
Other movements					
Depreciation/amortisation expense	-	(16,959)	(4,609)	(1,368)	(22,936)
Total other movements	-	(16,959)	(4,609)	(1,368)	(22,936)
As at 30 June 2016					
Gross book value	10,000	519,001	34,186	9,558	572,745
Accumulated depreciation/amortisation and impairment	-	(316,340)	(25,487)	(7,366)	(349,193)
Closing net book balance	10,000	202,661	8,699	2,192	223,552

CANCER AUSTRALIA

Entity Resources and Planned Performance

Cancer Australia

Health Portfolio Entity

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Section 1: Entity 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; lead the development of sustainable and effective models of cancer care; and provide advice on appropriate 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 subject to the *Public Service Act 1999* and the *Auditor-General Act 1997* and is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: Cancer Australia Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation and opening reserves ²	3,357	3,557	-	3,557
Departmental appropriation ³	12,032	-	12,091	12,091
s74 retained revenue receipts ⁴	1,534	-	1,128	1,128
Total	16,923	3,557	13,219	16,776
Administered resources¹				
Outcome 1	16,744	-	16,938	16,938
Total	16,744	-	16,938	16,938
Total ordinary annual services	33,667	3,557	30,157	33,714
Total appropriations excluding Special Accounts	33,667	3,557	30,157	33,714
Special Accounts⁵				
Opening balance	-	-	-	-
Appropriation receipts	-	-	-	-
Non-appropriation receipts to Special Accounts	-	-	-	-
Total Special Account	-	-	-	-
Total resourcing	33,667	3,557	30,157	33,714
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations	-	-	-	-
Total net resourcing for Cancer Australia	33,667	3,557	30,157	33,714

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$0.082 million in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Cancer Australia does not have any Special Accounts.

1.3 Budget Measures

Section 1.3 is not applicable to Cancer Australia.

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, address disparities and improve health outcomes for people affected by cancer by leading and coordinating national, evidence-based interventions across the continuum of cancer care.

Cancer is the major contributor to the fatal burden of disease in Australia, accounting for 35 per cent of the total.^{1,2} 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.^{3,4} It is estimated that, in 2014, 124,000 Australians were diagnosed with cancer.⁵ By 2020, the incidence is projected to be approximately 150,000.⁶

In order to minimise the impact of cancer, Cancer Australia will, in 2015-16: 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 across sectors 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.

¹ Australian Institute of Health and Welfare 2014, *Australian Burden of Disease Study: Fatal Burden of Disease 2010*, Australian Burden of Disease Study series No 1, cat. no. BOD 1, AIHW, Canberra.

² 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.

³ Australian Institute of Health and Welfare 2014, *Cancer in Australia: an overview 2014*, Cancer series no. 90, cat. no. CAN 88, AIHW, Canberra.

⁴ Australian Institute of Health and Welfare 2012, *Cancer incidence projections: Australia, 2011 to 2020*, Cancer series no. 66, cat. no. CAN 62, AIHW, Canberra.

⁵ AIHW, *Cancer in Australia: an overview 2014*.

⁶ AIHW, *Cancer incidence projections: Australia, 2011 to 2020*.

Cancer Australia Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for Cancer Australia by programme.

Table 2.1: Budgeted Expenses for Cancer Australia

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Improved cancer control					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	16,744	16,938	17,184	17,457	17,738
Departmental expenses					
Departmental appropriation ¹	13,566	13,137	11,454	11,531	11,650
Expenses not requiring appropriation in the budget year ²	551	390	420	405	428
Operating deficit (surplus)	(200)	-	-	-	-
Total for Programme 1.1	30,661	30,465	29,058	29,393	29,816
Total expenses for Outcome 1	30,661	30,465	29,058	29,393	29,816

	2014-15	2015-16
Average staffing level (number)	68	71

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 2 Expenses not requiring appropriation in the Budget year is made up of depreciation expense, amortisation expense, audit fees and donated goods received free of charge.

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 2015-16, Cancer Australia will undertake work in collaboration with the professional colleges to identify the most appropriate oncology practices to influence best practice cancer care and in the Australian context.

Work will also be undertaken by Cancer Australia to address variations in cancer care and improve cancer outcomes, including for those living in rural and remote areas of Australia.

Cancer Australia will improve outcomes for people with lung cancer through the demonstration of evidence-based and sustainable models of cancer care to support early diagnosis, appropriate referral and best practice treatment.

Cancer Australia will also provide leadership in cancer control through the development and implementation of a National Aboriginal and Torres Strait Islander Cancer Framework, which will outline national priorities for improving cancer outcomes for Aboriginal and Torres Strait Islander peoples.

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 Multi-site Collaborative National Cancer Clinical Trials Groups in order to build capacity to undertake industry independent cancer clinical trials.

In 2015-16, Cancer Australia will strengthen cancer information through the development of a framework of National Cancer Control Indicators to monitor cancer control efforts and inform health service policy and planning and clinical best practice. Cancer Australia will seek to implement methodologies for the collection, collation and reporting of data relating to cancer stage, treatments, and recurrence of cancer to report national trends in cancer control over time.

Promote cancer awareness and provide information about cancer to the community

In 2015-16, the Cancer Australia website⁷ will continue to be enhanced as a central source of evidence-based cancer information, resources and data for consumers, health professionals and the community.

Cancer Australia will also provide information about cancer to the community through the continued promotion of evidence-based statements and advice.

⁷ Available at: www.canceraustralia.gov.au

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Provide leadership in national cancer control and promote effective cancer care

Qualitative Deliverable	2015-16 Reference Point or Target
Translate research into evidence-based information to inform policy and practice.	Evidence is advanced about the most appropriate interventions across the continuum of cancer care.

Quantitative Deliverables for Programme 1.1

Fund priority research and strengthen national data capacity

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Minimum number of cancer research grants funded by Cancer Australia through the Priority-driven Collaborative Cancer Research Scheme.	6	7	7	7	7

Promote cancer awareness and provide information about cancer to the community

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Total number of Cancer Australia resources to inform health professionals, consumers and the community.	270	275	280	285	290

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	2015-16 Reference Point or Target
Improve outcomes for Australians diagnosed with cancer.	Demonstrated improvements in the delivery of best practice cancer care for identified cancers.

Quantitative Key Performance Indicators for Programme 1.1

Fund priority research and strengthen national data capacity

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of funding for applied research through the Priority-driven Collaborative Cancer Research Scheme. ⁸	≥70%	≥70%	≥70%	≥70%	≥70%

Promote cancer awareness and provide information about cancer to the community

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of consumers involved in Cancer Australia advisory and project activities.	60	60	60	70	70

⁸ This is dependent on the quality of the research proposals submitted, and the percentage of the total research funded by Cancer Australia.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to Cancer Australia.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to Cancer Australia.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Table 3.1.1: Australian Government Indigenous expenditure

Outcome	Appropriations			Other	Total	
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000			Total approp \$'000
Cancer Australia						
Outcome 1						
Administered 2015-16	420	-	-	420	-	420
<i>Administered 2014-15</i>	<i>418</i>	-	-	<i>418</i>	-	<i>418</i>
Departmental 2015-16	496	-	-	496	-	496
<i>Departmental 2014-15</i>	<i>457</i>	-	-	<i>457</i>	-	<i>457</i>
Total Outcome 1 2015-16	916	-	-	916	-	916
<i>Total Outcome 1 2014-15</i>	<i>875</i>	-	-	<i>875</i>	-	<i>875</i>
Total Administered 2015-16	420	-	-	420	-	420
<i>Total Administered 2014-15</i>	<i>418</i>	-	-	<i>418</i>	-	<i>418</i>
Total Departmental 2015-16	496	-	-	496	-	496
<i>Total Departmental 2014-15</i>	<i>457</i>	-	-	<i>457</i>	-	<i>457</i>
Total AGIE 2015-16	916	-	-	916	-	916
<i>Total AGIE 2014-15</i>	<i>875</i>	-	-	<i>875</i>	-	<i>875</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 budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive Income Statement

This statement details expected financial results for Cancer Australia in 2015-16.

Cancer Australia anticipates a break even position for the budget year and all forward years. Own source revenue of \$1.128 million is sourced from Memorandum of Understanding with other federal government agencies to deliver services on their behalf. This funding is not expected to continue beyond 2015-16.

Total expenses for 2015-16 are consistent with former 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 depreciation.

Balance Sheet

There are no significant movements expected in the assets or liabilities of Cancer Australia.

Cash flow

Cash flows are consistent with income, expenses and asset movements.

Administered Resources

Administered funding for Cancer Australia programmes will continue in 2015-16. 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	8,719	9,111	8,846	9,243	9,332
Supplier expenses	4,839	4,220	2,804	2,487	2,521
Depreciation and amortisation	359	196	224	206	225
Total expenses	13,917	13,527	11,874	11,936	12,078
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	1,534	1,128	130	130	133
Total revenue	1,534	1,128	130	130	133
Gains					
Other	192	194	196	199	203
Total gains	192	194	196	199	203
Total own-source income	1,726	1,322	326	329	336
Net cost of (contribution by) services	12,191	12,205	11,548	11,607	11,742
Revenue from Government	12,032	12,009	11,324	11,401	11,517
Surplus (Deficit)	(159)	(196)	(224)	(206)	(225)
Surplus (Deficit) attributable to the Australian Government	(159)	(196)	(224)	(206)	(225)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(159)	(196)	(224)	(206)	(225)

Note: Reconciliation of comprehensive income attributable to the agency

	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(159)	(196)	(224)	(206)	(225)
plus non-appropriated expenses depreciation and amortisation expenses	359	196	224	206	225
Total comprehensive income (loss) attributable to the agency	200	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,312	1,312	1,312	1,312	1,312
Receivables	3,001	3,001	3,001	3,001	3,003
Total financial assets	4,313	4,313	4,313	4,313	4,315
Non-financial assets					
Buildings	-	-	-	-	-
Property, plant and equipment	399	463	458	470	473
Intangibles	69	31	34	39	33
Other	265	265	265	265	265
Total non-financial assets	733	759	757	774	771
Total assets	5,046	5,072	5,070	5,087	5,086
LIABILITIES					
Payables					
Suppliers	1,365	1,365	1,365	1,365	1,365
Other payables	471	471	471	471	471
Total payables	1,836	1,836	1,836	1,836	1,836
Provisions					
Employees	1,792	1,792	1,792	1,792	1,792
Other provisions	180	180	180	180	180
Total provisions	1,972	1,972	1,972	1,972	1,972
Total liabilities	3,808	3,808	3,808	3,808	3,808
Net Assets	1,238	1,264	1,262	1,279	1,278
EQUITY					
Contributed equity	150	372	594	817	1,041
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	1,088	892	668	462	237
Total equity	1,238	1,264	1,262	1,279	1,278

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	1,088	-	150	1,238
Surplus (deficit) for the period	(196)	-	-	(196)
Capital budget - Bill 1 (DCB)	-	-	82	82
Other movements	-	-	140	140
Estimated closing balance as at 30 June 2016	892	-	372	1,264

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,032	12,009	11,324	11,401	11,517
GST	219	219	221	223	238
Other cash received	1,534	1,128	130	130	133
Total cash received	13,785	13,356	11,675	11,754	11,888
Cash used					
Employees	8,519	8,923	8,646	9,243	9,332
Suppliers	4,897	4,074	2,668	2,148	2,180
GST	219	219	221	223	238
Total cash used	13,635	13,216	11,535	11,614	11,750
Net cash from (or used by) operating activities	150	140	140	140	138
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	150	222	222	223	222
Total cash used	150	222	222	223	222
Net cash from (or used by) investing activities	(150)	(222)	(222)	(223)	(222)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	-	82	82	83	84
Total cash received	-	82	82	83	84
Net cash from (or used by) financing activities	-	82	82	83	84
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,312	1,312	1,312	1,312	1,312
Cash and cash equivalents at the end of the reporting period	1,312	1,312	1,312	1,312	1,312

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	82	82	83	84
Total capital appropriations	-	82	82	83	84
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	82	82	83	84
Total represented by	-	82	82	83	84
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	-	82	82	83	84
Funded internally from departmental resources	150	140	140	140	138
Total acquisitions of non-financial assets	150	222	222	223	222
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	150	222	222	223	222
Total cash used to acquire assets	150	222	222	223	222

DCB = Departmental Capital Budget.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	1,226	714	1,940
Accumulated depreciation/amortisation and impairment	-	(827)	(645)	(1,472)
Opening net book balance	-	399	69	468
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	222	-	222
Total additions	-	222	-	222
Other movements				
Depreciation/amortisation expense	-	(158)	(38)	(196)
Total other movements	-	(158)	(38)	(196)
As at 30 June 2016				
Gross book value	-	1,448	714	2,162
Accumulated depreciation/amortisation and impairment	-	(985)	(683)	(1,668)
Closing net book balance	-	463	31	494

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	15,330	15,562	15,826	16,110	16,400
Suppliers	1,414	1,376	1,358	1,347	1,338
Total expenses administered on behalf of Government	16,744	16,938	17,184	17,457	17,738

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	1,204	1,204	1,204	1,204	1,204
Receivables	146	146	146	146	146
Total financial assets	1,350	1,350	1,350	1,350	1,350
Total assets administered on behalf of Government	1,350	1,350	1,350	1,350	1,350
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	1,288	1,288	1,288	1,288	1,288
Grants	578	578	578	578	578
Other payables	25	25	25	25	25
Total payables	1,891	1,891	1,891	1,891	1,891
Total liabilities administered on behalf of Government	1,891	1,891	1,891	1,891	1,891

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash used					
Grant payments	13,951	14,157	14,514	15,403	15,693
Suppliers	2,120	2,098	1,975	1,347	1,338
GST	673	683	695	707	707
Total cash used	16,744	16,938	17,184	17,457	17,738
Net cash from (or used by) operating activities	16,744	16,938	17,184	17,457	17,738
Net increase (or decrease) in cash held	16,744	16,938	17,184	17,457	17,738
Cash at beginning of reporting period	1,204	1,204	1,204	1,204	1,204
Cash from Official Public Account for: - appropriations	16,744	16,938	17,184	17,457	17,738
Cash at end of reporting period	1,204	1,204	1,204	1,204	1,204

FOOD STANDARDS AUSTRALIA NEW ZEALAND

Entity Resources and Planned Performance

Food Standards Australia New Zealand

Health Portfolio Entity

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Section 1: Entity 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 also develops some food standards for New Zealand.

Food standards are implemented through multi-jurisdictional arrangements with the Australian and New Zealand Governments that are overseen by the Australia and New Zealand Ministerial Forum on Food Regulation.

FSANZ also coordinates national food surveillance and food recall activities, provides advice to the Department of Agriculture to assist that Department to control imported foods, and maintains national food composition and food consumption databases.

The role and functions of FSANZ are set out in the *Food Standards Australia New Zealand Act 1991*. FSANZ is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: FSANZ Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	10,360	10,915	-	10,915
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	17,479	-	17,257	17,257
Total ordinary annual services	17,479	-	17,257	17,257
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	17,479	-	17,257	17,257
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	17,479	-	17,257	17,257
FUNDS FROM OTHER SOURCES				
Interest	320	-	320	320
Sale of goods and services	100	-	100	100
Other	1,749	-	1,749	1,749
Total other sources	2,169	-	2,169	2,169
Total net resourcing for FSANZ	30,008	10,915	19,426	30,341

All figures are GST exclusive.

The FSANZ is not directly appropriated as it is a Corporate Commonwealth entity. 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) 2015-16.

2 Appropriation Bill (No. 2) 2015-16.

3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

Section 1.3 is not applicable to FSANZ.

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 to build 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 information about food safety and food regulation.

In 2015-16, FSANZ will continue to work with jurisdictions to implement improvements to surveillance and recall protocols, extend the operation of the National Food Incident Response Protocol to include New Zealand, and enhance the effectiveness of traceability requirements.

FSANZ Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for FSANZ by programme.

Table 2.1: Budgeted Expenses for FSANZ

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Food regulatory activity and services to the Minister and Parliament					
Revenue from Government					
Appropriations through the Portfolio Department	17,479	17,257	17,124	17,244	17,393
Revenues from independent sources	2,169	2,169	2,169	2,169	2,350
Operating deficit (surplus)	-	-	-	-	-
Total for Programme 1.1	19,648	19,426	19,293	19,413	19,743
Total expenses for Outcome 1	19,648	19,426	19,293	19,413	19,743
	2014-15	2015-16			
Average staffing level (number)	102	109			

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 with regard to food regulation policies established by the Australia and New Zealand Ministerial Forum on Food Regulation, 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 2015-16, FSANZ will progress reviews of several standards covering infant formula products, microbiological limits in foods and maximum residue limits for chemicals in food.

Coordinate food regulation to protect public health and safety

The Australian Government aims to ensure that the regulatory coordination 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 Food Industry Recall Protocol and Government Food Recall Protocol. FSANZ will also undertake surveillance activities.

In the event of a major food incident, FSANZ will coordinate the national response under the National Food Incident Response Protocol.

Provide food-related information

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 website¹ 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.

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 2015-16, 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.

¹ Available at: www.foodstandards.gov.au

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Ensure effective, evidence-based food standards

Qualitative Deliverable	2015-16 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.

Coordinate food regulation to protect public health and safety

Qualitative Deliverable	2015-16 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 efficient and effective food incident management through the National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.

Provide food-related information

Qualitative Deliverable	2015-16 Reference Point or Target
Participate in the ongoing 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 in relation to recommendations 6, 12, 17, 26, 34 and 47.

Quantitative Deliverables for Programme 1.1

Provide food-related information

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Consumer and Public Health Dialogue meetings.	2	2	2	2	2

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Coordinate food regulation to protect public health and safety

Qualitative Indicator	2015-16 Reference Point or Target
Food recalls are effectively coordinated through information sharing and the use of the Food Industry Recall Protocol and Government Food Recall Protocol.	FSANZ's coordination role is effectively demonstrated in the annual report on recall activities, (including evaluation outcomes) to States and Territories, through the Implementation Subcommittee for Food Regulation (ISFR). ²

Ensure effective, evidence-based food standards

Qualitative Indicator	2015-16 Reference Point or Target
Food standards are developed with regard to food regulation policy.	The Australia and New Zealand Ministerial Forum on Food Regulation does not seek review of standards approved by FSANZ.

Quantitative Key Performance Indicators for Programme 1.1

Coordinate food regulation to protect public health and safety

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Industry satisfaction with FSANZ's recall coordination role. ³	> 95%	> 95%	> 95%	> 95%	> 95%

² ISFR was set up by the Food Regulation Standing Committee to foster a consistent approach across jurisdictions to implementing and enforcing food regulation. More information about the ISFR is available at: www.health.gov.au/internet/main/publishing.nsf/Content/foodsecretariat-isc9.htm

³ Based on the assistance and information provided by FSANZ, and the timeliness in which FSANZ acts upon the information provided.

Provide food-related information

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Stakeholder engagement, measured by the number of:					
<ul style="list-style-type: none"> stakeholders receiving information via website publications and social media;⁴ and 	5,500	52,000	57,000	60,000	62,000
<ul style="list-style-type: none"> unique visitors to the FSANZ website. 	850,000	850,000	850,000	850,000	850,000

⁴ The 2015-16 and forward year targets have been increased to reflect a revision in methodology for counting, which calculates the combined total of FSANZ's social media followers (approx. 17,000), Food Safety News subscribers (approx. 6,000), website analytics, and distribution figures on publications. The updated figures more accurately reflect social media interaction.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to FSANZ.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Income Statement

FSANZ has projected a breakeven budget in 2015-16 and the forward years.

Revenues

Appropriation revenue in 2015-16 has decreased from 2014-15 largely reflecting the impact of previous increased efficiency dividends on the agency.

Revenue from other sources of \$2.169 million in 2015-16 is expected to remain stable 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.

Expenses

Expenditure in 2015-16 is anticipated to be \$19.426 million which is lower than the prior year and in line with the reduction in departmental appropriation.

Employee expenses are anticipated to remain in line with 2014-15 actuals reflecting a stable workforce and no changes in salaries. Supplier expenses will remain stable. This trend is expected to continue over the forward years.

Balance Sheet

Intangible assets increased in 2014-15 reflecting the upgrading of key databases and data modelling systems. A decrease is anticipated across future years as these assets are depreciated over their useful life.

Employee provisions are expected to 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	14,298	14,337	14,337	14,337	14,337
Supplier expenses	4,245	3,984	3,851	3,971	4,301
Depreciation and amortisation	1,105	1,105	1,105	1,105	1,105
Total expenses	19,648	19,426	19,293	19,413	19,743
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	100	100	100	100	100
Interest	320	320	320	320	320
Other revenue	1,749	1,749	1,749	1,749	1,930
Total revenue	2,169	2,169	2,169	2,169	2,350
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	2,169	2,169	2,169	2,169	2,350
Net cost of (contribution by) services	17,479	17,257	17,124	17,244	17,393
Revenue from Government	17,479	17,257	17,124	17,244	17,393
Surplus (Deficit)	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,915	11,470	11,794	12,294	12,794
Receivables	339	339	515	515	515
Total financial assets	11,254	11,809	12,309	12,809	13,309
Non-financial assets					
Land and buildings	800	600	620	640	660
Property, plant and equipment	625	675	625	575	525
Intangibles	2,409	2,004	1,534	1,064	594
Other	213	213	213	213	213
Total non-financial assets	4,047	3,492	2,992	2,492	1,992
Total assets	15,301	15,301	15,301	15,301	15,301
LIABILITIES					
Payables					
Suppliers	644	580	580	580	580
Other payables	1,146	1,146	1,146	1,146	1,146
Total payables	1,790	1,726	1,726	1,726	1,726
Interest bearing liabilities					
Leases	405	405	405	405	405
Total interest bearing liabilities	405	405	405	405	405
Provisions					
Employees	5,466	5,530	5,530	5,530	5,530
Other provisions	312	312	312	312	312
Total provisions	5,778	5,842	5,842	5,842	5,842
Total liabilities	7,973	7,973	7,973	7,973	7,973
Net assets	7,328	7,328	7,328	7,328	7,328
EQUITY					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	2,102	2,102	2,102	2,102	2,102
Retained surpluses or accumulated deficits	3,403	3,403	3,403	3,403	3,403
Total equity	7,328	7,328	7,328	7,328	7,328

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	3,403	2,102	1,823	7,328
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016	3,403	2,102	1,823	7,328

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	100	100	100	100	100
Appropriations	17,479	17,257	17,124	17,244	17,393
Interest	320	320	320	320	320
Net GST received	519	519	519	519	519
Other cash received	1,749	1,573	1,573	1,749	1,930
Total cash received	20,167	19,769	19,636	19,932	20,262
Cash used					
Employees	14,234	14,273	14,337	14,337	14,337
Suppliers	4,309	3,872	3,851	3,971	4,301
Net GST paid	519	519	519	519	519
Total cash used	19,062	18,664	18,707	18,827	19,157
Net cash from (or used by) operating activities	1,105	1,105	929	1,105	1,105
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	550	550	605	605	605
Total cash used	550	550	605	605	605
Net cash from (or used by) investing activities	(550)	(550)	(605)	(605)	(605)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	555	555	324	500	500
Cash and cash equivalents at the beginning of the reporting period	10,360	10,915	11,470	11,794	12,294
Cash and cash equivalents at the end of the reporting period	10,915	11,470	11,794	12,294	12,794

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	550	550	605	605	605
Total acquisitions of non-financial assets	550	550	605	605	605
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	550	550	605	605	605
Total cash used to acquire assets	550	550	605	605	605

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	1,656	1,601	4,050	7,307
Accumulated depreciation/amortisation and impairment	(856)	(976)	(1,641)	(3,473)
Opening net book balance	800	625	2,409	3,834
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	150	200	200	550
Total additions	150	200	200	550
Other movements				
Depreciation/amortisation expense	(350)	(150)	(605)	(1,105)
Total other movements	(350)	(150)	(605)	(1,105)
As at 30 June 2016				
Gross book value	1,806	1,801	4,250	7,857
Accumulated depreciation/amortisation and impairment	(1,206)	(1,126)	(2,246)	(4,578)
Closing net book balance	600	675	2,004	3,279

INDEPENDENT HOSPITAL PRICING AUTHORITY

Entity Resources and Planned Performance

Independent Hospital Pricing Authority

Health Portfolio Entity

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Section 1: Entity 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.

The Independent Hospital Pricing Authority (IHPA), established in December 2011, is responsible for determining a National Efficient Price (NEP) for public 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 Activity Based Funding (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 Australian Government funding to Local Hospital Networks for the provision of public hospital services.

IHPA is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*, and its role and functions are set out in the *National Health Reform Act 2011*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by departmental classifications.

Table 1.1: IHPA Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	20,298	16,702	-	16,702
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	25,718	-	25,877	25,877
Total ordinary annual services	25,718	-	25,877	25,877
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	25,718	-	25,877	25,877
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	25,718	-	25,877	25,877
FUNDS FROM OTHER SOURCES				
Interest	-	-	-	-
Sale of goods and services	464	-	245	245
Other	-	-	-	-
Total other sources	464	-	245	245
Total net resourcing for IHPA	46,480	16,702	26,122	42,824

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Appropriation Bill (No. 2) 2015-16.

3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

Section 1.3 is not applicable to IHPA.

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 price of health care services, and by developing and implementing robust systems to support ABF for those services.

At arm's length from all governments, IHPA is responsible for setting the NEP and NEC for public hospital services. This then determines the Australian Government'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.

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 NEC are both clinically relevant and technically appropriate.

IHPA Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for IHPA by programme.

Table 2.1: Budgeted Expenses for IHPA

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Public hospital price determinations					
Revenue from Government					
Appropriations through the Portfolio Department	25,718	25,877	25,999	26,150	26,490
Revenues from industry sources	464	245	245	245	245
Operating deficit (surplus)	(198)	(194)	(190)	(191)	(193)
Total for Programme 1.1	25,984	25,928	26,054	26,204	26,542
Total expenses for Outcome 1	25,984	25,928	26,054	26,204	26,542
	2014-15	2015-16			
Average staffing level (number)	54	59			

Programme 1.1: Public Hospital Price Determinations

Programme Objectives

Determine the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services

IHPA will release the NEP and NEC Determinations for 2016-17 by 31 March 2016. The NEP Determination sets out the efficient price for public hospital services, while the NEC Determination represents the efficient cost of a block funded hospital.

IHPA will undertake further technical development to improve 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. Classifications aim to provide the health care sector with a nationally consistent method of classifying all types of patients, their treatment, and associated costs.

During 2015-16, IHPA will further develop the classifications for admitted acute care, subacute care, non-admitted patient care as well as progress the initial design of new classifications in emergency care, teaching, training and research, and mental health care.

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. 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 data compliance reports every six months to indicate jurisdictional compliance with the specifications in the rolling *Three Year Data Plan*.

Resolve disputes on cost-shifting and cross-border issues

IHPA will review its *Cost-Shifting and Cross-Border Dispute Resolution Framework* and 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.

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

Qualitative Deliverables	2015-16 Reference Point or Target
Develop the <i>Pricing Framework for Australian Public Hospital Services</i> for public hospital services in 2016-17.	Publish the 2016-17 Pricing Framework by 31 December 2015 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 hospital services.	Publish the NEP and NEC Determinations 2016-17 by 31 March 2016.

Develop national classifications for Activity Based Funding (ABF)

Qualitative Deliverables	2015-16 Reference Point or Target
Develop ABF classifications for emergency care, mental health care, subacute and non-acute care, teaching, training and research, and non-admitted patient care.	Commence development work on the new classification system for emergency care services in 2015-16. Progress development of the Australian Mental Health Care Classification V2.0 by 30 June 2016. Ongoing development of the subacute care classification during 2015-16. Completion of a teaching, training and research costing study by 1 December 2015. Continue development work on the new classification for non-admitted care in 2015-16.
Revise the ABF classification for admitted acute care.	Commence development work on <i>Australian Modification of the International Statistical Classification of Diseases 10th Edition</i> and the Australian Refined Diagnosis Related Groups V9.0 prior to 30 June 2016.

Determine data requirements and data standards

Qualitative Deliverable	2015-16 Reference Point or Target
Update the rolling <i>Three Year Data Plan</i> .	Updated rolling <i>Three Year Data Plan</i> published on the IHPA website by July 2015.

Resolve disputes on cost-shifting and cross-border issues

Qualitative Deliverable	2015-16 Reference Point or Target
Review of IHPA's <i>Cost-Shifting and Cross-Border Dispute Resolution Framework</i> .	Publication of updated <i>Cost-Shifting and Cross-Border and Dispute Resolution Framework</i> .

Programme 1.1: Key Performance Indicators**Qualitative Key Performance Indicators for Programme 1.1****Determine the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services**

Qualitative Indicator	2015-16 Reference Point or Target
Reduce the number of Local Hospital Networks that record costs per National Weighted Activity Unit (NWAU) significantly above the NEP.	Reduction in the range between the 50th and 90th percentile cost per NWAU when compared to 2013-14 data.

Develop national classifications for Activity Based Funding (ABF)

Qualitative Indicator	2015-16 Reference Point or Target
Increased percentage of public hospital services funded by nationally consistent ABF.	Provide a further increase in the proportion of funding for public hospital services using ABF as reported by the Administrator of the National Health Funding Pool. ¹

Determine data requirements and data standards

Qualitative Indicator	2015-16 Reference Point or Target
The Australian Government and States and Territories comply with the data requirements and data standards, as outlined in the rolling <i>Three Year Data Plan</i> .	Publication of a report on a six monthly basis outlining compliance with the data requirements and data standards specified in the rolling <i>Three Year Data Plan</i> .

Resolve disputes on cost-shifting and cross-border issues

Qualitative Indicator	2015-16 Reference Point or Target
Timely investigation and provision of recommendations to Health Ministers to resolve cost-shifting and cross-border disputes.	IHPA investigation of cost-shifting or cross-border disputes and provision of recommendations or assessment within six months of receipt of request.

¹ In 2013-14, 82 per cent of National Health Reform Agenda funding was provided on the basis of ABF.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to IHPA.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity Resourcing and Financial Statements

Section 3.2.1 is not applicable to IHPA.

3.2.2 Analysis of Budgeted Financial Statements

The IHPA became a Corporate entity on 1 July 2014 under the *Public Governance, Performance and Accountability Act 2013*. A consequence of this change was that from 1 July 2014, IHPA no longer maintains separate accounting records for Administered revenue, expenses, assets and liabilities and cash flows, as these are accounted for as part of IHPA's Departmental item.

An analysis of IHPA's budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive Income Statement

IHPA anticipates an operating surplus of \$0.2 million in the 2014-15 financial year. Surpluses of \$0.2 million are also planned for each year of the forward estimates.

Own-source income of \$0.4 million in 2014-15 is sourced from international sales of intellectual property relating to the Australian Refined Diagnosis Related Groups (AR DRG) classification system owned by the Commonwealth. Sales revenue is planned at \$0.2 million from 2015-16 onwards as revenue from overseas sources is expected to decline.

Balance Sheet

IHPA's assets and liabilities are expected to remain stable over the forward estimates.

Appropriation receivable was reduced by \$3.651 million in 2014-15 as a result of the application of the *Omnibus Repeal Day (Autumn 2014) Act 2014*.

Cash Flow

Cash flows are consistent with income, expenses and asset movements.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	7,527	8,172	8,313	8,471	8,641
Supplier expenses	17,714	17,004	16,941	17,159	17,339
Depreciation and amortisation	743	752	800	574	562
Total expenses	25,984	25,928	26,054	26,204	26,542
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	464	245	245	245	245
Total revenue	464	245	245	245	245
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	-	-	-	-	-
Net cost of (contribution by) services	25,520	25,683	25,809	25,959	26,297
Revenue from Government	25,718	25,877	25,999	26,150	26,490
Surplus (Deficit)	198	194	190	191	193
Surplus (Deficit) attributable to the Australian Government	198	194	190	191	193
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	198	194	190	191	193

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	368	367	402	372	343
Receivables	17,659	17,764	18,099	18,224	18,736
Total financial assets	18,027	18,131	18,501	18,596	19,079
Non-financial assets					
Land and buildings	528	260	-	323	259
Property, plant and equipment	397	381	311	335	311
Intangibles	262	212	159	103	46
Prepayments	44	44	44	44	44
Total non-financial assets	1,231	897	514	805	660
Total assets	19,258	19,028	19,015	19,401	19,739
LIABILITIES					
Payables					
Suppliers	2,494	2,261	1,988	2,183	2,328
Other payables	770	770	770	770	770
Total payables	3,264	3,031	2,758	2,953	3,098
Provisions					
Employees	897	702	768	768	768
Other provisions	166	170	174	174	174
Total provisions	1,063	872	942	942	942
Total liabilities	4,327	3,903	3,700	3,895	4,040
Net Assets	14,931	15,125	15,315	15,506	15,699
EQUITY					
Contributed equity	(3,251)	(3,251)	(3,251)	(3,251)	(3,251)
Reserves	16	16	16	16	16
Retained surpluses or accumulated deficits	18,166	18,360	18,550	18,741	18,934
Total equity	14,931	15,125	15,315	15,506	15,699

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period ¹	18,166	16	(3,251)	14,931
Surplus (deficit) for the period	194	-	-	194
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016	18,360	16	(3,251)	15,125

- 1 The 2015-2016 opening balance for contributed equity includes a return of capital of \$3.651m in 2014-15 which resulted from the repeal of Appropriation Act (No. 1) 2011-2012. The repeal of this Appropriation Act was classified as a return of capital.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	150	150	150	150	150
Appropriations	25,301	25,771	25,664	26,120	26,073
Net GST received	643	632	632	632	632
Total cash received	26,094	26,553	26,446	26,902	26,855
Cash used					
Employees	7,436	8,323	8,247	8,471	8,641
Suppliers	17,559	17,268	17,202	16,964	17,194
Net GST paid	556	545	545	632	632
Total cash used	25,551	26,136	25,994	26,067	26,467
Net cash from (or used by) operating activities	543	417	452	835	388
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	488	418	417	865	417
Total cash used	488	418	417	865	417
Net cash from (or used by) investing activities	(488)	(418)	(417)	(865)	(417)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Cash used for other financing activities	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	55	(1)	35	(30)	(29)
Cash and cash equivalents at the beginning of the reporting period	313	368	367	402	372
Cash and cash equivalents at the end of the reporting period	368	367	402	372	343

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	488	418	417	865	417
Total acquisitions of non-financial assets	488	418	417	865	417
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	488	418	417	865	417
Total cash used to acquire assets	488	418	417	865	417

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	1,177	693	713	2,583
Accumulated depreciation/amortisation and impairment	(649)	(296)	(451)	(1,396)
Opening net book balance	528	397	262	1,187
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	-	175	243	418
Total additions	-	175	243	418
Other movements				
Depreciation/amortisation expense	(268)	(191)	(293)	(752)
Total other movements	(268)	(191)	(293)	(752)
As at 30 June 2016				
Gross book value	1,177	868	956	3,001
Accumulated depreciation/amortisation and impairment	(917)	(487)	(744)	(2,148)
Closing net book balance	260	381	212	853

NATIONAL BLOOD AUTHORITY

Entity Resources and Planned Performance

National Blood Authority

Health Portfolio Entity



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Section 1: Entity 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 was 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.

In the 2014-15 Budget, the Government announced the merger of the NBA and the Australian Organ and Tissue Donation and Transplant Authority to create a new independent body by 1 July 2015. The creation of a single entity will reduce running costs as well as streamlining and consolidating service delivery.

Implementation is progressing in the context of a whole-of-Government approach with other entity mergers to ensure new arrangements are effectively implemented.

The role and functions of the NBA are set out in the *National Blood Authority Act 2003*. The NBA is a Non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: NBA Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation and opening reserves	-	-	-	-
Departmental appropriation ²	6,938		5,912	5,912
s74 retained revenue receipts ³	-	-	-	-
Total	6,938	-	5,912	5,912
Administered resources¹				
Outcome 1	7,178	-	7,070	7,070
Total	7,178	-	7,070	7,070
Total ordinary annual services	14,116	-	12,982	12,982
Other services - Bill 2⁴				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	14,116	-	12,982	12,982
Total appropriations excluding Special Accounts	14,116	-	12,982	12,982
Special Accounts				
Opening balance ⁵	300,259	140,497	-	140,497
Appropriation receipts ⁶	14,116	-	12,982	12,982
Appropriation receipts - other agencies ⁷	535,345	-	721,297	721,297
Non-appropriation receipts to Special Accounts	440,502	-	498,349	498,349
Total Special Accounts	1,290,222	140,497	1,232,628	1,373,125
Total resourcing	1,304,338	140,497	1,245,610	1,386,107
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations	(14,116)	-	(12,982)	(12,982)
Total net resourcing for NBA	1,290,222	140,497	1,232,628	1,373,125

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Includes an amount of \$0.063m in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

4 Appropriation Bill (No. 2) 2015-16.

5 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1.

6 Appropriation receipts from NBA annual and special appropriations for 2015-16 included above.

7 Appropriation receipts from the Department of Health.

1.3 Budget Measures

Section 1.3 is not applicable to the NBA.

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 clinical needs and based upon evidence and good clinical practice. The purchasing and supply arrangements for fresh, fractionated and recombinant products¹ will continue to be improved, including the further strengthening of risk mitigation arrangements.

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 use of blood and blood products. Specifically, the NBA aims to improve the sustainability and performance of the sector through enhanced data capture and analysis. The NBA will also work to facilitate development and publication of evidence-based national clinical practice guidelines, informed by close engagement with clinicians.

¹ 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 provides an overview of the total expenses for NBA by programme.

Table 2.1: Budgeted Expenses for NBA

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: National blood agreement management					
Administered expenses					
Ordinary annual services					
(Appropriation Bill No. 1)	7,178	7,070	-	-	-
to the <i>National Blood Authority</i>					
<i>Account</i>	(7,178)	(7,070)	-	-	-
to the <i>National Managed Fund (Blood and Blood Products) Special Account</i>	-	-	-	-	-
Special accounts					
<i>National Blood Authority Account</i>	1,101,284	1,214,237	1,280,331	1,362,056	1,362,056
<i>National Managed Fund (Blood and Blood Products) Special Account</i>	-	-	-	-	-
Departmental expenses					
Departmental appropriation ¹	6,266	5,849	5,768	5,787	5,810
<i>To National Blood Authority Account</i>	(6,266)	(5,849)	(5,768)	(5,787)	(5,810)
Special Account					
<i>National Blood Authority Account</i>	10,160	9,269	9,468	9,501	9,593
Expenses not requiring appropriation in the budget year ²	483	483	483	483	483
Operating deficit (surplus)	(78)	(21)	(13)	(14)	(2)
Total for Programme 1.1	1,111,849	1,223,968	1,290,269	1,372,026	1,372,130
Total expenses for Outcome 1	1,111,849	1,223,968	1,290,269	1,372,026	1,372,130
	2014-15	2015-16			
Average staffing level (number)	53	53			

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

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 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 2015-16, the NBA will negotiate with the Australian Red Cross Blood Service (Blood Service) to finalise a new Deed of Agreement to provide fresh blood products for Australia. In addition, the NBA will implement the second phase of the national service requirements and standards project. The project will improve service arrangements between the Blood Service and health providers for the supply of blood products. The NBA will undertake new procurement actions for a range of imported plasma and recombinant products.²

Improve risk management and blood sector performance

In 2015-16, the NBA will undertake a number of initiatives to improve the efficiency and effectiveness of the blood supply network. A high priority will be the implementation of new arrangements for the clinical and administrative management of immunoglobulin (Ig) and an associated supporting national information and communication technology (ICT) system. These arrangements will seek to ensure the demand for Ig reflects appropriate clinical practice. The NBA will continue the implementation of the National Inventory Management Framework with health providers to ensure red blood cell stocks are managed in the most efficient manner, including the piloting of an additional platelet inventory management module. The NBA will further consolidate savings from the second year of implementing the 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 allows 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 complete the development of a new ICT system to support the improved governance and management of intravenous Ig.

Promote the safe and efficient use of blood and blood products

In 2015-16, the NBA will finalise the sixth module of the Patient Blood Management Guidelines, initiate the revision of Module 1³ including piloting a revised guideline development process, and publishing guidelines for the comprehensive management of haemophilia. The revision of Module 1 is required to ensure the currency of the guidelines. The NBA will work collaboratively with

² Recombinant products are those manufactured through commercial scale expression of proteins from cell lines modified using recombinant gene technology.

³ Module 1: Critical Bleeding/Massive Transfusion, is intended to assist and guide health care professionals in making clinical decisions when managing patients with critical bleeding who require or are likely to require massive transfusion.

stakeholders in the sector to continue the implementation of the Patient Blood Management Guidelines Implementation Strategy.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Secure the supply of blood and blood products

Qualitative Deliverable	2015-16 Reference Point or Target
New Australian Red Cross Blood Service contract arrangements are progressed.	Finalise a new Deed of Agreement with the Australian Red Cross.

Improve risk management and blood sector performance

Qualitative Deliverable	2015-16 Reference Point or Target
New immunoglobulin (Ig) governance arrangements are implemented.	The Ig Governance ICT system is implemented and supports all supply authorisation for Ig.

Promote the safe and efficient use of blood and blood products

Qualitative Deliverable	2015-16 Reference Point or Target
National data strategy and National Patient Blood Management (PBM) Guidelines Implementation Strategy are progressed.	Performance scorecard and comparator benchmark data is published. The standards and minimum data sets for blood sector data are implemented. 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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of clinical practice guidelines published.	1	2	1	2	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	2015-16 Reference Point or Target
Provision of an adequate, affordable and secure supply of blood and blood products.	Blood products are available to meet clinical need.

Promote the safe and efficient use of blood and blood products

Qualitative Indicator	2015-16 Reference Point or Target
There is a robust framework supporting best practice management and use of blood and blood products.	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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of national blood supply processed by laboratories interfaced to BloodNet.	20%	30%	40%	50%	60%

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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

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 section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the NBA.

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2015-16 2014-15	Appropriation receipts 2015-16 2014-15	Other receipts 2015-16 2014-15	Payments 2015-16 2014-15	Closing balance 2015-16 2014-15
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
National Blood Authority	1	131,099	7,070	1,254,092	1,305,673	86,588
Account ¹ (A)		291,524	7,178	1,025,111	1,192,714	131,099
National Blood Authority	1	9,067	5,912	3,673	9,588	9,064
Account ¹ (D)		8,404	6,938	4,147	10,422	9,067
National Managed Fund	1					
(Blood and Blood Products)		331	-	62,634	62,634	331
Special Account ^{2,3} (A)		331	-	47,342	47,342	331
Total Special Accounts						
2015-16 Estimate		140,497	12,982	1,320,399	1,377,895	95,983
<i>Total Special Accounts</i>						
<i>2014-15 estimate actual</i>		300,259	14,116	1,076,600	1,250,478	140,497

Other Trust Money - s78 PGPA Act has been abolished.

D = Departmental; A = Administered

1 National Blood Authority Act 2003 - s80 PGPA Act

2 s78 PGPA 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)

Section 3.1.3 is not applicable to the NBA.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 2015-16 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 per cent 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 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 2015-16. Each year the COAG Health Council (formerly 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.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	6,288	6,405	6,598	6,747	6,901
Supplier expenses	3,881	2,930	2,944	2,827	2,777
Depreciation and amortisation	389	389	389	389	389
Finance costs	7	7	7	7	7
Total expenses	10,565	9,731	9,938	9,970	10,074
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	3,894	3,420	3,700	3,714	3,783
Total revenue	3,894	3,420	3,700	3,714	3,783
Gains					
Other	94	94	94	94	94
Total gains	94	94	94	94	94
Total own-source income	3,988	3,514	3,794	3,808	3,877
Net cost of (contribution by) services	6,577	6,217	6,144	6,162	6,197
Revenue from Government	6,266	5,849	5,768	5,787	5,810
Surplus (Deficit)	(311)	(368)	(376)	(375)	(387)
Surplus (Deficit) attributable to the Australian Government	(311)	(368)	(376)	(375)	(387)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(311)	(368)	(376)	(375)	(387)
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(311)	(368)	(376)	(375)	(387)
plus non-appropriated expenses depreciation and amortisation expenses	389	389	389	389	389
Total comprehensive income (loss) attributable to the agency	78	21	13	14	2

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	29	29	29	29	29
Receivables	8,633	8,558	8,202	7,846	7,477
Total financial assets	8,662	8,587	8,231	7,875	7,506
Non-financial assets					
Land and buildings	1,060	936	1,062	1,138	1,114
Property, plant and equipment	826	804	943	1,138	1,419
Intangibles	583	440	787	1,132	1,495
Other	100	100	100	100	100
Total non-financial assets	2,569	2,280	2,892	3,508	4,128
Total assets	11,231	10,867	11,123	11,383	11,634
LIABILITIES					
Payables					
Suppliers	497	397	397	397	397
Other payables	564	564	564	564	564
Total payables	1,061	961	961	961	961
Provisions					
Employees	1,548	1,589	1,589	1,589	1,589
Other provisions	412	412	412	412	412
Total provisions	1,960	2,001	2,001	2,001	2,001
Total liabilities	3,021	2,962	2,962	2,962	2,962
Net Assets	8,210	7,905	8,161	8,421	8,672
EQUITY					
Contributed equity	3,250	3,313	3,945	4,580	5,218
Reserves	359	359	359	359	359
Retained surpluses or accumulated deficits	4,601	4,233	3,857	3,482	3,095
Total equity	8,210	7,905	8,161	8,421	8,672

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	4,601	359	3,250	8,210
Surplus (deficit) for the period	(368)	-	-	(368)
Appropriation (equity injection)	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	63	63
Estimated closing balance as at 30 June 2016	4,233	359	3,313	7,905

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,266	5,849	5,768	5,787	5,810
Net GST received	253	253	253	253	253
Other cash received	3,894	3,420	3,700	3,714	3,783
Cash from the Official Public Account	132	-	227	225	239
Total cash received	10,545	9,522	9,948	9,979	10,085
Cash used					
Employees	6,329	6,405	6,598	6,747	6,901
Suppliers	3,788	2,937	2,951	2,834	2,784
Net GST paid	38	29	30	28	29
Cash to the Official Public Account	-	114	-	-	-
Total cash used	10,155	9,485	9,579	9,609	9,714
Net cash from (or used by) operating activities	390	37	369	370	371
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,062	100	1,001	1,005	1,009
Total cash used	1,062	100	1,001	1,005	1,009
Net cash from (or used by) investing activities	(1,062)	(100)	(1,001)	(1,005)	(1,009)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	672	63	632	635	638
Total cash received	672	63	632	635	638
Net cash from (or used by) financing activities	672	63	632	635	638
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	29	29	29	29	29
Cash and cash equivalents at the end of the reporting period	29	29	29	29	29

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	672	63	632	635	638
Total capital appropriations	672	63	632	635	638
Total new capital appropriations represented by:					
Purchase of non-financial assets	672	63	632	635	638
Total items	672	63	632	635	638
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	672	63	632	635	638
Funded internally from departmental resources	390	37	369	370	371
Total acquisitions of non-financial assets	1,062	100	1,001	1,005	1,009
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,062	100	1,001	1,005	1,009
Total cash used to acquire assets	1,062	100	1,001	1,005	1,009

DCB = Departmental Capital Budget.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	1,184	945	4,047	6,176
Accumulated depreciation/amortisation and impairment	(124)	(119)	(3,464)	(3,707)
Opening net book balance	1,060	826	583	2,469
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	61	2	63
By purchase - internal resources	-	36	1	37
Total additions	-	97	3	100
Other movements				
Depreciation/amortisation expense	(124)	(119)	(146)	(389)
Total other movements	(124)	(119)	(146)	(389)
as at 30 June 2016				
Gross book value	1,184	1,042	4,050	6,276
Accumulated depreciation/amortisation and impairment	(248)	(238)	(3,610)	(4,096)
Closing net book balance	936	804	440	2,180

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	930,597	1,159,164	1,255,317	1,338,312	1,428,241
Total non-taxation	930,597	1,159,164	1,255,317	1,338,312	1,428,241
Total revenues administered on behalf of Government	930,597	1,159,164	1,255,317	1,338,312	1,428,241
Total income administered on behalf of Government	930,597	1,159,164	1,255,317	1,338,312	1,428,241
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	247	57	-	-	-
Suppliers	1,091,967	1,205,116	1,280,331	1,362,056	1,362,056
Grants	8,577	8,577	-	-	-
Depreciation and amortisation	493	487	-	-	-
Total expenses administered on behalf of Government	1,101,284	1,214,237	1,280,331	1,362,056	1,362,056

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalent	349	363	377	377	377
Receivables	25,684	27,020	27,020	27,854	27,854
Investments	115,454	121,026	131,698	142,370	142,370
Total financial assets	141,487	148,409	159,095	170,601	170,601
Non-financial assets					
Property, plant and equipment	98	47	47	47	47
Intangibles	757	321	321	321	321
Inventories	87,059	87,559	88,381	88,381	88,381
Other	76,032	76,032	76,032	76,032	76,032
Total non-financial assets	163,946	163,959	164,781	164,781	164,781
Total assets administered on behalf of Government	305,433	312,368	323,876	335,382	335,382
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Payables					
Suppliers	79,786	80,888	80,991	80,991	80,991
Total payables	79,786	80,888	80,991	80,991	80,991
Total liabilities administered on behalf of Government	79,786	80,888	80,991	80,991	80,991

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Commonwealth contributions	535,345	721,297	781,772	833,954	890,500
State and Territory contributions	389,266	432,295	467,973	498,786	532,169
Interest	5,336	5,072	5,572	5,572	5,572
Net GST received	100,500	100,500	100,500	100,500	100,500
Other	177,973	73,300	51,381	58,382	(19,807)
Total cash received	1,208,420	1,332,464	1,407,198	1,497,194	1,508,934
Cash used					
Employees	247	57	-	-	-
Suppliers	1,085,126	1,198,442	1,269,556	1,351,384	1,362,056
Grant payments	8,577	8,577	-	-	-
Net GST paid	109,370	120,702	126,956	135,138	136,206
Total cash used	1,203,320	1,327,778	1,396,512	1,486,522	1,498,262
Net cash from (or used by) operating activities	5,100	4,686	10,686	10,672	10,672
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of investments	41,356	57,062	-	-	-
Total cash received	41,356	57,062	-	-	-
Cash used					
Purchase of investments	46,442	61,734	10,672	10,672	10,672
Total cash used	46,442	61,734	10,672	10,672	10,672
Net cash from (or used by) investing activities	(5,086)	(4,672)	(10,672)	(10,672)	(10,672)
Net increase (or decrease) in cash held	14	14	14	-	-
Cash at beginning of reporting period	335	349	363	377	377
Cash from Official Public Account for:					
- special accounts	1,242,584	1,382,442	1,407,184	1,497,194	1,508,934
- appropriations	7,178	7,070	-	-	-
Cash to Official Public Account for:					
- special accounts	1,249,762	1,389,512	1,407,184	1,497,194	1,508,934
- appropriations	-	-	-	-	-
Cash at end of reporting period	349	363	377	377	377

NATIONAL HEALTH FUNDING BODY

Entity Resources and Planned Performance

National Health Funding Body

Health Portfolio Entity

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NHFB

Section 1: Entity 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 or 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 rolling *Three Year Data Plan*, which communicates to the Commonwealth and 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.

The NHFB commenced operations in July 2012, and is independent of both Commonwealth and State and Territory Governments. The NHFB is a Non-corporate Commonwealth entity 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.

From 2017-18, the Australian Government will introduce revised public hospital funding arrangements, to recognise State and Territory responsibilities for managing an efficient public hospital sector.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: NHFB Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	1,278	1,147	-	1,147
Departmental appropriation ³	4,348	-	4,315	4,315
s74 Retained revenue receipts ⁴	-	-	-	-
Total	5,626	1,147	4,315	5,462
Total ordinary annual services	5,626	1,147	4,315	5,462
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	5,626	1,147	4,315	5,462
Total net resourcing for NHFB	5,626	1,147	4,315	5,462

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 NHFB did not receive any appropriation in 2014-15 for the Departmental Capital Budget (see Table 3.2.5).

4 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

1.3 Budget Measures

Section 1.3 is not applicable to the NHFB.

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 and 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 and 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 Guarantees and the Reconciliation Framework. 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 contribute to improving transparency and efficient administration of public hospital funding.

NHFB Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for NHFB by programme.

Table 2.1: Budgeted Expenses for NHFB

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: National health funding pool administration					
Departmental expenses					
Departmental appropriation ¹	4,348	4,315	4,322	4,350	4,380
Expenses not requiring appropriation in the budget year ²	-	-	-	-	-
Operating deficit (surplus)	-	-	-	-	-
Total for Programme 1.1	4,348	4,315	4,322	4,350	4,380
Total expenses for Outcome 1	4,348	4,315	4,322	4,350	4,380
	2014-15	2015-16			
Average staffing level (number)	19	19			

- 1 Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- 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 following financial year.

In 2015-16, 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.

The reconciliation is 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 develop the Three Year Data Plan and associated funding calculation approach

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 concept stated in the Agreement.

As the primary policy advisor to the Administrator, the NHFB is responsible for the development of the Administrator's rolling *Three Year Data Plan* and funding calculation approach and arrangements.

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 that Commonwealth and 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 maintains proper records in relation to the administration of the National Health Funding Pool by utilising the National Health Funding Administrator Payments System.

Assist the Administrator to transparently report on the operations of the National Health Funding Pool and state managed funds as outlined in the Agreement

The 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 calculation approach

Qualitative Deliverable	2015-16 Reference Point or Target
Deliver the rolling <i>Three Year Data Plan</i> .	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

Qualitative Deliverable	2015-16 Reference Point or Target
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

Qualitative Deliverables	2015-16 Reference Point or Target
Annual report of the National Health Funding Pool to the Commonwealth, and State and Territory Governments.	Produce and table a single annual report and accompanying financial statements on the operation of the National Health Funding Pool in the Commonwealth Parliament, and each State and Territory Parliament. The annual report will include combined financial statements for the National Health Funding Pool, and financial statements for each State or Territory state pool account audited by the respective Auditor-General.

Qualitative Deliverables	2015-16 Reference Point or Target
Public 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	2015-16 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, Commonwealth funding will include a 45 per cent contribution to efficient growth in public hospital services in 2015-16.

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

Qualitative Indicator	2015-16 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

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

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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 entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to the NHFB.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budgeted financial statements for 2015-16 is provided below.

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 the 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	2,411	2,503	2,579	2,656	2,736
Supplier expenses	1,937	1,812	1,743	1,694	1,644
Depreciation and amortisation	-	-	-	-	-
Total expenses	4,348	4,315	4,322	4,350	4,380
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	-	-	-	-	-
Net cost of (contribution by) Services	4,348	4,315	4,322	4,350	4,380
Revenue from Government	4,348	4,315	4,322	4,350	4,380
Surplus (Deficit)	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	-	-	-	-	-
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-
plus non-appropriated expenses depreciation and amortisation expenses	-	-	-	-	-
Total comprehensive income (loss) attributable to the agency	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	12	12	12	12	12
Receivables	1,150	1,251	1,268	1,280	1,292
Total financial assets	1,162	1,263	1,280	1,292	1,304
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Other non-financial asset	42	42	42	42	42
Total non-financial assets	42	42	42	42	42
Total assets	1,204	1,305	1,322	1,334	1,346
LIABILITIES					
Payables					
Suppliers	198	201	205	205	205
Other payables	66	66	66	66	66
Total payables	264	267	271	271	271
Provisions					
Employees	335	433	446	458	470
Other provisions	-	-	-	-	-
Total provisions	335	433	446	458	470
Total liabilities	599	700	717	729	741
Net Assets	605	605	605	605	605
EQUITY					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	605	605	605	605	605
Total equity	605	605	605	605	605

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	605	-	-	605
Surplus (deficit) for the period	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	-
Estimated closing balance as at 30 June 2016	605	-	-	605

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	4,479	4,214	4,305	4,338	4,368
Net GST received	144	150	152	152	155
Other cash received	-	-	-	-	-
Total cash received	4,623	4,364	4,457	4,490	4,523
Cash used					
Employees	2,509	2,405	2,566	2,644	2,724
Suppliers	1,970	1,809	1,739	1,694	1,644
Net GST paid	144	150	152	152	155
Total cash used	4,623	4,364	4,457	4,490	4,523
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	12	12	12	12	12
Cash and cash equivalents at the end of the reporting period	12	12	12	12	12

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	-	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	-	-	-	-
Total cash used to acquire assets	-	-	-	-	-

DCB = Departmental Capital Budget.

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

2 Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	-	-
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2016				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Closing net book balance	-	-	-	-

NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

NHMRC

Entity Resources and Planned Performance

National Health and Medical Research Council

Health Portfolio Entity

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NHMRC

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The National Health and Medical Research Council (NHMRC) is the Australian Government's key entity 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.

NHMRC's Corporate Plan 2015-19, will outline NHMRC's national strategy for medical research and public health research as well as the major health issues likely to arise from the 2015-18 triennium. The Corporate Plan will be tabled in Parliament after the Minister's approval.¹

The role and functions of NHMRC are set out in the *National Health and Medical Research Council Act 1992*. 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 a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

¹ The NHMRC Corporate Plan is developed in accordance with Division 3 of the *National Health and Medical Research Council Act 1992*.

Table 1.1: NHMRC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	7,943	8,231	-	8,231
Departmental appropriation ³	42,681	-	44,441	44,441
s74 retained revenue receipts ⁴	2,000	-	1,500	1,500
Total	52,624	8,231	45,941	54,172
Administered resources¹				
Outcome 1	905,715	-	840,583	840,583
Total	905,715	-	840,583	840,583
Total ordinary annual services	958,339	8,231	886,524	894,755
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	958,339	8,231	886,524	894,755
Total appropriations excluding Special Accounts	958,339	8,231	886,524	894,755
Special Accounts				
Opening balance ⁶	134,148	73,716	-	73,716
Appropriation receipts ⁷	859,026	-	796,265	796,265
Non-appropriation receipts to Special Accounts	10,600	-	8,000	8,000
Total Special Accounts	1,003,774	73,716	804,265	877,981
Total resourcing	1,962,113	81,947	1,690,789	1,772,736
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations	(859,026)	-	(796,265)	(796,265)
Total net resourcing for NHMRC	1,103,087	81,947	894,524	976,471

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$4.186 million in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

6 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1.

7 Appropriation receipts from NHMRC annual and special appropriations for 2015-16 included above.

1.3 Budget Measures

Budget measures relating to NHMRC are detailed in Budget Paper No.2 and are summarised below.

Table 1.2: NHMRC 2015-16 Budget Measures

Programme		2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Developing Northern Australia - positioning the north as a leader in tropical health						
National Health and Medical Research Council						
Administered expenses	1.1	-	738	2,101	2,102	1,423
Departmental expenses	1.1	-	197	92	93	94
Australian Trade Commission						
Administered expenses		-	1,025	1,841	2,258	2,046
Departmental expenses		-	352	344	417	222
Total expenses		-	2,312	4,378	4,870	3,785

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 continue to improve its application and assessment processes for research grants 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's guidelines and advice will also support the States and Territories in achieving consistent standards in public and environmental health in the detection and prevention of illness.

NHMRC Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for NHMRC by programme.

Table 2.1: Budgeted Expenses for NHMRC

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Health and medical research					
Administered expenses					
Ordinary annual services					
(Appropriation Bill No. 1)	905,715	840,583	854,109	876,160	888,746
to the Medical Research					
Endowment Account	(859,026)	(796,265)	(809,005)	(821,865)	(834,935)
Special accounts					
Medical Research					
Endowment Account	855,758	845,780	834,370	832,265	842,935
Departmental expenses					
Departmental appropriation ¹	42,722	41,755	39,165	39,423	39,653
Expenses not requiring appropriation					
in the budget year ²	2,300	2,300	2,300	2,300	2,300
Operating deficit (surplus)	1,400	-	-	-	-
Total for Programme 1.1	948,869	934,153	920,939	928,283	938,699
Total expenses for Outcome 1	948,869	934,153	920,939	928,283	938,699
	2014-15	2015-16			
Average staffing level (number)	200	190			

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

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 by awarding grants through several competitive, peer reviewed, funding schemes to support the highest quality research, and the best researchers, in all areas of health.

Commencing in 2015-16, funding will be provided for the NHMRC to support a new collaborative programme in Northern Australia. The programme, which will be undertaken in collaboration with Austrade, will focus on the research of tropical disease and the effective translation of this research into health policy and practice.

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 people with dementia. Operating within the NHMRC governance arrangements, the new NHMRC National Institute for Dementia Research will lead this effort, drawing together existing activity and developing a strategic research and translation agenda through identifying national research and translation priorities.

Simplified and consistent health and medical research

The Australian Government will continue to explore a nationally consistent approach to the upfront site approval of clinical trials. This approach will reduce complexity and accelerate the clinical trials review process in both the public and private health sectors. In 2015-16, the NHMRC will publish a nationally consistent good practice model for research governance of clinical trials, which will be supported by the development of an improved ethics application form.

NHMRC will review the effectiveness of changes made to the Research Grants Management System and the introduction of video conferencing for some grant review panels to ensure an improved and consistent application process as well as a streamlined reporting system.

Support the translation of health and medical research

NHMRC recognises the importance of reliable and timely evidence for clinicians, consumers and policy makers. In 2015-16, NHMRC will continue to approve high quality guidelines prepared by third parties and maintain its leadership role in guideline development through a programme of work to incorporate greater use of technology in guideline development.

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, has identified major gaps where strong

research evidence exists, but is not being used in health care policy and practice. In 2015-16, NHMRC will work on action to address these gaps. In 2015-16, NHMRC will also host its fourth Research Translation Faculty Symposium with the aim of helping to build research translation understanding and capability amongst Australia's research community.

In 2015-16, to update current Government advice and in response to community concerns about fluoridation, NHMRC will release for public consultation a draft information paper on the health effects of water fluoridation. Draft guidance on parenting messages to promote children's emotional and social development, and well-being will also be open for public comment.

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* (the National Statement),² and codes, such as the *Australian Code for the Responsible Conduct of Research 2007* (the Code)³ remain up-to-date and reflect best practice in the area. In 2015-16, the rolling review of the National Statement will focus on a review of Section 3 (Ethical considerations specific to research methods or fields) and will include a review of current advice on research involving human genetics and clinical trials. The Code will also be reviewed in conjunction with the university and research sectors.

NHMRC will also revise *Part B of the Ethical Guidelines on the use of Assisted Reproductive Technology in Clinical Practice and Research June 2007*⁴ and commence a review of two Aboriginal and Torres Strait Islander research ethics guidelines. Work will continue on developing the ethical guidelines for organ transplantation from deceased donors.

NHMRC will continue to administer the *Research Involving Human Embryos Act 2002* (RIHE Act) and the *Prohibition of Human Cloning for Reproduction Act 2002* (PHCR Act). These Acts prohibit certain practices, including human cloning for reproduction, and restrict other practices relating to reproductive technology and research.

NHMRC will continue to encourage the uptake of the national approach to single ethical review within universities and private hospitals.

² Available at: www.nhmrc.gov.au/guidelines-publications/e72

³ Available at: www.nhmrc.gov.au/_files_nhmrc/publications/attachments/r39.pdf

⁴ Available at: www.nhmrc.gov.au/_files_nhmrc/publications/attachments/e78.pdf

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Support high quality health and medical research

Qualitative Deliverable	2015-16 Reference Point or Target
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.

Boosting dementia research

Qualitative Deliverables	2015-16 Reference Point or Target
Funding provided for large scale research projects in priority areas for dementia.	Undertake additional grant round to support priority research projects.
Identify priorities for dementia research and translation.	Priorities identified by NHMRC National Institute for Dementia Research and accepted by NHMRC in 2015-16.

Simplified and consistent health and medical research

Qualitative Deliverable	2015-16 Reference Point or Target
Streamline ethical review and research governance processes for clinical trials.	Implement the Government's initiatives of Simplified and Consistent Health and Medical Research and Accelerating Clinical Trials Reforms.

Support the translation of health and medical research

Qualitative Deliverable	2015-16 Reference Point or Target
Approve high quality clinical guidelines prepared by third parties.	Third party guidelines approved by Council and CEO of NHMRC meet quality standards.

Quantitative Deliverables for Programme 1.1

Support high quality health and medical research

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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	2015-16 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 Indicators	2015-16 Reference Point or Target
National adoption of the National Approach to Single Ethical Review initiative (formerly known as HoMER).	Monitor the number of human research ethics committees that participate in the National Certifications Scheme Institutional Processes.
Use risk-based approaches to target compliance activities related to RIHE Act and PHCR Act and monitor performance and regulatory outcomes.	Stakeholders demonstrate increased understanding of regulatory requirements as measured by NHMRC assessment of activity reports and inspection outcomes.

Quantitative Key Performance Indicators for Programme 1.1

Support the translation of health and medical research

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Citation rate of journal articles resulting from NHMRC funded research. ⁵	>50%	>50%	>50%	>50%	>50%

Promote the highest ethical standards in health and medical research

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of institutions maintaining certification requirements. ⁶	100%	100%	100%	100%	100%

⁵ 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.

⁶ This Key Performance Indicator has been revised. Institutions have undergone the certification process for their ethics committees. The focus is now on monitoring the maintenance of certification requirements.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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

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 section 78 of the PGPA Act or under separate enabling legislation (section 80 of the PGPA Act refers). Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the NHMRC.

Table 3.1.1: Estimates of Special Account Flows and Balances

	Outcome	Opening balance 2015-16 2014-15	Appropriation receipts 2015-16 2014-15	Other receipts 2015-16 2014-15	Payments 2015-16 2014-15	Closing balance 2015-16 2014-15
		\$'000	\$'000	\$'000	\$'000	\$'000
Medical Research	1	73,716	796,265	34,000	871,780	32,201
Endowment Account ¹ (A)		134,148	859,026	38,600	958,058	73,716
Total Special Accounts						
2015-16 Estimate		73,716	796,265	34,000	871,780	32,201
<i>Total Special Accounts</i>						
<i>2014-15 estimate actual</i>		134,148	859,026	38,600	958,058	73,716

A = Administered

1 *National Health and Medical Research Council Act 1992 - Section 80 PGPA Act.*

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Table 3.1.2: Australian Government Indigenous expenditure

Outcome	Appropriations				Other	Total
	Bill	Bill	Special	Total		
	No. 1	No. 2	approp	approp		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
National Health and Medical Research Council						
Outcome 1						
Administered 2015-16	52,402	-	-	52,402	-	52,402
Administered 2014-15	52,895	-	-	52,895	-	52,895
Departmental 2015-16	322	-	-	322	-	322
Departmental 2014-15	317	-	-	317	-	317
Total Outcome 1 2015-16	52,724	-	-	52,724	-	52,724
Total Outcome 1 2014-15	53,212	-	-	53,212	-	53,212
Total Administered 2015-16	52,402	-	-	52,402	-	52,402
Total Administered 2014-15	52,895	-	-	52,895	-	52,895
Total Departmental 2015-16	322	-	-	322	-	322
Total Departmental 2014-15	317	-	-	317	-	317
Total AGIE 2015-16	52,724	-	-	52,724	-	52,724
Total AGIE 2014-15	53,212	-	-	53,212	-	53,212

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budget financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive Income Statement (showing net cost of services)

Revenue and expenditure for 2015-16 is expected to be in line with Government forecasts, with Employee expenses to be 54 per cent of total expenditure.

Balance Sheet

Assets include purchase of intangibles (\$4.016 million) in 2015-16, relating to the 2014-15 Budget measure '*Simplified and consistent health and medical research*'.

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 2015-16, the transfer to the Special Account is expected to be \$796.265 million.

Expenditure in 2015-16 is expected to be greater than the Administered Appropriation 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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	24,929	23,926	22,501	22,023	21,783
Supplier expenses	19,273	17,909	16,744	17,480	17,950
Depreciation and amortisation	2,200	2,200	2,200	2,200	2,200
Finance costs	20	20	20	20	20
Total expenses	46,422	44,055	41,465	41,723	41,953
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	2,000	1,500	1,500	1,500	1,500
Total revenue	2,000	1,500	1,500	1,500	1,500
Gains					
Other	100	100	100	100	100
Total gains	100	100	100	100	100
Total own-source income	2,100	1,600	1,600	1,600	1,600
Net cost of (contribution by) services	44,322	42,455	39,865	40,123	40,353
Revenue from Government	40,722	40,255	37,665	37,923	38,153
Surplus (Deficit)	(3,600)	(2,200)	(2,200)	(2,200)	(2,200)
Surplus (Deficit) attributable to the Australian Government	(3,600)	(2,200)	(2,200)	(2,200)	(2,200)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(3,600)	(2,200)	(2,200)	(2,200)	(2,200)
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(3,600)	(2,200)	(2,200)	(2,200)	(2,200)
plus non-appropriated expenses depreciation and amortisation expenses	2,200	2,200	2,200	2,200	2,200
Total comprehensive income (loss) attributable to the agency	(1,400)	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	503	503	503	503	503
Receivables	7,867	8,839	9,382	9,409	9,439
Total financial assets	8,370	9,342	9,885	9,912	9,942
Non-financial assets					
Property, plant and equipment	5,646	4,246	2,846	1,446	222
Inventories	280	280	280	280	280
Intangibles	5,492	8,878	8,251	7,626	6,826
Other	1,135	1,135	1,135	1,135	1,135
Total non-financial assets	12,553	14,539	12,512	10,487	8,463
Total assets	20,923	23,881	22,397	20,399	18,405
LIABILITIES					
Payables					
Suppliers	2,695	2,645	2,445	2,394	2,384
Other payables	544	845	652	652	652
Total payables	3,239	3,490	3,097	3,046	3,036
Provisions					
Employees	6,671	5,900	5,789	5,103	4,978
Other provisions	623	649	676	683	689
Total provisions	7,294	6,549	6,465	5,786	5,667
Total liabilities	10,533	10,039	9,562	8,832	8,703
Net Assets	10,390	13,842	12,835	11,567	9,702
EQUITY					
Contributed equity	7,316	11,502	10,560	10,735	10,911
Reserves	73	73	73	73	73
Retained surpluses or accumulated deficits	3,001	2,267	2,202	759	(1,282)
Total equity	10,390	13,842	12,835	11,567	9,702

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	3,001	73	7,316	10,390
Surplus (deficit) for the period	(2,200)	-	-	(2,200)
Appropriation (equity injection)	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	4,186	4,186
Other movements	1,466	-	-	1,466
Estimated closing balance as at 30 June 2016	2,267	73	11,502	13,842

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	2,000	1,500	1,500	1,500	1,500
Appropriations	40,412	39,867	36,805	37,923	38,153
Net GST received	1,500	1,500	1,500	1,500	1,500
Total cash received	43,912	42,867	39,805	40,923	41,153
Cash used					
Employees	24,364	22,929	22,850	23,549	24,078
Suppliers	19,548	19,938	16,955	17,374	17,075
Total cash used	43,912	42,867	39,805	40,923	41,153
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,959	4,186	173	175	176
Total cash used	1,959	4,186	173	175	176
Net cash from (or used by) investing activities	(1,959)	(4,186)	(173)	(175)	(176)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	1,959	4,186	173	175	176
Total cash received	1,959	4,186	173	175	176
Net cash from (or used by) financing activities	1,959	4,186	173	175	176
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	503	503	503	503	503
Cash and cash equivalents at the end of the reporting period	503	503	503	503	503

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,959	4,186	173	175	176
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	1,959	4,186	173	175	176
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,959	4,186	173	175	176
Total items	1,959	4,186	173	175	176
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	1,959	4,186	173	175	176
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	1,959	4,186	173	175	176
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,959	4,186	173	175	176
Total cash used to acquire assets	1,959	4,186	173	175	176

DCB = Departmental Capital Budget.

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

2 Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	12,132	10,470	22,602
Accumulated depreciation/amortisation and impairment	-	(6,486)	(4,978)	(11,464)
Opening net book balance	-	5,646	5,492	11,138
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	4,186	4,186
By purchase - internal resources	-	-	-	-
Total additions	-	-	4,186	4,186
Other movements				
Depreciation/amortisation expense	-	(1,400)	(800)	(2,200)
Total other movements	-	(1,400)	(800)	(2,200)
As at 30 June 2016				
Gross book value	-	12,132	14,656	26,788
Accumulated depreciation/amortisation and impairment	-	(7,886)	(5,778)	(13,664)
Closing net book balance	-	4,246	8,878	13,124

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Recoveries	7,000	5,000	5,000	5,000	5,000
Other non-tax revenue	3,600	3,000	3,000	3,000	3,000
Total income administered on behalf of Government	10,600	8,000	8,000	8,000	8,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants - MREA	855,758	845,780	834,370	832,265	842,935
Grants - dementia	32,000	31,000	31,000	40,000	40,000
Grants - other	12,377	12,303	13,851	14,039	13,550
Suppliers	2,312	1,015	253	256	261
Total expenses administered on behalf of Government	902,447	890,098	879,474	886,560	896,746

MREA = Medical Research Endowment Account

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	2,516	2,516	2,516	2,516	2,516
Total financial assets	2,516	2,516	2,516	2,516	2,516
Total assets administered on behalf of Government	2,516	2,516	2,516	2,516	2,516
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	12,673	10,673	10,673	10,673	23,910
Other	256	256	256	256	256
Total payables	12,929	10,929	10,929	10,929	24,166
Total liabilities administered on behalf of Government	12,929	10,929	10,929	10,929	24,166

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Cash Received - Other	10,600	8,000	8,000	8,000	8,000
Net GST received	28,000	26,000	26,000	26,000	26,000
Total cash received	38,600	34,000	34,000	34,000	34,000
Cash used					
Grant payments - MREA	930,101	845,780	834,370	832,265	842,935
Grant payments - dementia	32,000	31,000	31,000	40,000	40,000
Grant payments - other	12,377	12,303	13,851	14,039	13,550
Suppliers	2,312	1,015	253	256	261
Net GST paid	28,000	26,000	26,000	26,000	26,000
Total cash used	1,004,790	916,098	905,474	912,560	922,746
Net cash from (or used by) operating activities	(966,190)	(882,098)	(871,474)	(878,560)	(888,746)
Net increase (or decrease) in cash held	(966,190)	(882,098)	(871,474)	(878,560)	(888,746)
Cash at beginning of reporting period	43	-	-	-	-
Cash from Official Public Account for: - appropriations	966,147	882,098	871,474	878,560	888,746
Cash at end of reporting period	-	-	-	-	-

MREA = Medical Research Endowment Account

NATIONAL HEALTH PERFORMANCE AUTHORITY

Entity Resources and Planned Performance

National Health Performance Authority

Health Portfolio Entity

Section 1: Entity Overview and Resources

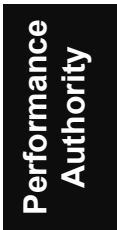
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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The National Health Performance Authority (Performance Authority) was established in 2011 to prepare and release high quality, locally relevant and nationally consistent reports on the comparable performance of local hospital networks, public hospitals, private hospitals and other bodies or organisations that provide health care services. Regular transparent public reporting across a range of performance 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 Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

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 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: Performance Authority Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	4,936	5,367	-	5,367
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	33,809	-	34,097	34,097
Total ordinary annual services	33,809	-	34,097	34,097
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	33,809	-	34,097	34,097
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	33,809	-	34,097	34,097
FUNDS FROM OTHER SOURCES				
Interest	-	-	-	-
Sale of goods and services	-	-	-	-
Other	-	-	-	-
Total other sources	-	-	-	-
Total net resourcing for NHPA	38,745	5,367	34,097	39,464

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Appropriation Bill (No. 2) 2015-16.

3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

Section 1.3 is not applicable to the Performance Authority.

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 equity, effectiveness 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 jurisdictions or other organisations that collect and provide data.

In 2015-16, the Performance Authority will continue to make available nationally comparable information on the performance of health care organisations through its Hospital Performance and Healthy Communities reports, and the release of data. The Performance Authority will continue its work developing specifications and methodologies where none exist for indicators in the Framework. The Performance Authority will also commence reporting a range of health performance measures at the Primary Health Network (PHN) level.¹

Through its committees, the Performance Authority consults extensively with governments, health care organisations, clinicians and consumers to ensure its work is valid and valued.

¹ PHNs will replace Medicare Locals from 1 July 2015. For further information on PHNs, refer to Outcome 5 Primary Health Care in these Portfolio Budget Statements.

Performance Authority Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for the Performance Authority by programme.

Table 2.1: Budgeted Expenses for the Performance Authority

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Health system performance reporting					
Revenue from Government					
Appropriations through the Portfolio Department	33,809	34,097	34,368	34,811	35,320
Expenses not requiring appropriation in the budget year ¹	45	45	45	45	45
Operating deficit (surplus)	146	172	186	153	(33)
Total for Programme 1.1	34,000	34,314	34,599	35,009	35,332
Total expenses for Outcome 1	34,000	34,314	34,599	35,009	35,332

	2014-15	2015-16
Average staffing level (number)	51	54

1 Expenses not requiring appropriation in the Budget year is made up of audit fees.

Programme 1.1: National Health Performance Authority

Programme Objectives

Produce high quality information on health system performance

The Performance Authority will continue to measure, monitor and regularly report on the comparable performance of health care organisations, and health and care in local areas. It will report on hospitals and Local Hospital Networks (LHNs), and primary care at local catchment levels including statistical area 3² and, where possible, by postcode. In 2015-16, the Performance Authority will also commence reporting at the level of PHNs.

The Performance Authority will report against performance measures in the Performance and Accountability Framework. It will continue its pursuit of excellence in public reporting, drawing extensively on expert technical and clinical advice through its advisory committees to ensure its reporting is accurate, relevant and fair.

Determine data requirements for nationally comparable performance information

The Performance Authority publishes its rolling *Three Year Data Plan* (Data Plan) each year following consultation and agreement with the Australian and State and Territory Governments. The Data Plan anticipates the data requirements for the Performance Authority's forward reporting programme. This is underpinned by a work programme for the development of indicator definitions and measures.

The Performance Authority participates in national data governance committees and consults with data custodians to ensure the consistency and quality of its data supply. Engagement with relevant clinical, statistical and expert groups informs the development of data methodologies.

Ensure community access to nationally comparable performance information

In 2015-16, the Performance Authority will continue to develop products and tools to ensure the delivery of performance information that is accurate, readily available and user-friendly.

In addition to data updates on the MyHospitals³ and MyHealthyCommunities⁴ websites, the Performance Authority will produce reports and supporting documentation tailored to audiences to enhance the uptake and comprehension of its findings.

² A statistical area defined by the Australian Bureau of Statistics which has a population of between 30,000 and 130,000 people.

³ Available at: www.myhospitals.gov.au

⁴ Available at: www.myhealthycommunities.gov.au

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Produce high quality information on health system performance

Qualitative Deliverable	2015-16 Reference Point or Target
Report on Local Hospital Networks, public hospitals, private hospitals and other bodies or organisations that provide health care services.	Produce nationally consistent and locally relevant comparable information via Hospital Performance reports, Healthy Communities reports and data releases.

Determine data requirements for nationally comparable performance information

Qualitative Deliverable	2015-16 Reference Point or Target
Update the rolling <i>Three Year Data Plan</i> in consultation with the Australian and State and Territory Governments.	Public release of the rolling <i>Three Year Data Plan</i> outlining data requirements agreed to by the Australian and State and Territory Governments.

Ensure community access to nationally comparable performance information

Qualitative Deliverable	2015-16 Reference Point or Target
Performance information released via a suite of products and channels.	Products are targeted to audiences. Performance information is readily available via the MyHospitals and MyHealthyCommunities websites.

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Produce high quality information on health system performance

Qualitative Indicator	2015-16 Reference Point or Target
Performance information on health care organisations is high quality and nationally comparable.	Performance information reflects evolving priorities and enables fair and meaningful comparisons.

Determine data requirements for nationally comparable performance information

Qualitative Indicators	2015-16 Reference Point or Target
Indicators in the Performance and Accountability Framework have clear definitions and methodologies.	Performance information is accompanied by technical supplements outlining methods used to calculate measures and quality issues associated with the data. Data definitions and methodologies are released on METeOR ⁵ for all measures.
Data governance adheres to best practice.	Data practices adhere to internal and external data governance protocols.

Ensure community access to nationally comparable performance information

Qualitative Indicator	2015-16 Reference Point or Target
Performance information is accessible to health care professionals and the public.	Feedback regarding accessibility of performance information is positive.

⁵ The Australian Institute of Health and Welfare's online metadata registry is available at: www.meteor.aihw.gov.au

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to the Performance Authority.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 to fund its statutory functions. These functions are associated with measuring, monitoring and regularly reporting on the performance of health care organisations against performance measures in the Performance and Accountability Framework as well as associated management and operational costs. This is consistent into the forward year estimates.

The Performance Authority's loss is technical in nature and arises from the unfunded depreciation due to its transition from the former *Financial Management and Accountability Act 1997* agency to Corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. As a result of this classification change the Performance Authority applied for and received approval for an operating loss up to the amount of the unfunded depreciation. The loss is a technical loss and represents no change to the operations or costs for the entity.

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. Total assets and liabilities are expected to remain stable over the forward year estimates.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	7,699	7,740	7,810	7,905	8,016
Supplier expenses	25,929	26,177	26,379	26,727	27,125
Depreciation and amortisation	372	397	410	377	191
Total expenses	34,000	34,314	34,599	35,009	35,332
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	45	45	45	45	45
Total gains	45	45	45	45	45
Total own-source income	45	45	45	45	45
Net cost of (contribution by) services	33,955	34,269	34,554	34,964	35,287
Revenue from Government	33,809	34,097	34,368	34,811	35,320
Surplus (Deficit)	(146)	(172)	(186)	(153)	33
Surplus (Deficit) attributable to the Australian Government	(146)	(172)	(186)	(153)	33
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(146)	(172)	(186)	(153)	33

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11	11	11	11	11
Receivables	5,527	6,003	6,497	6,624	6,750
Total financial assets	5,538	6,014	6,508	6,635	6,761
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	987	687	373	93	-
Intangibles	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	987	687	373	93	-
Total assets	6,525	6,701	6,881	6,728	6,761
LIABILITIES					
Payables					
Suppliers	1,363	1,636	1,689	1,739	1,739
Other payables	437	295	145	-	-
Total payables	1,800	1,931	1,834	1,739	1,739
Provisions					
Employees	1,444	1,661	2,124	2,219	2,219
Other provisions	135	135	135	135	135
Total provisions	1,579	1,796	2,259	2,354	2,354
Total liabilities	3,379	3,727	4,093	4,093	4,093
Net Assets	3,146	2,974	2,788	2,635	2,668
EQUITY					
Contributed equity	858	858	858	858	858
Reserves	7	7	7	7	7
Retained surpluses or accumulated deficits	2,281	2,109	1,923	1,770	1,803
Total equity	3,146	2,974	2,788	2,635	2,668

**Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement
(Budget year 2015-16)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	2,281	7	858	3,146
Surplus (deficit) for the period	(172)	-	-	(172)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016	2,109	7	858	2,974

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	33,378	33,621	33,874	34,684	35,194
Net GST received	278	264	251	251	251
Other cash received	-	-	-	-	-
Total cash received	33,656	33,885	34,125	34,935	35,445
Cash used					
Employees	7,377	7,523	7,347	7,810	8,016
Suppliers	26,048	26,123	26,532	26,883	27,186
Net GST paid	-	-	-	-	-
Other	133	142	150	145	145
Total cash used	33,558	33,788	34,029	34,838	35,347
Net cash from (or used by) operating activities	98	97	96	97	98
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	98	97	96	97	98
Total cash used	98	97	96	97	98
Net cash from (or used by) investing activities	(98)	(97)	(96)	(97)	(98)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11	11	11	11	11
Cash and cash equivalents at the end of the reporting period	11	11	11	11	11

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	98	97	96	97	98
Total acquisitions of non-financial assets	98	97	96	97	98
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	98	97	96	97	98
Total cash used to acquire assets	98	97	96	97	98

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	1,359	-	1,359
Accumulated depreciation/amortisation and impairment	-	(372)	-	(372)
Opening net book balance	-	987	-	987
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	-	-	-
By purchase - internal resources	-	97	-	97
Total additions	-	97	-	97
Other movements				
Depreciation/amortisation expense	-	(397)	-	(397)
Total other movements	-	(397)	-	(397)
As at 30 June 2016				
Gross book value	-	1,456	-	1,456
Accumulated depreciation/amortisation and impairment	-	(769)	-	(769)
Closing net book balance	-	687	-	687

NATIONAL MENTAL HEALTH COMMISSION

Entity Resources and Planned Performance

NMHC

National Mental Health Commission

Health Portfolio Entity

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Section 1: Entity 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 in 2015-16 will be to support the Government in progressing its reform agenda in response to the Report of the National Review of Mental Health Programmes and Services (the Review).

The Review focused on Commonwealth programmes and services with the aim of ensuring 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 lead on action to promote adoption of innovative and effective approaches and service delivery models to support the Government's reform agenda in collaboration with the Commonwealth, States and Territories.

The NMHC is an executive agency established on 1 January 2012 under the *Public Service Act 1999* and is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: NMHC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	419	489	-	489
Departmental appropriation ³	2,866	-	2,826	2,826
s74 retained revenue receipts ⁴	-	-	-	-
Total	3,285	489	2,826	3,315
Administered resources¹				
Outcome 1	3,617	-	3,649	3,649
Total	3,617	-	3,649	3,649
Total ordinary annual services	6,902	489	6,475	6,964
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Previous years' programmes	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	6,902	489	6,475	6,964
Total net resourcing for NMHC	6,902	489	6,475	6,964

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried from previous year for annual appropriations.

3 Includes an amount of \$0.033 million in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

1.3 Budget Measures

Section 1.3 is not applicable to the NMHC.

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. The NMHC will achieve this through independent monitoring, assessment, reporting and advising on the mental health impacts of a range of health and non-health service systems.

Mental illnesses account for about 13 per cent of Australia's total burden of disease.¹ Each year it is estimated that more than 3.6 million people (aged 16 to 85 years) experience mental ill-health. This represents 20 per cent of Australian adults. Over a lifetime, nearly half of the Australian adult population will experience mental illness at some point.²

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.³ Only 31.5 per cent of people living with psychosis complete high school, compared to a completion rate of 53.0 per cent for people 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.⁴

The Australian Government is committed to ensuring Australia has a sustainable, efficient and effective mental health system.

In 2014, the NMHC reported to the Australian Government on the National Review of Mental Health Programmes and Services (the Review). The Review aimed to assess the efficiency and effectiveness of programmes and services 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.

¹ Institute of Health Metrics and Evaluation 2013, *Global Burden of Disease Visualisations*, viewed 19 November 2014, viz.healthmetricsandevaluation.org/gbd-compare/

² Australian Bureau of Statistics 2008, *National Survey of Mental Health and Wellbeing: Summary of Results, 2007*, cat. no. 4326.0, ABS, Canberra.

³ Australian Bureau of Statistics. *National Health Survey 2007-08*. Canberra: ABS; 2009 (Unpublished).

⁴ Morgan VA, Waterreus A, Jablensky A, Mackinnon A, McGrath JJ, Carr V et al. 2011, *People living with psychotic illness: Report on the second Australian National Survey*, Commonwealth of Australia, Canberra.

In 2015-16, the NMHC will continue to undertake actions relevant to its charter to support implementation of the Government's response to the Review, including projects to build the evidence base for best practice in mental health care and projects to promote innovative and promising service models.

The NMHC will provide evidence-informed expert advice to Government and support the dissemination and sharing of resources and information on efficient approaches to mental health promotion, prevention and intervention to the mental health system and the broader community.

The NMHC will monitor and report on Government action in response to the Review.

In undertaking its work, the NMHC will work collaboratively across Government, non-government organisations and the private sector and work with people with lived experience of mental illness, their carers, families and support people.

NMHC Budgeted Expenses and Resources

Table 2.1 provides an overview of the total expenses for NMHC by programme.

Table 2.1: Budgeted Expenses for NMHC

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: National Mental Health Commission					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,617	3,649	3,703	3,766	3,842
Departmental expenses					
Departmental appropriation ¹	2,830	2,793	2,766	2,776	2,791
Expenses not requiring appropriation in the budget year ²	64	69	38	38	38
Operating deficit (surplus)	-	-	-	-	-
Total for Programme 1.1	6,511	6,511	6,507	6,580	6,671
Total expenses for Outcome 1	6,511	6,511	6,507	6,580	6,671
	2014-15	2015-16			
Average staffing level (number)	13	14			

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

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

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 10 recommendations in 2012 and a further eight in 2013.

The NMHC will develop a new framework for annual national reporting to the Australian Government which takes into account the Review, including Government action, and where possible impacts, in response to the Review. This work will supersede the development of a third National Report Card on Mental Health and Suicide Prevention.

The Commission will work to develop robust data sources to complement the reporting framework and provide evidence of the impact and outcomes of mental health reforms and best practice.

Undertake projects to improve system accountability, evidence and results

In 2015-16, the NMHC will continue to undertake projects that support the Government action in response to the Review and that lead to improved policy, programmes, services and systems that support mental health in Australia.

The aim of these projects is to improve services and support for people experiencing mental health difficulties and suicide risk, their families and other support people. Projects also aim to support change in the attitudes and behaviour of Australians towards mental health.

The NMHC will work collaboratively across governments and sectors on projects that require national or cross-sector approaches. People with a lived experience of mental health, including carers and other support people, will be involved in all projects.

The NMHC will leverage projects that add to the evidence base; promote the implementation of good practice; improve effectiveness and efficiency of services; and promote innovation in mental health services and prevention and promotion initiatives. Development of a position paper on mental health research will identify research priorities and promote the sharing and dissemination of evidence and information on the implementation, impact and outcomes of new approaches.

The Data Linkage Project will continue to provide key data that will inform service gaps, usage and service delivery planning.

The National Contributing Life Survey Project will provide a mechanism for input from people with lived experience of mental health and their families, friends and support people to the work of the NMHC.

The NMHC is leading a national project to look at best practice approaches in reducing and eliminating the seclusion and restraint of people with mental health issues. In 2015, the NMHC will release a position paper that will outline

evidence-based strategies to eliminate the seclusion and restraint of people with mental illness in a range of settings, including those beyond mental health services.

The NMHC will continue its efforts to advance workplace mental health. 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 all employees and the economy. Other founding partners with the NMHC are the Business Council of Australia and Council of Small Businesses of Australia. In 2015-16, the Alliance will continue to support the Heads Up campaign and develop stronger ties with industry to promote mental health and suicide prevention in the workplace.

Programme 1.1: Key Performance Indicators⁵

Qualitative Key Performance Indicators for Programme 1.1

Report on national progress to improve mental health and prevent suicide

Qualitative Indicator	2015-16 Reference Point or Target
Undertake and disseminate report on national progress on mental health and suicide prevention.	Monitoring and reporting framework to be developed by 31 December 2015.

Undertake projects to improve system accountability, evidence and results

Qualitative Indicators	2015-16 Reference Point or Target
Undertake and disseminate research, analysis, evaluation and advice on key national priorities and data gaps.	Reports commissioned and published which analyse and advise on key priorities and data gaps.
The Mentally Healthy Workplace Alliance plans and undertakes strategic action that supports workplace mental health reform.	A national framework is developed that identifies and tracks workplace mental health reform.

Quantitative Key Performance Indicators for Programme 1.1

Undertake projects to improve system accountability, evidence and results

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of NMHC projects that have governance and advisory arrangements that include people with lived experience of mental health issues.	100%	100%	100%	100%	100%

⁵ Key Performance Indicators for the NMHC have been reviewed and updated to ensure targeted performance reporting.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of Entity finances for the 2015-16 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 Australian Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not application to the NMHC.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to the NMHC.

3.1.3 Australian Government Indigenous Expenditure (AGIE)

Section 3.1.3 is not applicable to the NMHC.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budgeted financial statements for 2015-16 is provided below.

Departmental Resources

Comprehensive Income Statement

Revenue from Government will remain stable from 2014-15 to 2015-16 at \$2.8 million per annum and over forward years.

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 will remain stable from 2014-15 to 2015-16 at around \$3.6 million per annum with a slight increase over forward years.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	1,963	1,972	1,972	1,972	1,972
Supplier expenses	892	846	819	829	844
Depreciation and amortisation	39	44	13	13	13
Total expenses	2,894	2,862	2,804	2,814	2,829
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	25	25	25	25	25
Total gains	25	25	25	25	25
Total own-source income	25	25	25	25	25
Net cost of (contribution by) services	2,869	2,837	2,779	2,789	2,804
Revenue from Government	2,830	2,793	2,766	2,776	2,791
Surplus (Deficit)	(39)	(44)	(13)	(13)	(13)
Surplus (Deficit) attributable to the Australian Government	(39)	(44)	(13)	(13)	(13)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(39)	(44)	(13)	(13)	(13)
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(39)	(44)	(13)	(13)	(13)
plus non-appropriated expenses depreciation and amortisation expenses	39	44	13	13	13
Total comprehensive income (loss) attributable to the agency	-	-	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100	100	100	100	100
Receivables	408	507	570	589	589
Total financial assets	508	607	670	689	689
Non-financial assets					
Property, plant and equipment	10	3	13	25	36
Intangibles	4	-	-	-	-
Total non-financial assets	14	3	13	25	36
Total assets	522	610	683	714	725
LIABILITIES					
Payables					
Suppliers	55	55	55	55	55
Other payables	31	31	31	31	31
Total payables	86	86	86	86	86
Provisions					
Employees	77	82	86	86	86
Other provisions	67	129	187	187	187
Total provisions	144	211	273	273	273
Total liabilities	230	297	359	359	359
Net Assets	292	313	324	355	366
EQUITY					
Contributed equity	243	277	301	326	350
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	49	36	23	29	16
Total equity	292	313	324	355	366

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	49	-	244	293
Surplus (deficit) for the period	(44)	-	-	(44)
Capital budget - Bill 1 (DCB)	-	-	33	33
Other movements	31	-	-	31
Estimated closing balance as at 30 June 2016	36	-	277	313

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,760	2,694	2,703	2,757	2,791
GST received	84	78	79	84	84
Total cash received	2,844	2,772	2,782	2,841	2,875
Cash used					
Employees	1,959	1,967	1,968	1,972	1,972
Suppliers	801	727	735	785	819
GST paid	84	78	79	84	84
Total cash used	2,844	2,772	2,782	2,841	2,875
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	36	33	23	24	24
Total cash used	36	33	23	24	24
Net cash from (or used by) investing activities	(36)	(33)	(23)	(24)	(24)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	36	33	23	24	24
Total cash received	36	33	23	24	24
Net cash from (or used by) financing activities	36	33	23	24	24
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	100	100	100	100	100
Cash and cash equivalents at the end of the reporting period	100	100	100	100	100

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	36	33	23	24	24
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	36	33	23	24	24
Total new capital appropriations represented by:					
Purchase of non-financial assets	36	33	23	24	24
Total items	36	33	23	24	24
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	36	33	23	24	24
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	36	33	23	24	24
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	36	33	23	24	24
Total cash used to acquire assets	36	33	23	24	24

DCB = Departmental Capital Budget.

1 Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

2 Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets.

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	59	24	83
Accumulated depreciation/amortisation and impairment	-	(49)	(20)	(69)
Opening net book balance	-	10	4	14
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	33	-	33
Total additions	-	33	-	33
Other movements				
Depreciation/amortisation expense	-	(40)	(4)	(44)
Total other movements	-	(40)	(4)	(44)
As at 30 June 2016				
Gross book value	-	92	24	116
Accumulated depreciation/amortisation and impairment	-	(89)	(24)	(113)
Closing net book balance	-	3	-	3

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	3,617	3,649	3,703	3,766	3,842
Total expenses administered on behalf of Government	3,617	3,649	3,703	3,766	3,842

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	111	111	111	111	111
Total financial assets	111	111	111	111	111
Total assets administered on behalf of Government	111	111	111	111	111
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	-	-	-	-	-
Suppliers	652	652	652	652	652
Loans	-	-	-	-	-
Other Payables	-	-	-	-	-
Total payables	652	652	652	652	652
Total liabilities administered on behalf of Government	652	652	652	652	652

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
GST received	136	138	140	142	142
Total cash received	136	138	140	142	142
Cash used					
Grant payments	-	-	-	-	-
Suppliers	3,617	3,649	3,703	3,766	3,842
GST paid	136	138	140	142	142
Total cash used	3,753	3,787	3,843	3,908	3,984
Net cash from (or used by) operating activities	(3,617)	(3,649)	(3,703)	(3,766)	(3,842)
Net increase (or decrease) in cash held	(3,617)	(3,649)	(3,703)	(3,766)	(3,842)
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for: - appropriations	3,617	3,649	3,703	3,766	3,842
Cash to the Official Public Account	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

PRIVATE HEALTH INSURANCE ADMINISTRATION COUNCIL

Entity Resources and Planned Performance

Private Health Insurance Administration Council

Health Portfolio Entity

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Section 1: Entity 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 protects consumers of private health insurance, by promoting competition and ensuring the prudential safety of the industry. It also advises the Minister for Health about the insurers' financial operations and affairs.

In 2014-15, it was announced that the Government would transfer the functions of PHIAC to the Australian Prudential Regulation Authority (APRA) and the Department of Health, by 1 July 2015. The transfer of PHIAC will occur subject to the passage of legislation. Until this time, PHIAC will continue their role in administering regulation of the Private Health Insurance Industry.

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). PHIAC is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: PHIAC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Opening balance/reserves at bank	6,315	3,194	-	3,194
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	-	-	-	-
Total ordinary annual services	-	-	-	-
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	-	-	-	-
Payments from related entities³				
Amounts from the Portfolio				
Department	-	-	-	-
Amounts from other agencies	-	-	-	-
Total payments	-	-	-	-
Total funds from Government	-	-	-	-
Special appropriations				
Private Health Insurance				
Act 2007 - s307-10 Private				
Health Insurance (Risk				
Equalisation Trust Fund)				
Levy Act 2003	454,107	-	557,080	557,080
Private Health Insurance				
Act 2007 - s307-10 Private				
Health Insurance (Council				
Administration Levy) Act 2003	4,519	-	6,974	6,974
Total special appropriations	458,626	-	564,054	564,054

Table 1.1: PHIAC Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015 (continued)

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
FUNDS FROM INDUSTRY⁴				
Levies	458,626	-	564,054	564,054
<i>less amounts paid to the CRF</i>	<i>(458,626)</i>	<i>-</i>	<i>(564,054)</i>	<i>(564,054)</i>
Total industry funds	-	-	-	-
FUNDS FROM OTHER SOURCES				
Interest	209	-	208	208
Other	-	-	-	-
Total other sources	209	-	208	208
Total net resourcing for PHIAC	465,150	3,194	564,262	567,456

All figures are GST exclusive.

CRF = Consolidated Revenue Fund.

The PHIAC is not directly appropriated as it is a Corporate Commonwealth entity. Appropriations are made to the Department of Health which are then paid to the PHIAC.

- 1 Appropriation Bill (No.1) 2015-16.
- 2 Appropriation Bill (No.2) 2015-16.
- 3 Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.
- 4 PHIAC receives levies from industry under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* and *Private Health Insurance (Council Administration Levy) Act 2003* which are remitted to the Department 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 the Council.

1.3 Budget Measures

Section 1.3 is not applicable to PHIAC.

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 develops and implements prudential and capital standards for the private health insurance industry, and provides direction to the industry on compliance with these standards.

During 2015-16, PHIAC will continue to monitor the private health insurance industry to protect consumer interests by ensuring insurers are well run and prudentially sound until legislation is enabled to transfer functions to APRA. This will include the availability of reliable and transparent information on private health insurance. During this time, 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.

PHIAC Budgeted Expenses and Resources

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

Table 2.1: Budgeted Expenses for PHIAC

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Private health insurance prudential regulation and risk equalisation trust management					
Administered expenses					
Revenue from Government					
Amounts from the Portfolio					
Department	454,107	557,080	613,372	673,240	673,240
Revenues from independent sources	46	45	43	41	41
Departmental expenses					
Revenue from Government					
Amounts from the Portfolio					
Department	4,519	6,974	7,186	7,404	7,404
Revenues from independent sources	163	163	163	163	163
Operating deficit (surplus)	3,375	(1)	(1)	(1)	(1)
Total for Program 1.1	462,210	564,261	620,763	680,847	680,847
Total expenses for Outcome 1	462,210	564,261	620,763	680,847	680,847
	2014-15	2015-16			
Average staffing level (number)	29	28			

Programme 1.1: Private Health Insurance Prudential Regulation and Risk Equalisation Trust Management

Prudential safety, industry competitiveness, and consumer confidence

PHIAC will continue to maintain a strong and visible presence in the industry prior to transition 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

Subject to the passage of legislation, PHIAC will continue to implement the Capital Adequacy and Solvency Standards. The 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.

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 APRA.

Programme 1.1: Deliverables

Qualitative Deliverables for Programme 1.1

Prudential safety, industry competitiveness and consumer confidence

Qualitative Deliverable	2015-16 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	2015-16 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	2015-16 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.

Quantitative Deliverables for Programme 1.1

Prudential standards for the private health insurance industry

Quantitative Deliverable	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Number of targeted reviews of private health insurers carried out.	9	10	N/A	N/A	N/A

Programme 1.1: Key Performance Indicators

Quantitative Key Performance Indicators for Programme 1.1

Prudential safety, industry competitiveness and consumer confidence

Quantitative Indicator	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of quarterly payments calculated correctly and made on time.	100%	100%	N/A	N/A	N/A

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 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)

Section 3.1.3 is not applicable to PHIAC.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 budgeted financial statements follows in order to provide clarification and additional detail for readers.

Departmental Resources

Comprehensive Income Statement

PHIAC has been approved to have an operating loss of \$3.376 million for 2014-15 to be funded from accumulated reserves. This loss is attributable to two things. First, PHIAC will not be collecting the June quarter administration levy. Second, the costs associated with the preparation of transition to APRA result in a further loss.

PHIAC is projecting small operating surpluses in 2015-16 and the forward years.

Levy revenues for 2015-16 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 \$7.1 million in 2015-16.

Balance Sheet

The cash balance is expected to be reduced by \$3.376 million as a result of the operating losses.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	4,732	5,511	5,692	5,853	5,853
Supplier expenses	3,036	1,338	1,370	1,425	1,425
Depreciation and amortisation	260	257	256	258	258
Other	29	30	30	30	30
Total expenses	8,057	7,136	7,348	7,566	7,566
LESS:					
OWN-SOURCE INCOME					
Revenue					
Interest	163	163	163	163	163
Total revenue	163	163	163	163	163
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	163	163	163	163	163
Net cost of (contribution by) services	7,894	6,973	7,185	7,403	7,403
Revenue from Government	4,519	6,974	7,186	7,404	7,404
Surplus (Deficit)	(3,375)	1	1	1	1
Surplus (Deficit) attributable to the Australian Government	(3,375)	1	1	1	1
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(3,375)	1	1	1	1

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,194	3,503	3,742	4,024	4,097
Receivables	108	110	110	110	110
Investments	5	5	5	5	5
Total financial assets	3,307	3,618	3,857	4,139	4,212
Non-financial assets					
Property, plant and equipment	164	131	150	89	28
Intangibles	174	121	183	172	161
Other	33	33	33	33	33
Total non-financial assets	371	285	366	294	222
Total assets	3,678	3,903	4,223	4,433	4,434
LIABILITIES					
Payables					
Suppliers	427	435	532	515	515
Total payables	427	435	532	515	515
Provisions					
Employees	1,615	1,831	2,053	2,279	2,279
Other provisions	90	90	90	90	90
Total provisions	1,705	1,921	2,143	2,369	2,369
Total liabilities	2,132	2,356	2,675	2,884	2,884
Net assets	1,546	1,547	1,548	1,549	1,550
EQUITY					
Reserves	141	141	141	141	141
Retained surpluses or accumulated deficits	1,405	1,406	1,407	1,408	1,409
Total equity	1,546	1,547	1,548	1,549	1,550

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	1,405	141	-	1,546
Surplus (deficit) for the period	1	-	-	1
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2016	1,406	141	-	1,547

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Funds from Government	4,519	6,974	7,186	7,404	7,404
Interest	163	163	163	163	163
Net GST received	155	155	155	155	155
Other cash received	-	-	-	-	-
Total cash received	4,837	7,292	7,504	7,722	7,722
Cash used					
Employees	4,546	5,295	5,471	5,626	5,853
Suppliers	3,233	1,518	1,556	1,628	1,610
Net GST paid	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	7,779	6,813	7,027	7,254	7,463
Net cash from (or used by) operating activities	(2,942)	479	477	468	259
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	179	170	238	186	186
Total cash used	179	170	238	186	186
Net cash from (or used by) investing activities	(179)	(170)	(238)	(186)	(186)
FINANCING ACTIVITIES					
Cash used					
Repayment of borrowings	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(3,121)	309	239	282	73
Cash and cash equivalents at the beginning of the reporting period	6,315	3,194	3,503	3,742	4,024
Cash and cash equivalents at the end of the reporting period	3,194	3,503	3,742	4,024	4,097

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	179	170	238	186	186
Total acquisitions of non-financial assets	179	170	238	186	186
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	179	170	238	186	186
Total cash used to acquire assets	179	170	238	186	186

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	-	1,004	444	1,448
Accumulated depreciation/amortisation and impairment	-	(839)	(270)	(1,109)
Opening net book balance	-	165	174	339
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - internal resources	-	104	66	170
Total additions	-	104	66	170
Other movements				
Depreciation/amortisation expense	-	(138)	(119)	(257)
Total other movements	-	(138)	(119)	(257)
As at 30 June 2016				
Gross book value	-	1,108	510	1,618
Accumulated depreciation/amortisation and impairment	-	(977)	(389)	(1,366)
Closing net book balance	-	131	121	252

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	46	45	43	41	41
Risk equalisation levy ¹	454,107	557,080	613,372	673,240	673,240
Total non-taxation	454,153	557,125	613,415	673,281	673,281
Total revenues administered on behalf of Government	454,153	557,125	613,415	673,281	673,281
Total income administered on behalf of Government	454,153	557,125	613,415	673,281	673,281
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Finance costs	46	45	43	41	41
Risk equalisation distribution ¹	454,107	557,080	613,372	673,240	673,240
Total expenses administered on behalf of Government	454,153	557,125	613,415	673,281	673,281

- 1 PHIAC receives levies from industry under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* which 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's chapter in this PBS.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	16	16	16	16	16
Total financial assets	16	16	16	16	16
Total assets administered on behalf of Government	16	16	16	16	16
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	5	5	5	5	5
Total payables	5	5	5	5	5
Total liabilities administered on behalf of Government	5	5	5	5	5

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Risk equalisation levy ¹	454,107	557,080	613,372	673,240	673,240
Interest	46	45	43	41	41
Total cash received	454,153	557,125	613,415	673,281	673,281
Cash used					
Risk equalisation distribution ¹	454,107	557,080	613,372	673,240	673,240
Financing costs	46	45	43	41	41
Total cash used	454,153	557,125	613,415	673,281	673,281
Net cash from (or used by) operating activities	-	-	-	-	-
Net increase (or decrease) in cash held	-	-	-	-	-
Cash at beginning of reporting period	16	16	16	16	16
Cash at end of reporting period	16	16	16	16	16

1 PHIAC receives levies from industry under the *Private Health Insurance (Risk Equalisation Levy) Act 2003* which 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's chapter in this PBS.

PROFESSIONAL SERVICES REVIEW

Entity Resources and Planned Performance

Professional Services Review

Health Portfolio Entity

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Section 1: Entity 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 (DHS). '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 a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

1.2 Entity Resources

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classifications.

Table 1.1: PSR Resource Statement – Budget Estimates for 2015-16 as at Budget May 2015

	Estimated available appropriation	Estimate of prior year amounts available in	Proposed at Budget	Total estimate
	2014-15 \$'000	2015-16 \$'000	2015-16 \$'000	2015-16 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year departmental appropriation ²	8,001	8,043	-	8,043
Departmental appropriation ³	5,742	-	5,533	5,533
s74 retained revenue receipts ⁴	-	-	-	-
Total	13,743	8,043	5,533	13,576
Total ordinary annual services	13,743	8,043	5,533	13,576
Other services - Bill 2⁵				
Departmental non-operating				
Equity injections	-	-	-	-
Total	-	-	-	-
Total other services	-	-	-	-
Total available annual appropriations	13,743	8,043	5,533	13,576
Total net resourcing for PSR	13,743	8,043	5,533	13,576

All figures are GST exclusive.

1 Appropriation Bill (No. 1) 2015-16.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$0.005m in 2015-16 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 Estimated retained revenue receipts under s74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

5 Appropriation Bill (No. 2) 2015-16.

1.3 Budget Measures

Section 1.3 is not applicable to 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 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,¹ 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.

¹ 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 provides an overview of the total expenses for PSR by programme.

Table 2.1: Budgeted Expenses for PSR

	2014-15 Estimated actual \$'000	2015-16 Budget \$'000	2016-17 Forward Year 1 \$'000	2017-18 Forward Year 2 \$'000	2018-19 Forward Year 3 \$'000
Programme 1.1: Safeguarding the integrity of the Medicare program and Pharmaceutical Benefits Scheme					
Departmental expenses					
Departmental appropriation ¹	5,688	5,528	5,160	5,235	5,270
Expenses not requiring appropriation in the budget year ²	193	217	224	187	180
Operating deficit (surplus)	(163)	(187)	-	-	-
Total for Programme 1.1	5,718	5,558	5,384	5,422	5,450
Total expenses for Outcome 1	5,718	5,558	5,384	5,422	5,450

	2014-15	2015-16
Average staffing level (number)	17	17

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

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: Safeguarding the Integrity of the Medicare Program 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 2015-16, 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 – Health 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	2015-16 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.

Protect against inappropriate health care practice

Qualitative Deliverable	2015-16 Reference Point or Target
The Director of PSR will review the provision of services by practitioners referred by Medicare (DHS) and where appropriate refer the practitioner to a PSR Peer Review Committee.	PSR Committees will be convened and will conduct hearings in a timely manner ensuring that practitioners being reviewed by their peers are afforded procedural fairness in each stage of the hearing process.

Quantitative Deliverables for Programme 1.1

Protect against inappropriate health care practice

Quantitative Deliverables	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Percentage of reviews by the Director of PSR finalised within 12 months.	100%	100%	100%	100%	100%
Total number of matters finalised. ²	50	50	50	50	50

² Including section 91 no further actions, section 92 negotiated agreements, and final determinations resulting from a committee hearing.

Programme 1.1: Key Performance Indicators

Qualitative Key Performance Indicators for Programme 1.1

Protect against inappropriate health care practice

Qualitative Indicators	2015-16 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.

Quantitative Key Performance Indicators for Programme 1.1

Protect against inappropriate health care practice

Quantitative Indicators	2014-15 Revised Budget	2015-16 Budget Target	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 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 entity finances for the 2015-16 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 Australian 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)

Section 3.1.3 is not applicable to PSR.

3.2 Budgeted Financial Statements

3.2.1 Differences in Entity 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 financial statements follows in order to provide clarification and additional detail for readers.

Departmental Resources

Comprehensive Income Statement

PSR's level of funding in 2015-16 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 forward years is a result of unfunded depreciation.

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 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
EXPENSES					
Employee benefits	2,575	2,873	2,349	2,421	2,516
Supplier expenses	2,980	2,498	2,841	2,844	2,784
Depreciation and amortisation	163	187	194	157	150
Total expenses	5,718	5,558	5,384	5,422	5,450
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Other revenue	-	-	-	50	50
Total revenue	-	-	-	50	50
Gains					
Other	30	30	30	30	30
Total gains	30	30	30	30	30
Total own-source income	30	30	30	80	80
Net cost of (contribution by) services	5,688	5,528	5,354	5,342	5,370
Revenue from Government	5,688	5,528	5,160	5,185	5,220
Surplus (Deficit)	-	-	(194)	(157)	(150)
Surplus (Deficit) attributable to the Australian Government	-	-	(194)	(157)	(150)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	-	-	(194)	(157)	(150)
Note: Reconciliation of comprehensive income attributable to the agency					
	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Total comprehensive income (loss) attributable to the Australian Government	-	-	(194)	(157)	(150)
plus non-appropriated expenses depreciation and amortisation expenses	163	187	194	157	150
Total comprehensive income (loss) attributable to the agency	163	187	-	-	-

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	79	79	79	79	79
Receivables	7,981	8,113	8,107	7,885	8,002
Total financial assets	8,060	8,192	8,186	7,964	8,081
Non-financial assets					
Land and buildings	177	92	8	311	259
Property, plant and equipment	129	66	159	120	102
Intangibles	172	193	139	85	34
Other	36	36	36	36	36
Total non-financial assets	514	387	342	552	431
Total assets	8,574	8,579	8,528	8,516	8,512
LIABILITIES					
Payables					
Suppliers	262	262	262	262	262
Other payables	74	74	74	74	74
Total payables	336	336	336	336	336
Provisions					
Employees	554	554	554	554	554
Other provisions	82	82	82	82	82
Total provisions	636	636	636	636	636
Total liabilities	972	972	972	972	972
Net assets	7,602	7,607	7,556	7,544	7,540
EQUITY					
Contributed equity	(6,835)	(6,830)	(6,687)	(6,542)	(6,396)
Reserves	507	507	507	507	507
Retained surpluses or accumulated deficits	13,930	13,930	13,736	13,579	13,429
Total equity	7,602	7,607	7,556	7,544	7,540

Table 3.2.3: Departmental Statement of Changes in Equity — summary of movement (Budget year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	13,930	507	(6,835)	7,602
Surplus (deficit) for the period	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	5	5
Estimated closing balance as at 30 June 2016	13,930	507	(6,830)	7,607

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,646	5,396	5,166	5,407	5,103
Net GST received	342	342	342	342	342
Other cash received	-	-	-	50	50
Total cash received	5,988	5,738	5,508	5,799	5,495
Cash used					
Employees	2,575	2,873	2,349	2,421	2,516
Suppliers	2,950	2,468	2,811	2,814	2,754
Net GST paid	342	342	342	342	342
Total cash used	5,867	5,683	5,502	5,577	5,612
Net cash from (or used by) operating activities	121	55	6	222	(117)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	175	60	149	367	29
Total cash used	175	60	149	367	29
Net cash from (or used by) investing activities	(175)	(60)	(149)	(367)	(29)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	54	5	143	145	146
Total cash received	54	5	143	145	146
Net cash from (or used by) financing activities	54	5	143	145	146
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	79	79	79	79	79
Cash and cash equivalents at the end of the reporting period	79	79	79	79	79

DCB = Departmental Capital Budget.

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

	Estimated actual 2014-15 \$'000	Budget estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	54	5	143	145	146
Total capital appropriations	54	5	143	145	146
Total new capital appropriations represented by:					
Purchase of non-financial assets	54	5	143	145	146
Total items	54	5	143	145	146
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹					
- current year appropriation	54	5	143	143	29
- prior year appropriation	121	55	6	224	-
Total acquisitions of non-financial assets	175	60	149	367	29
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	175	60	149	367	29
Total cash used to acquire assets	175	60	149	367	29

DCB = Departmental Capital Budget.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2015-16)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015				
Gross book value	261	196	599	1,056
Accumulated depreciation/amortisation and impairment	(84)	(67)	(427)	(578)
Opening net book balance	177	129	172	478
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	10	50	60
Total additions	-	10	50	60
Other movements				
Depreciation/amortisation expense	(85)	(73)	(29)	(187)
Total other movements	(85)	(73)	(29)	(187)
As at 30 June 2016				
Gross book value	261	206	649	1,116
Accumulated depreciation/amortisation and impairment	(169)	(140)	(456)	(765)
Closing net book balance	92	66	193	351

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 entity.

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 entity identifying full accrual expenses and revenues. This highlights whether the entity is operating at a sustainable level.

Budgeted Departmental Balance Sheet (as at 30 June)

This statement shows the financial position of the entity. It enables decision makers to track the management of the entity's assets and liabilities.

Departmental Statement of Changes in Equity – summary of movement (Budget year 2015-16)

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.

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

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 (Budget year 2015-16)

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 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 entity 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 entity on behalf of the Government.

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

The schedule shows the cash flows administered by the entity 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 entity on behalf of the Government.

Statement of Administered Asset Movements (Budget year 2015-16)

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

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

Available appropriation	Available appropriation is used to allow a comparison of the current year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget appropriation + Additional Estimates appropriation + Advance to the Finance Minister (AFM) - Savings - Rephasings - Other Reductions +/- Section 74.
Budget measure	A decision by Cabinet or Ministers in the Budget process that has resulted in a change in expenditure in the current year and or the forward years. <u>See also cross-Portfolio Budget measure.</u>
Capital expenditure	Expenditure by an entity on non-financial assets, for example purchasing a building.
Cross-Portfolio Budget measure	This is a <u>Budget measure</u> which affects outcomes administered in a number of Portfolios.
Capital Budget Statement	A statement of the entity's estimated capital funding, through Appropriation Act No. 1 Departmental Capital Budget funding or Appropriation Act No. 2 equity injection funding and the entity's estimated expenditures on non-financial assets.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Departmental Capital Budget	Departmental Capital Budget funding appropriated to non-corporate PGPA Act entities through their Appropriation Act 1 Departmental appropriation, for the ongoing replacement of Departmental assets which cost less than \$10 million.
Depreciation	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
Efficiency dividend	An annual deduction of a percentage of running costs from an entity's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an entity in the previous year.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	The value of resources consumed or lost during the reporting period.
Fair value	Fair values are prices in arm's length transactions between willing buyers and sellers in an active market.

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

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