



# Budget 2017-18

## **Portfolio Budget Statements 2017-18 Budget Related Paper No. 1.10**

### Health Portfolio

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

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**The Hon Greg Hunt MP**  
**Minister for Health**  
**Minister for Sport**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2017-18 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 dark ink, appearing to read 'Greg Hunt', with a large, sweeping flourish extending to the right.

Greg Hunt

## Abbreviations and conventions

The following notation may be used:

NEC/ nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
N/A	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nfp	not for publication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 Reporting Section, Organisational Performance Branch, Department of Health on (02) 6289 7181.

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

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**USER GUIDE  
TO THE  
PORTFOLIO BUDGET  
STATEMENTS**



## USER GUIDE

The purpose of the *2017-18 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.

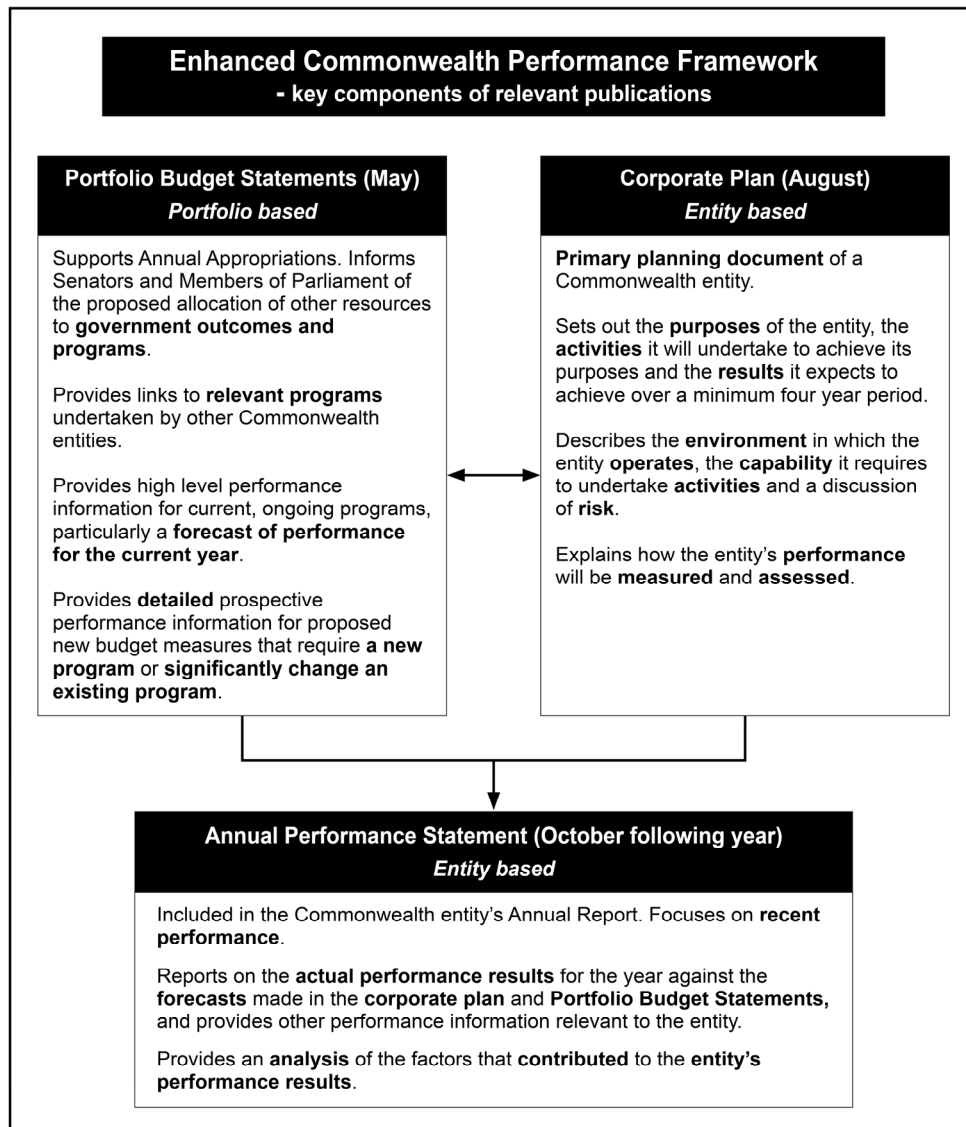
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2017-18 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2017-18 for the parliamentary departments). In this sense, the PB Statements are Budget related 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*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

### **The Enhanced Commonwealth Performance Framework**

The following diagram outlines the key components of the Enhanced Commonwealth Performance Framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and Planned Performance.



# **PORTFOLIO OVERVIEW**



## HEALTH PORTFOLIO OVERVIEW

### Ministers and Portfolio Responsibilities

The Health Portfolio works towards achieving better health and wellbeing for all Australians, now and for future generations.

The Portfolio's services are delivered through the 23 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 Program reporting, and resource allocations for each entity are presented in the respective Entity Resources and Planned Performance sections.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4 – Agency Resourcing*.

#### Ministerial Changes

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

#### Portfolio Structure

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

**Figure 1: Health Portfolio Structure and Outcomes**

<p><b>The Hon Greg Hunt MP</b> Minister for Health Minister for Sport</p> <p><b><u>Portfolio Responsibilities</u></b> <i>Department of Health:</i> Outcomes: 1, 2, 3, 4, 5 and 6 <i>Entities:</i> ACSQHC, AIHW, ASADA, ASC, ASF, CA, Digital Health Agency, IHPA, NHFB, NHMRC, NMHC and PSR</p>	<p><b>The Hon Ken Wyatt AM, MP</b> Minister for Aged Care Minister for Indigenous Health</p> <p><b><u>Portfolio Responsibilities</u></b> <i>Department of Health:</i> Outcomes: 1, 2, 4 and 6 <i>Entities:</i> AACQA, NBA and OTA</p>	<p><b>The Hon Dr David Gillespie MP</b> Assistant Minister for Health</p> <p><b><u>Portfolio Responsibilities</u></b> <i>Department of Health:</i> Outcomes: 2 and 5 <i>Entities:</i> ARPANSA and FSANZ</p>
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**Department of Health**

**Martin Bowles PSM** Secretary

**Outcome 1. Health System Policy, Design and Innovation**

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

**Outcome 2. Health Access and Support Services**

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

**Outcome 3. Sport and Recreation**

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

**Outcome 4. Individual Health Benefits**

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

**Outcome 5. Regulation, Safety and Protection**

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

**Outcome 6. Ageing and Aged Care**

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

**Figure 1: Portfolio Structure and Outcomes (continued) – Portfolio Entities****Australian Aged Care Quality Agency****Nick Ryan** Chief Executive Officer

**Outcome 1.** High-quality care for persons receiving Australian Government subsidised aged care through the accreditation of aged care services in residential settings, the quality review of aged care services provided in the community and the provision of quality information to consumers, as well as the provision of information, education and training to aged care providers.

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

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

**Australian Digital Health Agency****Tim Kelsey** Chief Executive Officer

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

**Australian Institute of Health and Welfare****Barry Sandison** Director

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

**Australian Radiation Protection and Nuclear Safety Agency****Dr Carl-Magnus Larsson** Chief Executive Officer

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

**Australian Sports Anti-Doping Authority****Ben McDevitt AM APM** Chief Executive Officer

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

**Australian Sports Commission****Kate Palmer** Chief Executive Officer

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

**Australian Sports Foundation Limited****Patrick Walker** Chief Executive Officer

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

**Cancer Australia****Professor Helen Zorbas AO** Chief Executive Officer

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

**Food Standards Australia New Zealand****Mark Booth** Chief Executive Officer

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

**Independent Hospital Pricing Authority****James Downie** Chief Executive Officer

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

**National Blood Authority****John Cahill** Chief Executive

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

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

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**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.

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**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.

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**Statutory Office Holders**

**Aged Care Complaints Commissioner**

Ms Rae Lamb

**Aged Care Pricing Commissioner**

Ms Kim Cull

**Director, National Industrial Chemicals Notification and Assessment Scheme**

Dr Brian Richards

**Gene Technology Regulator**

Dr Raj Bhula

**National Health Funding Pool Administrator**

Mr Peter Achterstraat AM

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**National Mental Health Commission**

**Dr Peggy Brown** Chief Executive Officer

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

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**Organ and Tissue Authority**

**Ann Smith A/g** Chief Executive Officer

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

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**Professional Services Review**

**Professor Julie Quinlivan** 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 2017-18 Budget year by entity.

**Table 1: Portfolio Resources 2017-18**

	Appropriations			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
<b>DEPARTMENTAL</b>					
<b>Department of Health</b>	647,489	2,366	-	176,292	826,147
Australian Aged Care Quality Agency	28,458	-	-	22,457	50,915
Australian Commission on Safety and Quality in Health Care	-	-	-	21,497	21,497
Australian Digital Health Agency <sup>(a)</sup>	197,062	53,464	-	35,600	286,126
Australian Institute of Health and Welfare <sup>(a)</sup>	28,078	-	-	33,030	61,108
Australian Organ and Tissue Donation and Transplantation Authority	5,704	-	-	-	5,704
Australian Radiation Protection and Nuclear Safety Agency	14,794	5,000	-	9,712	29,506
Australian Sports Anti-Doping Authority	12,987	826	-	4,269	18,082
Australian Sports Commission <sup>(a)</sup>	264,595	1,069	-	24,801	290,465
Australian Sports Foundation Limited	-	-	-	38,200	38,200
Cancer Australia	11,191	-	-	127	11,318
Food Standards Australia New Zealand <sup>(a)</sup>	16,961	-	-	2,169	19,130
Independent Hospital Pricing Authority	-	-	-	16,422	16,422
National Blood Authority	6,158	-	-	3,617	9,775
National Health Funding Body	5,844	-	-	-	5,844
National Health and Medical Research Council	39,176	3,879	-	1,500	44,555
National Mental Health Commission	2,736	-	-	-	2,736
Professional Services Review	5,691	-	-	-	5,691
<b>Total departmental</b>	<b>1,286,924</b>	<b>66,604</b>	<b>-</b>	<b>389,693</b>	<b>1,743,221</b>

**Table 1: Portfolio Resources 2017-18 (continued)**

	Appropriations			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
<b>ADMINISTERED</b>					
<b>Department of Health</b>	8,854,333	25,000	55,853,970	125,825	64,859,128
Australian Organ and Tissue Donation and Transplantation Authority	42,116	-	-	-	42,116
Cancer Australia	18,679	-	-	-	18,679
National Blood Authority	3,860	-	-	1,198,371	1,202,231
National Health and Medical Research Council	871,932	-	-	11,000	882,932
National Mental Health Commission	3,726	-	-	-	3,726
<b>Total administered</b>	<b>9,794,646</b>	<b>25,000</b>	<b>55,853,970</b>	<b>1,335,196</b>	<b>67,008,812</b>
<i>less non-appropriation funding transfers to Corporate entities</i>	-	-	-	(799,059)	(799,059)
<b>Total Portfolio</b>	<b>11,081,570</b>	<b>91,604</b>	<b>55,853,970</b>	<b>925,830</b>	<b>67,952,974</b>

All figures are GST exclusive.

<sup>(a)</sup> 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

The 2017-18 Budget sets the direction to ensure Australia's world-class health system continues to improve, and is accessible whenever and wherever people need it.

This Budget supports the Long-Term National Health Plan – based on the four pillars of guaranteeing Medicare and the Pharmaceutical Benefits Scheme; supporting hospitals; prioritising mental and preventive health; and investment in medical research.

The Australian Government will deliver an overall investment in the Long-Term National Health Plan of over \$10 billion. This will balance economic policy with health priorities and will increase the investment in health, aged care and sport to \$94.2 billion in 2017-18, an increase of 2.8 per cent from the previous year. This funding will enable targeted investment decisions, a focus on high value clinical care, promotion of good health, and genuine collaboration with the health sector to build a holistic and integrated health system.

This is the first time a Government has simultaneously entered into a series of compacts with the Australian Medical Association, Royal Australian College of General Practitioners, Medicines Australia, the Pharmacy Guild and Generic and Biosimilar Medicines Association to provide for the long-term sustainability of our health care system.

#### **Guaranteeing Medicare and access to medicines**

The Government is guaranteeing its investment in Medicare so that all Australians can be certain they will continue to have access to the essential health care services they need.

The Government will establish the Medicare Guarantee Fund from 1 July 2017 to ensure the ongoing funding of the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS) into the future.

The Fund will be credited with revenue raised from the Medicare levy (excluding amounts to meet the Government's commitment to fund the National Disability Insurance Scheme) as well as a portion of personal income tax receipts sufficient to cover the estimated costs of essential health care provided under the MBS and PBS.

These amounts will be held in the Fund for the sole purpose of meeting the cost of essential health care provided under the MBS and PBS.

In 2017-18, the Government will increase patient rebates and strengthen and modernise Medicare. The Government will invest \$2.4 billion in Medicare, including \$1 billion to restore indexation of the Medicare rebate over the next three years – general practitioner bulk-billing incentives from 1 July 2017; standard general practitioner and specialist consultations from 1 July 2018; and specialist procedures and allied health services from 1 July 2019. This brings the total expenditure invested in Medicare to \$22.9 billion in 2017-18.

In addition, the Government will maintain the bulk-billing incentives for pathology and diagnostic imaging services, at a cost of \$936.7 million over five years. The Government will also reinvest in indexation for targeted diagnostic imaging services from 2020, for the first indexation in their field since 2004. Furthermore, the Government will maintain the current Medicare safety net arrangements at a cost of \$317.5 million.

The Government will provide \$16.4 million for new listings on the MBS. The Government will also invest \$44.2 million over three years in continuing to fund the clinician-led review (the Review) of all 5,700 items on the MBS to ensure they represent best clinical practice.

Alongside the Review, \$44.5 million will enable the Medical Services Advisory Committee to continue its work of amending and adding to MBS listings to ensure Medicare remains contemporary and sustainable.

In a further move to improve Medicare's fiscal sustainability, compliance arrangements will be strengthened by increasing the Government's debt recovery powers. Currently, only 20 per cent of Medicare debts through inappropriate claiming are recovered. This measure will generate estimated net savings of \$103.8 million to be reinvested in Medicare services.

The Government will enforce existing legislation which govern arrangements between doctors and pathology providers.

The Government is committed to ensuring people have access to medicine when they need it. The 2017-18 Budget strengthens the PBS on several fronts, working closely with stakeholders to share responsibility for ensuring the PBS remains sustainable into the future.

Existing arrangements for the PBS co-payment and safety net threshold will be retained at a cost of \$955 million.

The Government will work with Medicines Australia through a collaborative five-year compact that will give the industry greater planning certainty and reduce the costs of medicines by an estimated \$1.8 billion. The compact commits to provide one-off price reductions for certain medicines that have been on the PBS for 10 and 15 years; lowering of more PBS drug prices over the longer period of the compact; and support for the uptake of lower-cost generic and biosimilar medicines. In a first for the PBS, savings generated by the formal compact with Medicines Australia will fund future, often highly expensive, new PBS listings.

The Government has entered into a compact with the Pharmacy Guild to strengthen the PBS to deliver \$210 million for community pharmacies, recognising a lower than anticipated increase in scripts filled by pharmacists. In addition, the Government will provide \$15 million to wholesalers in recognition of reduced remuneration due to lower than expected prescription volumes.

The Government will undertake further work to make electronic forms of PBS scripts a legal form of prescription. This will be developed in consultation with doctors and pharmacists and participation will be voluntary with doctors retaining complete control over all scripts.

In addition, the Government will work with community pharmacies to improve medication management programs. This commitment of \$600 million over three years will enable pharmacies to offer new or expanded services to consumers, including home visits by pharmacists, helping patients with their medication, and supporting Health Care Homes with medicine management.

Working closely with GPs and other health professionals, the Government is progressing the implementation of the Health Care Homes trial with 20 practices to commence 1 October 2017 and the remaining 180 to commence 1 December 2017.

The Government will spend \$1.2 billion on new and amended listings for the PBS. From 1 June 2017, the Government will list the combination medicine, sacubitril with valsartan (Entresto®), for a new treatment for hypertension and heart failure. More than 60,000 Australians with chronic heart failure will benefit from the listing of this new medicine. Without the PBS subsidy, patients would pay more than \$1,970 a year for the treatment. Other new listings include medicine for children with cystic fibrosis, and medicine to treat idiopathic pulmonary fibrosis (a debilitating lung disease).

Fulfilling its 2016 election commitment, from 1 April 2017 the Government is providing \$54 million over five years to subsidise access to continuous glucose monitoring technology for children and young adults under 21 years of age with insulin-dependent type 1 diabetes, and who face additional challenges in managing their diabetes and blood glucose levels.

In addition, the Government will invest \$2.2 million to extend operational funding for the Cardiac Devices Registry and the Australian Breast Device Registry. This will support better health care and outcomes for patients with implanted high-risk cardiac and breast devices.

The Government is committed to improving Australian children's dental health and ensuring that children across the country have access to dentists when they need it. A further \$163.6 million over five years will be provided to increase the two-calendar-year benefits cap from \$700 to \$1,000 for all children eligible for the Child Dental Benefits Schedule, retrospectively from 1 January 2017.

The Government will provide \$145.5 million to enable Primary Health Networks to continue their central role in ensuring their local communities can access after-hours primary health services.

### **Supporting our hospitals**

The Government will deliver an additional \$2.8 billion to public hospitals in this Budget. Since the signing of the Council of Australian Governments (COAG) Heads of Agreement in 2016, the Commonwealth has provided an extra \$7.7 billion to support States and Territories to deliver public hospital services.

The Government will increase funding by \$4.1 million over three years to the National Health Funding Body (NHFB) to support its existing role and new functions arising from the COAG agreement on public hospital funding. The NHFB, which is an independent statutory authority, supports the Administrator of the National Health Funding Pool in paying and distributing Commonwealth and State and Territory funding for public hospitals – responsible for around \$40 billion a year.

The Government will provide \$730.4 million upfront to transfer ownership of the Mersey Community Hospital back to the Tasmanian Government on 1 July 2017 and secure the funding for 10 years. This will provide certainty to the providers and consumers of Tasmania's acute care services.

In addition, the Government will also provide \$6.2 million to the Tasmanian Government to support the continued operation of the Missiondale Recovery Centre and palliative care services in Tasmania.

### **Prioritising mental health, preventive health and sport**

With heart disease, cancer and mental illness accounting for almost half the burden of disease in Australia, the Government is funding initiatives to support healthy lifestyles, prioritising mental health, preventive health and sport.

The Government continues to be committed to providing much needed support for vital mental health services aimed at stopping vulnerable people from falling through the cracks and providing quality health services to rural and regional Australia.

Suicide continues to be a significant national public health concern, with over 3,000 people in Australia dying from suicide in 2015. The Government will provide \$11.1 million over three years to support the prevention of suicide in areas and specific locations – hotspots – where suicide incidents repeatedly occur. Funding will deliver initiatives, such as signage to encourage people to seek help, building the capacity of existing crisis line services, as well as a National Partnership Agreement which will support States and Territories to deliver small infrastructure projects, such as fencing and surveillance to deter people from attempting suicide.

In addition, funding of \$9.1 million over four years will be provided to enable Australians who live in rural and regional Australia to access psychologists via telehealth.

The Government will commit \$80 million over four years for community mental health services to assist people with severe mental illness resulting in psychosocial disability who are not eligible for assistance through the National Disability Insurance Scheme. Services will be facilitated through Primary Health Networks to enable a regionally-focused, stepped care approach, improving coordination and integrated care for individuals with psychosocial disabilities. The additional Commonwealth investment will be delivered once agreements have been reached with appropriate commitments from each State and Territory.

Building on the national mental health reforms, the Government will invest \$15 million over two years to support mental health research within Australia. The funding will contribute to infrastructure and research targeted at improving early intervention and treatment for people with mental illness, recognising the link between mental health and physical health and wellbeing.

Specifically, this investment provides:

- \$5 million to Orygen in Melbourne, the National Centre of Excellence in Youth Mental Health, to help complete its integrated healthcare and translational research facility.
- \$5 million to the Black Dog Institute to support, in collaboration with the Hunter Institute, the translation of research findings into improved and innovative service delivery for people with anxiety and depression.
- \$5 million to the Sunshine Coast Mind and Neuroscience – Thompson Institute for research in young people with major mood or psychiatric disorders and in suicide prevention.

In addition, the Government will provide a further \$58.6 million for mental health service for current and former members of the Australian Defence Force and veterans families.

The Government continues its commitment to improve operation of the My Health Record system, which allows individuals to access and control their own medical history and treatments – such as vaccinations.

Following unanimous support by COAG for a national rollout of the My Health Record, the Government will invest \$374.2 million over two years to ensure every Australian has a My Health Record, unless they prefer not to. This will support the expanded rollout of the opt-out model to all Australians, and will continue and improve operations of My Health Record, while making it easier for health providers to register for the system. Opt-out is the fastest way to realise the significant health and economic benefits of My Health Record for all Australians, including through avoided hospital admissions, fewer adverse drug events, reduced duplication of tests, better coordination of care for people seeing multiple healthcare providers, and better informed treatment decisions.

The Government will provide \$10 million to the Heart Foundation for the Prime Minister's Walk for Life Challenge. This will improve community participation in, and to raise community awareness of, the value of physical activity and its role in preventing chronic disease. The Challenge will increase access to walking and other physical activity programs, including for children in schools, and promote innovative uses of technology to support increased physical activity. In addition, the Government will provide \$5 million to the Royal Australian College of General Practitioners for general practitioners to support Australians to achieve a healthy lifestyle through increased physical activity and better nutrition.

In the lead up to the 2018 Gold Coast Commonwealth Games, the Government will commit an additional \$15.5 million to maintain sporting grants and services for more than 2,000 aspiring and high performing athletes. In addition, the Government will invest \$34.2 million to support a range of operational and security activities for the 2018 Gold Coast Commonwealth Games. The Government will also develop a National Sports Plan, including consideration of a national lottery.

It is estimated that in 2017, breast cancer will become the most commonly diagnosed cancer. Funding of \$64.3 million will continue existing arrangements for women aged 70 to 74 years to participate in the BreastScreen Australia Program, which provides free mammograms to screen for the early detection of breast cancer. The measure complements the BreastScreen Australia services already provided under the National Healthcare Agreement targeting women aged 50 to 69.

The Government will also provide an additional \$41.6 million to extend an agreement with the Victorian Government to continue research and quality services delivered by the Victorian Cytology Service for cervical cancer.

Prostate cancer is the most common form of cancer affecting Australian men (excluding non-melanoma skin cancer). In 2017, it is estimated that over 16,000 men will be diagnosed with the disease. The Government will spend \$5.9 million over three years to expand the current Prostate Cancer Nurse program to fund up to 14 additional prostate cancer nurses across Australia to support men with prostate cancer, bringing the total number from 14 up to 28.

In 2017-18, the Government will continue to fund the production and supply of Australian antivenoms, Q fever vaccine and test kits, and will maintain Australia's ability to domestically manufacture priority pandemic vaccines to respond to an influenza pandemic. In addition, the Government will provide \$85.4 million over three years to support the replenishment of the National Medical Stockpile.

The Government will commit \$12.5 million over four years to study the potential effects of Per- and Poly-Fluorinated Alkyl substances exposure on human health. The program will be administered by the National Health and Medical Research Council.

Supporting No Jab, No Pay, the Government will commit \$14.1 million over four years through the National Immunisation Program to provide ongoing Catch-Up vaccines for almost 375,000 Australians aged 10 to 19 years, and more than 8,000 adult refugees and humanitarian entrants. In addition, the Government will launch a \$5.5 million awareness campaign over three years to improve awareness and uptake of immunisation for children less than five years of age.

The Government will spend \$8.3 million over three years to boost funding for palliative care coordination through Primary Health Networks to support people who have a known life-limiting condition by improving choice and quality of care and support.

The Government will provide \$4.1 million over four years to support living organ donors. This funding will continue to support living organ donors to ensure that cost is not a barrier when deciding to donate a kidney or part of their liver. With more organs being donated, fewer transplant recipients will require dialysis.

The Government will continue to own and operate the health and aged care payments system. The Government will invest \$67.3 million to replace the outmoded IT systems supporting health, aged care and related veterans' payments with a new digital payments platform, while ensuring the existing systems continue to operate reliably and effectively.

The Government will strengthen and expand the Rheumatic Fever Strategy, worth \$18.8 million over four years, continuing to protect Aboriginal and Torres Strait Islander communities at risk of acute rheumatic fever and rheumatic heart disease.

### **Investing in medical research**

Over the next four years the Government will move substantially towards doubling its current medical research funding. This Budget starts the Government's disbursements from its landmark Medical Research Future Fund (MRFF) worth \$20 billion by 2021. This will deliver disbursements of \$1.4 billion over the next five years from 2016-17. This will play a key role in building a stronger, sustainable health system, capable of addressing the pressures that confront us: disease complexity; ageing and chronic conditions; lifestyle behaviours; new technologies; communicable diseases; and increasing consumer expectations.

First earnings of \$65.9 million from the MRFF from 2016-17 will fund eight strategic investments, aligned with the independent Australian Medical Research Advisory Board's Strategy and Priorities. A balance of long-term research and clinical trials will improve health system efficiency, patient care and access, health outcomes, and innovation in health. The initiatives include:

- \$20 million for preventive health and research translation projects. Including \$10 million for Advanced Health Translation Centres and \$10 million for the Australian Prevention Partnership Centre.
- \$33 million for clinical trials to build on Australia's world class strengths and to ensure Australia is a preferred destination for clinical trial research.
- \$12.9 million for breakthrough research investments to drive cutting edge science and accelerate research for better treatments and cures.

The Government will invest \$10.8 million to fight childhood cancer through research and clinical trials. This includes providing Cancer Australia \$4.4 million aimed at increasing Australia's research capacity to advance diagnosis, treatment, management, analysis, and improve data and awareness of childhood cancer, as well as \$1.4 million to fast track international research collaborations of paediatric brain cancer in Australia. In addition, the Government will provide \$5 million under the Medical Research Future Fund to CanTeen to improve outcomes for children and young people fighting against cancer.

Furthermore, funding of \$68 million will be provided to the South Australian Government to purchase accelerator equipment and treatment rooms to support the establishment of Australia's first Proton Beam Therapy facility for advanced research and treatment of cancer. These initiatives build on the 2016 election commitment of \$20 million for the ground-breaking Zero Childhood Cancer initiative.

In addition, the Government will spend \$2.1 million over two years to implement its 2016 election commitment to introduce a ban on cosmetic testing on animals from 1 July 2017.

### **Ageing and aged care**

While many of the measures above will positively impact on older Australians, the Government also continues to be committed to increasing choice in aged care by providing aged care consumers, their families and carers, greater choice, control and flexibility over their aged care needs. Over the next five years the Government will spend \$99.3 billion to support aged care services.

The Government will extend funding arrangements for the Commonwealth Home Support Programme (CHSP) of \$5.5 billion for a further two years until 30 June 2020. This will benefit consumers receiving home support, and their carers, by providing continuity of essential services such as transport, Meals on Wheels, domestic assistance, personal care, nursing and allied health and respite services. This includes extending funding agreements with CHSP service providers and Regional Assessment Services from 1 July 2018 (1 July 2019 in Victoria), with new funding conditions to provide a greater focus on activities that support independence and wellness and provide more choice for consumers. Under this measure, two-year funding agreements will also be offered to eligible Home and Community Care service providers and assessment services in WA, which are moving to the CHSP from 1 July 2018.

The Government will provide additional funding of \$3.1 million for ICT support for the My Aged Care platform. Critical improvements in system performance and efficiency will help ensure timely access to aged care for older people, and enable information technology infrastructure to keep pace with the increase in the number of people using My Aged Care.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by Outcome (Government strategic policy objectives) and by Administered (on behalf of the Government or the public) and Departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome X' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Health Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	117,606	50,903
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	655,162	639,683
s74 retained revenue receipts <sup>(b)</sup>	18,787	19,117
Departmental capital budget <sup>(c)</sup>	9,828	7,806
Other services <sup>(d)</sup>		
Equity injection	6,651	2,366
<b>Total departmental annual appropriations</b>	<b>690,428</b>	<b>668,972</b>
<b>Special Accounts <sup>(e) (f)</sup></b>		
Opening balance	88,717	76,675
Appropriation receipts <sup>(g)</sup>	13,977	10,254
Non-appropriation receipts	154,965	157,175
<b>Total special account</b>	<b>257,659</b>	<b>244,104</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations <sup>(h)</sup>	(13,977)	(10,254)
<b>Total departmental resourcing for Health</b>	<b>1,051,716</b>	<b>953,725</b>

**Table 1.1: Department of Health Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>ADMINISTERED</b>		
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1: Health System Policy, Design and Innovation	124,674	134,436
Outcome 2: Health Access and Support Services	4,039,400	4,132,253
Outcome 3: Sport and Recreation	18,475	19,527
Outcome 4: Individual Health Benefits	1,338,531	1,439,887
Outcome 5: Regulation, Safety and Protection	125,051	119,983
Outcome 6: Ageing and Aged Care	2,771,169	3,008,247
Payments to corporate entities <sup>(i)</sup>	405,060	560,425
Other services <sup>(d)</sup>		
Administered assets and liabilities	150,537	25,000
<b>Total administered annual appropriations</b>	<b>8,972,897</b>	<b>9,439,758</b>
<b>Special appropriations limited by criteria/entitlement</b>		
<i>National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority</i>	664,802	748,914
<i>Public Governance, Performance and Accountability Act 2013 s77 - repayments</i>	2,000	2,000
<i>Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund</i>	37,321	37,631
<i>Health Insurance Act 1973 - medical benefits</i>	22,092,457	22,897,861
<i>National Health Act 1953 - pharmaceutical benefits</i>	11,297,940	10,950,710
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	6,054,635	6,175,728
<i>Medical Indemnity Act 2002</i>	91,800	96,900
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	6,870	4,061
<i>Dental Benefits Act 2008</i>	331,860	346,039
<i>National Health Act 1953 - aids and appliances</i>	354,493	353,784
<i>National Health Act 1953 - essential vaccines</i>	302,619	284,930
<i>Aged Care Act 1997 - home care packages</i>	1,726,419	1,967,122
<i>National Health Act 1953 - continence aids payments</i>	85,291	86,792
<i>Aged Care Act 1997 - residential care</i>	10,885,981	11,429,323
<i>Aged Care Act 1997 - flexible care</i>	431,390	472,175
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	801	-
<b>Total administered special appropriations</b>	<b>54,366,679</b>	<b>55,853,970</b>

**Table 1.1: Department of Health Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017 (continued)**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Estimate \$'000</b>
<b>Special Accounts</b> <sup>(e) (f)</sup>		
Opening balance	7,070	6,909
Appropriation receipts <sup>(g)</sup>	5,913	5,966
Non-appropriation receipts	65,019	125,825
<b>Total Special Accounts</b>	<b>78,002</b>	<b>138,700</b>
<b>Total administered resourcing</b>	<b>63,417,578</b>	<b>65,432,428</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations <sup>(h)</sup>	(410,973)	(566,391)
<b>Total administered resourcing for Health</b>	<b>63,006,605</b>	<b>64,866,037</b>
<b>Total resourcing for Health</b>	<b>64,058,321</b>	<b>65,819,762</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	<b>4,642</b>	<b>4,398</b>

All figures are GST exclusive.

Prepared on resourcing (i.e. appropriation available) basis.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budget (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(e)</sup> For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Refer to see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

<sup>(f)</sup> Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health.

<sup>(g)</sup> Amounts credited to the special account(s) from Department of Health's annual and special appropriations.

<sup>(h)</sup> Appropriation receipts from Health annual and special appropriations included above.

<sup>(i)</sup> 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Department of Health 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Outcome 1: Health System Policy, Design and Innovation</b>						
<b>Guaranteeing Medicare - modernising the health and aged care payments systems</b>						
Department of Health						
Administered expenses	1.2	-	46,462	-	-	-
Departmental expenses	1.2	-	4,294	-	-	-
Department of Human Services						
Departmental expenses		-	15,558	-	-	-
Departmental capital		-	1,000	-	-	-
<b>Total</b>		-	<b>67,314</b>	-	-	-
<b>Investing in Medical Research - Medical Research Future Fund</b>						
Department of Health						
Administered expenses	1.1	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>My Health Record - continuation and expansion</b>						
Department of Health						
Administered expenses	various	-	(4,615)	(72,461)	(99,653)	(122,809)
Australian Digital Health Agency						
Departmental expenses	1.1	-	84,496	211,327	-	-
Departmental capital	1.1	-	53,464	37,542	-	-
Department of Finance						
Departmental expenses		-	-	135	-	-
Department of Human Services						
Departmental expenses		-	(21,695)	-	-	-
Departmental capital		-	2,977	-	-	-
<b>Total</b>		-	<b>114,627</b>	<b>176,543</b>	<b>(99,653)</b>	<b>(122,809)</b>
<b>Operational Costs for Cardiac and Breast Device Registries - extension</b>						
Department of Health						
Administered expenses	1.1	-	2,183	-	-	-
<b>Total expenses</b>		-	<b>2,183</b>	-	-	-

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Per-and Poly-Fluorinated Alkyl Substances - National Health Research Program <sup>(a)</sup></b>						
Department of Health						
Administered expenses	1.1	-	-	-	-	-
Department of Defence						
Departmental expenses		-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Proton Beam Facility in South Australia</b>						
Department of the Treasury						
Administered expenses	1.3	-	68,000	-	-	-
<b>Total expenses</b>		-	68,000	-	-	-
<b>Supporting Living Organ Donors - continuation and expansion</b>						
Department of Health						
Administered expenses	1.1	-	825	1,023	1,043	1,247
<b>Total expenses</b>		-	825	1,023	1,043	1,247
<b>Outcome 2: Health Access and Support Services</b>						
<b>BreastScreen Australia Program - additional support</b>						
Department of Health						
Administered expenses	2.4	-	-	-	-	-
Department of the Treasury						
Administered expenses	2.4	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Cancer Screening - Victorian Cytology Service - continuation</b>						
Department of the Treasury						
Administered expenses	2.4	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Greater Choice for at Home Palliative Care</b>						
Department of Health						
Administered expenses	2.5	-	1,620	3,320	3,320	-
<b>Total expenses</b>		-	1,620	3,320	3,320	-
<b>Guaranteeing Medicare - development of the Health Care Homes trial</b>						
Department of Health						
Administered expenses	2.5	(800)	(22,130)	(2,618)	25,548	-
	4.1	-	43	141	64	-
<b>Total expenses</b>		(800)	(22,087)	(2,477)	25,612	-

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Healthy Heart Initiative - targeted activities</b>						
Department of Health						
Administered expenses	2.4	-	7,670	4,634	1,271	1,445
<b>Total expenses</b>		-	<b>7,670</b>	<b>4,634</b>	<b>1,271</b>	<b>1,445</b>
<b>National Cancer Screening Register - transition arrangements</b>						
Department of Health						
Administered expenses	2.4	478	34,162	-	-	-
	4.1	2,207	(5,812)	157	(73)	9,654
Department of Veterans' Affairs						
Administered expenses		18	(49)	-	-	74
<b>Total expenses</b>		<b>2,703</b>	<b>28,301</b>	<b>157</b>	<b>(73)</b>	<b>9,728</b>
<b>National Partnership Agreement on Rheumatic Fever Strategy - continuation and expansion</b>						
Department of Health						
Administered expenses	2.2	-	1,000	2,003	1,955	1,000
Department of the Treasury						
Administered expenses	2.2	-	392	398	401	407
<b>Total expenses</b>		-	<b>1,392</b>	<b>2,401</b>	<b>2,356</b>	<b>1,407</b>
<b>Primary Health Networks - supporting after-hours care</b>						
Department of Health						
Administered expenses	2.5	-	(3,800)	(12,300)	(12,900)	(12,900)
<b>Total expenses</b>		-	<b>(3,800)</b>	<b>(12,300)</b>	<b>(12,900)</b>	<b>(12,900)</b>
<b>Prioritising Mental Health - Psychosocial Support Services - funding</b>						
Department of Health						
Administered expenses	2.1	-	7,750	23,717	24,074	24,410
<b>Total expenses</b>		-	<b>7,750</b>	<b>23,717</b>	<b>24,074</b>	<b>24,410</b>
<b>Prioritising Mental Health - research</b>						
Department of Health						
Administered expenses	2.1	-	7,500	7,500	-	-
<b>Total expenses</b>		-	<b>7,500</b>	<b>7,500</b>	-	-

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Prioritising Mental Health - suicide prevention support programs</b>						
Department of Health						
Administered expenses	2.1	-	700	710	720	-
Department of the Treasury						
Administered expenses	2.1	-	3,000	3,000	3,000	-
<b>Total expenses</b>		-	<b>3,700</b>	<b>3,710</b>	<b>3,720</b>	-
<b>Prostate Cancer Nurses Program - continuation and expansion</b>						
Department of Health						
Administered expenses	2.4	-	1,950	1,950	1,950	-
<b>Total expenses</b>		-	<b>1,950</b>	<b>1,950</b>	<b>1,950</b>	-
<b>Quality Improvements in General Practice - implementation of the Practice Incentive Program</b>						
Department of Health						
Administered expenses	2.6	-	-	-	-	-
Department of Human Services						
Departmental expenses		(6,923)	7,637	722	551	546
<b>Total expenses</b>		<b>(6,923)</b>	<b>7,637</b>	<b>722</b>	<b>551</b>	<b>546</b>
<b>Strengthening Aged Care - developing an aged care workforce strategy</b>						
Department of Health						
Administered expenses	2.3	-	(1,460)	(460)	-	-
	6.4	-	1,460	460	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Support for Health Services in Tasmania</b>						
Department of Health						
Administered expenses	2.7	-	(62,661)	(62,661)	(62,661)	(62,661)
Department of the Treasury						
Administered expenses	2.7	730,368	1,800	1,800	1,800	800
<b>Total expenses</b>		<b>730,368</b>	<b>(60,861)</b>	<b>(60,861)</b>	<b>(60,861)</b>	<b>(61,861)</b>

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Outcome 3: Sport and Recreation</b>						
<b>Gold Coast 2018 Commonwealth Games - additional Australian Government support</b>						
Department of Health	3.1	nfp	nfp	-	-	-
Attorney - General's Department		nfp	nfp	-	-	-
Australian Communication and Media Authority		nfp	nfp	-	-	-
Australian Criminal Intelligence Commission		nfp	nfp	-	-	-
Australian Federal Police		nfp	nfp	-	-	-
Australian Security Intelligence Organisation		nfp	nfp	-	-	-
Australian Sports Anti-doping Authority	1.1	nfp	nfp	-	-	-
Department of Agriculture and Water Resources		nfp	nfp	-	-	-
Department of Defence		-	33,914	250	-	-
Department of Foreign Affairs and Trade		nfp	nfp	-	-	-
Department of Immigration and Border Protection		nfp	nfp	-	-	-
Tourism Australia		nfp	nfp	-	-	-
<b>Total</b>		<b>-</b>	<b>33,914</b>	<b>250</b>	<b>-</b>	<b>-</b>
<b>Outcome 4: Individual Health Benefits</b>						
<b>Child Dental Benefits Schedule - increased cap</b>						
Department of Health						
Administered expenses	4.6	5,063	38,219	42,874	38,790	37,129
Department of Human Services						
Departmental expenses		1,541	-	-	-	-
<b>Total expenses</b>		<b>6,604</b>	<b>38,219</b>	<b>42,874</b>	<b>38,790</b>	<b>37,129</b>

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Guaranteeing Medicare - aligning reciprocal health care</b>						
Department of Health						
Administered expenses	4.1	-	(331)	(494)	(504)	(520)
Department of Human Services						
Departmental expenses		440	709	-	-	-
<b>Total expenses</b>		<b>440</b>	<b>378</b>	<b>(494)</b>	<b>(504)</b>	<b>(520)</b>
<b>Guaranteeing Medicare - development of the Health Care Homes trial</b>						
Department of Health						
Administered expenses	2.5	(800)	(22,130)	(2,618)	25,548	-
	4.1	-	43	141	64	-
<b>Total expenses</b>		<b>(800)</b>	<b>(22,087)</b>	<b>(2,477)</b>	<b>25,612</b>	<b>-</b>
<b>Guaranteeing Medicare - Medicare Benefits Schedule - improved compliance</b>						
Department of Health						
Administered expenses	4.1	-	-	(8,400)	(29,777)	(32,372)
Administered revenue	4.1	-	-	(12,977)	(15,572)	(15,572)
Departmental expenses	4.1	-	392	539	448	200
Department of Human Services						
Departmental expenses		14	4,519	721	693	696
Departmental capital		-	2,652	-	-	-
<b>Total</b>		<b>14</b>	<b>7,563</b>	<b>(20,117)</b>	<b>(44,208)</b>	<b>(47,048)</b>
<b>Guaranteeing Medicare - Medicare Benefits Schedule - indexation</b>						
Department of Health						
Administered expenses	4.1	-	9,173	140,419	389,295	421,029
Department of Veterans' Affairs						
Administered expenses		-	279	5,553	14,142	22,398
<b>Total expenses</b>		<b>-</b>	<b>9,452</b>	<b>145,972</b>	<b>403,437</b>	<b>443,427</b>
<b>Guaranteeing Medicare - Medicare Benefits Schedule - new and amended listings</b>						
Department of Health						
Administered expenses	4.1	-	1,720	3,735	4,826	5,937
Department of Human Services						
Departmental expenses		-	4	10	15	19
Department of Veterans' Affairs						
Administered expenses		-	17	32	39	47
<b>Total expenses</b>		<b>-</b>	<b>1,741</b>	<b>3,777</b>	<b>4,880</b>	<b>6,003</b>

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Guaranteeing Medicare - Medicare Benefits Schedule Review - continuation</b>						
Department of Health						
Administered expenses	4.1	-	7,880	7,880	5,880	-
Departmental expenses	4.1	-	7,973	7,797	6,786	-
<b>Total expenses</b>		-	<b>15,853</b>	<b>15,677</b>	<b>12,666</b>	-
<b>Guaranteeing Medicare - Medical Services Advisory Committee - continuation</b>						
Department of Health						
Administered expenses	4.1	-	9,983	9,207	8,406	8,541
Departmental expenses	4.1	-	2,091	2,080	2,080	2,091
<b>Total expenses</b>		-	<b>12,074</b>	<b>11,287</b>	<b>10,486</b>	<b>10,632</b>
<b>Helping Families with Diabetes - free glucose monitoring devices for young Australians with Type 1 diabetes</b>						
Department of Health						
Administered expenses	4.8	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Helping Families with Diabetes - Insulin Pump Program - reducing patient contributions</b>						
Department of Health						
Administered expenses	4.8	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Improving Access to Medicines - cheaper medicines</b>						
Department of Health						
Administered expenses	4.3	-	(24,278)	(355,381)	(418,319)	(467,007)
Department of Human Services						
Departmental expenses		-	230	59	23	11
Department of Veterans' Affairs						
Administered expenses		-	(639)	(9,149)	(8,786)	(8,957)
<b>Total expenses</b>		-	<b>(24,687)</b>	<b>(364,471)</b>	<b>(427,082)</b>	<b>(475,953)</b>
<b>Improving Access to Medicines - maintaining Remote Area Aboriginal Health Services pharmaceutical dispensing</b>						
Department of Health						
Administered expenses	4.3	-	(2,034)	262	348	438
Department of Human Services						
Departmental expenses		104	748	181	181	182
<b>Total expenses</b>		<b>104</b>	<b>(1,286)</b>	<b>443</b>	<b>529</b>	<b>620</b>

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings</b>						
Department of Health						
Administered expenses	4.1	402	2,146	2,007	1,730	1,886
	4.3	29,967	206,747	256,468	303,879	336,989
Administered revenue		nfp	nfp	nfp	nfp	nfp
Department of Human Services						
Departmental expenses		423	(173)	(59)	33	100
Department of Veterans' Affairs						
Administered expenses		588	4,572	5,675	6,696	7,242
<b>Total</b>		<b>31,380</b>	<b>213,292</b>	<b>264,091</b>	<b>312,338</b>	<b>346,217</b>
<b>Improving Access to Medicines - Pharmaceutical Benefits Scheme - price amendments</b>						
Department of Health						
Administered expenses	4.3	(14,925)	(63,972)	(64,836)	(62,920)	(61,298)
Department of Veterans' Affairs						
Administered expenses		(134)	(560)	(549)	(513)	(474)
<b>Total expenses</b>		<b>(15,059)</b>	<b>(64,532)</b>	<b>(65,385)</b>	<b>(63,433)</b>	<b>(61,772)</b>
<b>Improving Access to Medicines - support for community pharmacies</b>						
Department of Health						
Administered expenses	4.3	-	69,956	74,983	75,214	-
Department of Veterans' Affairs						
Administered expenses		-	1,710	1,684	1,453	-
<b>Total expenses</b>		<b>-</b>	<b>71,666</b>	<b>76,667</b>	<b>76,667</b>	<b>-</b>
<b>National Cancer Screening Register - transition arrangements</b>						
Department of Health						
Administered expenses	2.4	478	34,162	-	-	-
	4.1	2,207	(5,812)	157	(73)	9,654
Department of Veterans' Affairs						
Administered expenses		18	(49)	-	-	74
<b>Total expenses</b>		<b>2,703</b>	<b>28,301</b>	<b>157</b>	<b>(73)</b>	<b>9,728</b>
<b>Pathology Approved Collection Centres - strengthening compliance</b>						
Department of Health						
Departmental expenses	4.7	-	6,008	2,667	2,670	2,681
Departmental capital		-	500	-	-	-
Department of Human Services						
Departmental expenses		-	2,799	231	202	203
<b>Total</b>		<b>-</b>	<b>9,307</b>	<b>2,898</b>	<b>2,872</b>	<b>2,884</b>

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Prioritising Mental Health - improving telehealth for psychological services in regional, rural and remote Australia</b>						
Department of Health						
Administered expenses	4.1	-	1,506	2,363	2,484	2,648
Department of Human Services						
Departmental expenses		-	10	17	18	19
<b>Total expenses</b>		-	<b>1,516</b>	<b>2,380</b>	<b>2,502</b>	<b>2,667</b>
<b>Stoma Appliance Scheme - new and amended listings</b>						
Department of Health						
Administered expenses	4.8	-	(7)	(2,294)	(2,996)	(4,234)
<b>Total expenses</b>		-	<b>(7)</b>	<b>(2,294)</b>	<b>(2,996)</b>	<b>(4,234)</b>
<b>Unlegislated Budget Repair Measures – not proceeding</b>						
Department of Health						
Administered expenses	4.1	-	293,346	310,338	331,137	349,947
	4.3	-	175,958	212,160	254,443	290,614
Departmental expenses	4.1	-	(673)	(668)	(669)	(672)
Department of Human Services						
Departmental expenses		(422)	(6,297)	(5,547)	(4,195)	(4,377)
Department of Veterans' Affairs						
Administered expenses		-	3,536	3,765	3,761	3,756
<b>Total expenses</b>		<b>(422)</b>	<b>465,870</b>	<b>520,048</b>	<b>584,477</b>	<b>639,268</b>
<b>Outcome 5: Regulation, Safety and Protection</b>						
<b>Ban on Cosmetic Testing on Animals - implementation <sup>(a)</sup></b>						
Department of Health						
Administered expenses	5.1	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Improving Access to Medicines - antivenoms, Q fever and pandemic influenza vaccines supply</b>						
Department of Health						
Administered expenses	5.2	nfp	nfp	nfp	nfp	nfp
<b>Total expenses</b>		<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Improving Access to Medicines - National Medical Stockpile - replenishment and operations</b>						
Department of Health						
Administered expenses	5.2	-	541	4,916	4,899	-
Administered capital	5.2	-	25,000	25,000	25,000	-
<b>Total</b>		-	<b>25,541</b>	<b>29,916</b>	<b>29,899</b>	-

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Supporting No Jab No Pay - improving awareness and uptake of immunisation</b>						
Department of Health						
Administered expenses	5.3	-	2,500	1,500	-	-
<b>Total expenses</b>		-	<b>2,500</b>	<b>1,500</b>	-	-
<b>Supporting No Jab No Pay - National Immunisation Program - expansion</b>						
Department of Health						
Administered expenses	5.3	-	(2,080)	5,107	5,107	5,107
Department of the Treasury						
Administered expenses	5.3	-	226	226	226	226
<b>Total expenses</b>		-	<b>(1,854)</b>	<b>5,333</b>	<b>5,333</b>	<b>5,333</b>
<b>Outcome 6: Ageing and Aged Care</b>						
<b>Strengthening Aged Care - developing an aged care workforce strategy</b>						
Department of Health						
Administered expenses	2.3	-	(1,460)	(460)	-	-
	6.4	-	1,460	460	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Strengthening Aged Care - Commonwealth Home Support Program Funding Arrangements - extension</b>						
Department of Health						
Administered expenses	6.2	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Strengthening Aged Care - My Aged Care - operations</b>						
Department of Health						
Administered expenses	6.1	-	3,071	-	-	-
<b>Total expenses</b>		-	<b>3,071</b>	-	-	-
<b>Whole of Government Measures <sup>(b)</sup></b>						
<b>Public Service Modernisation Fund - agency sustainability</b>						
Australian Sports Anti-Doping Authority						
Departmental capital	1.1	-	-	-	-	-
Australian Sports Commission						
Departmental expenses	1.1	-	-	-	-	-
National Health and Medical Research Council						
Departmental expenses	1.1	-	-	-	-	-
Departmental capital	1.1	-	-	-	-	-
<b>Total</b>		-	-	-	-	-

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Public Service Modernisation Fund - transformation and innovation stream</b>						
Department of Health						
Departmental expenses	1.1	-	-	-	-	-
Australian Institute of Health and Welfare						
Departmental expenses	1.1	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-
<b>Other Portfolio Measures <sup>(b)</sup></b>						
<b>Better targeting skilled visas</b>						
<i>Department of Immigration and Border Protection</i>						
Department of Health						
Administered expenses	4.1	-	192	(628)	(1,803)	(7,663)
	4.3	-	39	(112)	(494)	(1,621)
<b>Total expenses</b>		-	<b>231</b>	<b>(740)</b>	<b>(2,297)</b>	<b>(9,284)</b>
<b>Boosting the Local Care Workforce</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	6.4	-	(3,000)	-	-	-
<b>Total expenses</b>		-	<b>(3,000)</b>	-	-	-
<b>Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Abuse</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	2.1	-	1,783	nfp	nfp	nfp
Departmental expenses	2.1	-	361	nfp	nfp	nfp
<b>Total expenses</b>		-	<b>2,144</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Consistent Income Treatment for Families Receiving Family Tax Benefit Part A</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	4.1	-	-	(216)	(242)	(251)
	4.6	-	-	(2,807)	(7,148)	(8,586)
<b>Total expenses</b>		-	-	<b>(3,023)</b>	<b>(7,390)</b>	<b>(8,837)</b>
<b>Enhanced Residency Requirements for Pensioners</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	4.2	-	-	(206)	(597)	(929)
<b>Total expenses</b>		-	-	<b>(206)</b>	<b>(597)</b>	<b>(929)</b>
<b>Family Tax Benefit Part A rate increase - not proceeding</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	4.1	-	-	(18)	(18)	(19)
<b>Total expenses</b>		-	-	<b>(18)</b>	<b>(18)</b>	<b>(19)</b>

**Table 1.2: Department of Health 2017-18 Budget Measures (continued)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Funding the Jobs for Families Package</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	4.1	-	(63)	(162)	(192)	(196)
<b>Total expenses</b>		-	<b>(63)</b>	<b>(162)</b>	<b>(192)</b>	<b>(196)</b>
<b>Improved Access to Health Care for Australian Participants of British Nuclear Tests and Veterans of the British Commonwealth Occupation Force</b>						
<i>Department of Veterans' Affairs</i>						
Department of Health						
Administered expenses	4.1	-	(4,115)	(3,531)	(2,987)	(2,537)
	4.3	-	(6,135)	(5,500)	(4,718)	(4,007)
	6.3	-	(22,512)	(19,685)	(17,037)	(14,486)
<b>Total expenses</b>		-	<b>(32,762)</b>	<b>(28,716)</b>	<b>(24,742)</b>	<b>(21,030)</b>
<b>Mental Health Treatment for Current and Former Members of the Australian Defence Force - expanded access</b>						
<i>Department of Veteran's Affairs</i>						
Department of Health						
Administered expenses	4.1	-	(257)	(585)	(589)	(476)
	6.3	-	(427)	(2,218)	(3,602)	(4,873)
<b>Total expenses</b>		-	<b>(684)</b>	<b>(2,803)</b>	<b>(4,191)</b>	<b>(5,349)</b>
<b>National Disability Insurance Scheme - finalisation of transition arrangements</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	2.1	-	-	-	(9,407)	(14,900)
	6.1	-	3,944	2,670	3,599	2,866
	6.2	-	263	254,680	300,070	312,452
	6.3	-	(8,962)	(16,299)	(31,414)	(36,899)
Administered revenue	6.2	-	-	(4,273)	(33,896)	-
	6.3	-	-	(17,132)	(3,993)	-
Departmental expenses	6.1	577	4,648	5,648	3,307	2,811
Australian Aged Care Quality Agency						
Departmental expenses	1.1	-	-	205	205	207
<b>Total</b>		<b>577</b>	<b>(107)</b>	<b>225,499</b>	<b>228,471</b>	<b>266,537</b>
<b>Supporting No Jab No Pay - Healthy Start for School - new compliance arrangements</b>						
<i>Department of Social Services</i>						
Department of Health						
Administered expenses	4.1	-	-	43	36	30
	4.6	-	-	389	319	258
<b>Total expenses</b>		-	-	<b>432</b>	<b>355</b>	<b>288</b>

(a) The cost of this measure will be met from within existing resources.

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



## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The Department's most recent corporate plan is available at:  
[www.health.gov.au/internet/publications/publishing.nsf/Content/corporate-plan-2016-17-toc](http://www.health.gov.au/internet/publications/publishing.nsf/Content/corporate-plan-2016-17-toc)

The Department's most recent annual performance statement is available at:  
[www.health.gov.au/internet/main/publishing.nsf/Content/annual-report2015-16](http://www.health.gov.au/internet/main/publishing.nsf/Content/annual-report2015-16)

### Review of performance information

The Department of Health has undertaken a comprehensive review of its performance information. The purpose of the review was to further develop performance reporting (under the Enhanced Commonwealth Performance Framework) in order to create a clearer picture of the Department's overall performance, with a specific focus on reliable and meaningful reporting, while highlighting public outcomes.

Results against the Department's performance criteria published in the *2016-17 Health Portfolio Budget Statements* will be reported in the Department of Health's *2016-17 Annual Performance Statements*.



## 2.1 BUDGET EXPENSES AND PERFORMANCE FOR OUTCOME 1

### Outcome 1: Health System Policy, Design and Innovation

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

### Programs Contributing to Outcome 1

<b>Program 1.1:</b>	<b>Health Policy Research and Analysis</b>
<b>Program 1.2:</b>	<b>Health Innovation and Technology</b>
<b>Program 1.3:</b>	<b>Health Infrastructure</b>
<b>Program 1.4:</b>	<b>Health Peak and Advisory Bodies</b>
<b>Program 1.5:</b>	<b>International Policy</b>

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 1

##### Australian Commission on Safety and Quality in Health Care<sup>1</sup>

##### Program 1.1: Safety and Quality in Health Care

The Australian Commission on Safety and Quality in Health Care contributes to this Outcome by working to strengthen safety and quality across Australia's health care system in order to reduce patient risks and generate efficiencies (1.1).

##### Australian Digital Health Agency<sup>2</sup>

##### Program 1.1: Digital Health

The Australian Digital Health Agency contributes to this Outcome by managing and governing the national digital health strategy, and the design, delivery and operations of the national digital healthcare system (1.2).

##### Australian Institute of Health and Welfare<sup>3</sup>

##### Program 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community

The Australian Institute of Health and Welfare contributes to this Outcome by providing high quality national health related data and analysis (1.1).

##### Department of Foreign Affairs and Trade

##### Program 1.5: Payments to International Organisations

The Department of Foreign Affairs and Trade contributes to this Outcome by working with the Department of Health in promoting regional and global strategic interests as they relate to health (1.5).

<sup>1</sup> Refer to the Australian Commission on Safety and Quality in Health Care chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>2</sup> Refer to the Australian Digital Health Agency chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>3</sup> Refer to the Australian Institute of Health and Welfare chapter in these Portfolio Budget Statements for further information on the work of this entity.

<p><b>Department of Human Services</b></p> <p><b>Program 1.2: Services to the Community – Health</b></p> <p>The Department of Human Services contributes to ensuring that Australia's health system is better equipped to meet current and future health needs by administering the Australian Organ Donor Register (1.1).</p>
<p><b>Department of Industry, Innovation and Science</b></p> <p><b>Program 1: Supporting Science and Commercialisation</b></p> <p><b>Program 2: Growing Business Investment and Improving Business Capability</b></p> <p>The Department of Industry, Innovation and Science contributes to this Outcome by working with the Department of Health to implement the Biomedical Translation Fund and strategies aimed at making Australia more competitive in relation to clinical trials (1.1).</p>
<p><b>National Blood Authority<sup>4</sup></b></p> <p><b>Program 1.1: National Blood Agreement Management</b></p> <p>The National Blood Authority works to save and improve Australian lives through a world-class blood supply that is safe, secure, affordable and well-managed (1.1).</p>
<p><b>National Health and Medical Research Council<sup>5</sup></b></p> <p><b>Program 1.1: Health and Medical Research</b></p> <p>The National Health and Medical Research Council contributes to this Outcome by developing evidence-based health advice for the Australian community, health professionals and Governments, and providing advice on ethical practice in health care and in the conduct of health and medical research (including clinical trials), and administering research grant programs on behalf of the Department of Health (1.1).</p>
<p><b>Organ and Tissue Authority<sup>6</sup></b></p> <p><b>Program 1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation</b></p> <p>The Organ and Tissue Authority works to maximise organ and tissue donation for transplantation by increasing the capacity within the health system, and raising community awareness and stakeholder engagement in support of donation (1.1).</p>
<p><b>The Treasury</b></p> <p><b>Program 1.9: National Partnership Payments to the States</b></p> <p>The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.<sup>7</sup> Activities funded through the following National Partnership Agreements contribute to the Government's objectives identified within this Outcome:</p> <ul style="list-style-type: none"> <li>– Hepatitis C settlement fund (1.1)</li> <li>– More Clinical Trials in Australia (1.1)</li> <li>– Health infrastructure projects (1.3)</li> <li>– Proton Beam Facility in South Australia (1.3)</li> <li>– Albury-Wodonga Cardiac Catheterisation Laboratory (1.3).</li> </ul>

<sup>4</sup> Refer to the National Blood Authority chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>5</sup> Refer to the National Health and Medical Research Council chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>6</sup> Refer to the Organ and Tissue Authority chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>7</sup> For Budget estimates relating to the National Partnership component of the program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

**Table 2.1.1: Budgeted Expenses for Outcome 1**

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Health Policy Research and Analysis <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	55,191	50,512	51,080	53,976	39,389
Special Accounts					
Medical Research Future Fund	60,876	121,565	214,913	386,373	642,886
Special appropriations					
<i>National Health Act 1953</i> - blood fractionation, products and blood related products to National Blood Authority	664,802	748,914	800,066	852,943	928,507
<i>Public Governance, Performance and Accountability Act 2013</i> s77 - repayments	2,000	2,000	2,000	2,000	2,000
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	63,732	60,789	60,711	60,100	59,991
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	3,966	1,569	1,961	1,659	1,659
<b>Total for Program 1.1</b>	<b>850,567</b>	<b>985,349</b>	<b>1,130,731</b>	<b>1,357,051</b>	<b>1,674,432</b>
<b>Program 1.2: Health Innovation and Technology</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	41,363	50,533	3,104	369	441
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	11,627	14,276	9,968	9,854	9,833
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	733	197	246	208	208
<b>Total for Program 1.2</b>	<b>53,723</b>	<b>65,006</b>	<b>13,318</b>	<b>10,431</b>	<b>10,482</b>

**Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.3: Health Infrastructure <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	5,797	8,712	911	911	911
Special appropriations					
<i>Health Insurance Act 1973</i>					
- payments relating to the former Health and Hospitals Fund	37,321	37,631	18,965	-	-
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	2,787	2,659	2,656	2,630	2,625
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	194	46	58	49	49
<b>Total for Program 1.3</b>	<b>46,099</b>	<b>49,048</b>	<b>22,590</b>	<b>3,590</b>	<b>3,585</b>
<b>Program 1.4: Health Peak and Advisory Bodies</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	7,983	7,559	7,458	7,320	7,657
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	1,504	1,436	1,434	1,420	1,418
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	121	25	31	26	26
<b>Total for Program 1.4</b>	<b>9,608</b>	<b>9,020</b>	<b>8,923</b>	<b>8,766</b>	<b>9,101</b>
<b>Program 1.5: International Policy</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	14,340	17,120	17,120	17,651	18,203
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	7,471	7,134	7,125	7,056	7,043
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	586	120	150	127	127
<b>Total for Program 1.5</b>	<b>22,397</b>	<b>24,374</b>	<b>24,395</b>	<b>24,834</b>	<b>25,373</b>

**Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Outcome 1 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	124,674	134,436	79,673	80,227	66,601
Special appropriations	704,123	788,545	821,031	854,943	930,507
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	87,121	86,294	81,894	81,060	80,910
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	5,600	1,957	2,446	2,069	2,069
<b>Total expenses for Outcome 1</b>	<b>921,518</b>	<b>1,011,232</b>	<b>985,044</b>	<b>1,018,299</b>	<b>1,080,087</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	505	470

<sup>(a)</sup> Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

<sup>(b)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(c)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'

<sup>(d)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

### Movement of Funds

There were no movements of administered funds between years for Outcome 1.

## Planned Performance for Outcome 1

Tables 2.1.2 – 2.1.6 below detail the performance criteria for each program associated with Outcome 1. These tables also summarise how each program is delivered and where 2017-18 Budget measures have materially changed existing programs.

**Table 2.1.2: Performance Criteria for Program 1.1**

<b>Purpose</b>
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Outcome 1: Health System Policy, Design and Innovation</b>
Australia's health system is better equipped to meet current and future health needs by applying research, evaluation, innovation, and use of data to develop and implement integrated, evidence-based health policies, and through support for sustainable funding for health infrastructure
<b>Program 1.1: Health Policy Research and Analysis</b>
<p>The Australian Government will increase investment in health and medical research, and work to strengthen safety and quality across the health system to reduce patient risks and generate efficiencies. This includes working with States and Territories to ensure a nationally consistent approach to achieving better health outcomes for all Australians. The Government aims to provide Australians with access to an adequate, safe, secure, and affordable blood supply and access to organ, tissue and Haemopoietic Progenitor Cell transplants.</p> <p>The 2017-18 Budget will provide \$4.1 million over four years to support living organ donors, to ensure that cost is not a barrier when deciding to donate a kidney or part of their liver. With more organs being donated, fewer transplant recipients will require dialysis.</p> <p>The Government will also invest \$2.2 million to extend operational funding for the Cardiac Devices Registry and the Australian Breast Device Registry. This will support better health care and outcomes for patients with implanted high-risk cardiac and breast devices.</p> <p>Over the next four years the Government will move substantially towards doubling its current medical research funding. The 2017-18 Budget starts the Government's disbursements from its landmark Medical Research Future Fund (MRFF) worth \$20 billion by 2021. This will deliver disbursements of \$1.4 billion over the next five years from 2016-17. This will play a key role in building a stronger, sustainable health system, capable of addressing the pressures that confront us: disease complexity; ageing and chronic conditions; lifestyle behaviours; new technologies; communicable diseases; and increasing consumer expectations.</p> <p>First earnings of \$65.9 million from the MRFF from 2016-17 will fund eight strategic investments, aligned with the independent Australian Medical Research Advisory Board's Strategy and Priorities. A balance of long-term research and quick win programs will improve health system efficiency, patient care and access, health outcomes, and innovation in health. The initiatives include:</p> <ul style="list-style-type: none"> <li>• \$20 million for preventive health and research translation projects. Including \$10 million for Advanced Health Translation Centres and \$10 million for the Australian Prevention Partnership Centre.</li> <li>• \$33 million for clinical trials and to build on Australia's world class strengths to ensure Australia is a preferred destination for clinical trial research.</li> <li>• \$12.9 million for breakthrough research investments to drive cutting edge science and accelerate research for better treatments and cures.</li> </ul>

Delivery
<p><b>A. Collaborating with States and Territories to facilitate a nationally consistent focus on achieving better health outcomes for all Australians</b></p> <ul style="list-style-type: none"> <li>Support Australian Government officials on the Council of Australian Governments' Health Council and the Australian Health Ministers' Advisory Council to collaborate with States and Territories on health issues.</li> </ul> <p><b>B. Improving health policy research and data capacity</b></p> <ul style="list-style-type: none"> <li>Support health and medical research and innovation through the Medical Research Future Fund, by providing financial assistance to relevant research bodies with the objective of improving the health and wellbeing of Australians.</li> <li>Invest in promising late-stage biomedical and technological discoveries via the Biomedical Translation Fund with the intent of bringing new drugs, devices and therapies to the market to benefit Australians.</li> <li>Work with States and Territories to redesign clinical trial operating systems to make it easier to conduct and participate in safe, high quality clinical trials, in accordance with the Government's <i>More Clinical Trials in Australia</i> measure.</li> </ul> <p><b>C. Improving access to organ, tissue and Haemopoietic Progenitor Cell transplants and blood and blood products for life saving treatments</b></p> <ul style="list-style-type: none"> <li>Continue to fund and administer the Haemopoietic Progenitor Cell program, providing financial assistance and affordable access for patients requiring life-saving Haemopoietic Progenitor Cell transplants.</li> <li>In consultation with other Commonwealth entities and State and Territory Governments, utilise the Haemopoietic Progenitor Cell sector review findings to develop improvements in the Haemopoietic Progenitor Cell sector structure, funding mechanisms and governance.</li> <li>Contribute to the planning and management of the national blood supply through the National Supply Plan and Budget to ensure sufficient access for all eligible Australians to blood and blood products.</li> <li>Continue to work with the National Blood Authority and States and Territories to progress key policy priority areas under the 2016–18 Jurisdictional Blood Committee Strategic Plan.</li> <li>Continue to provide policy advice to support the National Blood Authority in managing and maintaining the blood sector systems to provide clinical, data, accountability and supply chain resilience.</li> </ul>

Performance criteria		
<b>A. Collaborating with States and Territories to facilitate a nationally consistent focus on achieving better health outcomes for all Australians</b>		
<b>Support Australian Government officials on the Council of Australian Governments' (COAG) Health Council and the Australian Health Ministers' Advisory Council to progress health issues with States and Territories.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Health issues were progressed by Australian Health Ministers' Advisory Council and the COAG Health Council. <sup>8</sup>	Health issues will be progressed by Australian Health Ministers' Advisory Council and the COAG Health Council.	As per 2017-18.
<b>B. Improving health policy research and data capacity</b>		
<b>Provide a sustainable source of funding for transformative health and medical research that improves lives, contributes to health system sustainability and drives innovation.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
The Australian Medical Research Advisory Board developed and released the <i>Australian Medical Research and Innovation Strategy 2016-2021</i> and related <i>Priorities 2016-2018</i> . <sup>9</sup> These documents will guide future investments for the Medical Research Future Fund in health and medical research. The first Medical Research Future Fund disbursements will fund eight strategic investments.	Further Medical Research Future Fund disbursements will be announced consistent with the Australian Medical Research Advisory Board's Strategy and Priorities, with an increased focus on long-term and transformative investments.  The Australian Medical Research Advisory Board will commence consultation on the 2018-2020 Priorities.	The second set of Medical Research Future Fund Priorities will be released in late 2018 following public consultation.  Further disbursements will be made consistent with the <i>Medical Research Future Fund Act 2015</i> .

<sup>8</sup> Further information available at: [www.coaghealthcouncil.gov.au/Announcements/Meeting-Communiques1](http://www.coaghealthcouncil.gov.au/Announcements/Meeting-Communiques1)

<sup>9</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/mrff](http://www.health.gov.au/internet/main/publishing.nsf/Content/mrff)

<b>Improve health outcomes and bring economic benefits to Australia through investing in biomedical discoveries with potential.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Three fund managers were selected and licensed under the Biomedical Translation Fund. <sup>10</sup> Each manager has secured private capital that has matched, if not exceeded, the Commonwealth contribution.	Biomedical Translation Fund managers will continue to identify suitable investees and manage portfolio investments consistent with program guidelines. <sup>11</sup>	As per 2017-18.
<b>Better position Australia globally as a preferred destination for clinical trials.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Council of Australian Governments' Health Council agreement on principles and key priorities action areas <sup>12</sup> were agreed on 24 March 2017.  Proposals from States and Territories were received and considered, with project agreements due to be executed in mid-2017.	Assist States and Territories to improve administration efficiency, sponsorship engagement, recruitment and start-up times by streamlining their clinical trial systems.  Monitor State and Territory system redesign agendas as per project agreements.	As per 2017-18.

<sup>10</sup> Further information available at: [www.innovation.gov.au/page/biomedical-translation-fund](http://www.innovation.gov.au/page/biomedical-translation-fund)

<sup>11</sup> Further information available at: [www.business.gov.au/assistance/biomedical-translation-fund](http://www.business.gov.au/assistance/biomedical-translation-fund)

<sup>12</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/mr-yr17-dept-dept005.htm](http://www.health.gov.au/internet/main/publishing.nsf/Content/mr-yr17-dept-dept005.htm)

<b>C. Improving access to organ, tissue and Haemopoietic Progenitor Cell transplants and blood and blood products for life saving treatments</b>		
<b>Improve access to Haemopoietic Progenitor Cells<sup>13</sup> for Australian patients requiring a Haemopoietic Progenitor Cell transplant for agreed therapeutic purposes.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Continued to administer Haemopoietic Progenitor Cell programs that provide financial assistance and affordable access for patients requiring life-saving Haemopoietic Progenitor Cell transplants.</p> <p>The Department worked with States and Territories to provide the National Cord Blood Collection Network review report to key stakeholders and accepted written submissions on the report.</p> <p>The Department is on track for the independent review of the Haemopoietic Progenitor Cell sector to be completed with findings provided to the Commonwealth and State and Territory Governments.</p>	<p>In consultation with States and Territories commence the development of a strategic framework for the Haemopoietic Progenitor Cell sector taking into account the findings of the 2016-17 independent review of the Haemopoietic Progenitor Cell sector. The strategic framework will guide future policy decisions for improvements in the Haemopoietic Progenitor Cell transplant sector in Australia.</p>	<p>Work with States and Territories to develop action plans to implement agreed strategic directions in the Haemopoietic Progenitor Cell sector, including funding arrangements and governance structures.</p>

<sup>13</sup> Haemopoietic Progenitor Cells are blood stem cells capable of self-renewal as well as differentiation and maturation into all blood cell types. They can be found in bone marrow, mobilised peripheral blood and umbilical cord blood. Further information, including information about the agreed therapeutic purposes, available at: [www.health.gov.au/internet/main/publishing.nsf/Content/health-organ-bmtransplant.htm](http://www.health.gov.au/internet/main/publishing.nsf/Content/health-organ-bmtransplant.htm)

<b>Ensure access to a safe and secure supply of essential blood and blood products to meet Australia's clinical need through strategic policy and funding contributions.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Under the National Blood Arrangements, continued to work with States and Territories and the National Blood Authority to progress a number of key strategic priority areas under the 2016–18 Jurisdictional Blood Committee's three year strategic plan. Effectively planned and managed the annual blood supply through supporting the implementation of the 2016-17 National Supply Plan and Budget, <sup>14</sup> including management of the Commonwealth's funding contribution and the strategic development and approval of the 2017-18 National Supply Plan and Budget.	Continue working with States and Territories and the National Blood Authority to meet the objectives of the National Blood Agreement <sup>15</sup> through ongoing involvement and contribution to strategic policy development and advice to the Ministerial Council. Effective planning and management of the annual blood supply through supporting the implementation, development and approval of the annual National Supply Plan and Budget, including management of the Commonwealth's funding contribution under the National Blood Agreement.	As per 2017-18.
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>Supporting Living Organ Donors – continuation and expansion</i></li> </ul>		

<sup>14</sup> Further information available at: [www.blood.gov.au/supply-planning](http://www.blood.gov.au/supply-planning)

<sup>15</sup> Further information available at: [www.blood.gov.au/national-blood-agreement](http://www.blood.gov.au/national-blood-agreement)

**Table 2.1.3: Performance Criteria for Program 1.2**

<b>Program 1.2: Health Innovation and Technology</b>		
<p>The Australian Government will lead the way with a digital health system that aims to meet Australia's current and future needs. The aim is to facilitate accurate, safe and secure sharing of information between healthcare providers to provide benefits and efficiencies to the healthcare system overall and deliver safer, better quality healthcare.</p> <p>The Government will continue to own and operate the health and aged care payments system. The Government will invest \$67.3 million to replace the outmoded IT systems supporting health, aged care and related veterans' payments with a new digital payments platform, while ensuring the existing systems continue to operate reliably and effectively.</p> <p>The Department will work with the Australian Digital Health Agency to continue the Government's commitment to improve operation of the My Health Record system, which allows individuals to access and control their own medical history and treatments – such as vaccinations.</p> <p>Following unanimous support by the Council Of Australian Governments for a national rollout of the My Health Record, the Government will invest \$374.2 million over two years to ensure every Australian has a My Health Record, unless they prefer not to. This will support the expanded rollout of the opt-out model to all Australians, and will continue and improve operations of My Health Record, while making it easier for health providers to register for the system. For further information refer to the Australian Digital Health Agency chapter in these Portfolio Budget Statements.</p>		
<b>Delivery</b>		
<p><b>A. Supporting the Government's Digital Health agenda</b></p> <ul style="list-style-type: none"> <li>• Provide timely and well informed policy advice to the Australian Government.</li> <li>• Work with and support the Australian Digital Health Agency by providing policy and legislative advice.</li> <li>• Identify options for a new digital payments platform for the health and aged care payments system.</li> </ul>		
<b>Performance criteria</b>		
<p><b>A. Supporting the Government's Digital Health agenda</b></p>		
<p><b>Support the Minister and the Australian Digital Health Agency to improve health outcomes for Australians through digital health systems.</b></p>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
National digital health governance arrangements, My Health Record system operations and resources successfully transitioned from the Department and the National eHealth Transition Authority to the Australian Digital Health Agency.	Provide high quality, relevant and well-informed research, policy and legal advice, within agreed timeframes, to inform and support the Australian Government's digital health agenda. <sup>16</sup>	As per 2017-18.
<p><b>Material changes to Program 1.2 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• <i>My Health Record – continuation and expansion</i></li> </ul>		

<sup>16</sup> Further information available at: [conversation.digitalhealth.gov.au](http://conversation.digitalhealth.gov.au)

**Table 2.1.4: Performance Criteria for Program 1.3**

<b>Program 1.3: Health Infrastructure</b>		
<p>The Australian Government supports improvements to the health system through strategic investments in health infrastructure, which enable general practices to deliver increased health services and increased opportunities to provide teaching and training for health practitioners.</p> <p>In the 2017-18 Budget, funding of \$68 million will be provided to the South Australian Government to purchase accelerator equipment and treatment rooms to support the establishment of Australia's first Proton Beam Therapy facility for advanced research and treatment of cancer.</p>		
<b>Delivery</b>		
<p><b>A. Improving and investing in health infrastructure</b></p> <ul style="list-style-type: none"> <li>• Work in partnership with general practices to improve and update health infrastructure in rural and regional Australia.</li> <li>• Provide Rural General Practice Grants for existing general practices to strengthen the rural health workforce through additional infrastructure.</li> </ul>		
<b>Performance criteria</b>		
<p><b>A. Improving and investing in health infrastructure</b></p>		
<b>Investment in health infrastructure supports improved health services.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Infrastructure projects have been monitored and expected outcomes have been met.	Monitor infrastructure projects for compliance to demonstrate effective delivery of infrastructure projects which support local services.	As per 2017-18.
<p><b>Material changes to Program 1.3 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• <i>Proton Beam Facility in South Australia</i></li> </ul>		

**Table 2.1.5: Performance Criteria for Program 1.4**

<b>Program 1.4: Health Peak and Advisory Bodies</b>		
The Australian Government will enable national health peak and advisory bodies to contribute to the national health agenda by supporting communication and consultation activities and the provision of expert, evidence-based and impartial advice to inform the development of health policies and programs.		
<b>Delivery</b>		
<b>A. Engaging with the health sector to communicate and facilitate the development of informed health policy</b> <ul style="list-style-type: none"> <li>Support national peak organisations to consult with their members, the wider health sector and the community on health policy and program matters.</li> <li>Support national peak organisations to share information about particular health matters, including Australian Government health policies and programs, with their members, the health sector and the community.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Engaging with the health sector to communicate and facilitate the development of informed health policy</b>		
<b>Successfully harness the health sector to share information relating to the Australian Government's health agenda.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The Department maintained agreements with health-related national peak and advisory bodies to disseminate information and provide advice on health issues, which were considered when health policies and programs were developed.	Maintain agreements with health-related national peak and advisory bodies in order to harness input into the Australian Government's health agenda, through information sharing and relevant, well-informed advice.	As per 2017-18.
<b>Material changes to Program 1.4 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 1.4 resulting from measures.</li> </ul>		

**Table 2.1.6: Performance Criteria for Program 1.5**

<b>Program 1.5: International Policy</b>		
The Australian Government will pursue Australia's health interests through multilateral engagements, country-to-country partnerships and analysis of international best practice.		
<b>Delivery</b>		
<b>A. Engaging internationally on health issues</b> <ul style="list-style-type: none"> <li>Continue to monitor developments in international best practice, including through collaboration with Commonwealth and State and Territory government agencies and other partners.</li> <li>Capitalise on Australia's membership in multilateral institutions and in regional collaborative settings to advance Australia's international health priorities.</li> <li>Seek out opportunities, through international engagement, to lead and shape Australia's health and aged care systems and sporting outcomes.</li> <li>Develop and forge new bilateral relationships with target countries.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Engaging internationally on health issues</b>		
<b>Australia's health system integrates evidence-based international norms and standards and remains at the forefront of international best practice.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The Department actively engaged internationally to protect the health of Australians and advance Australian interests. Significant fora included the: <ul style="list-style-type: none"> <li>World Health Organization Western Pacific Regional Committee meeting;</li> <li>Organisation for Economic Co-operation and Development Ministerial meeting and Health Committee;<sup>17</sup></li> <li>Asia-Pacific Economic Cooperation Senior Officials Meetings;<sup>18</sup> and</li> <li>Commonwealth Fund International Symposium.</li> </ul>	Australia's engagement and active participation at the World Health Organization, the Organisation for Economic Co-operation and Development Health Committee and Asia-Pacific Economic Cooperation Health Working Group contributes to development and adoption of international best practice, improved governance and focus on identifying and responding to global health security threats.	As per 2017-18.

<sup>17</sup> Further information available at: [www.oecd.org/health/ministerial/ministerial-statement-2017.pdf](http://www.oecd.org/health/ministerial/ministerial-statement-2017.pdf)

<sup>18</sup> Further information available at: [www.apec.org/About-Us/How-APEC-Operates/Working-Level](http://www.apec.org/About-Us/How-APEC-Operates/Working-Level)

<b>Australia's relationships with key countries are strengthened and its interests in health are supported.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>The Department has worked to strengthen and invigorate long standing relationships as well as build new relationships with emerging countries in the Western Pacific region.</p> <p>A health cooperation Memorandum of Understanding between Australia and the United States was signed in January 2017. India-Australia and Germany-Australia Memoranda of Understanding were completed in April and May respectively. The Memoranda of Understanding provide platforms to form strategic partnerships on new health related technologies and to continue dialogue on managing global health challenges.</p>	<p>Departmental representatives actively promote international cooperation on a case-by-case basis to build relationships, encourage information exchanges and support capacity building to protect the health of Australians and others in the Western Pacific region.</p> <p>Work with the World Health Organization Western Pacific Regional Office to host the sixty-eighth session of the World Health Organization Regional Committee for the Western Pacific in October 2017.</p>	<p>As per 2017-18.</p>
<p><b>Material changes to Program 1.5 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• There are no material changes to Program 1.5 resulting from measures.</li> </ul>		

## 2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 2

### Outcome 2: Health Access and Support Services

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

Outcome 2

### Programs Contributing to Outcome 2

- Program 2.1: Mental Health**
- Program 2.2: Aboriginal and Torres Strait Islander Health**
- Program 2.3: Health Workforce**
- Program 2.4: Preventive Health and Chronic Disease Support**
- Program 2.5: Primary Health Care Quality and Coordination**
- Program 2.6: Primary Care Practice Incentives**
- Program 2.7: Hospital Services**

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 2

##### Cancer Australia<sup>1</sup>

##### Program 1.1: Improved Cancer Control

Cancer Australia provides national leadership in cancer control and works with the Department of Health to improve the detection, treatment and survival outcomes for people with cancer (2.4).

##### Department of Human Services

##### Program 1.2: Services to the Community – Health

The Department of Human Services administers payments and services to eligible recipients under the following programs/initiatives administered by the Department of Health, to contribute to the Government's objectives within this Outcome:

- Indigenous access to the Pharmaceutical Benefits Scheme (2.2)
- General Practice Rural Incentives Program (2.3)
- Practice Nurse Incentive Program (2.3)
- Rural Procedural Grants Program (2.3)
- Scaling of Rural Workforce Program (2.3)
- Support cervical cancer screening (2.4)
- Health Care Homes Program (2.5 and 2.6)
- Incentive payments to general practices, GPs and Indigenous health services (2.6).

In addition, the Department of Human Services administers the National Bowel Cancer Screening Register (2.4).

<sup>1</sup> Refer to the Cancer Australia chapter in these Portfolio Budget Statements for further information on the work of this entity.

<p><b>Department of Immigration and Border Protection</b></p> <p><b>Program 2.4: Refugee and Humanitarian Assistance</b></p> <p>The Department of Immigration and Border Protection facilitates access to health and support services by determining annual client numbers for the Program of Assistance for Survivors of Torture and Trauma (2.1).</p>
<p><b>Department of Industry, Innovation and Science</b></p> <p><b>Program 3: Program Support</b></p> <p>Through the National Measurement Institute, the Department of Industry, Innovation and Science contributes to reducing smoking prevalence in Australia by conducting tobacco plain packaging compliance and enforcement activities (2.4).</p>
<p><b>Department of the Prime Minister and Cabinet</b></p> <p><b>Program 2.3: Safety and Wellbeing</b></p> <p>The Department of the Prime Minister and Cabinet works closely with the Department of Health to ensure the effectiveness of Indigenous health funding, and that mainstream policy, programs and services deliver benefits to Indigenous Australians (2.2).</p>
<p><b>Department of Social Services</b></p> <p><b>Program 3.1: Disability, Mental Health and Carers</b></p> <p><b>Program 3.2: National Disability Insurance Scheme</b></p> <p>The Department of Social Services contributes to improving access to services and supports for people with psychosocial disability through implementation of the National Disability Insurance Scheme and the provision of mental health services (2.1).</p>
<p><b>Department of Veterans' Affairs</b></p> <p><b>Program 2.1: General Medical Consultations and Services</b></p> <p>The Department of Veterans' Affairs (DVA) contributes to the Government's objectives for the Practice Nurse Incentive Program. Practices eligible for this program that provide GP services to the DVA gold card holders are eligible for an annual payment for each veteran. These practices are identified by Department of Human Services (2.3).</p>
<p><b>Food Standards Australia New Zealand<sup>2</sup></b></p> <p><b>Program 1.1: Food regulatory activity and services to the Minister and Parliament</b></p> <p>Food Standards Australia New Zealand (FSANZ) contributes to the protection of public health and safety by developing food standards for implementation by the States and Territories. FSANZ also coordinates national food surveillance and recall activities to minimise the risk of adverse health events from food (2.4).</p>
<p><b>Independent Hospital Pricing Authority<sup>3</sup></b></p> <p><b>Program 1.1: Public hospital price determinations</b></p> <p>The Independent Hospital Pricing Authority determines the National Efficient Price for public hospital services, as the basis for Activity Based Funding and the National Efficient Cost for those public hospital services under block funding arrangements (2.7).</p>

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<sup>2</sup> Refer to the Food Standards Australia New Zealand chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>3</sup> Refer to the Independent Hospital Pricing Authority chapter in these Portfolio Budget Statements for further information on the work of this entity.

**National Health Funding Body<sup>4</sup>**

**Program 1.1: National Health Funding Pool Administration**

The National Health Funding Body is responsible for the transparent and efficient administration of Commonwealth, State and Territory funding of public hospital services. This includes the administration of payments to and from the National Health Funding Pool to Local Hospital Networks and other parties in accordance with the National Health Reform Agreement. Commonwealth funding is provided by the Treasury (2.7).

**National Mental Health Commission<sup>5</sup>**

**Program 1.1: National Mental Health Commission**

The National Mental Health Commission (NMHC) provides insight, advice and evidence on ways to improve Australia's mental health and suicide prevention systems. The NMHC also acts as a catalyst for change to achieve these improvements (2.1).

**The Treasury**

**Program 1.9: National Partnership Payments to the States**

The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.<sup>6</sup> Activities funded through the following National Partnership Agreements contribute to the Government's objectives within this Outcome:

- Suicide Prevention (2.1)
- Improving trachoma control services for Indigenous Australians (2.2)
- Rheumatic Fever Strategy (2.2)
- Northern Territory remote Aboriginal investment (2.2)
- Expansion of the BreastScreen Australia Program (2.4)
- National Bowel Cancer Screening Program – participant follow-up function (2.4)
- Victorian Cytology Service (2.4)
- Hummingbird House (2.4)
- National Coronial Information System (2.4)
- Additional assistance for public hospitals (2.7)
- Subacute and acute projects (2.7)
- Mersey Community Hospital (Missiondale Recovery Centre and palliative care services in Tasmania) (2.7).

<sup>4</sup> Refer to the National Health Funding Body chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>5</sup> Refer to the National Mental Health Commission chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>6</sup> For Budget estimates relating to the National Partnership component of the program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

**Table 2.2.1: Budgeted Expenses for Outcome 2**

Table 2.2.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 2.1: Mental Health <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	711,603	777,669	831,177	589,552	573,702
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	22,933	22,137	21,417	21,192	21,150
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	1,360	406	508	430	430
<b>Total for Program 2.1</b>	<b>735,896</b>	<b>800,212</b>	<b>853,102</b>	<b>611,175</b>	<b>595,283</b>
<b>Program 2.2: Aboriginal and Torres Strait Islander Health <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	780,207	865,806	879,264	915,589	952,530
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	41,497	39,577	39,583	39,172	39,095
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	3,231	709	887	751	751
<b>Total for Program 2.2</b>	<b>824,935</b>	<b>906,092</b>	<b>919,734</b>	<b>955,512</b>	<b>992,376</b>
<b>Program 2.3: Health Workforce</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	1,292,030	1,302,695	1,270,760	1,261,954	1,312,297
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	34,686	33,024	32,984	32,656	31,305
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	1,714	586	733	620	620
<b>Total for Program 2.3</b>	<b>1,328,430</b>	<b>1,336,305</b>	<b>1,304,477</b>	<b>1,295,230</b>	<b>1,344,222</b>
<b>Program 2.4: Preventative Health and Chronic Disease <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	384,973	414,546	377,731	380,528	384,264
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	37,102	34,857	34,810	34,448	34,381
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	3,507	625	782	662	662
<b>Total for Program 2.4</b>	<b>425,582</b>	<b>450,028</b>	<b>413,323</b>	<b>415,638</b>	<b>419,307</b>

**Table 2.2.1: Budgeted Expenses for Outcome 2 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 2.5: Primary Health Care Quality and Coordination</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	405,076	405,000	435,518	332,367	309,494
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	18,784	17,438	17,445	17,139	17,105
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	1,178	320	400	338	338
<b>Total for Program 2.5</b>	<b>425,038</b>	<b>422,758</b>	<b>453,363</b>	<b>349,844</b>	<b>326,937</b>
<b>Program 2.6: Primary Care Practice Incentives</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	372,977	352,063	365,670	365,736	371,221
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	2,134	2,034	2,031	2,011	2,008
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	103	36	45	38	38
<b>Total for Program 2.6</b>	<b>375,214</b>	<b>354,133</b>	<b>367,746</b>	<b>367,785</b>	<b>373,267</b>
<b>Program 2.7: Hospital Services <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	92,534	14,474	14,832	14,968	16,056
Non cash expenses <sup>(e)</sup>	33,197	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	27,726	28,535	27,531	25,546	25,542
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	3,821	3,755	4,696	3,973	3,973
<b>Total for Program 2.7</b>	<b>157,278</b>	<b>46,764</b>	<b>47,059</b>	<b>44,487</b>	<b>45,571</b>

**Table 2.2.1: Budgeted Expenses for Outcome 2 (continued)**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward Year 1 \$'000</b>	<b>2019-20 Forward Year 2 \$'000</b>	<b>2020-21 Forward Year 3 \$'000</b>
<b>Outcome 2 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	4,039,400	4,132,253	4,174,952	3,860,694	3,919,564
Non cash expenses <sup>(e)</sup>	33,197	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	184,862	177,602	175,801	172,165	170,587
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	14,914	6,437	8,051	6,812	6,812
<b>Total expenses for Outcome 2</b>	<b>4,272,373</b>	<b>4,316,292</b>	<b>4,358,804</b>	<b>4,039,671</b>	<b>4,096,963</b>

	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	1,037	970

- (a) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.
- (b) Appropriation (Bill No. 1) 2017-18.
- (c) Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.
- (d) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.
- (e) Non cash expenses' relates to the depreciation and sales of land and buildings.

### Movement of Funds

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward Year 1 \$'000</b>	<b>2019-20 Forward Year 2 \$'000</b>	<b>2020-21 Forward Year 3 \$'000</b>
<b>Movement of administered funds between years for Outcome 2</b>					
Program 2.4: Preventive Health and Chronic Disease Support	(6,048)	6,048	-	-	-
<b>Total movement of funds</b>	<b>(6,048)</b>	<b>6,048</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Planned Performance for Outcome 2

Tables 2.2.2 – 2.2.8 below detail the performance criteria for each program associated with Outcome 2. These tables also summarise how each program is delivered and where 2017-18 Budget measures have materially changed existing programs.

**Table 2.2.2: Performance Criteria for Program 2.1**

Purpose
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Outcome 2: Health Access and Support Services
Support for sustainable funding for public hospital services and improved access to high quality, comprehensive and coordinated preventive, primary and mental health care for all Australians, with a focus on those with complex health care needs and those living in regional, rural and remote areas, including through access to a skilled health workforce
Program 2.1: Mental Health
<p>The Australian Government is committed to supporting Australians with, or at risk of, mental illness and improving service integration in order to develop a more effective mental health system. Through the implementation of mental health reforms under the 2016-17 Mid-Year Economic and Fiscal Outlook <i>Strengthening mental health care in Australia</i> measure, the Government will transform Commonwealth mental health funding and provide leadership to achieve a more efficient, integrated and sustainable mental health system.</p> <p>In 2017-18, the Government will provide \$11.1 million over three years to support the prevention of suicide in areas and specific locations – hotspots – where suicide incidents repeatedly occur. Funding will deliver initiatives, such as signage to encourage people to seek help, building the capacity of existing crisis line services, as well as a National Partnership Agreement, which will support States and Territories to deliver small infrastructure projects, such as fencing and surveillance to deter people from attempting suicide.</p> <p>In addition, the Government will commit \$80 million over four years for community mental health services to assist people with severe mental illness resulting in psychosocial disability who are not eligible for assistance through the National Disability Insurance Scheme. Services will be facilitated through Primary Health Networks to enable a regionally-focused, stepped care approach, improving coordination and integrated care for individuals with psychosocial disabilities. The additional Commonwealth investment will be delivered once an agreement has been reached with appropriate commitments from each State and Territory. Building on the national mental health reforms, the Government will invest \$15 million over two years to support mental health research within Australia. The funding will contribute to infrastructure and research targeted at improving early intervention and treatment for people with mental illness, recognising the link between mental health and physical health and wellbeing. Specifically, this investment provides:</p> <ul style="list-style-type: none"> <li>• \$5 million to Orygen in Melbourne, the National Centre of Excellence in Youth Mental Health, to help build an integrated healthcare and translational research facility.</li> <li>• \$5 million to the Black Dog Institute to support, in collaboration with the Hunter Institute, the translation of research findings into improved and innovative service delivery for people with anxiety and depression.</li> <li>• \$5 million to the Sunshine Coast Mind and Neuroscience – Thompson Institute for research in young people with major mood or psychiatric disorders and in suicide prevention.</li> </ul>

Delivery		
<b>A. Supporting people with mental illness through more and better coordinated services</b> <ul style="list-style-type: none"> <li>Plan, integrate and commission a regional approach, led by Primary Health Networks, to mental health services at a local level, in partnership with relevant services through a new flexible primary mental health care funding pool.</li> <li>Establish 'Head to Health', a digital mental health gateway aimed at giving Australians easy access, through multiple channels (website, social media and telephone), to high quality mental health advice and resources when and where they need them.</li> <li>Design and deliver primary mental health care programs to support a stepped care model that reflects the different levels of care needed by consumers.</li> <li>Continue to work with State and Territory Governments to ensure effective transition of eligible clients to the National Disability Insurance Scheme for people with severe and complex mental illness.</li> </ul>		
Performance criteria		
<b>A. Supporting people with mental illness through more and better coordinated services</b>		
<b>Improve mental health care through implementation of reforms under the <i>Strengthening mental health care in Australia</i> measure to achieve a more efficient, integrated and sustainable mental health system.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
<p>Transition of regionally delivered mental health and suicide prevention programs to the Primary Health Network funding pool commenced on 1 July 2016.</p> <p>Consultation with the digital mental health sector in the design, development and delivery of the Digital Gateway 'Head to Health' is ongoing.</p>	<p>Supporting Primary Health Networks, service providers, and mental health stakeholders to facilitate delivery on mental health reforms through:</p> <ul style="list-style-type: none"> <li>Development of Stage 1 of the Digital Gateway 'Head to Health'.</li> <li>Delivery of the Fifth Mental Health Plan by 30 September 2017.</li> <li>Development of Primary Health Network regional mental health and suicide prevention plans by 31 March 2018.</li> <li>Complete the implementation of the commitment to strengthen the National Mental Health Commission.</li> </ul>	<p>Supporting Primary Health Networks, service providers, and mental health stakeholders to continue to deliver on mental health reforms through:</p> <ul style="list-style-type: none"> <li>Ongoing monitoring of progress of Primary Health Network commissioning of mental health services.</li> <li>Delivery of enhancements to the Digital Gateway 'Head to Health'.</li> <li>Transition of Partners in Recovery and Day to Day Living Programs into the National Disability Insurance Scheme.</li> </ul>
<b>Material changes to Program 2.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>Prioritising Mental Health – Psychosocial Support Services – funding</i></li> <li><i>National Disability Insurance Scheme – finalisation of transition arrangements</i></li> </ul>		

**Table 2.2.3: Performance Criteria for Program 2.2**

Program 2.2: Aboriginal and Torres Strait Islander Health
<p>The Australian Government will continue delivery of high quality essential health services to Aboriginal and Torres Strait Islander peoples, and respond to new and emerging health needs. In 2017-18, the Department will continue to focus on activities that support the Aboriginal and Torres Strait Islander Health Plan (2013–2023), including development of Domain Seven of the Implementation Plan: the Social and Cultural Determinants of Health, to be incorporated into the revised Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (2018–2023) in 2018.</p> <p>In 2017-18, the Government will commit \$18.8 million (\$11.2 million has already been provisioned by Government) over four years to strengthen and expand the Australian Government's Rheumatic Fever Strategy, continuing to protect Aboriginal and Torres Strait Islander communities at risk of acute rheumatic fever and rheumatic heart disease.</p>
Delivery
<p><b>A. Supporting access to high quality essential health services for Aboriginal and Torres Strait Islander peoples</b></p> <ul style="list-style-type: none"> <li>• Implement a funding model for Indigenous primary health care that will increase transparency, reward outcomes and target health need.</li> <li>• Prioritise investment in child and family health through innovative and multi-disciplinary models of care.</li> <li>• Work across portfolios to improve integration of services across child and family health and early childhood services to support wellbeing and development from birth to school.</li> <li>• Maintain investment in activities that tackle Indigenous smoking rates and embed gains made to date.</li> <li>• Trial innovative and culturally appropriate approaches to prevent cancer and to improve obesity-related health behaviours among Indigenous Australians.</li> <li>• Work with the Aboriginal Community Controlled Health Sector and peak bodies and other Aboriginal and Torres Strait Islander stakeholders to access community voices and expertise in policy and program design and evaluation.</li> <li>• Consult with Aboriginal and Torres Strait Islander youth (12–24 year olds) on the design and implementation of the policies and programs that affect them.</li> </ul>

Performance criteria				
A. Supporting access to high quality essential health services for Aboriginal and Torres Strait Islander peoples				
Improve health outcomes of Aboriginal and Torres Strait Islander peoples through implementing actions under the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan 2013–2023. <sup>7</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Established Advisory Group to monitor Implementation Plan progress. Commenced work towards achieving the deliverables and goals for 2018 as specified in the Implementation Plan (2013–2018).	Undertake actions to inform and complete the drafting of the next iteration of the Implementation Plan (2018–2023). Assess progress against the deliverables and goals for 2018 as specified in the Implementation Plan.	Release revised iteration of the Implementation Plan in 2018. Commence work towards achieving the identified deliverables and goals for 2023 as specified in the Implementation Plan.		
Reduce the rate difference of child 0-4 mortality rate per 100,000 between Aboriginal and Torres Strait Islander peoples and non-Aboriginal and Torres Strait Islander people. <sup>8,9</sup>				
a. Rate difference.				
b. Aboriginal and Torres Strait Islander.				
c. Non-Aboriginal and Torres Strait Islander.				
2015 Target <sup>10</sup>	2016 Target	2017 Target	2018 Target	2019 Target
a. 23–76	19–70	16–65	12–59	N/A <sup>11</sup>
b. 107–158	101–151	95–143	89–135	N/A
c. 78–89	78–86	74–84	72–82	N/A
Estimated result				
a. 88.6				
b. 163.6				
c. 75.0				

<sup>7</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/indigenous-implementation-plan](http://www.health.gov.au/internet/main/publishing.nsf/Content/indigenous-implementation-plan)

<sup>8</sup> Further information available at: [www.closingthegap.pmc.gov.au](http://www.closingthegap.pmc.gov.au)

<sup>9</sup> Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander rates are contextual data and are listed to provide a comparison.

<sup>10</sup> This measure is reported on a calendar-year basis.

<sup>11</sup> This target is linked to the *Closing the Gap* child mortality target, which ends prior to 2019.

<b>Reduce the rate difference of chronic disease related mortality rate per 100,000 between Aboriginal and Torres Strait Islander peoples and non-Aboriginal and Torres Strait Islander people.<sup>12</sup></b> <b>a. Rate difference.</b> <b>b. Aboriginal and Torres Strait Islander.</b> <b>c. Non-Aboriginal and Torres Strait Islander.</b>				
<b>2015 Target<sup>13</sup></b>	<b>2016 Target</b>	<b>2017 Target</b>	<b>2018 Target</b>	<b>2019 Target</b>
a. 185–222	173–209	161–195	148–182	136–169
b. 614–650	593–628	572–606	551–584	530–562
c. 426–431	417–424	409–414	400–405	391–396
<b>Estimated result</b>				
a. 325.6				
b. 774.4				
c. 448.8				
<b>Increase the percentage of Aboriginal and/or Torres Strait Islander clients with type 2 diabetes who have had a blood pressure measurement result recorded within the previous 6 months.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
On track to meet 60–65%.	60–65%	60–65%	65–70%	65–70%
<b>Material changes to Program 2.2 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>National Partnership Agreement on Rheumatic Fever Strategy – continuation and expansion</i></li> </ul>				

<sup>12</sup> Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander rates are contextual data and are listed to provide a comparison.

<sup>13</sup> This measure is reported on a calendar-year basis.

**Table 2.2.4: Performance Criteria for Program 2.3**

<b>Program 2.3: Health Workforce</b>				
The Australian Government aims to ensure that Australia has the workforce necessary to meet the needs of a sustainable health system. The Government is continuing to address workforce distribution by better targeting and refocussing investment in workforce support and training, with a focus on improving access in regional, rural and remote areas.				
<b>Delivery</b>				
<b>A. Increasing the capacity and effectiveness of the health workforce and improving access to health services for rural Australians</b> <ul style="list-style-type: none"> <li>• Support distribution of the workforce in regional, rural and remote areas through training programs such as the Rural Health Multidisciplinary Training Program.</li> <li>• Provide training programs to develop a workforce that will provide high quality services and meet community need, through programs such as the Specialist Training Program and the Australian General Practice Training Program.</li> <li>• Continue to monitor participation in the Medical Rural Bonded Scholarship and Bonded Medical Places Schemes.</li> <li>• Continue to fund the Royal Flying Doctor Service and the Rural Health Outreach Fund to provide health services in regional, rural and remote Australia.</li> </ul>				
<b>Performance criteria</b>				
<b>A. Increasing the capacity and effectiveness of the health workforce and improving access to health services for rural Australians</b> <p>Effective investment in long-term education and training initiatives assists to develop a health workforce that will provide safe, high quality services to meet community need.</p> <ol style="list-style-type: none"> <li>Maintain the number of medical and multidisciplinary rural placement weeks delivered through the Rural Health Multidisciplinary Training Program.</li> <li>Establish and maintain the number of training posts for specialist registrars working in expanded health care settings through the Specialist Training Program.</li> <li>Maintain the annual intake of general practice registrars in the Australian General Practice Training Program.</li> <li>Work with Regional Training Organisations to help registrars gain fellowship from the Royal Australian College of General Practitioners and/or the Australian College of Rural and Remote Medicine.<sup>14</sup></li> </ol>				
2017 Estimated result	2018 Target	2019 Target	2020 Target	2021 Target
a. 70,000	75,000	75,000	75,000	75,000
b. 950	1,077 <sup>15</sup>	1,057	1,057	1,057
c. 1,500	1,500	1,500	1,500	1,500
d. 900	920	940	950	950

<sup>14</sup> Target assumes an ongoing intake of 1,500 registrars per year, and that fellowship requirements, which are outside the scope of the Department, remain unchanged.

<sup>15</sup> From 2018, the Specialist Training Program will be merged with the Emergency Medicine Program. The target from 2018 includes transferred emergency medicine places.

<p><b>Improve the distribution of the medical workforce through the delivery of major health workforce education and training initiatives.</b></p> <p>a. Increase the selection of students with a rural background accepted into medical degree courses at universities participating in the Rural Health Multidisciplinary Training Program.</p> <p>b. Expand the proportion of Specialist Training Program activity provided in rural areas to provide immediate services to rural communities and help attract the next generation of medical specialists to work in these areas.</p> <p>c. Maintain the level of training for general practice registrars delivered in rural areas through the Australian General Practice Training Program.<sup>16</sup></p>				
2017 Estimated result	2018 Target	2019 Target	2020 Target	2021 Target
a. 25%	26%	28%	30%	30%
b. 39%	40%	42%	45%	45%
c. 50%	50%	50%	50%	50%
<p><b>Support access to health care services in rural communities through the Rural Health Outreach Fund.</b></p> <p>a. Number of communities receiving outreach services through the Rural Health Outreach Fund.</p> <p>b. Number of patient contacts delivered through the Rural Health Outreach Fund.<sup>17</sup></p>				
2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 375	450	450	475	475
b. 163,000	195,000	195,000	200,000	200,000
<b>Estimated result</b>				
a. 480				
b. 215,000				
<p><b>Material changes to Program 2.3 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>There are no material changes to Program 2.3 resulting from measures.</li> </ul>				

<sup>16</sup> The national target is calculated using the Australian Standard Geographical Classification – Remoteness Area system, as the proportion of all full-time equivalent training weeks delivered outside major cities (ASGC-RA1).

<sup>17</sup> This represents the number of patient contacts, not the number of individual patients.

**Table 2.2.5: Performance Criteria for Program 2.4**

Program 2.4: Preventive Health and Chronic Disease Support
<p>The Australian Government aims to improve the health and wellbeing of Australians and to reduce preventable mortality and morbidity caused by chronic disease, substance misuse and other risk factors (such as tobacco use and dietary risks). This will be achieved through evidence-based promotion of healthy lifestyles and good nutrition, early detection of cancer and other lifestyle limiting conditions, and through the implementation of strategies to reduce illegal drug use, tobacco use, the misuse of other legal drugs and harmful levels of alcohol consumption. Ongoing tobacco interventions are critical to ensuring that the prevalence of smoking in Australia continues to decline.</p> <p>In 2017-18, the Government will provide \$10 million to the Heart Foundation for the Prime Minister's Walk for Life Challenge. This will improve community participation in, and raise community awareness of, the value of physical activity and its role in preventing chronic disease. The Challenge will increase access to walking and other programs run by the Heart Foundation, including for children in schools, and promote innovative uses of technology to support increased physical activity. In addition, the Government will provide \$5 million over four years to the Royal Australian College of General Practitioners for general practitioners to support Australians to achieve a healthy lifestyle through increased physical activity and better nutrition.</p> <p>It is estimated that in 2017, breast cancer will become the most commonly diagnosed cancer. Funding of \$64.3 million over four years will continue existing arrangements for women aged 70 to 74 years to participate in the BreastScreen Australia Program, which provides free mammograms to screen for the early detection of breast cancer. The measure complements the BreastScreen Australia services already provided under the National Healthcare Agreement targeting women aged 50 to 69.</p> <p>The Government will also provide an additional \$41.6 million over four years to extend an agreement with the Victorian Government to continue research and quality services delivered by the Victorian Cytology Service for cervical cancer.</p> <p>Prostate cancer is the most common form of cancer affecting Australian men (excluding non-melanoma skin cancer). In 2017, it is estimated that over 16,000 men will be diagnosed with the disease. The Government will spend \$5.9 million over three years to expand the current Prostate Cancer Nurse program to fund up to 14 additional prostate cancer nurses across Australia to support men with prostate cancer, bringing the total number from 14 up to 28.</p>

**Delivery**

**A. Improving public health and reducing the incidence of chronic disease and complications through promoting healthier lifestyles**

- Develop a reporting framework for the National Strategic Framework for Chronic Conditions (the Framework) which is the overarching policy for the prevention and management of chronic conditions in Australia. The Framework guides the development and implementation of policies, strategies, actions and services to address chronic conditions and improve health outcomes.
- Operationalise the goals of the *Australian National Diabetes Strategy 2016-2020* through the development of an Implementation Plan. The Plan will guide Commonwealth and State and Territory Government planning for diabetes prevention and management by identifying priority actions and initiatives to ensure consistency and reduce duplication of effort and investment.

**B. Supporting the development of preventive health initiatives**

- Encourage and enable Australians to be physically active and consume a healthy diet through the Healthy Food Partnership (the Partnership), which aims to improve the nutrition of all Australians by making healthier food choices easier and more accessible and by raising awareness of better food choices and portion sizes through programs such as the Health Star Ratings system and the Australian Guide to Healthy Eating.
- Encourage food reformulation in processed foods to enable consumers to have healthier food choices through the Reformulation Working Group.
- Continue the physical activity media campaign for girls and young women, '*Girls Make Your Move*', which is about inspiring, energising and empowering young women and girls aged 12–19 years, with a focus on those aged 15–18 years.

**C. Improving early detection, treatment and survival outcomes for people with cancer and supporting access to palliative care services**

- Continue to actively invite Australians to participate in cancer screening programs such as the National Bowel Cancer Screening Program, the National Cervical Screening Program, and the BreastScreen Australia Program, which increases the chances of detecting cancer early and saving more lives.
- Implement a single National Cancer Screening Register that will be fundamental in supporting the renewal of the National Cervical Screening Program, and the expansion of the National Bowel Cancer Screening Program. The transition to a National Cancer Screening Register will be a key step towards connecting the health system and deliver capability that can be used for future screening programs.
- Continue to work with State and Territory Governments to implement the Medical Services Advisory Committee's recommendation to replace the current two yearly pap test with a five yearly Human Papillomavirus test.
- Support the provision of high quality palliative care in Australia through workforce development, quality improvement and data development activities and supporting advance care planning.

**D. Reducing the harmful effects of tobacco use**

- Support the implementation of the National Tobacco Campaign to focus on high prevalence groups, including Aboriginal and Torres Strait Islander peoples, people from disadvantaged backgrounds and people in rural, regional and remote areas.
- Evaluate the current mandated health warnings on tobacco products to inform the Government on the effectiveness of graphic health warnings on tobacco product packaging.

<b>E. Preventing and reducing harm to individuals and communities from alcohol, tobacco and other drugs</b> <ul style="list-style-type: none"> <li>Finalise and implement the National Drug Strategy and the National Alcohol Strategy to provide national frameworks for building safe, healthy and resilient Australian communities through preventing and minimising alcohol, tobacco and other drug related health, social and economic harms among individuals, families and communities.</li> <li>Ongoing implementation of activities under the National Ice Action Strategy, which provides education, prevention, treatment, support and community engagement.</li> <li>Continue to implement the 2016-17 Budget measure <i>Taking More Action to Prevent Fetal Alcohol Spectrum Disorders</i> through delivery of projects to raise awareness, improve diagnosis, and support families and individuals impacted by Fetal Alcohol Spectrum Disorders.</li> <li>Coordinate Australia's engagement on international illicit drug issues, including our obligations under various international drug treaties.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Improving public health and reducing the incidence of chronic disease and complications through promoting healthier lifestyles</b>		
<b>Provide national guidance to States and Territories, and health professionals, on and through the development and implementation of initiatives to reduce the prevalence of chronic conditions and associated complications.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Endorsement and release of the National Strategic Framework for Chronic Conditions. Development of the National Asthma Strategy. Development of the National Diabetes Strategy Implementation Plan. Development of the Australian National Breastfeeding Strategy (including a performance monitoring framework) in partnership with jurisdictions.	Release of the National Diabetes Strategy Implementation Plan. Development of a reporting framework for the National Strategic Framework for Chronic Conditions. Submission of the Australian National Breastfeeding Strategy for the Australian Health Ministers' Advisory Council and Council of Australian Governments' Health Council approval by the end of 2017.	Release of reporting framework for the National Strategic Framework for Chronic Conditions. Implement Commonwealth responsibilities under the National Diabetes Strategy Implementation Plan. Implement Commonwealth responsibilities under the Australian National Breastfeeding Strategy. Establish processes to implement a performance monitoring and review framework for the Australian National Breastfeeding Strategy.

<b>B. Supporting the development of preventive health initiatives</b>		
<b>Provide national leadership to support people to make informed decisions and healthy lifestyle choices.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Continued industry uptake of the Health Star Rating System. 115 businesses displayed Health Star Ratings on 5,500 products. Encouraged collaboration between Government, food industry bodies and public health groups through the Healthy Food Partnership Working Groups.	Increase in the number of businesses adopting the Health Star Rating System and an increase in products displaying Health Star Ratings. Encourage collaboration between Government, food industry bodies and public health groups through the Healthy Food Partnership Working Groups, including the Portion Size and Reformulation Working Groups, to empower food manufacturers to make positive changes. <i>Provide support to general practitioners to encourage their patients to achieve a healthy lifestyle through increased physical activity and better nutrition, through the Healthy Heart Initiative.</i>	As per 2017-18. A five year review of the Health Star Rating System and adoption of recommendations to be completed in 2019-20.

<b>C. Improving early detection, treatment and survival outcomes for people with cancer and supporting access to palliative care services</b>				
<b>Increase the percentage of people participating in the National Bowel Cancer Screening Program.<sup>18</sup></b>				
<b>Jan 2016 – Dec 2017 Estimated result<sup>19</sup></b>	<b>Jan 2017 – Dec 2018 Target</b>	<b>Jan 2018 – Dec 2019 Target</b>	<b>Jan 2019 – Dec 2020 Target</b>	<b>Jan 2020 – Dec 2021 Target</b>
38.9% <sup>20</sup>	48.1%	53.1%	56.6%	56.6%
<b>Maintain the percentage of women 50–74 years of age participating in BreastScreen Australia.<sup>21</sup></b>				
<b>Jan 2016 – Dec 2017 Estimated result<sup>22</sup></b>	<b>Jan 2017 – Dec 2018 Target</b>	<b>Jan 2018 – Dec 2019 Target</b>	<b>Jan 2019 – Dec 2020 Target</b>	<b>Jan 2020 – Dec 2021 Target</b>
54%	54%	54%	54%	54%
<b>Maintain the percentage of women in the target age group (20–69 years) participating in the National Cervical Screening Program.<sup>23,24</sup></b>				
<b>Jan 2016 – Dec 2017 Estimated result<sup>25</sup></b>	<b>Jan 2017 – Dec 2018 Target</b>	<b>Jan 2018 – Dec 2019 Target</b>	<b>Jan 2019 – Dec 2020 Target</b>	<b>Jan 2020 – Dec 2021 Target</b>
57%	57%	57%	57%	57%

<sup>18</sup> Participation is defined as the percentage of people invited to screen through the National Bowel Cancer Screening Program over a two year period (1 January to 31 December) who return a completed screening test within that period or by 30 June of the following year.

<sup>19</sup> This measure is reported on a rolling two-calendar-year basis.

<sup>20</sup> Further information available at: [www.aihw.gov.au/cancer-data/cancer-screening/](http://www.aihw.gov.au/cancer-data/cancer-screening/)

<sup>21</sup> Participation in the BreastScreen Australia Program has remained stable over the past five years. The ongoing participation trend is expected to remain stable over the forward years.

<sup>22</sup> This measure is reported on a rolling two-calendar-year basis.

<sup>23</sup> From 2017, the two yearly Pap test for women 18 to 69 years of age will change to a five yearly Human Papillomavirus test for women 25 to 74 years of age.

<sup>24</sup> Data is not yet available to forecast forward year targets. Targets will be updated following implementation of the Renewal of the National Cervical Screening Program.

<sup>25</sup> This measure is reported on a rolling two-calendar-year basis.

Build capability through national leadership to ensure that Australians are provided with high quality palliative care.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Several national palliative care projects were delivered and an evaluation of the National Palliative Care Strategy was completed.  These national projects support access to quality palliative care through workforce development, education and training about advance care planning, a national system of quality outcome measure reporting and quality improvement, and activities that raise awareness in the community about end-of-life care and palliative care.		Implement national projects that improve access to high quality palliative care and service delivery, and provide support for people who are dying, their families and carers.  Release a draft updated National Palliative Care Strategy for consultation by end of July 2017.  Finalise the revised National Palliative Care Strategy by 30 June 2018.		Implement national projects that improve access to high quality palliative care and service delivery and provide support for people who are dying, their families and carers.

D. Reducing the harmful effects of tobacco use				
Reduce the percentage of the population 18 years of age and over who are daily smokers. <sup>26</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
12%	11%	10%	<10%	<10%

<sup>26</sup> This data is taken from the Australian Bureau of Statistics National Health Survey and refers to age-standardised rates of daily smokers.

<b>E. Preventing and reducing harm to individuals and communities from alcohol, tobacco and other drugs</b>		
<b>National direction supports a collaborative approach to preventing and reducing the harms from alcohol, tobacco and other drugs.</b>		
<b>2016-17 Estimated result</b>	<b>207-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Worked with States and Territories, and other relevant agencies to:</p> <ul style="list-style-type: none"> <li>– Finalise the next iteration of the National Drug Strategy and continue development of the National Alcohol Strategy.</li> <li>– Implement activities under the National Ice Action Strategy.</li> <li>– Report to Council of Australian Governments on progress of activities being delivered under the National Ice Action Strategy.</li> <li>– Oversee and monitor the progress of the National Drug Strategy, and associated sub-strategies, through the National Drug Strategy Committee and the Ministerial Drug and Alcohol Forum.</li> </ul>	<p>Implementation of Commonwealth funded activities under the National Ice Action Strategy.</p> <p>Support the delivery of alcohol and other drug treatment services.</p> <p>Development and promotion of prevention activities to raise awareness of Fetal Alcohol Spectrum Disorders.</p> <p>Delivery of the next phase of the National Drugs Campaign.</p> <p>Continued engagement of non-governmental organisations and stakeholders to shape the Commonwealth priorities in preventing and reducing harms from alcohol and drugs.</p> <p>Work with States and Territories, and other relevant agencies to:</p> <ul style="list-style-type: none"> <li>– Establish reporting frameworks and implementation plans for the National Drug Strategy and the National Alcohol Strategy.</li> <li>– Continue reporting on activities under the National Ice Action Strategy.</li> <li>– Oversee and monitor the progress of the National Drug Strategy, and associated sub-strategies through the National Drug Strategy Committee and the Ministerial Drug and Alcohol Forum.</li> </ul>	<p>Continue investment in quality alcohol and drug treatment services.</p> <p>Continue to build the evidence base in relation to alcohol and drugs through high quality research.</p> <p>Work with States and Territories, and other relevant agencies to:</p> <ul style="list-style-type: none"> <li>– Undertake a mid-point review of the National Drug Strategy.</li> <li>– Continue reporting on the National Drug Strategy and associated sub-strategies.</li> </ul>
<p><b>Material changes to Program 2.4 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>• <i>Healthy Heart Initiative – targeted activities</i></li> </ul>		

**Table 2.2.6: Performance Criteria for Program 2.5**

<b>Program 2.5: Primary Health Care Quality and Coordination</b>		
<p>The Australian Government aims to strengthen primary care by focussing funding to frontline health services and improving the access, delivery, quality and coordination of primary health care services. This will help improve health outcomes for patients, focussing on those who are most in need, including those with chronic conditions or mental illness. It will also assist in reducing unnecessary visits or admissions to hospitals.</p> <p>In the 2017-18 Budget, the Government will provide \$145.5 million to enable Primary Health Networks to continue their central role in ensuring their local communities can access after-hours primary health services.</p> <p>In addition, the Government will spend \$8.3 million over three years to boost funding for palliative care coordination through Primary Health Networks to support people who have a known life-limiting condition by improving choice and quality of care and support.</p> <p>Working closely with GPs and other health professionals, the Government is progressing the implementation of the Health Care Homes trial with 20 practices to commence 1 October 2017 and the remaining 180 to commence 1 December 2017.</p>		
<b>Delivery</b>		
<p><b>A. Strengthening primary health care through improved quality and coordination</b></p> <ul style="list-style-type: none"> <li>Support Primary Health Networks to increase the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, and improve care coordination and integration.<sup>27</sup></li> <li>Support measures that improve the coordination and integration of services for people living with chronic and complex conditions to help maintain good health, such as Health Care Homes.<sup>28</sup></li> <li>Support the delivery of health information, advice and services through interactive communication technology to better assist people in caring for themselves and their families.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Strengthening primary health care through improved quality and coordination</b>		
<b>Improve efficiency and effectiveness of health services and coordination of care at the local level.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>All Primary Health Networks commenced commissioning activities during 2016-17.</p> <p>All Primary Health Networks have updated baseline needs assessments and strategies for responding to identified service gaps.</p>	<p>All Primary Health Networks engage with their local health care providers, including Local Hospital Networks (or their equivalent) and other stakeholders to improve health services and care coordination for their communities.<sup>29</sup></p>	<p>All Primary Health Networks evaluate their commissioned services to inform future commissioning and continuous improvement.</p>

<sup>27</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/PHN-Home](http://www.health.gov.au/internet/main/publishing.nsf/Content/PHN-Home)

<sup>28</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/health-care-homes](http://www.health.gov.au/internet/main/publishing.nsf/Content/health-care-homes)

<sup>29</sup> Stakeholder engagement, including engagement with local health providers, is a performance indicator under the Primary Health Network Performance Framework, and is being reported against through the six and twelve month Primary Health Network performance report process.

<b>Improve continuity of care and coordinated services for patients with chronic and complex illnesses.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Assessment of applications for practices to participate in stage one of Health Care Homes were completed in March 2017. Commenced development of an evaluation framework.	Commencement of patient enrolment and service delivery through Health Care Homes. Deliver training modules successfully to selected practices. Ongoing support mechanisms are in place to support Health Care Homes. Implementation of evaluation framework across enrolled practices and patients.	Increase eligible patient enrolment. Ongoing support mechanisms effectively supporting Health Care Homes practices. Delivery of interim evaluation report to Government by 30 June 2019. <sup>30</sup> Delivery of final evaluation report to Government by 30 June 2020. <sup>31</sup>
<b>Improve access to health advice, information and support services for the Australian community.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Collaborated with the States and Territories to achieve better health literacy in the Australian community through the delivery of health advice, information, counselling and support services via national health communication infrastructure.	Health information and advice is successfully provided to the community. <sup>32</sup>	As per 2017-18.
<b>Material changes to Program 2.5 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• <i>Greater Choice for at Home Palliative Care</i></li> <li>• <i>Guaranteeing Medicare – development of the Health Care Homes trial</i></li> <li>• <i>Primary Health Networks – supporting after-hours care</i></li> </ul>		

<sup>30</sup> The evaluation of the stage one trial Health Care Homes will inform Government consideration of the national rollout of the program.

<sup>31</sup> Ibid.

<sup>32</sup> Success is measured through appropriate information uptake and cost effectiveness. The Government will ensure that regular randomised sample post surveys are undertaken to measure and determine the uptake of clinical advice and information from the public following use of the national health communication infrastructure.

**Table 2.2.7: Performance Criteria for Program 2.6**

<b>Program 2.6: Primary Care Practice Incentives</b>				
The Australian Government provides incentive payments to general practices and general practitioners through the Practice Incentives Program (PIP) to support activities that encourage continuing improvements, increase quality of care, enhance capacity and improve access and health outcomes for patients.				
<b>Delivery</b>				
<b>A. Supporting quality care, enhanced capacity and improved access through general practice incentives</b> <ul style="list-style-type: none"> <li>Provide general practice incentive payments through the PIP, including the PIP After Hours Incentive, the PIP eHealth Incentive, the Rural Loading Incentive, and the Teaching Payment.</li> </ul>				
<b>Performance criteria</b>				
<b>A. Supporting quality care, enhanced capacity and improved access through general practice incentives</b>				
<b>Improve access to quality accredited general practitioner care through maintaining the percentage of general practice patient care services provided by Practice Incentives Program practices.<sup>33</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
84.1%	≥84.2%	≥84.2%	≥84.2%	≥84.2%
<b>Material changes to Program 2.6 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>Quality Improvements in General Practice – implementation of the Practice Incentive Program</i></li> </ul>				

<sup>33</sup> This is calculated as the proportion of total Medicare Benefit Schedule fees for non-referred attendances provided by Practice Incentives Program practices, standardised for age and sex.

**Table 2.2.8: Performance Criteria for Program 2.7**

<b>Program 2.7: Hospital Services</b>		
<p>The Australian Government aims to improve access to, and the efficiency of, public hospitals through the provision of funding to States and Territories.</p> <p>The Government will deliver an additional \$2.8 billion to public hospitals in this Budget. Since the signing of the Council of Australian Governments Heads of Agreement in 2016, the Commonwealth has provided an extra \$7.7 billion to support States and Territories to deliver public hospital services.</p> <p>The Government will provide \$730.4 million upfront to transfer ownership of the Mersey Community Hospital back to the Tasmanian Government on 1 July 2017 and secure the funding for 10 years. This will provide certainty to the providers and consumers of Tasmania's acute care services.</p> <p>In addition, the Government will also provide \$6.2 million to the Tasmanian Government to support the continued operation of the Missiondale Recovery Centre and palliative care services in Tasmania.</p>		
<b>Delivery</b>		
<p><b>A. Supporting the States and Territories to deliver efficient public hospital services</b></p> <ul style="list-style-type: none"> <li>Support the Government through the provision of timely and effective policy advice on public hospital funding matters.</li> </ul>		
<b>Performance criteria</b>		
<p><b>A. Supporting the States and Territories to deliver efficient public hospital services</b></p>		
<p><b>Provide advice to the Minister and external stakeholders in relation to public hospital funding policy.</b></p>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
<p>The Department provided advice and analysis in relation to public hospital funding, including development of the National Health Reform Agreement Addendum.</p>	<p>Provide advice and analysis in relation to public hospital funding, including:</p> <ul style="list-style-type: none"> <li>– implementation of the National Health Reform Agreement Addendum; and</li> <li>– development of longer term public hospital funding arrangements.</li> </ul>	<p>Provide advice ahead of a new Agreement on longer term hospital funding arrangements.</p>
<p><b>Material changes to Program 2.7 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li><i>Support for Health Services in Tasmania</i></li> </ul>		

## 2.3 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 3

### Outcome 3: Sport and Recreation

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

### Program Contributing to Outcome 3

#### Program 3.1: Sport and Recreation

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 3

##### Australian Sports Anti-Doping Authority<sup>1</sup>

##### Program 1.1: Engagement, Deterrence, Detection and Enforcement

The Australian Sports Anti-Doping Authority (ASADA) contributes to the protection of the health of athletes and the integrity of sport, by conducting World Anti-Doping Code compliant activities domestically. ASADA also contributes to international efforts to combat doping in sport (3.1).

##### Australian Sports Commission<sup>2</sup>

##### Program 1.1: Australian Sports Commission

The Australian Sports Commission works with the Department of Health to increase participation in sport (as well as improve population health outcomes through involvement in sport), by implementing initiatives including the *Play.Sport.Australia.* participation strategy (3.1).

##### The Treasury

##### Program 1.9: National Partnership Payments to the States

The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.<sup>3</sup> Activities funded for the Heffron Park Centre of Excellence contribute to the Government objectives within this Outcome (3.1).

Outcome 3

<sup>1</sup> Refer to the Australian Sports Anti-Doping Authority chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>2</sup> Refer to the Australian Sports Commission chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>3</sup> For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

**Table 2.3.1: Budgeted Expenses for Outcome 3**

Table 2.3.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward Year 1 \$'000</b>	<b>2019-20 Forward Year 2 \$'000</b>	<b>2020-21 Forward Year 3 \$'000</b>
<b>Program 3.1: Sport and Recreation <sup>(a)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	18,475	19,527	15,190	15,212	12,920
Special Accounts					
Sport and Recreation	407	407	407	407	407
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	7,126	6,802	6,819	6,821	6,808
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	715	145	181	153	153
<b>Total for Program 3.1</b>	<b>26,723</b>	<b>26,881</b>	<b>22,597</b>	<b>22,593</b>	<b>20,288</b>
<b>Outcome 3 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>(b)</sup>	18,475	19,527	15,190	15,212	12,920
Special accounts	407	407	407	407	407
Departmental expenses					
Departmental appropriation <sup>(c)</sup>	7,126	6,802	6,819	6,821	6,808
Expenses not requiring appropriation in the Budget year <sup>(d)</sup>	715	145	181	153	153
<b>Total expenses for Outcome 3</b>	<b>26,723</b>	<b>26,881</b>	<b>22,597</b>	<b>22,593</b>	<b>20,288</b>
	<b>2016-17</b>	<b>2017-18</b>			
<b>Average staffing level (number)</b>	49	47			

<sup>(a)</sup> Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

<sup>(b)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(c)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(d)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

### Movement of Funds

There were no movements of administered funds between years for Outcome 3.

### Planned Performance for Outcome 3

Table 2.3.2 below details the performance criteria for the program associated with Outcome 3. This table also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the existing program.

**Table 2.3.2: Performance Criteria for Program 3.1**

Purpose
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Outcome 3: Sport and Recreation
Improved opportunities for community participation in sport and recreation, excellence in high-performance athletes, and protecting the integrity of sport through investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues
Program 3.1: Sport and Recreation
<p>The Australian Government aims to increase participation in sport and recreation activities by all Australians, foster excellence in Australia's high-performance athletes, protect the integrity of Australian sport and improve water and snow safety.</p> <p>In 2017-18, the Department, with relevant Government entities, will support preparations for, and hosting of, the 2017 Rugby League World Cup (men's and women's tournaments) and the 2018 Gold Coast Commonwealth Games. The Department, with the Australian Sports Commission, will work with the sport sector and community to develop a National Sports Plan which sets out Australia's sporting agenda into the future.</p> <p>The Government will also continue to work with water and snow safety organisations to reduce drownings and near drownings, and respond to known sports integrity threats and new issues as they arise.</p> <p>For further information about sport initiatives refer to the Australian Sports Commission and Australian Sports Anti-doping Authority's chapters within these Portfolio Budget Statements.</p>
Delivery
<p><b>A. Increasing participation in sport and recreation activities, fostering excellence in Australia's high-performance athletes and protecting the integrity of Australian sport</b></p> <ul style="list-style-type: none"> <li>• Support the Australian Sports Commission's investment in sporting excellence, by assisting with policy development and engagement with States and Territories.</li> <li>• Coordinate across whole-of-government to support the development and implementation of strategies and policies to increase the participation in sport and physical activity.</li> <li>• Coordinate whole-of-government support for major sporting events.</li> <li>• Develop national policy on sports integrity and coordinate the Government's response to emerging threats and issues.</li> <li>• Develop national policy on sport and education, and women and girls in sport.</li> <li>• Deliver water and snow safety programs.</li> </ul>

Performance criteria		
<b>A. Increasing participation in sport and recreation activities, fostering excellence in Australia's high-performance athletes and protecting the integrity of Australian sport</b>		
<b>Support participation in sport through the development, implementation and promotion of national policies and strategies.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
The Department continued to work closely with stakeholders, including the Australian Sports Commission and States and Territories, to ensure a coordinated whole-of-government approach to the implementation of relevant policies and strategies, including the revised National Sport and Active Recreation Policy Framework.	Provide strategic, high quality policy advice to Government and ensure a coordinated, whole-of-government approach to the development and implementation of relevant policies and strategies, including the release of the National Sports Plan.	As per 2017-18.
<b>Provide whole-of-government leadership and coordination of major international sporting events in Australia, including the development and implementation of related policies and strategies, to support each event.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Strategies and policies have been implemented during 2016-17, in consultation with key stakeholders, which contribute to meeting the Australian Government's obligations for upcoming major sporting events.	Strategies and policies are implemented to meet agreed Australian Government obligations to support the: <ul style="list-style-type: none"> <li>– 2017 Rugby League World Cup; and</li> <li>– 2018 Gold Coast Commonwealth Games.</li> </ul>	Strategies and policies are implemented to meet agreed Australian Government obligations to support the: <ul style="list-style-type: none"> <li>– 2020 International Cricket Council Twenty20.</li> </ul>

<b>Protect the integrity of Australian sport from threats of match-fixing, doping, criminal infiltration and other forms of corruption.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Integrity initiatives and stakeholder interactions in 2016-17 continued to build the resilience of Australia's sports to integrity threats, including through ensuring internationally-compliant anti-doping arrangements, and supporting Australian sporting organisations to address sports integrity issues.</p> <p>Initiatives included direct support for national sporting organisations to build internal integrity policy frameworks; the hosting of sports integrity forums for national sporting organisations and State and Territory counterparts; a joint project with the Australian Criminal Intelligence Commission to determine the threat from illegal offshore wagering to Australian sport; and progressed regulation of the supply of performance enhancing substances through Therapeutic Goods Administration scheduling.</p>	<p>Australian anti-doping arrangements are compliant with the World Anti-Doping Code. Sports integrity efforts of national sporting organisations, and States and Territories are supported through ongoing assessment of the sports integrity threats and related briefings, education platforms and initiatives.</p> <p>As part of the National Sports Plan, review anti-doping and integrity structures.</p>	<p>As per 2017-18.</p>
<p><b>Material changes to Program 3.1 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>There are no material changes to Program 3.1 from measures.</li> </ul>		



## 2.4 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 4

### Outcome 4: Individual Health Benefits

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

### Programs Contributing to Outcome 4

<b>Program 4.1:</b>	<b>Medical Benefits</b>
<b>Program 4.2:</b>	<b>Hearing Services</b>
<b>Program 4.3:</b>	<b>Pharmaceutical Benefits</b>
<b>Program 4.4:</b>	<b>Private Health Insurance</b>
<b>Program 4.5:</b>	<b>Medical Indemnity</b>
<b>Program 4.6:</b>	<b>Dental Services</b>
<b>Program 4.7:</b>	<b>Health Benefit Compliance</b>
<b>Program 4.8:</b>	<b>Targeted Assistance – Aids and Appliances</b>

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 4

##### Australian Taxation Office

##### Program 1.1: Australian Taxation Office

The Australian Taxation Office contributes to this Outcome through:

- Collaborating with the Department of Health to construct an enduring linked data set as part of the Multi-Agency Data Integration Project (4.1 and 4.4)
- The administrative arrangements for the Government's rebate on the private health insurance rebate (4.4).

##### Department of Human Services

##### Program 1.2: Services to the Community – Health

The Department of Human Services administers payments to eligible recipients, under the following programs administered by the Department of Health, to contribute to the Government's objectives within this Outcome:

- Medicare services and benefit payments, and related Medicare Benefits Schedule (MBS) items (4.1)
- External breast prostheses reimbursements (4.1)
- Ex-gratia payments for the Disaster Health Care Assistance Scheme (4.1)
- Radiation Oncology Health Program Grants Scheme (4.1)
- Health Care Homes Program (4.1)
- Hearing Services Program payments for voucher services and devices (4.2)
- The Pharmaceutical Benefits Scheme (PBS), including payment of script benefits, authority approvals, and new and other PBS items (4.3)
- Lifetime Health Cover mail out and the private health insurance rebate (4.4)
- Medical indemnity activities including indemnity for eligible midwives (4.5)
- The Child Dental Benefits Schedule (4.6)
- Payment of claims from Stoma Associations for stoma-related appliances (4.8).

**Department of Veterans' Affairs**

**Program 2.3: Veterans' Pharmaceuticals Benefits**

The Department of Veterans' Affairs contributes to this Outcome by providing clients a comprehensive array of pharmaceuticals and wound dressings for the treatment of their healthcare needs (4.3).

**Professional Services Review<sup>1</sup>**

**Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme**

The Professional Services Review contributes to the integrity of the Medicare Program and the PBS by investigating health practitioners suspected of inappropriate practice on request from the Chief Executive Medicare and determining any sanctions to be applied (4.1 and 4.7).

**The Treasury**

**Program 1.9: National Partnership payments to the States**

The Treasury makes National Partnership payments to the State and Territory Governments as part of the Federal Financial Relations Framework.<sup>2</sup> Activities funded for adult public dental services contribute to the Government objectives within this Outcome (4.6).

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<sup>1</sup> Refer to the Professional Services Review chapter in these Portfolio Budget Statements for further information on the work of this entity.

<sup>2</sup> For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

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**Table 2.4.1: Budgeted Expenses for Outcome 4**

Table 2.4.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 4.1: Medical Benefits</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	104,881	85,327	86,682	85,521	82,807
Special appropriations					
Health Insurance Act 1973 - medical benefits	22,092,457	22,897,861	24,056,034	25,729,692	27,182,709
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	27,814	33,868	33,758	32,380	25,303
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,914	473	592	501	501
<b>Total for Program 4.1</b>	<b>22,228,066</b>	<b>23,017,529</b>	<b>24,177,066</b>	<b>25,848,094</b>	<b>27,291,320</b>
<b>Program 4.2: Hearing Services</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	516,141	530,697	557,447	583,641	600,895
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	7,273	6,955	6,947	6,881	6,868
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	1,840	1,185	1,482	1,254	1,254
<b>Total for Program 4.2</b>	<b>525,254</b>	<b>538,837</b>	<b>565,876</b>	<b>591,776</b>	<b>609,017</b>
<b>Program 4.3: Pharmaceutical Benefits</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	697,149	797,213	800,937	817,198	604,356
Special appropriations					
National Health Act 1953 - pharmaceutical benefits	11,297,940	10,950,710	10,794,810	10,813,488	10,688,175
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	54,212	50,932	42,831	38,344	38,263
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	7,710	2,010	2,514	2,127	2,127
<b>Total for Program 4.3</b>	<b>12,057,011</b>	<b>11,800,865</b>	<b>11,641,092</b>	<b>11,671,157</b>	<b>11,332,921</b>

**Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 4.4: Private Health Insurance</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	3,768	3,114	2,561	2,461	2,461
Special appropriations					
<i>Private Health Insurance Act 2007</i> - incentive payments and rebate	6,054,635	6,175,728	6,311,594	6,456,760	6,618,180
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	10,392	10,048	10,039	9,968	9,955
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	1,074	123	154	130	130
<b>Total for Program 4.4</b>	<b>6,069,869</b>	<b>6,189,013</b>	<b>6,324,348</b>	<b>6,469,319</b>	<b>6,630,726</b>
<b>Program 4.5: Medical Indemnity</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	150	142	142	142	142
Special appropriations					
<i>Medical Indemnity Act 2002</i>	91,800	96,900	82,300	86,200	90,500
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	6,870	4,061	4,704	5,446	6,281
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	998	958	957	948	947
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	108	14	18	15	15
<b>Total for Program 4.5</b>	<b>99,926</b>	<b>102,075</b>	<b>88,121</b>	<b>92,751</b>	<b>97,885</b>
<b>Program 4.6: Dental Services <sup>(d)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	-	-	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	331,860	346,039	358,500	369,608	387,250
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	2,511	2,411	3,142	3,122	3,117
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	170	40	50	42	42
<b>Total for Program 4.6</b>	<b>334,541</b>	<b>348,490</b>	<b>361,692</b>	<b>372,772</b>	<b>390,409</b>

**Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 4.7: Health Benefit Compliance</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	12,000	12,000	12,000	12,000	12,000
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	64,748	67,795	63,790	63,164	63,057
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,050	1,165	1,457	1,233	1,233
<b>Total for Program 4.7</b>	<b>78,798</b>	<b>80,960</b>	<b>77,247</b>	<b>76,397</b>	<b>76,290</b>
<b>Program 4.8: Targeted Assistance - Aids and Appliances</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	4,442	11,394	12,480	13,646	14,862
Special appropriations					
<i>National Health Act 1953</i> - aids and appliances	354,493	353,784	356,263	371,567	377,145
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	4,245	4,062	4,057	4,019	4,012
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	499	65	81	69	69
<b>Total for Program 4.8</b>	<b>363,679</b>	<b>369,305</b>	<b>372,881</b>	<b>389,301</b>	<b>396,088</b>
<b>Outcome 4 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	1,338,531	1,439,887	1,472,249	1,514,609	1,317,523
Special appropriations	40,230,055	40,825,083	41,964,205	43,832,761	45,350,240
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	172,193	177,029	165,521	158,826	151,522
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	16,365	5,075	6,348	5,371	5,371
<b>Total expenses for Outcome 4</b>	<b>41,757,144</b>	<b>42,447,074</b>	<b>43,608,323</b>	<b>45,511,567</b>	<b>46,824,656</b>
	<b>2016-17</b>	<b>2017-18</b>			
<b>Average staffing level (number)</b>	999	934			

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

<sup>(d)</sup> The 2015-16 Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

### Movement of Funds

There were no movements of administered funds between years for Outcome 4.

## Planned Performance for Outcome 4

Tables 2.4.2 – 2.4.9 below detail the performance criteria for each program associated with Outcome 4. These tables also summarise how each program is delivered and where 2017-18 Budget measures have materially changed existing programs.

**Table 2.4.2: Performance Criteria for Program 4.1**

<b>Purpose</b>
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Outcome 4: Individual Health Benefits</b>
Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance
<b>Program 4.1: Medical Benefits</b>
<p>To deliver a modern Medicare program that is sustainable and supports all Australians to access high quality and cost-effective professional services, the Australian Government will continue to work with clinicians, other health professionals and consumers to progress the Long-Term National Health Plan. This will include the work of the Medical Services Advisory Committee and the Medicare Benefits Schedule Review to strengthen Medicare, and work with States and Territories, and private health insurers.</p> <p>The Government will continue to support quality and effective use of diagnostic imaging, pathology and radiation oncology services, and deliver the national External Breast Prostheses Reimbursement Program.</p> <p>Targeted assistance strategies will also continue access to health services for Australians who require life-saving treatment not available in Australia and the provision of medical assistance to eligible Australians following specific overseas disasters.</p> <p>In the 2017-18 Budget, the Government is guaranteeing its investment in Medicare so that all Australians can be certain they will continue to have access to the essential health care services they need.</p> <p>The Government will establish the Medicare Guarantee Fund from 1 July 2017 to ensure the ongoing funding of the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS) into the future.</p> <p>The Fund will be credited with revenue raised from the Medicare levy (excluding amounts to meet the Government's commitment to fund the National Disability Insurance Scheme) as well as a portion of personal income tax receipts sufficient to cover the estimated costs of essential health care provided under the MBS and PBS.</p> <p>These amounts will be held in the Fund for the sole purpose of meeting the cost of essential health care provided under the MBS and PBS.</p> <p>The Government will invest \$2.4 billion in Medicare, including \$1 billion to restore indexation of the Medicare rebate over the next four years – general practitioner bulk-billing incentives from 1 July 2017; standard general practitioner and specialist consultations from 1 July 2018; and specialist procedures and allied health services from 1 July 2019; and for targeted diagnostic imaging services from 2020. This brings the total expenditure invested in Medicare to \$22.9 billion in 2017-18.</p> <p>In addition, the Government will maintain the bulk-billing incentives for pathology and diagnostic imaging services, at a cost of \$936.7 million over five years. Furthermore, the Government will maintain the current Medicare safety net arrangements at a cost of \$317.5 million.</p>

<p>The Government will provide \$16.4 million for new listings on the Medicare Benefits Schedule (MBS). The Government will also invest \$44.2 million over three years in continuing to fund the clinician-led review (the Review) of all 5,700 items on the MBS to ensure they represent best clinical practice. Alongside the Review, \$44.5 million will enable the Medical Services Advisory Committee to continue its work of amending and adding to MBS listings to ensure Medicare remains contemporary and sustainable.</p> <p>In addition, funding of \$9.1 million over four years will be provided to enable Australians who live in rural and regional Australia to access psychologists via telehealth.</p>		
<b>Delivery</b>		
<p><b>A. Ensuring continued access to a Medicare system that provides modern, high quality and cost-effective professional health services that are in line with current clinical evidence</b></p> <ul style="list-style-type: none"> <li>Support a Medicare system that is modern, sustainable and aligned to current clinical evidence.</li> </ul> <p><b>B. Providing targeted medical assistance, including to Australians who require life-saving medical treatment not available in Australia, and access to breast prostheses for women who have had breast cancer</b></p> <ul style="list-style-type: none"> <li>Assess applications for financial assistance for life-saving medical treatment required to be performed overseas.</li> <li>Continue the provision of an administratively simple and nationally accessible reimbursement scheme for external breast prostheses.</li> </ul> <p><b>C. Supporting safe and effective diagnostic imaging and pathology services</b></p> <ul style="list-style-type: none"> <li>Provide consumers with a contemporary and best practice pathology accreditation program.</li> <li>Work with the newly established Diagnostic Imaging Accreditation Scheme Advisory Committee to review standards in diagnostic imaging.</li> </ul> <p><b>D. Supporting the delivery of high quality radiation oncology services</b></p> <ul style="list-style-type: none"> <li>Provide targeted financial contributions to the capital cost of radiation oncology linear accelerators.</li> </ul>		
<b>Performance criteria</b>		
<p><b>A. Ensuring continued access to a Medicare system that provides modern, high quality and cost-effective professional health services that are in line with current clinical evidence</b></p>		
<p><b>Continued review of Medicare Benefits Schedule items to maintain a Medicare system that provides high value care to the Australian public based on evidence and best clinical practice.</b></p>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Clinical Committees <sup>3</sup> will have considered 50% of the Medicare Benefits Schedule items for the review.	Clinical Committees will have considered 70% of the Medicare Benefits Schedule items for the review.	Clinical Committees will have considered 85% or more of the Medicare Benefits Schedule items for the review.

<sup>3</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/content/MBSR-committees](http://www.health.gov.au/internet/main/publishing.nsf/content/MBSR-committees)

<b>B. Providing targeted medical assistance, including to Australians who require life-saving medical treatment not available in Australia, and access to breast prostheses for women who have had breast cancer</b>				
<b>To provide financial assistance to Australians for appropriate medical treatment not available in Australia or for out-of-pocket healthcare costs as a result of specific overseas disasters.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
Financial assistance was provided to eligible applicants through the Medical Treatment Overseas Program <sup>4</sup> and the Disaster Health Care Assistance Scheme. <sup>5</sup>	Applications for financial assistance for medical treatment overseas are assessed in a timely manner in accordance with program guidelines. Ensure that the Reciprocal Health Care Agreements <sup>6</sup> are supporting Australians that travel overseas.		As per 2017-18.	
<b>Improving the quality of life of women who have undergone a mastectomy as a result of breast cancer, through efficient processing of claims from eligible women under the National External Breast Prostheses Reimbursement Program.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
90% of claims processed within ten days of lodgement.	≥90%	≥90%	≥90%	≥90%
<b>C. Supporting safe and effective diagnostic imaging and pathology services</b>				
<b>Maintain a consistent and contemporary accreditation framework which underpins all Medicare eligible pathology services.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
There is continued improvement of the Australian Pathology Accreditation Framework with the publication of three new and/or revised accreditation standards in 2017.	Ensure consumers have continued access to up-to-date, quality pathology services through reviewing and updating the Australian Pathology Accreditation Framework, as required.		As per 2017-18.	

<sup>4</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/content/strategicpolicymto.htm](http://www.health.gov.au/internet/main/publishing.nsf/content/strategicpolicymto.htm)

<sup>5</sup> Further information available at: [www.humanservices.gov.au/customer/services/medicare/disaster-health-care-assistance-scheme](http://www.humanservices.gov.au/customer/services/medicare/disaster-health-care-assistance-scheme)

<sup>6</sup> Further information available at: [www.humanservices.gov.au/customer/services/medicare/reciprocal-health-care-agreements](http://www.humanservices.gov.au/customer/services/medicare/reciprocal-health-care-agreements)

<b>D. Supporting the delivery of high quality radiation oncology services</b>		
<b>Ensure Australians have access to high quality radiotherapy services through the Radiation Oncology Health Program Grant Scheme.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The review of the Radiation Oncology Health Program Grant Scheme was completed in August 2016 with Government agreeing to a new administrative scheme with greater involvement of the States and Territories.	Provide targeted financial contributions to the capital cost of radiation oncology linear accelerators <sup>7</sup> located in priority areas as agreed between the Commonwealth and relevant States and Territories.	As per 2017-18.
<b>Material changes to Program 4.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• <i>Guaranteeing Medicare – aligning reciprocal health care</i></li> <li>• <i>Guaranteeing Medicare – development of the Health Care Homes trial</i></li> <li>• <i>Guaranteeing Medicare – Medicare Benefits Schedule – improved compliance</i></li> <li>• <i>Guaranteeing Medicare – Medicare Benefits Schedule – indexation</i></li> <li>• <i>Guaranteeing Medicare – Medical Benefits Schedule Review – continuation</i></li> <li>• <i>Prioritising Mental Health – improving telehealth for psychological services in regional, rural and remote Australia</i></li> <li>• <i>Unlegislated Budget Repair Measures – not proceeding</i></li> </ul>		

<sup>7</sup> The device most commonly used for external beam radiation treatments for patients with cancer.

**Table 2.4.3: Performance Criteria for Program 4.2**

<b>Program 4.2: Hearing Services</b>				
The Australian Government will continue to provide a range of fully and partially subsidised hearing devices and services to eligible Australians to manage their hearing loss and improve their engagement with the community. This includes continued support to hearing research that focuses on ways to reduce the impact of hearing loss and the incidence and consequence of avoidable hearing loss in the Australian community.				
<b>Delivery</b>				
<b>A. Supporting access to high quality hearing services and research into hearing loss prevention and management</b> <ul style="list-style-type: none"> <li>• Deliver the voucher component of the Hearing Services Program which enables eligible clients to obtain hearing services and devices from a national network of service providers.</li> <li>• Deliver the Community Service Obligations component of the Hearing Services Program which provides specialist services to children and other eligible groups such as complex adult clients and some Aboriginal and Torres Strait Islander peoples. Services are delivered through Australian Hearing.</li> <li>• Provide research funding through the National Acoustics Laboratories and Hearing Loss Prevention Program.</li> </ul>				
<b>Performance criteria</b>				
<b>A. Supporting access to high quality hearing services and research into hearing loss prevention and management</b>				
<b>Support access to high quality hearing services by providing voucher services nationally.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
734,000 voucher clients	745,000 voucher clients	772,300 voucher clients	797,000 voucher clients	812,500 voucher clients
<b>Material changes to Program 4.2 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• There are no material changes to Program 4.2 resulting from measures.</li> </ul>				

**Table 2.4.4: Performance Criteria for Program 4.3**

Program 4.3: Pharmaceutical Benefits
<p>The Australian Government aims to provide reliable, timely and affordable access to cost-effective, high quality medicines and sustainable pharmaceutical services to all eligible Australians, through the subsidisation of the cost of medicines through the Pharmaceutical Benefits Scheme (PBS), Life Saving Drugs Program and community pharmacy programs through the Sixth Community Pharmacy Agreement.</p> <p>The 2017-18 Budget strengthens the Pharmaceutical Benefits Scheme (PBS) on several fronts, working closely with stakeholders to share responsibility for ensuring the PBS remains sustainable into the future. Existing arrangements for the Pharmaceutical Benefits Scheme co-payment and safety net threshold will remain at a cost of \$955 million.</p> <p>The Government will work with Medicines Australia through a collaborative five-year compact that will give the industry greater planning certainty and reduce the costs of medicines by an estimated \$1.8 billion. The compact commits to provide one-off price reductions for certain medicines that have been on the PBS for 10 and 15 years; lowering of more PBS drug prices over the longer period of the compact; and support for the uptake of lower-cost generic and biosimilar medicines. In a first for the PBS, savings generated by the formal compact with Medicines Australia will fund future, often highly expensive, new PBS listings.</p> <p>The Government has entered into a compact with the Pharmacy Guild to strengthen the PBS to deliver \$210 million for community pharmacies, recognising a lower than anticipated increase in scripts filled by pharmacists. In addition, the Government will provide \$15 million to wholesalers in recognition of reduced remuneration due to lower than expected prescription volumes.</p> <p>The Government will undertake further work to make electronic forms of PBS scripts a legal form of prescription. This will be developed in consultation with doctors and pharmacists and participation will be voluntary with doctors retaining complete control over all scripts.</p> <p>In addition, the Government will work with community pharmacies to improve medication management programs. This commitment of \$600 million over three years will enable pharmacies to offer new or expanded services to consumers, including home visits by pharmacists, helping patients with their medication, and supporting Health Care Homes with medicine management.</p> <p>The Government will spend \$1.2 billion on new and amended listings for the PBS. From 1 June 2017, the Government will list the combination medicine, sacubitril with valsartan (Entresto®), for a new treatment for hypertension and heart failure. More than 60,000 Australians with chronic heart failure will benefit from the listing of this new medicine. Without the PBS subsidy, patients would pay more than \$1,970 a year for the treatment. Other new listings include medicine for children with cystic fibrosis, and medicine to treat idiopathic pulmonary fibrosis (a debilitating lung disease).</p>

Delivery		
<p><b>A. Providing access to new and existing medicines for patients with life threatening conditions</b></p> <ul style="list-style-type: none"> <li>Assess patient applications against published eligibility criteria for Life Saving Drugs Program medicines in a timely way.</li> <li>Administer medicine orders to meet the needs of patients approved to the Life Saving Drugs Program, within agreed timeframes.</li> </ul> <p><b>B. Ensuring access to cost-effective, innovative, clinically effective medicines through the Pharmaceutical Benefits Scheme</b></p> <ul style="list-style-type: none"> <li>The Pharmaceutical Benefits Advisory Committee meets a minimum of three times per year to consider medicines for listing on the Pharmaceutical Benefits Scheme to take into account each medicine's clinical effectiveness, safety and cost-effectiveness ('value for money') compared with other treatments for each proposed medication condition as required by legislation.</li> </ul> <p><b>C. Supporting timely access to medicines and pharmacy services</b></p> <ul style="list-style-type: none"> <li>Support and monitor pharmaceutical wholesalers participating in the Community Service Obligation funding pool to ensure timely access to Pharmaceutical Benefits Scheme medicines.</li> <li>Support professional pharmacy programs and services for consumers through the Sixth Community Pharmacy Agreement.</li> <li>Support and monitor programs to improve access to Pharmaceutical Benefits Scheme medicines by Aboriginal and Torres Strait Islander peoples.</li> </ul> <p><b>D. Maintaining the effectiveness of the Pharmaceutical Benefits Scheme through monitoring and post-market surveillance</b></p> <ul style="list-style-type: none"> <li>Undertake post-market reviews of Pharmaceutical Benefits Scheme listed medicines to ensure their ongoing safe and cost-effective use for consumers.</li> </ul>		
Performance criteria		
<p><b>A. Providing access to new and existing medicines for patients with life threatening conditions</b></p>		
Ensure eligible patients have access to the Life Saving Drugs Program.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Patient applications were processed within 30 calendar days of receipt and assessed against set eligibility criteria.	Patient applications are processed within 30 calendar days of receipt.	As per 2017-18.
Ensure continued access to eligible patients to medicines under the Life Saving Drugs Program.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Eligible patients provided with ongoing access to life saving medicines through the Life Saving Drugs Program.	Facilitate continued eligible patient access to life saving medicines.	As per 2017-18.

<b>B. Ensuring access to cost-effective, innovative, clinically effective medicines through the Pharmaceutical Benefits Scheme</b>				
<b>Percentage of submissions for new medicines that are recommended for listing by Pharmaceutical Benefits Advisory Committee, that are listed on the Pharmaceutical Benefits Scheme within six months of agreement of budget impact and price.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
80%	80%	80%	80%	80%
<b>C. Supporting timely access to medicines and pharmacy services</b>				
<b>Deliver an increased suite of reporting and data related to pharmacy and Pharmaceutical Benefits Scheme funded medicine access and cost made available to Parliament, consumers and business.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
The Department is currently increasing the range of available data to include more data based on date of supply. The Department now has access to more detailed data on prescriptions that cost less than the general co-payment. The inclusion of this date improved the accuracy and utility of the Pharmaceutical Benefits Scheme utilisation data.	Periodically increase the volume and nature of data on the Department of Health website during the course of 2017-18.		As per 2017-18.	
<b>Percentage of Urban Centres<sup>8</sup> in Australia with a population of 1,000 persons or more with an approved supplier<sup>9</sup> of Pharmaceutical Benefits Scheme medicines.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
>90%	>90%	>90%	>90%	>90%

<sup>8</sup> Further information available in the Urban Centres and Localities and Significant Urban Areas Fact Sheet, available at: [www.abs.gov.au/websitedbs/D3310114.nsf/home/ASGS+Fact+Sheets](http://www.abs.gov.au/websitedbs/D3310114.nsf/home/ASGS+Fact+Sheets)

<sup>9</sup> For this criterion, an approved supplier includes a pharmacy, a medical practitioner (in rural/remote locations where there is no access to a pharmacy) or an Aboriginal Health Service, approved to supply PBS medicines to the community. It does not include an approved hospital authority, approved to supply PBS medicines to its patients.

<b>Percentage of Urban Centres in Australia with a population of 1,000 persons or more with a resident service provider of, or recipient of, Medscheck, Home Medicines Review, Residential Medication Management Review or Clinical Intervention.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
>80%	>80%	>80%	>80%	>80%
<b>Percentage of subsidised Pharmaceutical Benefits Scheme units delivered to community pharmacy within agreed requirements of the Community Service Obligation.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
>95%	>95%	>95%	>95%	>95%
<b>Average cost per subsidised script funded by the Pharmaceutical Benefits Scheme.<sup>10</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
\$35.50	\$35.46	\$36.26	\$36.76	\$37.34
<b>Average cost per script (subsidised and non-subsidised) paid by consumers for Pharmaceutical Benefits Scheme medicines.<sup>11</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
\$9.84	\$10.41	\$10.56	\$10.69	\$10.85

<sup>10</sup> This is the projected average cost to Government for Section 85 Pharmaceutical Benefits Scheme subsidised prescriptions.

<sup>11</sup> This is the projected average for Section 85 Pharmaceutical Benefits Scheme prescriptions, including under co-payment prescriptions.

D. Maintaining the effectiveness of the Pharmaceutical Benefits Scheme through monitoring and post-market surveillance				
Post-market reviews deliver relevant and high quality advice to the Pharmaceutical Benefits Advisory Committee and Government.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
The following reference groups have been established and are providing advice to post-market reviews on Pharmaceutical Benefits Scheme medicines for: – ezetimibe for hypercholesterolaemia; – Chronic Obstructive Pulmonary Disease; and – Chronic Plaque Psoriasis.		Reference groups established, and continue to engage constructively with professional and community stakeholders in the conduct of the reviews.		As per 2017-18.
Percentage of post-market reviews completed within scheduled timeframes.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
90%	90%	90%	90%	90%
Percentage of Government-accepted recommendations from post-market reviews that have been implemented within agreed timeframes.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
85%	80%	80%	80%	80%
Information regarding quality use of medicines is provided to health professionals and consumers to support use of therapeutics wisely, judiciously and safely to achieve better health and economic outcomes.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
The Department supported NPS MedicineWise to provide consumer information on its website, produce its scheduled publication, and conduct healthcare provider educational visits, which provide evidence-based information on new, existing and revised listings of medicines on the Pharmaceutical Benefits Scheme, for health professionals and consumers.		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 health professionals and consumers.		As per 2017-18.

<b>Estimated savings to Government from price disclosure.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
\$3,200m	\$3,600m	\$4,000m	\$4,400m	\$4,800m
<b>Material changes to Program 4.3 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• <i>Improving Access to Medicines – cheaper medicines</i></li> <li>• <i>Improving Access to Medicines – support for community pharmacies</i></li> <li>• <i>Unlegislated Budget Repair Measures – not proceeding</i></li> </ul>				

**Table 2.4.5: Performance Criteria for Program 4.4**

<b>Program 4.4: Private Health Insurance</b>		
The Australian Government promotes affordable quality private health insurance, to provide greater choice for consumers. This will improve the sustainability of the health system as a whole.		
<b>Delivery</b>		
<b>A. Supporting a viable, sustainable and cost-effective private health insurance sector, including through the private health insurance rebate</b> <ul style="list-style-type: none"> <li>• Work with private health insurers to provide cost-effective private health insurance products to encourage increased membership and sustainability of the private health insurance industry.</li> <li>• Further encourage Australians to take up private health insurance by ensuring access to quality up-to-date information in relation to private health insurance.</li> <li>• Work with the Private Health Ministerial Advisory Committee to develop and implement private health insurance reforms.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Supporting a viable, sustainable and cost-effective private health insurance sector, including through the private health insurance rebate</b>		
<b>Robust policies and procedures are in place, including ensuring all private health insurers are compliant with relevant statutory and legislative requirements.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Developed and implemented effective compliance and enforcement policies and procedures. Regular stakeholder communication activities conducted with insurers and other regulatory agencies.	Undertake effective compliance and enforcement through applying transparent and consistent procedures agreed with all industry stakeholders. Undertake regular stakeholder communications with insurers and other regulatory agencies to provide two way dissemination of information.	As per 2017-18.
<b>Ensure privately insured patients have access to clinically and cost-effective prostheses under the <i>Private Health Insurance Act 2007</i>.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Supported the Prostheses List Advisory Committee <sup>12</sup> to reform the Prostheses List arrangements. Published the Prostheses List, enabling access to devices for privately insured patients.	Support the Prostheses List Advisory Committee to reform the Prostheses List arrangements. Publish the Prostheses List enabling access to devices for privately insured patients.	As per 2017-18.
<b>Material changes to Program 4.4 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• There are no material changes to Program 4.4 resulting from measures.</li> </ul>		

<sup>12</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/health-privatehealth-prostheseslist.htm](http://www.health.gov.au/internet/main/publishing.nsf/Content/health-privatehealth-prostheseslist.htm)

**Table 2.4.6: Performance Criteria for Program 4.5**

Program 4.5: Medical Indemnity				
The Australian Government seeks to ensure the stability of the medical insurance industry, and that medical indemnity insurance products are available and affordable.				
Delivery				
<b>A. Ensuring the ongoing stability of the medical insurance industry and that insurance products are available and affordable</b>				
<ul style="list-style-type: none"><li>Administer schemes under the Indemnity Insurance Fund that promote stability, affordability and availability of insurance. Through these schemes, subsidise claims costs and the cost of insurance premiums of eligible medical practitioners and privately practising midwives.</li><li>Consult with stakeholders as the Department continues a First Principles Review of the medical indemnity schemes to determine whether the schemes are fit for purpose.</li></ul>				
Performance criteria				
<b>A. Ensuring the ongoing stability of the medical insurance industry and that insurance products are available and affordable</b>				
Enable continued availability of professional indemnity insurance for eligible midwives.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Maintained a contract with an indemnity provider for the provision of professional indemnity insurance to eligible midwives.	Maintain a contract with an indemnity provider for the provision of professional indemnity insurance to eligible midwives.		As per 2017-18.	
Decrease the number of doctors that require support through the Premium Support Scheme. <sup>13</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
1,237	<1,500	<1,400	<1,400	<1,400
<b>Material changes to Program 4.5 resulting from the following measures:</b>				
<ul style="list-style-type: none"><li>There are no material changes to Program 4.5 resulting from measures.</li></ul>				

<sup>13</sup> A decline in doctors accessing the Premium Support Scheme is an indication of medical indemnity insurance being affordable.

**Table 2.4.7: Performance Criteria for Program 4.6**

<b>Program 4.6: Dental Services</b>				
<p>The Australian Government will improve access to public adult dental services through National Partnership Agreements with the States and Territories, and support eligible children to access essential dental health services through the Child Dental Benefits Schedule.</p> <p>The Government is committed to improving Australian children's dental health and ensuring that children across the country have access to dentists when they need it. In the 2017-18 Budget, a further \$163.6 million over five years will be provided to increase the two calendar year benefits cap from \$700 to \$1,000 for all children eligible for the Child Dental Benefits Schedule, retrospectively from 1 January 2017.</p>				
<b>Delivery</b>				
<p><b>A. Improving access to dental services</b></p> <ul style="list-style-type: none"> <li>Funding the States and Territories for an additional 89,000 adult public dental patients, through the extension to the National Partnership Agreement (NPA) on Adult Public Dental Services.</li> <li>Finalising negotiations with the States and Territories on a new NPA for additional adult public dental services.</li> <li>Working with the Department of Human Services in monitoring access to dental health services for children through the Child Dental Benefits Schedule.</li> </ul>				
<b>Performance criteria</b>				
<b>A. Improving access to dental services</b>				
<b>Support eligible children to access essential dental health services through the Child Dental Benefits Schedule.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
1.05 million children accessed the Child Dental Benefits Schedule.	1.11 million children access the Child Dental Benefits Schedule.	1.16 million children access the Child Dental Benefits Schedule.	1.22 million children access the Child Dental Benefits Schedule.	1.30 million children access the Child Dental Benefits Schedule.
<p><b>Material changes to Program 4.6 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li>There are no material changes to Program 4.6 resulting from measures.</li> </ul>				

**Table 2.4.8: Performance Criteria for Program 4.7**

<b>Program 4.7: Health Benefit Compliance</b>				
<p>The Australian Government supports the integrity of health benefit claims through early intervention and identification, as well as detecting and investigating instances of fraud. This will be achieved through: assisting health providers meet their compliance obligations when claiming benefits; intervening and correcting claims when honest mistakes occur; and detecting and investigating fraud and inappropriate practice.</p> <p>In a further move to improve Medicare's fiscal sustainability, in 2017-18, legislation will be introduced to strengthen compliance, including by increasing the Government's debt recovery powers. Currently, only 20 per cent of Medicare debts through inappropriate claiming are recovered. This measure will generate estimated net savings of \$103.8 million to be reinvested in Medicare services.</p> <p>The Government will enforce existing legislation which governs arrangements between doctors and pathology providers.</p>				
<b>Delivery</b>				
<p><b>A. Ensuring the integrity of health provider claiming</b></p> <ul style="list-style-type: none"> <li>Utilise advanced data analytics to identify irregular claiming patterns and non-compliance.</li> <li>Conduct appropriate interventions through: education; targeted campaigns; general audits; practitioner reviews; and criminal investigations.</li> </ul>				
<b>Performance criteria</b>				
<p><b>A. Ensuring the integrity of health provider claiming</b></p> <p>Improve health provider compliance through a contemporary program that utilises advanced analytics and behavioural economics to identify irregular payments and behaviours, measured through:</p> <p>a. Value of debts recovered.</p> <p>b. Behavioural change from activities from prior years.<sup>14</sup></p>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. \$13.0m	\$15.6m	\$18.2m	\$20.8m	\$20.7m
b. N/A <sup>15</sup>	\$13.0m	\$15.6m	\$18.2m	\$18.2m
<p><b>Material changes to Program 4.7 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li><i>Pathology Approved Collection Centres – strengthening compliance</i></li> </ul>				

<sup>14</sup> Estimated savings to Government from improved health provider compliance, achieved through positive behavioural change.

<sup>15</sup> This is a new performance criterion for 2017-18, therefore there is no estimated result for 2016-17.

**Table 2.4.9: Performance Criteria for Program 4.8**

<b>Program 4.8: Targeted Assistance – Aids and Appliances</b>		
<p>The Australian Government is committed to improving health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.</p> <p>Fulfilling its 2016 election commitment, from 1 April 2017 the Government is providing \$54 million over five years to subsidise access to continuous glucose monitoring technology for children and young adults under 21 years of age with insulin-dependent type 1 diabetes, and who face additional challenges in managing their diabetes and blood glucose levels. In addition, the Government will simplify the subsidy and remove the co-payment for the Insulin Pump Program. The Government will also implement recommendations from the Stoma Product Assessment Panel for changes to the Stoma Appliance Scheme, and will provide five new product listings, amendments to 12 product listings and eight product deletions.</p>		
<b>Delivery</b>		
<p><b>A. Improving health outcomes through the provision of targeted assistance for aids and appliances</b></p> <ul style="list-style-type: none"> <li>Through the National Diabetes Services Scheme, continue to ensure the provision of timely, reliable and affordable access to products and services to help people effectively manage their condition.</li> <li>Continue to support access to clinically appropriate dressings to improve the quality of life for people with Epidermolysis Bullosa.</li> <li>Continue to assist people with stomas by ensuring access to stoma-related products with a greater choice of new products.</li> </ul>		
<b>Performance criteria</b>		
<p><b>A. Improving health outcomes through the provision of targeted assistance for aids and appliances</b></p>		
<p><b>The National Diabetes Services Scheme meets the needs of registrants.<sup>16</sup></b></p>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
70% of registrants surveyed through the annual National Diabetes Services Scheme registrant survey felt that the National Diabetes Services Scheme was meeting their needs.	Annual National Diabetes Services Scheme registrant survey demonstrates that the needs of registrants are being met.	As per 2017-18.
<p><b>Support children and young people under 21 years of age, with type 1 diabetes, through the National Diabetes Services Scheme.</b></p>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
<i>Subsidised continuous glucose monitoring products have been provided to eligible children and young people under 21 years of age through the National Diabetes Services Scheme from 1 April 2017.</i>	<i>Provide eligible children and young people under 21 years of age with subsidised continuous glucose monitoring products through the National Diabetes Services Scheme to assist in the management of their type 1 diabetes.</i>	As per 2017-18.

<sup>16</sup> Registrants are people with type 1 diabetes, type 2 diabetes, gestational diabetes or 'other diabetes' who are registered on the National Diabetes Services Scheme.

<b>Support Australians to assist in the management of specific chronic health conditions (diabetes, stoma and Epidermolysis Bullosa).</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Subsidised aids and appliances have been provided to eligible Australians.	Ensure provision of subsidised aids and appliances to assist eligible Australians in the management of their chronic health conditions.	As per 2017-18.
<b>Material changes to Program 4.8 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• <i>Helping Families with Diabetes – free glucose monitoring devices for young Australians with type 1 diabetes</i></li> <li>• <i>Helping Families with Diabetes – Insulin Pump Program – reducing patient contributions</i></li> </ul>		

## 2.5 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 5

### Outcome 5: Regulation, Safety and Protection

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

### Programs Contributing to Outcome 5

<b>Program 5.1:</b>	<b>Protect the Health and Safety of the Community Through Regulation</b>
<b>Program 5.2:</b>	<b>Health Protection and Emergency Response</b>
<b>Program 5.3:</b>	<b>Immunisation</b>

### Linked Programs

Other Commonwealth entities that contribute to Outcome 5
<b>Australian Radiation Protection and Nuclear Safety Agency<sup>1</sup></b> <b>Program 1.1: Radiation Protection and Nuclear Safety</b> The Australian Radiation Protection and Nuclear Safety Agency contributes to the health and safety of the community by protecting the Australian people and environment from the harmful effects of radiation (5.1).
<b>Department of Agriculture and Water Resources</b> <b>Program 2.1: Biosecurity and Export Services</b> The Department of Agriculture and Water Resources contributes to the protection of the health and safety of the Australian community through implementation of activities under the <i>Biosecurity Act 2015</i> , such as the ongoing monitoring of mosquito vectors at ports and airports (5.2).
<b>Australian Competition and Consumer Commission</b> <b>Program 1.1: Australian Competition and Consumer Commission</b> The Australian Competition and Consumer Commission contributes to the health and safety of the Australian community through the consideration and management of unacceptable safety risks posed by consumer goods (5.1).
<b>Department of Education and Training</b> <b>Program 1.2: Child Care Benefit</b> The Department of Education and Training contributes to increasing immunisation coverage rates by including childhood immunisation requirements as part of the eligibility criteria for the Child Care Benefit. Eligibility for benefits is linked to satisfying the requirements for immunisation (5.3).

Outcome 5

<sup>1</sup> Refer to the Australian Radiation Protection and Nuclear Safety Agency chapter in these Portfolio Budget Statements for further information on the work of this entity.

**Department of the Environment and Energy**

**Program 1.6: Management of Hazardous Wastes, Substances and Pollutants**

The Department of the Environment and Energy contributes to this Outcome through the effective management of risks associated with industrial chemicals by undertaking environmental risk assessments for the National Industrial Chemicals Notification and Assessment Scheme (5.1).

**Department of Immigration and Border Protection**

**Program 1.2: Border Management**

The Department of Immigration and Border Protection facilitates access to health and support services of the Australian community through effective:

- Management of the risks associated with industrial chemicals by maintaining records on the importation of these products (5.1)
- Management of the regulations for the import and export of controlled substances at the border (5.1).

**Department of Human Services**

**Program 1.2: Services to the Community**

The Department of Human Services contributes to increasing immunisation coverage rates, which protect the health and safety of the Australian community, by administering the Australian Immunisation Register on behalf of the Department of Health (5.3).

**Department of Social Services**

**Program 1.1: Family Tax Benefit**

The Department of Social Services contributes to increasing immunisation coverage rates, which protect the health and safety of the Australian community, by administering the Family Tax Benefit A supplements to eligible parents. Eligibility for the supplements is linked to satisfying the requirements of age-related immunisation (5.3).

**Safe Work Australia**

**Program 1: Reform of and improvements to Australian work health and safety and workers' compensation arrangements**

The Department of Employment contributes to the protection of the health and safety of the Australian community through effective management of risks arising from industrial chemicals through Australian work health and safety and workers' compensation arrangements (5.1).

**The Treasury**

**Program 1.9: National Partnership Payments to the States**

The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.<sup>2</sup> Activities funded through the following National Partnership Agreements contribute to the Government's objectives within this Outcome:

- Royal Darwin Hospital – equipped, prepared and ready (5.2)
- OzFoodNet Program (5.2)
- Addressing Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) in the Torres Strait (5.2)
- Mosquito Control and Cross Border Liaison in the Torres Strait (5.2)
- Management of Torres Strait/Papua New Guinea Cross-Border Health Issues (5.2)
- Vaccine-preventable diseases surveillance (5.2)
- Essential vaccines (5.3).

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<sup>2</sup> For Budget estimates relating to the National Partnership component of the program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

**Table 2.5.1: Budgeted Expenses for Outcome 5**

Table 2.5.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 5.1: Protect the Health and Safety of the Community Through Regulation</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	-	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	16,081	15,821	13,799	13,725	14,131
to Special Accounts	(10,522)	(10,254)	(8,302)	(8,312)	(8,357)
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	88	85	106	90	90
Special Accounts					
OGTR Special Accounts <sup>(d)</sup>	7,773	7,878	7,635	7,643	7,682
NICNAS Special Accounts <sup>(e)</sup>	19,676	19,710	14,456	14,356	14,418
TGA Special Accounts <sup>(f)</sup>	153,535	153,474	146,168	147,627	150,232
Expense adjustment <sup>(g)</sup>	(8,566)	(7,029)	4,197	5,007	4,578
<b>Total for Program 5.1</b>	<b>178,065</b>	<b>179,685</b>	<b>178,059</b>	<b>180,136</b>	<b>182,774</b>

**Table 2.5.1: Budgeted Expenses for Outcome 5 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 5.2: Health Protection and Emergency Response <sup>(h)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	88,699	89,269	91,167	90,771	87,968
Non cash expenses <sup>(i)</sup>	21,515	29,926	24,661	12,788	2,525
Special Accounts					
Human Pituitary Hormones Special Account	160	160	170	170	170
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	15,799	15,036	15,016	14,858	14,829
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	1,221	379	474	401	401
<b>Total for Program 5.2</b>	<b>127,394</b>	<b>134,770</b>	<b>131,488</b>	<b>118,988</b>	<b>105,893</b>
<b>Program 5.3: Immunisation <sup>(h)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	36,352	30,714	26,194	26,157	24,966
to Australian Childhood Immunisation Special Account	(5,913)	(5,966)	(5,966)	(5,966)	(5,966)
Special Accounts					
Australian Immunisation Register Special Account	9,650	9,820	9,820	9,820	9,820
Special appropriations					
<i>National Health Act 1953</i> - essential vaccines	302,619	284,930	284,928	284,855	284,855
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	7,923	7,300	7,232	7,153	7,138
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	555	137	171	145	145
<b>Total for Program 5.3</b>	<b>351,186</b>	<b>326,935</b>	<b>322,379</b>	<b>322,164</b>	<b>320,958</b>

**Table 2.5.1: Budgeted Expenses for Outcome 5 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Outcome 5 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	125,051	119,983	117,361	116,928	112,934
to Special accounts	(5,913)	(5,966)	(5,966)	(5,966)	(5,966)
Non cash expenses <sup>(i)</sup>	21,515	29,926	24,661	12,788	2,525
Special Accounts	9,810	9,980	9,990	9,990	9,990
Special appropriations	302,619	284,930	284,928	284,855	284,855
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	39,803	38,157	36,047	35,736	36,098
to Special accounts	(10,522)	(10,254)	(8,302)	(8,312)	(8,357)
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	1,864	601	751	636	636
Special Accounts	172,418	174,033	172,456	174,633	176,910
<b>Total expenses for Outcome 5</b>	<b>656,645</b>	<b>641,390</b>	<b>631,926</b>	<b>621,288</b>	<b>609,625</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	895	882

<sup>(a)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

<sup>(d)</sup> Office of the Gene Technology Regulator Special Account.

<sup>(e)</sup> National Industrial Chemicals Notification and Assessment Scheme Special Account.

<sup>(f)</sup> Therapeutic Goods Administration (TGA) Special Account.

<sup>(g)</sup> 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.

<sup>(h)</sup> Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

<sup>(i)</sup> 'Non cash expenses' relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.

### Movement of Funds

There were no movements of administered funds between years for Outcome 5.

## Planned Performance for Outcome 5

Tables 2.5.2 – 2.5.4 below detail the performance criteria for each program associated with Outcome 5. These tables also summarise how each program is delivered and where 2017-18 Budget measures have materially changed existing programs.

**Table 2.5.2: Performance Criteria for Program 5.1**

<b>Purpose</b>
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Outcome 5: Regulation, Safety and Protection</b>
Protection of the health and safety of the Australian community and preparedness to respond to national health emergencies and risks, including through immunisation initiatives, and regulation of therapeutic goods, chemicals, gene technology, and blood and organ products
<b>Program 5.1: Protect the Health and Safety of the Community Through Regulation</b>
<p>The Government, through the Therapeutic Goods Administration (TGA), protects the health and safety of the community by regulating therapeutic goods for safety, effectiveness/performance and quality. The TGA aims to deliver efficient, best practice regulatory outcomes through international collaboration and reform.</p> <p>The TGA will continue to monitor therapeutic goods which are manufactured, used, imported into or exported from Australia, and undertake compliance and enforcement activities.</p> <p>Through the Office of Drug Control, the Department will continue to regulate and provide advice on the import, export, and manufacture of controlled drugs to support Australia's obligations under the International Narcotic Drugs Conventions, and regulate the cultivation and manufacture of medicinal cannabis products in Australia.</p> <p>The Government aims to protect the health and safety of people and the environment by identifying and managing risks through regulating activities with genetically modified organisms (GMOs). In 2017-18, the Office of the Gene Technology Regulator will continue to ensure that all risk assessments of GMOs are based on current scientific evidence and represent international best practice by keeping pace with advances in scientific knowledge and regulatory practice.</p> <p>The Government also aims to protect human health and the environment by assessing the risks posed by the introduction and use of industrial chemicals. Consistent with the Government's regulatory reform agenda, regulation by the Department will be proportionate to risk, and safeguard the health and wellbeing of the community and the environment.</p> <p>In the 2017-18 Budget, the Government will spend \$2.1 million over two years to implement its 2016 election commitment to introduce a ban on cosmetic testing on animals from 1 July 2017.</p>

Delivery
<p><b>A. Regulating therapeutic goods for safety, effectiveness/performance and quality while promoting best practice</b></p> <ul style="list-style-type: none"> <li>• Publish performance statistics reports and a key performance indicator report in compliance with the Regulator Performance Framework.</li> <li>• Participate in international engagement and work sharing activities with comparable international regulators.</li> <li>• Monitor regulatory compliance and take appropriate action.</li> <li>• Improve access to therapeutic goods for consumers and streamline regulatory processes for industry by implementing the Australian Government's reforms arising from the Review of Medicines and Medical Devices Regulation.</li> </ul> <p><b>B. Regulating the import, export, and manufacture of controlled drugs, and cultivation of medicinal cannabis</b></p> <ul style="list-style-type: none"> <li>• Continue to administer the licensing and permit regime for import, export, and manufacture of controlled drugs in line with Australian legislation and international conventions, to ensure access to essential medications while supporting Government policy on harm minimisation and harm reduction.</li> <li>• Provide timely and quality advice to meet Australia's reporting obligations under the International Drug Conventions.</li> <li>• Administer the licensing and permit regime for the cultivation and production of medicinal cannabis, including supporting the development of a new industry while working with law enforcement agencies to control diversion risks.<sup>3</sup></li> </ul> <p><b>C. Protecting people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use</b></p> <ul style="list-style-type: none"> <li>• Make recommendations to Commonwealth, State and Territory risk management agencies on the safe use of industrial chemicals.</li> <li>• Make information on the safe use of industrial chemicals publicly available.</li> <li>• Implement reforms to the National Industrial Chemicals Notification and Assessment Scheme (NICNAS) to achieve an appropriate balance between regulatory effort and risks posed by industrial chemicals.</li> </ul> <p><b>D. Protecting the health and safety of people and the environment by regulating activities with genetically modified organisms (GMOs)</b></p> <ul style="list-style-type: none"> <li>• Administer the national scheme for the regulation of gene technology to protect the health and safety of people and the environment through the Gene Technology Regulator.</li> <li>• Conduct cooperative compliance activity with regulated communities for managing any risk to people and the environment. These include routine inspection of certified facilities and licensed activities with GMOs in contained facilities and field trials.</li> </ul> <p><b>E. Protecting the health of people and the environment through effective regulation</b></p> <ul style="list-style-type: none"> <li>• Amend the National Health and Medical Research Council (NHMRC), <i>Australian code for the care and use of animals for scientific purposes 8<sup>th</sup> edition (2013)</i> to exclude the use of animals for testing cosmetic products and ingredients.</li> <li>• Undertake procurement to develop an Industry Code of Practice and a product information and communication package to ensure industry and the general public are aware of the details of the ban of the testing of cosmetics on animals.</li> </ul>

<sup>3</sup> Diversion refers to the transfer of legally prescribed substances from the person for whom it was intended to another person for illicit use.

Performance criteria				
<b>A. Regulating therapeutic goods for safety, effectiveness/performance and quality while promoting best practice</b>				
<p><b>Regulate therapeutic goods for safety, effectiveness/performance and quality.<sup>4</sup></b></p> <p><b>a. Percentage of applications lodged under prescription medicines registration (Category 1 applications) processed within 255 working days.</b></p> <p><b>b. Percentage of quality related evaluations of prescription medicines (Category 3 applications) processed within 45 working days.</b></p> <p><b>c. Percentage of conformity assessments for medical devices processed within 255 working days.</b></p> <p><b>d. Percentage of licensing and surveillance inspections completed within target timeframes.</b></p>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 100%	100%	100%	100%	100%
b. 100%	100%	100%	100%	100%
c. 100%	100%	100%	100%	100%
d. 85%	85%	85%	85%	85%
<b>Contribute to the evolving international environment to help support the quality and safety of medicines and medical devices in Australia.<sup>5</sup></b>				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Engaged in activities to reduce duplication in pre and post-market regulation of therapeutic goods and enable consistent regulatory decision making about the safety, quality and effectiveness of therapeutic goods available in Australia. Engaged in international forums and collaboration with other national regulatory authorities to facilitate the harmonisation of requirements, strengthening of regulatory partnerships, and monitoring of global regulatory priorities.	Increase engagement with overseas regulators in comparable health systems, and with regional and international organisations, such as the World Health Organization, to improve public health and safety. Increase use of overseas assessments by comparable regulators, while maintaining sovereignty of regulatory decisions.	As per 2017-18.		

<sup>4</sup> Further information available at: [www.tga.gov.au/half-yearly-performance-reports](http://www.tga.gov.au/half-yearly-performance-reports); [www.tga.gov.au/tga-key-performance-indicators-july-2015-june-2016](http://www.tga.gov.au/tga-key-performance-indicators-july-2015-june-2016); [www.tga.gov.au/performance-statistics-reports](http://www.tga.gov.au/performance-statistics-reports)

<sup>5</sup> Further information available at: [www.tga.gov.au/publication/tga-international-engagement-strategy-2016-2020](http://www.tga.gov.au/publication/tga-international-engagement-strategy-2016-2020)

<b>Improve intelligence, monitoring and compliance functions to ensure compliance with the <i>Therapeutic Goods Act 1989</i>.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Developed a Compliance and Enforcement Plan to provide a targeted approach to investigation and compliance activities.</p> <p>Developed more effective inter-agency partnerships to enable greater monitoring and use intelligence to target non-compliance.</p> <p>Removed illegal and/or non-compliant products that pose an unacceptable risk from the Australian market.</p>	<p>Implement the Compliance and Enforcement Plan.</p> <p>Strengthen inter-agency partnerships to enable greater monitoring and use intelligence to target non-compliance.</p> <p>Remove illegal and/or non-compliant products that pose an unacceptable risk from the Australian market.</p>	<p>Review the Compliance and Enforcement Plan to ensure ongoing improvement in targeting compliance activities.</p> <p>Through effective inter-agency partnerships, monitor and use intelligence to target non-compliance.</p> <p>Remove illegal and/or non-compliant products that pose an unacceptable risk from the Australian market.</p>
<b>Improve access to therapeutic goods for consumers whilst maintaining the safety of therapeutic goods in Australia.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Commenced implementation of the Australian Government's reforms arising from the Review of Medicines and Medical Devices Regulation (the Review),<sup>6</sup> including initial changes to the <i>Therapeutic Goods Act 1989</i> through the Therapeutic Goods Amendment (2016 Measures No. 1) Bill 2016.</p> <p>Further review of the regulatory framework applying to low risk therapeutic goods as part of the Medicines and Medical Devices program of reforms.</p>	<p>Implementation of the Australian Government's reforms arising from the Review progressed through:</p> <ul style="list-style-type: none"> <li>– Developing and implementing new regulatory pathways for prescription and complementary medicines and medical devices.</li> <li>– A risk-based approach to variations to registered medicines.</li> <li>– Improving patient-specific access to unapproved therapeutic goods.</li> <li>– More effective regulation of therapeutic goods advertising.</li> </ul>	<p>Full implementation of the Australian Government's reforms arising from the Review.</p>
<b>Maintain the Poisons Standard in accordance with the requirements of the <i>Therapeutic Goods Regulations 1990</i> to support protection of the community.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Considered advice from the Advisory Committee on Medicines or Chemicals Scheduling to inform updates to the Poisons Standard.</p> <p>Further review of the Scheduling Policy Framework as part of the Medicines and Medical Devices program of reforms.</p>	<p>Consider advice from the Advisory Committee on Medicines or Chemicals Scheduling to inform updates to the Poisons Standard.</p> <p>Implement scheduling policy reforms.</p>	<p>Consider advice from the Advisory Committee on Medicines or Chemicals Scheduling to inform updates to the Poisons Standard.</p>

<sup>6</sup> Further information available at: [www.tga.gov.au/mmdr](http://www.tga.gov.au/mmdr)

<b>B. Regulating the import, export, and manufacture of controlled drugs, and cultivation of medicinal cannabis</b>				
<b>Applications for the import, export, and manufacture of controlled substances are assessed and processed within appropriate timeframes to support Australian industry to engage in international trade, and ensure that medicinal products are available to Australian patients.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>		
Applications have been processed within agreed timeframes.	Applications are processed within agreed timeframes.	As per 2017-18.		
<b>Ensure that licence applications for the cultivation and production of medicinal cannabis are subject to fit and proper person and security tests through engagement with law enforcement and State and Territory regulatory authorities.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>		
All applications received have been subject to the relevant tests and assessment of diversion risk. <sup>7</sup> Response rates from States and Territories are improving.	Improve response rates from law enforcement agencies through the formalisation of Memoranda of Understanding. Build internal intelligence holdings supporting repeat and new applications.	As per 2017-18.		
<b>C. Protecting people and the environment by assessing the risks of industrial chemicals and providing information to promote their safe use</b>				
<b>Increased proportion of NICNAS risk management recommendations considered by Commonwealth and State and Territory risk management agencies and accepted to promote safer use of industrial chemicals.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
80%	≥80%	≥80%	≥85%	≥85%
<b>Increased proportion of known importers and manufacturers of industrial chemicals registered with NICNAS, to promote awareness among the regulated community of their legal obligations.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
90%	≥90%	≥90%	≥95%	≥95%
<b>Maintain proportion of NICNAS risk assessments completed within statutory timeframes to minimise regulatory burden on businesses.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
95%	≥95%	≥95%	≥95%	≥95%

<sup>7</sup> Diversion refers to the transfer of legally prescribed substances from the person for whom it was intended to another person for illicit use.

<b>D. Protecting the health and safety of people and the environment by regulating activities with genetically modified organisms (GMOs)</b>		
<b>Protect people and the environment through open, effective and transparent regulation of genetically modified organisms (GMOs).</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Prepared risk assessments and risk management plans for 100% of licence applications for release of GMOs into the environment. Consulted stakeholders, including the public, on assessments of licence applications. The Regulator made all licence decisions within the statutory timeframes.</p> <p>The regulated communities maintained a high level of compliance with the gene technology legislation. No adverse effects on human health or the environment from authorised GMOs were found.</p>	<p>Risk assessments and risk management plans prepared for 100% of applications for licensed dealings.</p> <p>100% of licence decisions made within statutory timeframes.</p> <p>High level of compliance with gene technology legislation and no adverse effect on human health or environment from authorised GMOs.</p> <p>Stakeholders, including the public, consulted on all assessments for proposed release of GMOs into the environment.</p>	As per 2017-18.
<b>Enhance harmonisation in the regulation of genetically modified organisms (GMOs) and genetically modified products.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Engaged with international fora relevant to GMO regulation including the Organisation for Economic Co-operation and Development Working Group on the Harmonisation of Regulatory Oversight in Biotechnology. Continued cooperative arrangements with relevant national regulators to enhance coordinated decision making and avoid duplication in the regulation of GMOs and genetically modified products.</p>	<p>Maintained best practice regulation through participation in international harmonisation activities and collaboration with relevant national regulators.</p>	As per 2017-18.

<b>E. Protecting the health of people and the environment through effective regulation</b>		
<b>Strengthen existing frameworks to ban cosmetic testing on animals.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Stakeholder consultation on the approach to the delivery of the ban on cosmetic testing on animals occurred in late 2016 and March 2017.	Amend the National Health and Medical Research Council (NHMRC) <i>Australian Code for the care and use of animals for scientific purposes</i> (Animal Ethics Code) to ban cosmetic testing on animals. Undertake procurement and commence work program to develop a voluntary Industry Code of Practice and a product information and communication package. Legislate Animal Cosmetic Testing Ban as part of the new Industrial Chemicals Bill 2017.	Work with States and Territories to incorporate a cosmetic testing ban through State and Territory legislation in line with the NHMRC Animal Ethics Code. Implement the Industry Code of Practice. The Animal Cosmetic Testing Ban in the Industrial Chemicals Bill takes effect from 1 July 2018.
<b>Material changes to Program 5.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 5.1 resulting from measures.</li> </ul>		

**Table 2.5.3: Performance Criteria for Program 5.2**

<b>Program 5.2: Health Protection and Emergency Response</b>
<p>The Government aims to protect the health of the Australian community through effective national leadership and coordination, and through building appropriate capacity and capability to detect, prevent and respond to threats to public health and safety arising from communicable diseases, natural disasters, acts of terrorism, and other incidents that may lead to mass casualties.</p> <p>In the 2017-18 Budget, the Government will continue to fund the production and supply of Australian antivenoms, Q fever vaccine and test kits, and will maintain Australia's ability to domestically manufacture priority pandemic vaccines to respond to an influenza pandemic. In addition, the Government will provide \$85.4 million over three years to support the replenishment of the National Medical Stockpile.</p>
<b>Delivery</b>
<p><b>A. Reducing the incidence of blood borne viruses and sexually transmissible infections</b></p> <ul style="list-style-type: none"> <li>• Continue to provide national leadership and coordination of the implementation of the National Blood Borne Viruses (BBV) and Sexually Transmissible Infections (STI) Strategies 2014–2017.</li> <li>• Develop and implement a new <i>National Strategy for BBV and STI 2018–2022</i> which provides a national framework for responding to HIV, hepatitis B, hepatitis C and STIs.</li> <li>• Continue to work with State and Territory Governments, and community and professional organisations, to encourage increased uptake of testing and treatment among priority populations, including Aboriginal and Torres Strait Islander peoples, and to implement the Australian Government priority actions to respond to HIV, hepatitis B, hepatitis C and STIs.</li> <li>• Continue to support activities through the Health Protection Program to ensure the quality and safety of the Australian blood supply.</li> </ul> <p><b>B. Providing an effective response to national health emergencies, improving biosecurity and minimising the risks posed by communicable diseases</b></p> <ul style="list-style-type: none"> <li>• Continue to strengthen preparedness to respond to public health threats and health emergencies by reviewing key emergency response plans, the National Health Emergency Response Arrangements and ongoing monitoring of health threats through the National Focal Point.<sup>8</sup></li> <li>• Continue to improve Australia's ability to prevent, detect and rapidly respond to public health threats through improved compliance with the World Health Organization's <i>International Health Regulations (2005)</i> core capacities.</li> <li>• Maintain Australia's capacity to respond to health emergencies through ensuring that a strategic reserve of essential pharmaceuticals and protective equipment is available in the National Medical Stockpile.</li> </ul>

<sup>8</sup> National Focal Point is the area or areas within the Department of Health, designated under the *National Health Security Act 2007*, as the International Health Regulations National Focal Point to liaise with and facilitate actions by national and international bodies to prevent, protect against, control and respond to a Public Health Event of National Significance or a Public Health Emergency of International Concern.

Performance criteria		
<b>A. Reducing the incidence of blood borne viruses and sexually transmissible infections</b>		
<b>National direction supports a coordinated response to reducing the spread of blood borne viruses (BBV) and sexually transmissible infections (STI).</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
Reporting on progress of programs that support the <i>National BBV and STI Strategies 2014–2017</i> <sup>9</sup> was successfully undertaken in accordance with the Implementation Plan. States and Territories, clinicians, researchers and community and professional organisations were supported in addressing the rising rates of BBV and STI in the community.	All partners, including States and Territories, clinicians, researchers, and community and professional organisations are supported to address rising rates of BBV and STI in the community through development and publication of the new <i>National BBV and STI Strategy 2018–2022</i> , incorporating HIV, hepatitis B, hepatitis C, and STI, with a focus on Aboriginal and Torres Strait Islander BBV and STI.	All partners including States and Territories, clinicians, researchers and community and professional organisations are supported to address rising rates of BBV and STI in the community with a focus on Aboriginal and Torres Strait Islander BBV and STI through: <ul style="list-style-type: none"> <li>– Monitoring progress against the programs that support the new <i>National BBV and STI Strategy 2018–2022</i>, in accordance with any implementation plans.</li> <li>– Surveillance and monitoring of progress against targets and goals including estimates of incidence and prevalence.</li> </ul>
<b>B. Providing an effective response to national health emergencies, improving biosecurity and minimising the risks posed by communicable diseases</b>		
<b>Manage and respond to national health emergencies and emerging health protection issues through effective preparation and mitigation measures.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
National Notifiable Diseases Surveillance System data is publicly available. Data quality is monitored in accordance with the <i>National Health Security Act 2007</i> . The Department continued to manage the national response to the global Zika virus outbreak.	National responses to health emergencies are successfully managed through the timely engagement of national health coordination mechanisms and response plans. Collect and disseminate data in the National Notifiable Diseases Surveillance System, including publishing on the Department's website. <sup>10</sup> Complete World Health Organization <i>International Health Regulations (2005)</i> Joint External Evaluation of core capacities.	As per 2017-18. Maintain/improve compliance with the World Health Organization <i>International Health Regulations (2005)</i> core capacities.

<sup>9</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/ohp-national-strategies](http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-national-strategies)

<sup>10</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/content/cda-surveil-ndss-nndssintro.htm](http://www.health.gov.au/internet/main/publishing.nsf/content/cda-surveil-ndss-nndssintro.htm)

<b>Provide national direction to minimise the spread of antimicrobial resistance (AMR).</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>The Implementation Plan to support the <i>National AMR Strategy 2015–19</i> was signed by the Minister for Health and the Minister for Agriculture and Water Resources in November 2016.</p> <p>An AMR One Health website is under development with an anticipated completion date of 30 June 2017.</p>	<p>Action against the spread of AMR is supported by implementation of programs that support the <i>National AMR Strategy 2015–2019</i>.<sup>11</sup></p>	<p>Action against the spread of AMR is supported through:</p> <ul style="list-style-type: none"> <li>– Implementation of programs that support the <i>National AMR Strategy 2015–2019</i>.</li> <li>– In 2019-20, development of National AMR Strategy 2019–2023 in partnership with the Department of Agriculture and Water Resources.</li> <li>– In 2020-21, action against the spread of AMR is supported by implementation of Department of Health programs that support the National AMR Strategy 2019–2023.</li> </ul>
<b>Support Australia's defences against the potential spread of mosquito-borne diseases on mainland Australia and in the Torres Strait.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>A Public Library of Science Neglected Tropical Diseases Report published in February 2017<sup>12</sup> indicates the program has successfully reduced <i>Aedes albopictus</i> populations on Thursday Island and Horn Island to levels where it is undetectable in up to 90% of surveys, which has reduced the risk of mainland establishment via that route.</p>	<p>Undertake targeted vector surveillance and control programs in the Torres Strait.<sup>13</sup></p> <p>Work closely with the Department of Agriculture and Water Resources and States and Territories, on exotic vector surveillance and control at Australia's international airports and seaports.</p>	<p>As per 2017-18.</p>
<b>Material changes to Program 5.2 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>• There are no material changes to Program 5.2 resulting from measures.</li> </ul>		

<sup>11</sup> Further information available at: [www.health.gov.au/internet/main/publishing.nsf/Content/ohp-amr.htm#tocstrategy](http://www.health.gov.au/internet/main/publishing.nsf/Content/ohp-amr.htm#tocstrategy)

<sup>12</sup> Public Library of Science Neglected Tropical Diseases; DOI:10.1371/journal.pntd.0005286 February 13, 2017 available at: [www.journals.plos.org/plosntds/article?id=10.1371/journal.pntd.0005286](http://www.journals.plos.org/plosntds/article?id=10.1371/journal.pntd.0005286)

<sup>13</sup> Vector control and surveillance aims to manage and eradicate disease carrying mosquito populations.

**Table 2.5.4: Performance Criteria for Program 5.3**

<b>Program 5.3: Immunisation</b>				
<p>The Australian Government aims to reduce the incidence of vaccine preventable diseases to protect individuals and the Australian community through the National Immunisation Program and associated immunisation initiatives.</p> <p>Supporting No Jab, No Pay, the Government will commit \$14.1 million over four years through the National Immunisation Program to provide ongoing Catch-Up vaccines for almost 375,000 Australians aged 10 to 19 years, and more than 8,000 adult refugees and humanitarian entrants. In addition, the Government will launch a \$5.5 million awareness campaign over three years to improve awareness and uptake of immunisation for children less than five years of age.</p>				
<b>Delivery</b>				
<p><b>A. Increasing national immunisation coverage rates and improving the effectiveness of the National Immunisation Program</b></p> <ul style="list-style-type: none"> <li>Promote the safety and effectiveness of the National Immunisation Program, including the need to remain vigilant against vaccine preventable diseases.</li> <li>Address low vaccine uptake in at risk populations (for example, geographic areas of low coverage) through the Australian Immunisation Register and incentive payments to vaccination providers.</li> <li>Partner with States and Territories, and other key stakeholders to deliver vaccine initiatives through the National Immunisation Program.</li> </ul>				
<b>Performance criteria</b>				
<p><b>A. Increasing national immunisation coverage rates and improving the effectiveness of the National Immunisation Program</b></p>				
<b>Increase the immunisation coverage rates in children at 5 years of age.<sup>14</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
92.2%	≥92.5%	≥93.0%	≥93.5%	≥94.0%
<b>Increase the immunisation coverage rates among 12-15 months of age Aboriginal and Torres Strait Islander children.<sup>15</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
89.8%	≥89.0%	≥90.0%	≥90.5%	≥91.0%
<p><b>Material changes to Program 5.3 resulting from the following measures:</b></p> <ul style="list-style-type: none"> <li><i>Supporting No Jab No Pay – National Immunisation Program – expansion</i></li> </ul>				

<sup>14</sup> Further information available at: [www.immunise.health.gov.au/internet/immunise/publishing.nsf/Content/acir-curr-data.htm](http://www.immunise.health.gov.au/internet/immunise/publishing.nsf/Content/acir-curr-data.htm)

<sup>15</sup> Ibid.

## 2.6 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 6

### Outcome 6: Ageing and Aged Care

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

### Programs Contributing to Outcome 6

<b>Program 6.1:</b>	<b>Access and Information</b>
<b>Program 6.2:</b>	<b>Home Support and Care</b>
<b>Program 6.3:</b>	<b>Residential and Flexible Care</b>
<b>Program 6.4:</b>	<b>Aged Care Quality</b>

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 6

##### Australian Aged Care Quality Agency<sup>1</sup>

##### Program 1.1: Quality Assessment, Compliance Monitoring and Promotion of High Quality Care in Australian Government Subsidised Aged Care Services

The Australian Aged Care Quality Agency contributes to this Outcome through quality assurance across the aged care sector, supporting and promoting quality in aged care service delivery, and delivering a comprehensive industry accreditation and education program (6.4).

##### Department of Human Services

##### Program 1.2: Services to the Community – Health

The Department of Human Services contributes to this Outcome by:

- Undertaking income testing for care recipients (6.2)
- Making payments under the Continence Aids Payment Scheme (6.2)
- Administering payments to aged care providers (6.2 and 6.3)
- Means testing residents (6.3).

##### Department of Social Services

##### Program 3.1: Disability Mental Health and Carers Program

##### Program 3.2: National Disability Insurance Scheme

The Department of Social Services contributes to this Outcome by providing assistance, support and services for people with a disability and their carers (all Outcome 6 programs).

##### Department of Veterans' Affairs

##### Program 2.4: Veterans' Community Care and Support

Alongside the ageing and aged care programs administered by the Department of Health for the broader community, the Department of Veterans' Affairs contributes to the delivery of aged and community care for Australian veterans (6.3).

Outcome 6

<sup>1</sup> Refer to the Australian Aged Care Quality Agency chapter in these Portfolio Budget Statements for further information on the work of this entity.

**The Treasury**

**Program 1.9: National Partnership Payments to the States**

The Treasury makes National Partnership Payments to the State and Territory Governments for Home and Community Care as part of the Federal Financial Relations Framework. Activities funded for Home and Community Care contribute to the Government objectives within this outcome (6.2).<sup>2</sup>

**Table 2.6.1: Budgeted Expenses for Outcome 6**

Table 2.6.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 6.1: Access and Information</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	195,875	209,190	210,132	218,601	220,878
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	43,457	42,077	42,645	42,275	42,196
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,582	734	918	777	777
<b>Total for Program 6.1</b>	<b>241,914</b>	<b>252,001</b>	<b>253,695</b>	<b>261,653</b>	<b>263,851</b>
<b>Program 6.2: Home Support and Care <sup>(d)</sup></b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	2,269,276	2,549,718	3,086,111	3,237,406	3,343,528
Special appropriations					
<i>Aged Care Act 1997</i>					
- home care packages	1,726,419	1,967,122	2,293,311	2,656,893	2,971,024
<i>National Health Act 1953</i>					
- continence aids payments	85,291	86,792	84,657	75,043	77,344
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	43,151	45,459	50,078	47,632	47,058
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,858	722	903	764	764
<b>Total for Program 6.2</b>	<b>4,126,995</b>	<b>4,649,813</b>	<b>5,515,060</b>	<b>6,017,738</b>	<b>6,439,718</b>

<sup>2</sup> For Budget estimates relating to the National Partnership component of the program, refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

**Table 2.6.1: Budgeted Expenses for Outcome 6 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 6.3: Residential and Flexible Care</b>					
Administered expenses					
Ordinary annual services <sup>(a) (e)</sup>	107,546	100,929	102,901	114,201	132,477
Zero Real Interest Loans					
- appropriation	67,040	34,200	17,960	-	-
- expense adjustment <sup>(f)</sup>	(47,451)	(22,866)	(11,936)	-	-
Special appropriations					
<i>Aged Care Act 1997</i>					
- residential care	10,885,981	11,429,323	12,058,575	12,871,183	13,554,026
<i>Aged Care Act 1997</i>					
- flexible care	431,390	472,175	495,409	539,798	583,032
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	801	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	48,661	44,184	44,755	44,331	44,048
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,983	802	1,003	849	849
<b>Total for Program 6.3</b>	<b>11,496,951</b>	<b>12,058,747</b>	<b>12,708,667</b>	<b>13,570,362</b>	<b>14,314,432</b>
<b>Program 6.4: Aged Care Quality</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	131,432	114,210	117,225	119,091	120,977
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	52,011	45,681	44,616	44,190	44,010
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,684	799	999	845	845
<b>Total for Program 6.4</b>	<b>186,127</b>	<b>160,690</b>	<b>162,840</b>	<b>164,126</b>	<b>165,832</b>

**Table 2.6.1: Budgeted Expenses for Outcome 6 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Outcome 6 totals by appropriation type</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	2,771,169	3,008,247	3,534,329	3,689,299	3,817,860
- expense adjustment <sup>(f)</sup>	(47,451)	(22,866)	(11,936)	-	-
Special appropriations	13,129,882	13,955,412	14,931,952	16,142,917	17,185,426
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	187,280	177,401	182,094	178,428	177,312
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	11,107	3,057	3,823	3,235	3,235
<b>Total expenses for Outcome 6</b>	<b>16,051,987</b>	<b>17,121,251</b>	<b>18,640,262</b>	<b>20,013,879</b>	<b>21,183,833</b>
	<b>2016-17</b>	<b>2017-18</b>			
<b>Average staffing level (number)</b>	<b>1,157</b>	<b>1,095</b>			

<sup>(a)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

<sup>(d)</sup> Budget estimates for this program exclude Home and Community Care National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper No. 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

<sup>(e)</sup> Ordinary annual services (Bill 1) against program 6.3 excludes amounts appropriated in Bill 1 for Zero Real Interest Loans as this funding is not accounted for as an expense.

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

### Movement of Funds

There were no movements of administered funds between years for Outcome 6.

## Planned Performance for Outcome 6

Tables 2.6.2 – 2.6.5 below detail the performance criteria for each program associated with Outcome 6. These tables also summarise how each program is delivered and where 2017-18 Budget measures have materially changed existing programs.

**Table 2.6.2: Performance Criteria for Program 6.1**

<b>Purpose</b>
Lead and shape Australia's health and aged care system and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
<b>Outcome 6: Ageing and Aged Care</b>
Improved wellbeing for older Australians through targeted support, access to quality care and related information services
<b>Program 6.1: Access and Information</b>
<p>The Australian Government through My Aged Care allows older people, their families, representatives and carers easier access to reliable and trusted information about aged care services. My Aged Care aims to enable people to maximise their independence, choice and quality of life. In addition, it aims to provide improved and more consistent client outcomes, responsive assessments of clients' needs and goals, appropriate referrals and equitable access to aged care services.</p> <p>The 2017-18 Budget will provide additional funding of \$3.1 million for ICT support for the My Aged Care platform. Critical improvements in system performance and efficiency will help ensure timely access to aged care for older people, and enable information technology infrastructure to keep pace with the increase in the number of people using My Aged Care.</p>
<b>Delivery</b>
<p><b>A. Supporting equitable and timely access to aged care services and information for older Australians, their families, representatives and carers</b></p> <ul style="list-style-type: none"> <li>• Provide a clear service and information resource with easily identifiable entry points, such as the My Aged Care website and contact centre.</li> <li>• Deliver high quality assessments and referrals to aged care services.</li> <li>• Improve user experience of the My Aged Care website to support access to timely, relevant and easy to use information.</li> <li>• Develop tailored information materials for people with diverse needs.</li> <li>• Provide support for vulnerable clients to access suitable services.</li> <li>• Implement the redesigned National Aged Care Advocacy Program to assist older people to understand their aged care options in order to make informed choices.</li> <li>• Implement a redesigned Community Visitors Scheme to support recipients of Commonwealth funded aged care services who are socially isolated or at risk of social isolation.</li> </ul>

Performance criteria				
<b>A. Supporting equitable and timely access to aged care services and information for older Australians, their families, representatives and carers</b>				
<b>Demonstrated system efficiency of My Aged Care through:</b> <b>a. Maintaining the percentage of high priority comprehensive assessments with clinical intervention completed within 48 hours of referral acceptance.</b> <b>b. Maintaining the percentage of high priority home support assessments completed within 10 calendar days of referral acceptance.</b>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 69.5% <sup>3</sup>	>90%	>90%	>90%	>90%
b. 81.3% <sup>4</sup>	>90%	>90%	>90%	>90%
<b>Percentage of surveyed users<sup>5</sup> who are satisfied<sup>6</sup> with the service provided by the:</b> <b>a. My Aged Care Contact Centre.</b> <b>b. My Aged Care website.</b>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 96%	≥95%	≥95%	≥95%	≥95%
b. 56%	≥65%	≥65%	≥65%	≥65%
<b>Material changes to Program 6.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>National Disability Insurance Scheme – finalisation of transition arrangements</i></li> </ul>				

<sup>3</sup> Data correct as at 31 March 2017.

<sup>4</sup> Ibid.

<sup>5</sup> 'Users' refers broadly to different types of callers to the My Aged Care Contact Centre and visitors to the My Aged Care website, including people seeking information and/or services for themselves, or others, as well as aged care service providers seeking information or system help.

<sup>6</sup> 'Satisfied' callers to the My Aged Care Contact Centre and visitors to the My Aged Care website are those who respond 'very satisfied' or 'satisfied' to the My Aged Care Customer Satisfaction Survey question: "How satisfied were you overall with your experience?"

**Table 2.6.3 – Performance Criteria for Program 6.2**

Program 6.2: Home Support and Care
<p>The Australian Government aims to provide choice through a range of flexible options to support older people to remain living at home and connected to their communities for longer. These service options include the Commonwealth Home Support Program (CHSP) which provides entry-level support services for older people aged 65 years and older (or 50 years and older for Aboriginal and Torres Strait Islander peoples) who need assistance to keep living independently at home and in their community.</p> <p>This also includes home care packages, which help older Australians living at home to access a range of clinical care, personal care and support services, to assist with day-to-day activities. Recent changes to the Home Care Packages Program mean consumers now have more choice about their care and who delivers it. Consumers can choose a provider that best meets their goals and needs, and change providers more easily if they want to. The Government will also continue to provide assistance to eligible recipients through the Continence Aids Payments Scheme.</p> <p>In the 2017-18 Budget, the Government will extend funding arrangements for the CHSP of \$5.5 billion for a further two years until 30 June 2020. This will benefit consumers receiving home support, and their carers, by providing continuity of essential services such as transport, Meals on Wheels, domestic assistance, personal care, nursing and allied health and respite services. This includes extending funding agreements with CHSP service providers and Regional Assessment Services from 1 July 2018 (1 July 2019 in Victoria), with new funding conditions to provide a greater focus on activities that support independence and wellness and provide more choice for consumers. Under this measure, two-year funding agreements will also be offered to eligible Home and Community Care service providers and assessment services in WA, which are moving to the CHSP from 1 July 2018.</p>
Delivery
<p><b>A. Providing home support for older people who need assistance to keep living independently</b></p> <ul style="list-style-type: none"> <li>• Provide older people access to a range of ongoing care services to enable them to keep living in their own homes.</li> <li>• Commence implementation of the Continuity of Support Program in accordance with the agreed schedule with State and Territory Governments. Implementation will be complete when all eligible older people are receiving Commonwealth administered continuity of support arrangements.</li> </ul> <p><b>B. Providing older people access to a range of ongoing care services to keep living in their own homes</b></p> <ul style="list-style-type: none"> <li>• Assign Home Care Packages to consumers through a nationally consistent process via My Aged Care. This approach benefits consumers as assignment is based on how long they have been waiting for care, and their individual needs and circumstances, regardless of where they live.</li> </ul> <p><b>C. Providing assistance to eligible recipients through the Continence Aids Payments Scheme</b></p> <ul style="list-style-type: none"> <li>• Continue to provide financial assistance to eligible people to assist with some of the costs associated with incontinence.</li> </ul>

Performance criteria				
A. Providing home support for older people who need assistance to keep living independently				
Commonwealth Home Support continues to assist older people to stay independent and live in their homes and communities for longer.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Services continue to be provided through the Commonwealth Home Support Program, including growth funding to support the changing needs and growth in Australia's ageing population.	Continue to provide services through the Commonwealth Home Support Program.	As per 2017-18.		
The Commonwealth Continuity of Support Program <sup>7</sup> continues to be implemented in a phased approach to support eligible older people with a disability.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
Commenced implementation of services in regions across Queensland, New South Wales and Tasmania.	Progressive regional implementation is ongoing.	Full implementation of all services for New South Wales, South Australia and the Australian Capital Territory.	Full implementation of all services for Victoria, Tasmania, Queensland and the Northern Territory.	Full implementation of all services for Western Australia.
B. Providing older people access to a range of ongoing care services to keep living in their own homes				
Provide support to older people with complex care needs to keep them living independently in their own homes through the Home Care Packages Program.				
a. Number of allocated Home Care Packages. <sup>8</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 90,763 <sup>9</sup>	100,436	112,733	124,443	134,545

<sup>7</sup> The Continuity of Support (CoS) Program provides support to older people with a disability currently receiving State and Territory-managed specialist disability services, who are not eligible for the National Disability Insurance Scheme (NDIS) at the time the NDIS is implemented in a region. The CoS Program is being implemented in line with the NDIS rollout.

<sup>8</sup> Includes mainstream and flexible Home Care Packages.

<sup>9</sup> Data correct as at 28 February 2017.

<b>C. Providing assistance to eligible recipients through the Continence Aids Payments Scheme</b>		
<b>Assist people with permanent and severe incontinence to maintain a good quality of life enabling them to participate in the community.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The Department has provided \$83.9m <sup>10</sup> in funding through the Continence Aids Payments Scheme to 139,500 <sup>11</sup> people to assist with meeting some of the costs associated with incontinence.	Provide financial assistance through the Continence Aids Payments Scheme to eligible people to support the purchase of continence products.	As per 2017-18.
<b>Material changes to Program 6.2 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>National Disability Insurance Scheme – finalisation of transition arrangements</i></li> </ul>		

<sup>10</sup> Data correct as at 31 March 2017. Total Continence Aids Payments Scheme funding may change as the program is demand driven.

<sup>11</sup> Ibid.

**Table 2.6.4 – Performance Criteria for Program 6.3**

<b>Program 6.3: Residential and Flexible Care</b>
<p>The Australian Government funds residential aged care facilities to provide a range of care options and accommodation for older people who are unable to continue living independently in their own homes, either on both a permanent and short-term basis. The Government also funds a number of flexible care options, either in a residential or home care setting, to cater to the needs of older people who may require a different care approach than that provided through mainstream residential or home care.</p>
<b>Delivery</b>
<p><b>A. Supporting people with different care needs through flexible care arrangements</b></p> <ul style="list-style-type: none"> <li>• Expand access to restorative care interventions to improve wellbeing for older people through the Short-Term Restorative Care Program.</li> <li>• Provide flexible care options to meet the aged care needs of older people living in regional and remote communities through the Multi-Purpose Services Program, which in 2017-18 will provide 3,712 places.</li> <li>• Fund the delivery of culturally appropriate aged care for older Aboriginal and Torres Strait Islander peoples close to home through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, which in 2017-18 is expected to provide 850 places.</li> </ul> <p><b>B. Supporting people in residential aged care</b></p> <ul style="list-style-type: none"> <li>• Continue to subsidise residential aged care places to ensure residential aged care can continue to be provided to older people who can no longer live independently in their own homes. By 30 June 2018 it is expected around 209,700 mainstream residential aged care places will be provided.</li> <li>• Increase the number of residential aged care places available in the community by undertaking a competitive Aged Care Approvals Round.</li> </ul> <p><b>C. Facilitating equitable access to residential aged care through capital grants</b></p> <ul style="list-style-type: none"> <li>• Support the development and refurbishment of aged care facilities by allocating capital grants through the Aged Care Approvals Round, to assist residential aged care providers that do not have the financial capacity to undertake necessary capital works.</li> </ul> <p><b>D. Protecting the financial security of people in Commonwealth-subsidised residential aged care through the Accommodation Payment Guarantee Scheme</b></p> <ul style="list-style-type: none"> <li>• Administer the Accommodation Payment Guarantee Scheme, when Commonwealth-subsidised residential aged care service providers are deemed insolvent following the Secretary's insolvency event declaration under the <i>Aged Care (Accommodation Payment Security) Act 2006</i>.</li> </ul>

Performance criteria				
A. Supporting people with different care needs through flexible care arrangements				
Increase in the number of older people who accessed restorative interventions through the Short-Term Restorative Care Program or the Transition Care Program.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
25,000	≥27,000	≥28,000	≥31,000	≥34,000
Number of places funded through Multi-Purpose Services.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
3,634	3,712	3,869	3,980	4,060
Number of places funded through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.				
2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
820 <sup>12</sup>	850 <sup>13</sup>	850	850	850
Estimated result				
820				
B. Supporting people in residential aged care				
Provide residential care options and accommodation for older people who are unable to continue living independently in their own homes.				
a. Residential aged care places available as at 30 June.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 202,800	209,700	216,900	224,600	232,300
Ensure that subsidies paid to residential aged care providers accurately reflect the assessed care needs of residents.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Based on the high-risk Aged Care Funding Instrument <sup>14</sup> claims reviewed up until 31 March 2017, it is estimated that by 30 June 2017, 2,381 <sup>15</sup> claims will result in adjustments to the amount of subsidies paid.		Aged Care Funding Instrument reviews are undertaken for all residential aged care services that are determined to be at high-risk of inaccurate claiming.		As per 2017-18.

<sup>12</sup> This target has been revised to reflect the expansion of existing services (National Aboriginal and Torres Strait Islander Flexible Aged Care Program and Multi-Purpose Services).

<sup>13</sup> The National Aboriginal and Torres Strait Islander Flexible Aged Care Program is a grant based program with a capped appropriation. Future year targets reflect the current estimates for the program.

<sup>14</sup> Approved providers receive Government funding for aged care service provision based on the Aged Care Funding Instrument appraisals of their care recipients' level of need.

<sup>15</sup> Data correct as at 3 April 2017.

<b>C. Facilitating equitable access to residential aged care through capital grants</b>		
<b>Provide assistance for essential capital improvements to support access to residential aged care.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The Department allocated \$67m in funding through the Rural, Regional and Other Special Needs Building Fund <sup>16</sup> to support 22 projects.	Where access is impeded, the Rural, Regional and Other Special Needs Building Fund provides limited funding to support ongoing improvements for essential construction, maintenance and upgrades where eligible aged care providers are unable to meet the whole cost of capital works.	As per 2017-18.
<b>D. Protecting the financial security of people in Commonwealth-subsidised residential aged care through the Accommodation Payment Guarantee Scheme</b>		
<b>Lump sum refunds made to eligible aged care recipients within 14 days following the Secretary's insolvency event declaration under the <i>Aged Care (Accommodation Payment Security) Act 2006</i>.<sup>17</sup></b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
In 2016-17, there have been no instances where the scheme has been triggered. <sup>18</sup>	100% of lump sum refunds are made within 14 days.	As per 2017-18.
<b>Material changes to Program 6.3 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>National Disability Insurance Scheme – finalisation of transition arrangements</i></li> </ul>		

<sup>16</sup> Further information available at: [www.agedcare.health.gov.au/aged-care-funding/capital-funding](http://www.agedcare.health.gov.au/aged-care-funding/capital-funding)

<sup>17</sup> The administering of the Accommodation Payment Guarantee Scheme is a demand driven process. In accordance with the *Aged Care (Accommodation Payment Security) Act 2006*, where the scheme is triggered the Department will make 100% of payments under the scheme for residents who are owed a refundable lump sum balance. The Commonwealth has discretion to levy all approved residential aged care providers to recover the cost of each trigger of the scheme. Further information available at: [www.myagedcare.gov.au/financial-and-legal/protecting-consumer-rights](http://www.myagedcare.gov.au/financial-and-legal/protecting-consumer-rights)

<sup>18</sup> Data correct as at 31 March 2017.

**Table 2.6.5 – Performance Criteria for Program 6.4**

<b>Program 6.4: Aged Care Quality</b>		
<p>The Australian Government supports the provision of quality care for older Australians. The Government is working with the aged care sector and consumers to develop a single aged care quality framework that is intended to reduce the regulatory burden for providers, and focus more on quality outcomes for consumers. To ensure quality care is provided to people with dementia the Government provides funding to strengthen the capacity of the aged care sector to deliver quality care and services to support people with dementia, their carers and their families. To better meet the needs of those from diverse backgrounds, the Department has also implemented a National Lesbian, Gay, Bisexual, Transgender and Intersex Ageing and Aged Care Strategy, and the National Ageing and Aged Care Strategy for People from Culturally and Linguistically Diverse backgrounds.</p> <p>The Department applies the regulatory framework through a proportional risk-based approach when taking action to protect the health, welfare, and interests of care recipients.</p>		
<b>Delivery</b>		
<p><b>A. Ensuring the provision of quality aged care, including equitable care for people from diverse backgrounds, and support for people with dementia</b></p> <ul style="list-style-type: none"> <li>Continue to protect the health, welfare, and interests of consumers of aged care services by taking appropriate regulatory action.</li> <li>Aged care providers receive support for providing quality care to people living with dementia through the Dementia Training Program, the Dementia Behaviour Management Advisory Service and the Severe Behaviour Response Teams.</li> <li>Support the delivery of quality aged care services to older people by developing a single aged care quality framework to be delivered from 1 July 2018. This will include new aged care standards, a streamlined way of assessing provider performance against the standards, and the availability of improved information on the quality of aged care services.</li> <li>Monitoring the aged care system and supporting improvements in the system's ability to provide sustainable quality care for older people.</li> </ul>		
<b>Performance criteria</b>		
<p><b>A. Ensuring the provision of quality aged care, including equitable care for people from diverse backgrounds, and support for people with dementia</b></p>		
<p><b>Protect the safety, wellbeing, and interests of Commonwealth-subsidised care recipients through regulatory activities.</b></p>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The Department has taken compliance action in relation to those providers found to be non-compliant with their obligations under the <i>Aged Care Act 1997</i> . <sup>19</sup>	Identify, respond to, and take appropriate action to address approved provider non-compliance under the <i>Aged Care Act 1997</i> .	As per 2017-18.

<sup>19</sup> Further information available at: [www.agedcare.health.gov.au/ensuring-quality/residential-aged-care-sanctions/aged-care-sanctions-and-notice-of-non-compliance](http://www.agedcare.health.gov.au/ensuring-quality/residential-aged-care-sanctions/aged-care-sanctions-and-notice-of-non-compliance)

<b>Respond to existing and emerging challenges in the provision of aged care for older Australians.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
\$91.391m provided through the Dementia and Aged Care Services Fund.	Provide \$76.138m <sup>20</sup> through the Dementia and Aged Care Services Fund for support activities including dementia care, services targeting Lesbian, Gay, Bisexual, Transgender and Intersex people and people from Culturally and Linguistically Diverse backgrounds; and special measures for Aboriginal and Torres Strait Islander peoples.	In 2018-19, provide \$76.148m through the Dementia and Aged Care Services Fund. In 2019-20, provide \$77.378m through the Dementia and Aged Care Services Fund.
<b>Improve the quality of care for people with dementia by the provision of vocational-level training to aged care workers or continuing professional development training to health professionals.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
N/A <sup>21</sup>	At least 70% of people surveyed <sup>22</sup> think that the quality of care they are receiving has improved since their associated aged care worker/health professional has undertaken training through the national Dementia Training Program.	As per 2017-18.
<b>Increase the confidence of aged care providers in managing behavioural and psychological symptoms of dementia.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
N/A <sup>23</sup>	At least 75% of sampled care givers <sup>24</sup> report an improvement in confidence when managing behavioural and psychological symptoms of dementia, following an intervention from the Dementia Behaviour Management Advisory Services.	As per 2017-18.
<b>Material changes to Program 6.4 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 6.4 resulting from measures.</li> </ul>		

<sup>20</sup> The reduction in funding from 2017-18 and beyond is due to the following 2012-13 Budget measures ceasing: *Living Longer. Living Better - Better Health Care Connections* and *Living Longer. Living Better - Tackling Dementia*. In addition, funding for this program was redirected by the 2015-16 MYEFO measure *Streamlining Health and Aged Care Workforce Programme Funding*.

<sup>21</sup> This is a new performance criterion for 2017-18, therefore there is no estimated result for 2016-17.

<sup>22</sup> People surveyed include providers of care for, and the families of, people living with dementia.

<sup>23</sup> This is a new performance criterion for 2017-18, therefore there is no estimated result for 2016-17.

<sup>24</sup> Sampled care givers include family carers, acute care staff and aged care staff/providers.

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the Department of Health.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental

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

##### Comprehensive Income Statement

The Department has an approved operating loss of \$37.8 million in 2016-17 and of \$3.6 million in 2017-18 net of unfunded depreciation, and anticipating break even positions net of unfunded depreciation from 2018-19 to 2020-21.

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

##### Balance Sheet

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 expenditure on property, plant and equipment, and intangibles.

## **Administered**

### **Schedule of Budgeted Income and Expenses**

Revenue estimates include levies for medical indemnity and recoveries for pharmaceutical, aged care and Medicare recoveries.

Personal benefits include pharmaceutical and medical benefits and the Private Health Insurance rebate.

Subsidies mainly include payments for the ageing and aged care functions.

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

### **Schedule of Budgeted Assets and Liabilities**

The administered Schedule of Budgeted Assets and Liabilities 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 Schedule of Budgeted Assets and Liabilities also includes estimates for the value of the National Medical Stockpile inventories, provisions for medical indemnity and investments for the Biomedical Translation Fund.

### **Schedule of Administered Capital Budget**

Capital funding of \$25 million has been provided in 2017-18 to provide for replenishment of the National Medical Stockpile.

### **Cash Flows**

Cash flows are consistent with projected income and expenses, capital injections from Government and investments in inventory and the Biomedical Translation Fund.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	557,886	522,171	522,388	532,611	534,357
Supplier expenses	292,894	287,923	274,382	250,753	241,319
Depreciation and amortisation	27,553	28,302	31,335	28,765	28,743
Write-down and impairment of assets	27	-	-	-	-
Other expenses	11,900	4,000	4,000	4,000	4,000
<b>Total expenses</b>	<b>890,260</b>	<b>842,396</b>	<b>832,105</b>	<b>816,129</b>	<b>808,419</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	173,752	176,292	181,717	184,252	186,484
Interest	-	-	1,917	1,917	1,917
Other revenue	1,358	1,380	1,403	1,428	1,428
<b>Total revenue</b>	<b>175,110</b>	<b>177,672</b>	<b>185,037</b>	<b>187,597</b>	<b>189,829</b>
<b>Gains</b>					
Other	870	870	870	870	870
<b>Total gains</b>	<b>870</b>	<b>870</b>	<b>870</b>	<b>870</b>	<b>870</b>
<b>Total own-source income</b>	<b>175,980</b>	<b>178,542</b>	<b>185,907</b>	<b>188,467</b>	<b>190,699</b>
<b>Net cost of (contribution by) services</b>	<b>714,280</b>	<b>663,854</b>	<b>646,198</b>	<b>627,662</b>	<b>617,720</b>
Revenue from Government	655,162	639,683	624,187	608,654	598,855
<b>Surplus (Deficit)</b>	<b>(59,118)</b>	<b>(24,171)</b>	<b>(22,011)</b>	<b>(19,008)</b>	<b>(18,865)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(59,118)</b>	<b>(24,171)</b>	<b>(22,011)</b>	<b>(19,008)</b>	<b>(18,865)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(59,118)</b>	<b>(24,171)</b>	<b>(22,011)</b>	<b>(19,008)</b>	<b>(18,865)</b>

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June) (continued)**

<b>Note: Reconciliation of comprehensive income attributable to the entity</b>					
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(59,118)</b>	<b>(24,171)</b>	<b>(22,011)</b>	<b>(19,008)</b>	<b>(18,865)</b>
plus non-appropriated expenses including depreciation and amortisation expenses	21,349	20,567	22,011	19,008	18,865
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>(37,769)</b>	<b>(3,604)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	78,630	64,997	69,194	74,201	78,779
Receivables	71,067	70,251	68,570	66,106	64,980
Other	10,565	10,565	10,565	10,565	10,565
<b>Total financial assets</b>	<b>160,262</b>	<b>145,813</b>	<b>148,329</b>	<b>150,872</b>	<b>154,324</b>
<b>Non-financial assets</b>					
Land and buildings	49,453	46,245	40,719	35,127	31,725
Property, plant and equipment	5,819	6,034	6,230	6,383	7,308
Intangibles	117,484	120,847	111,033	107,819	102,811
Other	15,283	15,283	15,283	15,283	15,283
<b>Total non-financial assets</b>	<b>188,039</b>	<b>188,409</b>	<b>173,265</b>	<b>164,612</b>	<b>157,127</b>
<b>Total assets</b>	<b>348,301</b>	<b>334,222</b>	<b>321,594</b>	<b>315,484</b>	<b>311,451</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	41,617	42,596	43,604	44,643	45,713
Other payables	38,168	34,631	31,094	27,616	25,554
<b>Total payables</b>	<b>79,785</b>	<b>77,227</b>	<b>74,698</b>	<b>72,259</b>	<b>71,267</b>
<b>Provisions</b>					
Employees	166,805	169,551	172,352	175,210	178,124
Other provisions	28,714	28,446	26,793	23,910	20,862
<b>Total provisions</b>	<b>195,519</b>	<b>197,997</b>	<b>199,145</b>	<b>199,120</b>	<b>198,986</b>
<b>Total liabilities</b>	<b>275,304</b>	<b>275,224</b>	<b>273,843</b>	<b>271,379</b>	<b>270,253</b>
<b>Net assets</b>	<b>72,997</b>	<b>58,998</b>	<b>47,751</b>	<b>44,105</b>	<b>41,198</b>
<b>EQUITY</b>					
Contributed equity	252,649	262,821	273,585	288,947	304,905
Reserves	30,436	30,436	30,436	30,436	30,436
Accumulated deficits	(210,088)	(234,259)	(256,270)	(275,278)	(294,143)
<b>Total equity</b>	<b>72,997</b>	<b>58,998</b>	<b>47,751</b>	<b>44,105</b>	<b>41,198</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	(210,088)	30,436	252,649	<b>72,997</b>
Surplus (deficit) for the period	(24,171)	-	-	<b>(24,171)</b>
Equity injection - appropriations	-	-	2,366	<b>2,366</b>
Departmental capital budget	-	-	7,806	<b>7,806</b>
Restructuring	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>(234,259)</b>	<b>30,436</b>	<b>262,821</b>	<b>58,998</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	227,997	218,016	222,435	223,965	228,191
Appropriations	688,192	638,786	624,761	610,204	600,274
Interest	-	-	1,917	1,917	1,917
Net GST received	26,620	24,010	20,570	20,000	20,000
Other cash received	-	1,380	1,403	1,428	1,428
<b>Total cash received</b>	<b>942,809</b>	<b>882,192</b>	<b>871,086</b>	<b>857,514</b>	<b>851,810</b>
<b>Cash used</b>					
Employees	448,670	431,848	439,891	437,539	531,443
Suppliers	410,452	374,237	352,352	342,971	239,379
Net GST paid	4,347	4,355	-	-	-
Cash to the Official Public Account	65,147	64,980	64,192	62,000	62,000
Other	8,145	1,905	5,036	5,261	9,110
<b>Total cash used</b>	<b>936,761</b>	<b>877,325</b>	<b>861,471</b>	<b>847,771</b>	<b>841,932</b>
<b>Net cash from (or used by) operating activities</b>	<b>6,048</b>	<b>4,867</b>	<b>9,615</b>	<b>9,743</b>	<b>9,878</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	34,569	28,672	16,191	20,112	21,258
<b>Total cash used</b>	<b>34,569</b>	<b>28,672</b>	<b>16,191</b>	<b>20,112</b>	<b>21,258</b>
<b>Net cash from (or used by) investing activities</b>	<b>(34,569)</b>	<b>(28,672)</b>	<b>(16,191)</b>	<b>(20,112)</b>	<b>(21,258)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	16,479	10,172	10,773	15,376	15,958
<b>Total cash received</b>	<b>16,479</b>	<b>10,172</b>	<b>10,773</b>	<b>15,376</b>	<b>15,958</b>
<b>Net cash from (or used by) financing activities</b>	<b>16,479</b>	<b>10,172</b>	<b>10,773</b>	<b>15,376</b>	<b>15,958</b>
<b>Net increase (or decrease) in cash held</b>	<b>(12,042)</b>	<b>(13,633)</b>	<b>4,197</b>	<b>5,007</b>	<b>4,578</b>
Cash and cash equivalents at the beginning of the reporting period	90,672	78,630	64,997	69,194	74,201
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>78,630</b>	<b>64,997</b>	<b>69,194</b>	<b>74,201</b>	<b>78,779</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	6,651	2,366	1,866	1,866	1,866
Capital budget - Bill 1 (DCB)	9,828	7,806	8,898	13,496	14,092
<b>Total capital appropriations</b>	<b>16,479</b>	<b>10,172</b>	<b>10,764</b>	<b>15,362</b>	<b>15,958</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	16,479	10,172	10,764	15,362	15,958
<b>Total items</b>	<b>16,479</b>	<b>10,172</b>	<b>10,764</b>	<b>15,362</b>	<b>15,958</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	6,759	5,904	2,166	1,866	1,866
Funded by capital appropriation - DCB <sup>(b)</sup>	9,828	7,806	8,898	13,496	14,092
Funded internally from departmental resources	17,982	14,962	5,127	4,750	5,300
Funded by finance leases	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>34,569</b>	<b>28,672</b>	<b>16,191</b>	<b>20,112</b>	<b>21,258</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	34,569	28,672	16,191	20,112	21,258
less additions by finance lease	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>34,569</b>	<b>28,672</b>	<b>16,191</b>	<b>20,112</b>	<b>21,258</b>

<sup>(a)</sup> Includes both current Appropriation Bill No. 2 and prior Act 2/4/6 appropriations.

<sup>(b)</sup> Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	<b>Buildings</b>	<b>Other property, plant and equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2017</b>				
Gross book value	64,676	10,023	254,980	<b>329,679</b>
Accumulated depreciation/ amortisation and impairment	(15,223)	(4,204)	(137,496)	<b>(156,923)</b>
<b>Opening net book balance</b>	<b>49,453</b>	<b>5,819</b>	<b>117,484</b>	<b>172,756</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	5,904	<b>5,904</b>
By purchase - appropriation ordinary annual services	2,840	259	4,707	<b>7,806</b>
By purchase - other	700	2,000	12,262	<b>14,962</b>
<b>Total additions</b>	<b>3,540</b>	<b>2,259</b>	<b>22,873</b>	<b>28,672</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(6,748)	(2,044)	(19,510)	<b>(28,302)</b>
Transfer due to restructuring	-	-	-	<b>-</b>
<b>Total other movements</b>	<b>(6,748)</b>	<b>(2,044)</b>	<b>(19,510)</b>	<b>(28,302)</b>
<b>As at 30 June 2018</b>				
Gross book value	68,216	12,282	277,853	<b>358,351</b>
Accumulated depreciation/ amortisation and impairment	(21,971)	(6,248)	(157,006)	<b>(185,225)</b>
<b>Closing net book balance</b>	<b>46,245</b>	<b>6,034</b>	<b>120,847</b>	<b>173,126</b>

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	638,656	607,110	585,699	592,681	588,792
Subsidies	12,536,368	12,023,300	12,662,233	13,524,084	14,255,597
Personal benefits	42,072,228	43,975,150	45,825,405	48,146,173	50,038,065
Grants	7,546,559	8,201,849	8,525,917	8,516,287	8,759,269
Depreciation and amortisation	963	-	-	-	-
Write-down and impairment of assets	21,515	29,926	24,661	12,788	2,525
Payments to corporate Commonwealth entities	405,060	560,425	524,606	251,890	252,462
Other expenses	32,234	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>63,253,583</b>	<b>65,397,760</b>	<b>68,148,521</b>	<b>71,043,903</b>	<b>73,896,710</b>
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation revenue</b>					
Other taxes	15,700	16,100	16,400	16,800	17,200
<b>Total taxation revenue</b>	<b>15,700</b>	<b>16,100</b>	<b>16,400</b>	<b>16,800</b>	<b>17,200</b>
<b>Non-taxation revenue</b>					
Interest	7,108	8,465	9,563	8,835	7,924
Medical Research Future Fund	60,876	121,565	214,913	386,373	642,886
Recoveries	2,817,897	2,577,235	2,318,183	1,986,139	1,978,462
<b>Total non-taxation revenue</b>	<b>2,885,881</b>	<b>2,707,265</b>	<b>2,542,659</b>	<b>2,381,347</b>	<b>2,629,272</b>
<b>Total own-source revenue administered on behalf of Government</b>	<b>2,901,581</b>	<b>2,723,365</b>	<b>2,559,059</b>	<b>2,398,147</b>	<b>2,646,472</b>
<b>Gains</b>					
Other gains	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue administered on behalf of Government</b>	<b>2,901,581</b>	<b>2,723,365</b>	<b>2,559,059</b>	<b>2,398,147</b>	<b>2,646,472</b>

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	171,578	171,578	171,578	171,578	171,578
Receivables	1,606,337	1,475,440	1,459,841	1,389,764	1,282,192
Investments	684,107	714,050	751,592	751,592	751,592
<b>Total financial assets</b>	<b>2,462,022</b>	<b>2,361,068</b>	<b>2,383,011</b>	<b>2,312,934</b>	<b>2,205,362</b>
<b>Non-financial assets</b>					
Inventories	115,287	110,361	110,700	122,912	120,387
<b>Total non-financial assets</b>	<b>115,287</b>	<b>110,361</b>	<b>110,700</b>	<b>122,912</b>	<b>120,387</b>
<b>Total assets administered on behalf of Government</b>	<b>2,577,309</b>	<b>2,471,429</b>	<b>2,493,711</b>	<b>2,435,846</b>	<b>2,325,749</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	9,762	9,685	9,685	9,685	9,685
Subsidies	13,726	13,726	13,726	13,726	13,726
Personal benefits payable	1,354,086	1,358,912	1,399,285	1,437,803	1,464,589
Grants	349,453	346,689	346,819	346,687	346,701
<b>Total payables</b>	<b>1,727,027</b>	<b>1,729,012</b>	<b>1,769,515</b>	<b>1,807,901</b>	<b>1,834,701</b>
<b>Provisions</b>					
Personal Benefits	1,280,045	1,280,045	1,280,045	1,280,045	1,280,045
Subsidies	441,765	464,268	470,254	478,975	491,038
<b>Total payables</b>	<b>1,721,810</b>	<b>1,744,313</b>	<b>1,750,299</b>	<b>1,759,020</b>	<b>1,771,083</b>
<b>Total liabilities administered on behalf of Government</b>	<b>3,448,837</b>	<b>3,473,325</b>	<b>3,519,814</b>	<b>3,566,921</b>	<b>3,605,784</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	7,108	8,465	9,563	8,835	7,924
Taxes	15,700	16,100	16,400	16,800	17,200
GST received	485,529	489,514	501,335	494,536	507,578
Medical Research Future Fund	60,876	121,565	214,913	386,373	642,886
Recoveries	2,613,439	2,704,542	2,316,469	2,023,134	2,053,705
<b>Total cash received</b>	<b>3,182,652</b>	<b>3,340,186</b>	<b>3,058,680</b>	<b>2,929,678</b>	<b>3,229,293</b>
<b>Cash used</b>					
Grants	7,568,974	8,196,464	8,519,334	8,514,472	8,759,255
Subsidies	12,522,256	11,994,839	12,654,442	13,517,401	14,243,534
Personal benefits	41,852,537	43,971,377	45,785,080	48,107,403	50,011,274
Suppliers	664,321	632,187	610,699	617,681	588,792
Payments to corporate entities	405,060	560,425	524,606	251,890	252,462
GST paid	485,529	489,514	501,335	494,536	507,578
<b>Total cash used</b>	<b>63,498,677</b>	<b>65,844,806</b>	<b>68,595,496</b>	<b>71,503,383</b>	<b>74,362,895</b>
<b>Net cash from (or used by) operating activities</b>	<b>(60,316,025)</b>	<b>(62,504,620)</b>	<b>(65,536,816)</b>	<b>(68,573,705)</b>	<b>(71,133,602)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayment of advances	18,953	26,318	29,116	33,082	32,329
<b>Total cash used</b>	<b>18,953</b>	<b>26,318</b>	<b>29,116</b>	<b>33,082</b>	<b>32,329</b>
<b>Cash used</b>					
Advances made	67,040	34,200	17,960	-	-
Purchase of investment	250,000	-	-	-	-
<b>Total cash used</b>	<b>317,040</b>	<b>34,200</b>	<b>17,960</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) investing activities</b>	<b>(298,087)</b>	<b>(7,882)</b>	<b>11,156</b>	<b>33,082</b>	<b>32,329</b>
<b>Net increase (or decrease) in cash held</b>	<b>(60,614,112)</b>	<b>(62,512,502)</b>	<b>(65,525,660)</b>	<b>(68,540,623)</b>	<b>(71,101,273)</b>
Cash at beginning of reporting period	171,578	171,578	171,578	171,578	171,578
Cash from Official Public Account for:					
- appropriations	63,118,368	65,242,520	67,871,801	70,597,067	73,212,024
- capital injections	150,537	25,000	25,000	25,000	-
- GST appropriations	485,529	489,514	501,335	494,536	507,578
Cash to the Official Public Account					
- return of GST	(485,529)	(489,514)	(501,335)	(494,536)	(507,578)
- other	(2,654,793)	(2,755,018)	(2,371,141)	(2,081,444)	(2,110,751)
<b>Cash at end of reporting period</b>	<b>171,578</b>	<b>171,578</b>	<b>171,578</b>	<b>171,578</b>	<b>171,578</b>

**Table 3.10: Administered Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Administered assets	150,537	25,000	25,000	25,000	-
<b>Total capital appropriations</b>	<b>150,537</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	25,537	25,000	25,000	25,000	-
Other items	125,000	-	-	-	-
<b>Total items</b>	<b>150,537</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	-
<b>ACQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	25,537	25,000	25,000	25,000	-
<b>Total acquisition of non-financial assets</b>	<b>25,537</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	-

**Table 3.11: Statement of Administered Asset Movements (Budget year 2017-18)**

	Land \$'000	Buildings \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2017</b>				
Gross book value	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	-	-	-
<b>Opening net book balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase or internally developed	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Movements</b>				
Depreciation/amortisation expense	-	-	-	-
Restructuring	-	-	-	-
<b>As at 30 June 2018</b>				
Gross book value	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	-	-	-
<b>Closing net book balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# **AUSTRALIAN AGED CARE QUALITY AGENCY**

## **Entity Resources and Planned Performance**



# AUSTRALIAN AGED CARE QUALITY AGENCY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Aged Care Quality Agency (Quality Agency) is a statutory agency authorised by the *Australian Aged Care Quality Agency Act 2013*.

The Quality Agency is responsible for holding providers to account for the quality of care and services against the applicable standards to ensure high quality care for people accessing Australian Government subsidised aged care.

In accordance with the applicable standards and the *Quality Agency Principles 2013*, the Quality Agency accredits residential aged care services<sup>2</sup> and quality reviews aged care services provided in the home and community.<sup>3</sup> The Quality Agency is supporting the Government's aged care reform through the development of guidance and sector support for transition and implementation of the new aged care standards under a single quality framework for aged care.

From July 2017, the Quality Agency will publish a new consumer interview report to provide information on how, in each residential aged care facility, residents and their representatives experience the quality of care.

The Quality Agency monitors compliance of service providers against the standards and applies a case management model based on relevant information and compliance history. The Quality Agency is enhancing its regulatory intelligence and risk-based approaches to monitoring compliance.

The Quality Agency provides feedback to the provider on areas for improvement to ensure that standards are complied with, and the timetable for making these improvements. The Quality Agency also advises the Secretary of the Department of Health about aged care services that do not meet the standards. The Quality Agency is implementing full cost recovery arrangements for its accreditation services.

The Quality Agency provides information, education and training, and feedback to aged care providers on performance, and publishes performance information to support older people in their choice of aged care service. In addition, the Quality Agency promotes public confidence in accreditation and the quality review systems for aged care through consistent and meaningful assessments and reporting of compliance with the standards.

The Quality Agency is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The functions of the Quality Agency are set out in the *Australian Aged Care Quality Agency Act 2013* (the Quality Agency Act) and the *Aged Care Act 1997*.

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<sup>1</sup> For more information about the strategic direction of the Quality Agency, refer to the current corporate plan, available at: [www.aacqa.gov.au/publications/publications#corporate](http://www.aacqa.gov.au/publications/publications#corporate)

<sup>2</sup> Residential aged care is regulated by the Australian Government, which provides subsidies to accredited approved providers for the care and services they provide.

<sup>3</sup> 'Aged care services provided in the home and community' includes Home Care, Commonwealth Home Support and National Aboriginal and Torres Strait Islander Flexible Aged Care Program services.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Quality Agency Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	2,651	21,909
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	28,317	27,285
s74 retained revenue receipts <sup>(b)</sup>	6,580	22,457
Departmental capital budget <sup>(c)</sup>	1,195	1,173
Other services <sup>(d)</sup>		
Equity injection	18,496	-
<b>Total departmental annual appropriations</b>	<b>54,588</b>	<b>50,915</b>
<b>Total departmental resourcing</b>	<b>57,239</b>	<b>72,824</b>
<b>Total resourcing for the Quality Agency</b>	<b>57,239</b>	<b>72,824</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	214	255

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Quality Agency 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>National Disability Insurance Scheme – finalisation of transition arrangements<sup>(a)</sup></b>						
Australian Aged Care Quality Agency						
Departmental expenses	1.1	-	-	205	205	207
<b>Total expenses</b>		-	-	<b>205</b>	<b>205</b>	<b>207</b>

<sup>(a)</sup> The Quality Agency is not the lead entity for this measure. Only Quality Agency impacts are shown in this table.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The Quality Agency's most recent corporate plan is available at:  
[www.aacqa.gov.au/about-us/corporate-publications](http://www.aacqa.gov.au/about-us/corporate-publications)

The Quality Agency's most recent annual performance statement is available at:  
[www.aacqa.gov.au/about-us/annual-reports](http://www.aacqa.gov.au/about-us/annual-reports)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### Outcome 1

High-quality care for persons receiving Australian Government subsidised aged care through the accreditation of aged care services in residential settings, the quality review of aged care services provided in the community and the provision of quality information to consumers, as well as the provision of information, education and training to aged care providers

### Program Contributing to Outcome 1

**Program 1.1: Quality Assessment, Compliance Monitoring and Promotion of High Quality Care in Australian Government Subsidised Aged Care Services**

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 1

##### Department of Health

##### Program 6.4: Aged Care Quality

The Department of Health has policy responsibility for ageing and aged care, including the regulatory framework and regulatory action taken to address non-compliance.

## Budgeted Expenses for the Quality Agency

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the Quality Agency**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Quality Assessment, Compliance Monitoring and Promotion of High Quality Care in Australian Government Subsidised Aged Care Services</b>					
Departmental expenses					
Departmental appropriation <sup>(a)</sup>	35,210	45,857	39,903	37,246	48,695
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	1,196	1,370	1,625	1,775	1,525
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>36,406</b>	<b>47,227</b>	<b>41,528</b>	<b>39,021</b>	<b>50,220</b>
<b>Total expenses for Outcome 1</b>	<b>36,406</b>	<b>47,227</b>	<b>41,528</b>	<b>39,021</b>	<b>50,220</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	214	255

- <sup>(a)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.
- <sup>(b)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Planned Performance for the Quality Agency

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>4</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the Quality Agency**

<b>Purpose</b>
The Quality Agency is responsible for holding aged care service providers accountable for their performance against the Accreditation Standards for residential aged care, Home Care Standards for Home Care services, National Aboriginal and Torres Strait Islander Flexible Aged Care Services and also promoting high quality care and service provider performance through education, training and compliance assistance.
<b>Outcome 1</b>
High-quality care for persons receiving Australian Government subsidised aged care through the accreditation of aged care services in residential settings, the quality review of aged care services provided in the community and the provision of quality information to consumers, as well as the provision of information, education and training to aged care providers
<b>Program 1.1: Quality Assessment, Compliance Monitoring and Promotion of High Quality Care in Australian Government Subsidised Aged Care Services</b>
The Quality Agency contributes to high quality aged care through the residential aged care accreditation and quality review of Australian Government subsidised aged care services. The Quality Agency monitors compliance with the relevant standards to ensure care recipients receive a high standard of care. The Quality Agency promotes high quality care and service provider performance through education, training and compliance assistance.
<b>Delivery</b>
<p><b>A. Ensuring high quality care for persons receiving Australian Government subsidised aged care through the efficient and effective delivery of services under the <i>Australian Aged Care Quality Agency Act 2013</i> and in accordance with the <i>Quality Agency Principles 2013</i></b></p> <ul style="list-style-type: none"> <li>• Accredit residential aged care services.</li> <li>• Quality review aged care services provided in the home and community.</li> <li>• Monitor compliance with the applicable standards.</li> <li>• Promote high quality care and innovation through sector engagement, information and training.</li> <li>• Publish performance information on the quality of care and services.</li> <li>• Maintain a register of Quality Assessors.</li> </ul>

<sup>4</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 Quality Agency Annual Report.

Performance criteria				
<b>A. Ensuring high quality care for persons receiving Australian Government subsidised aged care through the efficient and effective delivery of services under the <i>Australian Aged Care Quality Agency Act 2013</i> and in accordance with the <i>Quality Agency Principles 2013</i></b>				
Percentage of service providers who maintain compliance with the standards for the twelve months following a time table for improvement decision.				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
83%	≥85%	≥87%	≥87%	≥87%
Percentage of applications for re-accreditation completed within the statutory timeframes.				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
≥98%	≥92%	≥95%	≥95%	≥95%
Percentage of services providing care in the home and community receiving a quality review within the legislated timeframes.				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
≥85%	≥90%	≥92%	≥92%	≥92%
Percentage of service providers who are satisfied with Quality Agency information, engagement and education.				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
≥85%	≥80%	≥80%	≥92%	≥92%
<b>Material changes to Program 1.1 resulting from the following measures:</b> There are no material changes to Program 1.1 resulting from measures.				

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the Quality Agency.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Income and Expenses

The Quality Agency is budgeting for a break even position in 2017-18 and the forward years after adjusting for depreciation and amortisation expenses.

Total own-source revenue for 2017-18 is expected to be \$18.6 million. Revenue from Government is expected to be \$27.3 million.

Total expenses for 2017-18 are expected to be \$47.2 million including \$1.3 million of depreciation and amortisation, compared to \$36.4 million for 2016-17.

##### Balance Sheet

The Quality Agency has a budgeted net asset position of \$18.3 million in 2017-18.

Total assets for 2017-18 are estimated to be \$31.8 million, comprising \$26.0 million of financial assets and \$5.8 million in non-financial assets.

Total liabilities for 2017-18 are estimated to be \$13.5 million made up of accrued employee entitlements \$7.4 million, suppliers payables \$0.5 million, other payables \$5.3 million and other provisions of \$0.3 million.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	24,747	34,862	29,072	26,257	36,377
Supplier expenses	10,463	10,979	10,815	10,973	12,302
Depreciation and amortisation	1,196	1,370	1,625	1,775	1,525
Other expenses	-	16	16	16	16
<b>Total expenses</b>	<b>36,406</b>	<b>47,227</b>	<b>41,528</b>	<b>39,021</b>	<b>50,220</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	6,893	18,572	21,576	18,885	30,242
Other revenue	-	-	-	-	-
<b>Total revenue</b>	<b>6,893</b>	<b>18,572</b>	<b>21,576</b>	<b>18,885</b>	<b>30,242</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>6,893</b>	<b>18,572</b>	<b>21,576</b>	<b>18,885</b>	<b>30,242</b>
<b>Net cost of (contribution by) services</b>	<b>29,513</b>	<b>28,655</b>	<b>19,952</b>	<b>20,136</b>	<b>19,978</b>
Revenue from Government	28,317	27,285	18,327	18,361	18,453
<b>Surplus (Deficit)</b>	<b>(1,196)</b>	<b>(1,370)</b>	<b>(1,625)</b>	<b>(1,775)</b>	<b>(1,525)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(1,196)</b>	<b>(1,370)</b>	<b>(1,625)</b>	<b>(1,775)</b>	<b>(1,525)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(1,196)</b>	<b>(1,370)</b>	<b>(1,625)</b>	<b>(1,775)</b>	<b>(1,525)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(1,196)</b>	<b>(1,370)</b>	<b>(1,625)</b>	<b>(1,775)</b>	<b>(1,525)</b>
plus non-appropriated expenses depreciation and amortisation expenses	1,196	1,370	1,625	1,775	1,525
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,275	603	689	523	545
Receivables	23,997	25,412	19,561	19,527	23,276
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>26,272</b>	<b>26,015</b>	<b>20,250</b>	<b>20,050</b>	<b>23,821</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Property, plant and equipment	1,428	3,136	3,942	4,402	5,017
Intangibles	681	2,003	3,126	3,760	4,549
Inventories	-	-	-	-	-
Other	630	685	685	635	710
<b>Total non-financial assets</b>	<b>2,739</b>	<b>5,824</b>	<b>7,753</b>	<b>8,797</b>	<b>10,276</b>
<b>Total assets</b>	<b>29,011</b>	<b>31,839</b>	<b>28,003</b>	<b>28,847</b>	<b>34,097</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	812	514	933	946	1,716
Other payables	1,867	5,294	761	1,406	5,214
<b>Total payables</b>	<b>2,679</b>	<b>5,808</b>	<b>1,694</b>	<b>2,352</b>	<b>6,930</b>
<b>Provisions</b>					
Employees	6,670	7,404	8,129	8,911	9,878
Other provisions	280	311	327	343	359
<b>Total provisions</b>	<b>6,950</b>	<b>7,715</b>	<b>8,456</b>	<b>9,254</b>	<b>10,237</b>
<b>Total liabilities</b>	<b>9,629</b>	<b>13,523</b>	<b>10,150</b>	<b>11,606</b>	<b>17,167</b>
<b>Net assets</b>	<b>19,382</b>	<b>18,316</b>	<b>17,853</b>	<b>17,241</b>	<b>16,930</b>
<b>EQUITY</b>					
Contributed equity	18,084	19,281	20,443	21,606	22,820
Reserves	-	-	-	-	-
Retained surpluses (accumulated deficits)	1,298	(965)	(2,590)	(4,365)	(5,890)
<b>Total equity</b>	<b>19,382</b>	<b>18,316</b>	<b>17,853</b>	<b>17,241</b>	<b>16,930</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	405	-	18,108	<b>18,513</b>
Surplus (deficit) for the period	(1,370)	-	-	<b>(1,370)</b>
Capital budget - Bill 1 (DCB)	-	-	1,173	<b>1,173</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(965)</b>	<b>-</b>	<b>19,281</b>	<b>18,316</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	27,179	21,586	22,205	16,705	13,707
Goods and services	6,580	22,457	17,181	19,673	34,197
Net GST received	-	1,014	994	987	1,121
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>33,759</b>	<b>45,057</b>	<b>40,380</b>	<b>37,365</b>	<b>49,025</b>
<b>Cash used</b>					
Employees	24,747	33,509	27,842	25,039	34,799
Suppliers	9,325	13,220	12,452	12,492	14,204
Net GST paid	-	-	-	-	-
Other cash used	-	-	-	-	-
<b>Total cash used</b>	<b>34,072</b>	<b>46,729</b>	<b>40,294</b>	<b>37,531</b>	<b>49,003</b>
<b>Net cash from (or used by) operating activities</b>	<b>(313)</b>	<b>(1,672)</b>	<b>86</b>	<b>(166)</b>	<b>22</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	1,258	3,164	1,699	1,707	1,714
<b>Total cash used</b>	<b>1,258</b>	<b>3,164</b>	<b>1,699</b>	<b>1,707</b>	<b>1,714</b>
<b>Net cash from (or used by) investing activities</b>	<b>(1,258)</b>	<b>(3,164)</b>	<b>(1,699)</b>	<b>(1,707)</b>	<b>(1,714)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	1,195	3,164	1,699	1,707	1,714
<b>Total cash received</b>	<b>1,195</b>	<b>3,164</b>	<b>1,699</b>	<b>1,707</b>	<b>1,714</b>
<b>Cash used</b>					
Other financing activity <sup>(a)</sup>	18,496	-	-	-	-
<b>Total cash used</b>	<b>18,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>(17,301)</b>	<b>3,164</b>	<b>1,699</b>	<b>1,707</b>	<b>1,714</b>
<b>Net increase (or decrease) in cash held</b>	<b>(18,872)</b>	<b>(1,672)</b>	<b>86</b>	<b>(166)</b>	<b>22</b>
Cash and cash equivalents at the beginning of the reporting period	21,147	2,275	603	689	523
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,275</b>	<b>603</b>	<b>689</b>	<b>523</b>	<b>545</b>

<sup>(a)</sup> Amount returned to the Official Public Account. This amount was re-appropriated through *Appropriation Act (No. 4) 2016-17*.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	1,195	1,173	1,162	1,163	1,214
Equity injections - Bill 2	18,496	-	-	-	-
<b>Total capital appropriations</b>	<b>19,691</b>	<b>1,173</b>	<b>1,162</b>	<b>1,163</b>	<b>1,214</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	1,195	1,173	1,162	1,163	1,214
Other items	18,496	-	-	-	-
<b>Total items</b>	<b>19,691</b>	<b>1,173</b>	<b>1,162</b>	<b>1,163</b>	<b>1,214</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded by capital appropriation - DCB <sup>(b)</sup>	1,195	1,173	1,162	1,163	1,214
Funded internally from departmental resources	63	1,991	537	544	500
<b>Total acquisitions of non-financial assets</b>	<b>1,258</b>	<b>3,164</b>	<b>1,699</b>	<b>1,707</b>	<b>1,714</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,258	3,164	1,699	1,707	1,714
<b>Total cash used to acquire assets</b>	<b>1,258</b>	<b>3,164</b>	<b>1,699</b>	<b>1,707</b>	<b>1,714</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

<sup>(b)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	-	4,202	4,590	<b>8,792</b>
Accumulated depreciation amortisation and impairment	-	(2,774)	(3,909)	<b>(6,683)</b>
<b>Opening net book balance</b>	-	<b>1,428</b>	<b>681</b>	<b>2,109</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - internally funded	-	1,991	-	<b>1,991</b>
By purchase - appropriation ordinary annual services	-	206	967	<b>1,173</b>
<b>Total additions</b>	-	<b>2,197</b>	<b>967</b>	<b>3,164</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(925)	(445)	<b>(1,370)</b>
Other movements	-	436	800	<b>1,236</b>
<b>Total other movements</b>	-	<b>(489)</b>	<b>355</b>	<b>(134)</b>
<b>As at 30 June 2018</b>				
Gross book value	-	6,399	5,557	<b>11,956</b>
Accumulated depreciation/ amortisation and impairment	-	(3,263)	(3,554)	<b>(6,817)</b>
<b>Closing net book balance</b>	-	<b>3,136</b>	<b>2,003</b>	<b>5,139</b>

# **AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE**

## **Entity Resources and Planned Performance**



# AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE

ACSQHC

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

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).

Lapses in safety and quality of health care have enormous costs, both in terms of the impact on people's lives and financially: health care associated injury and ill health adds to the cost of health care provision.<sup>2,3,4</sup> Underuse and/or overuse of health care services identified through observed variation in practice raises questions about the overall productivity, safety and quality of health care delivery.

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:

- Patient safety: to have a safe health system that is designed to ensure that patients and consumers are kept safe from preventable harm.
- Partnering with patients, consumers and committees: 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.
- Quality, cost and value: to have a health system that provides the right care, minimises waste and optimises value and productivity.
- 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.

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<sup>1</sup> For more information about the strategic direction of the ACSQHC, refer to the current corporate plan, available at: [www.safetyandquality.gov.au/about-us/corporate-plan/](http://www.safetyandquality.gov.au/about-us/corporate-plan/)

<sup>2</sup> Health Policy Analysis 2013, *Analysis of hospital-acquired diagnosis and their effect on case complexity and resource use – Final report*, ACSQHC, Sydney.

<sup>3</sup> Trantino K M, Swain S G, Burrows S A, Sprivulis P C, Daly F F S 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.

<sup>4</sup> Ehsani J P, Jackson T, Duckett S J 2006, 'The incidence and cost of adverse events in Victorian Hospitals 2003-2004', *Medical Journal of Australia*, Vol. 184, No. 11, pp. 551-555.

During 2017-18, the ACSQHC will continue to focus its efforts on improvements in safety and quality that can be advanced through national action. This will include a strong focus on the piloting and implementation of Version 2 of the National Safety and Quality Health Service (NSQHS) Standards. It will also include continued examination of variation in health care and opportunities to advance patient outcomes by highlighting unwarranted variation and improving the quality, value and appropriateness of care.

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

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ACSQHC Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Estimate \$'000</b>
<b>Opening balance/cash reserves at 1 July</b>	10,851	8,851
<b>Funds from Government</b>		
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	-	-
Other services <sup>(b)</sup>	-	-
Equity injection	-	-
<b>Total annual appropriations</b>	-	-
<b>Amounts received from related entities <sup>(c)</sup></b>		
Amounts from the Portfolio Department	14,422	11,176
Amounts from other entities	3,300	2,493
<b>Total amounts received from related entities</b>	<b>17,722</b>	<b>13,669</b>
<b>Total funds from Government</b>	<b>17,722</b>	<b>13,669</b>
<b>Funds from other sources</b>		
Goods and services	-	-
State Government contributions	7,406	7,628
Interest	200	200
<b>Total funds from other sources</b>	<b>7,606</b>	<b>7,828</b>
<b>Total net resourcing for the ACSQHC</b>	<b>36,179</b>	<b>30,348</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	86	86

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(c)</sup> 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**

This section is not applicable to the ACSQHC.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### **Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The ACSQHC's most recent corporate plan is available at:  
[www.safetyandquality.gov.au/about-us/corporate-plan](http://www.safetyandquality.gov.au/about-us/corporate-plan)

The ACSQHC's most recent annual performance statement is available at:  
[www.safetyandquality.gov.au/publications-resources/annual-reports](http://www.safetyandquality.gov.au/publications-resources/annual-reports)

## **2.1 BUDGETED EXPENSES AND PERFORMANCE**

### **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

### **Program Contributing to Outcome 1**

<b>Program 1.1:</b>	<b>Safety and Quality in Health Care</b>
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## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<b>Department of Health</b> <b>Program 1.1: Health Policy Research and Analysis</b> The Department of Health has policy responsibility for the improvement of the long-term capacity, quality and safety of Australia's health care system.
<b>Independent Hospital Pricing Authority</b> <b>Program 1.1: Public Health Pricing Determinations</b> The Independent Hospital Pricing Authority works with the ACSQHC to ensure that pricing and performance measures for public hospitals are complementary and facilitate a strong national framework for the delivery of public hospital services.
<b>National Blood Authority</b> <b>Program 1.1: National Blood Agreement Management</b> The National Blood Authority works closely with the ACSQHC in relation to the <i>National Safety and Quality Health Service Standard 7: Blood and Blood Products</i> .

ACSQHC

## Budgeted Expenses for the ACSQHC

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the ACSQHC**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Safety and Quality in Health Care</b>					
Revenue from Government					
Amounts from the Portfolio					
Department	19,321	11,326	11,578	11,803	11,988
Amounts from other Government entities	3,436	2,493	-	-	-
Revenues from independent sources	7,971	7,828	8,057	8,293	8,536
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>30,728</b>	<b>21,647</b>	<b>19,635</b>	<b>20,096</b>	<b>20,524</b>
<b>Total expenses for Outcome 1</b>	<b>30,728</b>	<b>21,647</b>	<b>19,635</b>	<b>20,096</b>	<b>20,524</b>
<b>Average staffing level (number)</b>					
	86	86			

## Planned Performance for the ACSQHC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>5</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the ACSQHC**

<b>Purpose</b>
To contribute to better health outcomes and experiences for patients and improved productivity and sustainability of the health system by leading and coordinating national improvements in safety and quality in health care. <sup>6</sup>
<b>Outcome 1</b>
Improved safety and quality in health care across the health system, including through the development, support for implementation, and monitoring of national clinical safety and quality guidelines and standards
<b>Program 1.1: Safety and Quality in Health Care</b>
The ACSQHC examines health care variation in Australia and develops solutions to reduce unwarranted variation. 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 health care organisations that support safe clinical practice and local improvement in the safety and quality of health care.
<b>Delivery</b>
<p><b>A. Improving patient safety</b></p> <ul style="list-style-type: none"> <li>Revise the National Safety and Quality Health Service (NSQHS) Standards.</li> <li>Agree methodology for identifying and monitoring Hospital Acquired Complications.</li> <li>Refine tools to enable local monitoring of safety and quality.</li> <li>Develop standardised questions to measure patient experience (PEx) and Patient Reported Outcome Measures (PROMs).</li> </ul> <p><b>B. Partnering with patients, consumers and the community</b></p> <ul style="list-style-type: none"> <li>Support health services to meet the requirements of the NSQHS Standards that relate to partnerships, and further embed partnerships in Version 2 of the NSQHS Standards.</li> <li>Continue to provide information about safety and quality that is relevant to the general public, as well as health professionals.</li> </ul> <p><b>C. Encouraging safety, quality, and value</b></p> <ul style="list-style-type: none"> <li>Release the 2nd Australian Atlas of Healthcare Variation that will include a range of clinical topics agreed with the Department of Health and the States and Territories.</li> <li>Examine and work to reduce health care variation where it is unwarranted through the development of tools such as patient decision aides and clinical care standards.</li> <li>Continue to work with expert clinicians, clinical and consumer groups to develop clinical care standards and other tools focussing on areas of high volume, and high cost where there is known variation from well-established models of care.</li> </ul>

<sup>5</sup> Progress against the performance criteria published in the 2016-17 *Portfolio Budget Statements* will be reported in the 2016-17 ACSQHC Annual Report.

<sup>6</sup> This purpose will be reflected in the 2017-18 ACSQHC Corporate Plan.

<b>D. Supporting health professionals to provide safe and high-quality care</b>				
<ul style="list-style-type: none"><li>Identify and specify clinical measures and safety and quality indicators to assist health professions 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.</li></ul>				
<b>Performance criteria</b>				
<b>A. Improving patient safety</b>				
<b>Successful implementation of the National Safety and Quality Health Service (NSQHS) Standards and ongoing monitoring of safety and quality performance of hospitals and day procedure services.<sup>7</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
Revised NSQHS Standards developed. Hospital Acquired Complications (HACs) methodology finalised. Refinement of tools to enable local monitoring of safety and quality completed. Standardised questions to measure patient experience (PEx) completed and Patient Reported Outcome Measures (PROMs) developed.	Launch of the revised NSQHS standards by the end of November 2017. Monitoring HACs for safety and quality. Tools in use for local monitoring. Implementation of PEx and pilot testing of PROMs.		Implementation of Version 2 of the NSQHS Standards. Review and refinement of the HACs. Review and refinement of tools. Review and refinement of PEx and PROMs.	
<b>Percentage of hospitals and day procedure services assessed to the NSQHS Standards.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
100%	100%	100%	100%	100%
<b>Percentage of public hospitals meeting the benchmark for hand hygiene compliance.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
≥75%	≥80%	≥80%	≥80%	≥80%
<b>Number of clinicians completing the health care associated infection online education modules.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
≥13,000	≥14,000	≥15,000	≥16,000	≥16,000

<sup>7</sup> This performance criterion has been revised to include the ongoing monitoring of safety and quality performance of hospitals and day procedure services. Target reported in the *2016-17 Portfolio Budget Statements* has been achieved.

B. Partnering with patients, consumers and the community				
Provide safety and quality information to the general public.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
ACSQHC's 2015-16 Annual Report was released on 18 October 2016. <i>Vital Signs 2016</i> was released on 2 November 2016. Regular newsletters and website publications were released throughout 2016-17.	Reporting in the Annual Report on the state of safety and quality in health care for release by the end of October 2017. Reporting for the general public Vital Signs 2017 to be released by the end of November 2017. Reporting to the general public through regular ACSQHC newsletters and website publications.		Reporting in the Annual Report on the state of safety and quality in health care, and in a report for the general public Vital Signs 2018 and future years. Reporting to the general public through regular ACSQHC newsletters and website publications.	

C. Encouraging safety, quality, and value				
Monitor quality, cost and value through mapping of health care variation and action to reduce unwarranted variation.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Disseminated maps of health care variations in Australia for a set of topic areas. Produced clinical resources focussing on high impact, high burden and high variation areas of clinical care. Developed Clinical Care Standards for consultation, informed by outcomes from the work on health care variation.	Disseminate maps of health care variations in Australia for a set of topic areas. Production of clinical resources focussing on high impact, high burden and high variation areas of clinical care. Develop Clinical Care Standards for consultation, informed by outcomes from the work on health care variation.		As per 2017-18.	

D. Supporting health professionals to provide safe and high-quality care				
Provide safety and quality information and resources to health professionals.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Provided safety and quality information and resources to health professionals such as: clinical care standards; medication charts; antimicrobial use and resistance data; and audit tools.	Provide safety and quality information and resources to health professionals such as: clinical care standards; medication charts; antimicrobial use and resistance data; and audit tools.		As per 2017-18.	

Condition specific clinical indicator sets developed.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
2	2	3	3	3

Material changes to Program 1.1 resulting from the following measures:				
• There are no material changes to Program 1.1 resulting from measures.				

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the ACSQHC.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

The ACSQHC Workplan operational costs are funded jointly by the Australian Government and State and Territory Governments on a 50:50 basis through annual contributions.

The ACSQHC's total resourcing available for 2017-18 is estimated at \$30.3 million, including Commonwealth and State Workplan funding of \$15.3 million and other carry forward and funding receipts of \$15.0 million. The 2017-18 estimated resourcing includes the full year of funding for the delivery of The ACSQHC's programs and projects, as well as the associated agency management costs. This is consistent into the forward year estimates.

##### Balance Sheet

The 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 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	12,750	12,941	13,200	13,464	13,733
Supplier expenses	17,718	8,606	6,435	6,632	6,791
Depreciation and amortisation	260	100	-	-	-
<b>Total expenses</b>	<b>30,728</b>	<b>21,647</b>	<b>19,635</b>	<b>20,096</b>	<b>20,524</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	12,192	2,643	150	140	80
Interest	200	200	200	200	200
Grants received	10,930	11,176	11,428	11,663	11,908
Other revenue	7,406	7,628	7,857	8,093	8,336
<b>Total revenue</b>	<b>30,728</b>	<b>21,647</b>	<b>19,635</b>	<b>20,096</b>	<b>20,524</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>30,728</b>	<b>21,647</b>	<b>19,635</b>	<b>20,096</b>	<b>20,524</b>
<b>Net cost of (contribution by) services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue from Government	-	-	-	-	-
<b>Surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,851	6,851	5,851	4,851	3,851
Receivables	2,182	2,182	2,182	2,182	2,182
<b>Total financial assets</b>	<b>11,033</b>	<b>9,033</b>	<b>8,033</b>	<b>7,033</b>	<b>6,033</b>
<b>Non-financial assets</b>					
Land and buildings	100	-	-	-	-
Property, plant and equipment	38	38	38	38	38
Prepayments	391	391	391	391	391
<b>Total non-financial assets</b>	<b>529</b>	<b>429</b>	<b>429</b>	<b>429</b>	<b>429</b>
<b>Total assets</b>	<b>11,562</b>	<b>9,462</b>	<b>8,462</b>	<b>7,462</b>	<b>6,462</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,123	3,023	2,978	2,634	1,289
Other payables	3,818	1,789	759	57	355
<b>Total payables</b>	<b>6,941</b>	<b>4,812</b>	<b>3,737</b>	<b>2,691</b>	<b>1,644</b>
<b>Provisions</b>					
Employees	2,195	2,224	2,299	2,345	2,392
<b>Total provisions</b>	<b>2,195</b>	<b>2,224</b>	<b>2,299</b>	<b>2,345</b>	<b>2,392</b>
<b>Total liabilities</b>	<b>9,136</b>	<b>7,036</b>	<b>6,036</b>	<b>5,036</b>	<b>4,036</b>
<b>Net Assets</b>	<b>2,426</b>	<b>2,426</b>	<b>2,426</b>	<b>2,426</b>	<b>2,426</b>
<b>EQUITY</b>					
Contributed equity	1,836	1,836	1,836	1,836	1,836
Reserves	484	484	484	484	484
Retained surpluses (accumulated deficits)	106	106	106	106	106
<b>Total equity</b>	<b>2,426</b>	<b>2,426</b>	<b>2,426</b>	<b>2,426</b>	<b>2,426</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	106	484	1,836	<b>2,426</b>
Surplus (deficit) for the period	-	-	-	-
Contribution by Government	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>106</b>	<b>484</b>	<b>1,836</b>	<b>2,426</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	6,792	2,493	-	-	-
Grants from the Portfolio Department	10,930	11,176	11,428	11,664	11,908
State Government contributions	7,406	7,628	7,857	8,093	8,336
Interest	200	200	200	200	200
Net GST received	500	500	500	500	500
<b>Total cash received</b>	<b>25,828</b>	<b>21,997</b>	<b>19,985</b>	<b>20,457</b>	<b>20,944</b>
<b>Cash used</b>					
Employees	12,750	12,941	13,200	13,464	13,733
Suppliers	14,578	10,556	7,285	7,493	7,711
Net GST paid	500	500	500	500	500
<b>Total cash used</b>	<b>27,828</b>	<b>23,997</b>	<b>20,985</b>	<b>21,457</b>	<b>21,944</b>
<b>Net cash from (or used by)   operating activities</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by)   investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by)   financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash   held</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
Cash and cash equivalents at the beginning of the reporting period	10,851	8,851	6,851	5,851	4,851
<b>Cash and cash equivalents at the   end of the reporting period</b>	<b>8,851</b>	<b>6,851</b>	<b>5,851</b>	<b>4,851</b>	<b>3,851</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	-	-	-	-	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	-	-	-	-	-
<b>Total cash used to acquire assets</b>	-	-	-	-	-

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	<b>Buildings</b>	<b>Other property, plant and equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2017</b>				
Gross book value	479	103	-	<b>582</b>
Accumulated depreciation/ amortisation and impairment	(379)	(65)	-	<b>(444)</b>
<b>Opening net book balance</b>	<b>100</b>	<b>38</b>	<b>-</b>	<b>138</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - funded internally	-	-	-	-
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(100)	-	-	<b>(100)</b>
<b>Total other movements</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>(100)</b>
<b>As at 30 June 2018</b>				
Gross book value	479	103	-	<b>582</b>
Accumulated depreciation/ amortisation and impairment	(479)	(65)	-	<b>(544)</b>
<b>Closing net book balance</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>38</b>

# **AUSTRALIAN DIGITAL HEALTH AGENCY**

## **Entity Resources and Planned Performance**



# AUSTRALIAN DIGITAL HEALTH AGENCY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government is committed to the delivery of a world leading national digital health capability, which will advance the efficiency, quality and delivery of healthcare provision to improve the health outcomes of all Australians.

Following unanimous support by the Council of Australian Governments (COAG), the Government will invest \$374.2 million over two years to ensure every Australian has a My Health Record, unless they prefer not to. This will support the expanded rollout of the opt-out model to all Australians, and will continue and improve operations of My Health Record, while making it easier for health providers to register for the system. Opt-out is the fastest way to realise the significant health and economic benefits of My Health Record for all Australians, including through avoided hospital admissions, fewer adverse drug events, reduced duplication in diagnostic tests, better coordination of care for people seeing multiple healthcare providers, and better informed treatment decisions.

The Digital Health Agency has responsibility for the strategic management and governance for the national digital health strategy and the design, delivery and operations of the national digital healthcare system including the My Health Record system.

The Digital Health Agency provides the leadership, coordination and delivery of a collaborative and innovative approach to utilising technology to support and enhance a clinically safe and connected national health system. This will give individuals more control of their health and their health information, and support healthcare professionals to provide informed healthcare through access to current clinical and treatment information.

The Digital Health Agency performs the following functions:

- Coordinates and provides input into the ongoing development of the National Digital Health Strategy.
- Implements those aspects of the National Digital Health Strategy that are agreed or directed by COAG.
- Responsibility for all national digital health functions including the role of the My Health Record System Operator and for protecting the security, privacy and confidentiality of people's digital health records.
- Develops, implements, manages, operates, and continuously improves specifications, standards, systems and services in relation to digital health, consistent with the national digital health work program.
- Develops, implements and operates comprehensive and effective clinical governance, using a whole of system approach, to ensure clinical safety in the delivery of the national digital health work program.

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<sup>1</sup> For more information about the strategic direction of the Digital Health Agency, refer to the current corporate plan, available at: [www.digitalhealth.gov.au/about-the-agency/corporate-plan-2016-17](http://www.digitalhealth.gov.au/about-the-agency/corporate-plan-2016-17)

- Develops, monitors and manages specifications and standards to maximise effective operation between public and private sector digital healthcare systems.
- Develops and implements compliance approaches in relation to the adoption of agreed specifications and standards relating to digital health.
- Liaises and cooperates with international bodies on matters relating to digital health to ensure international lessons are captured and incorporated into Australian digital health design and strategy.

In 2017-18, the Digital Health Agency will target enhancements to the My Health Record system with programs to build connections from clinical information systems in the public and private health sectors to increase the number of pathology and diagnostic imaging reports in the My Health Record system and to improve the accuracy, timeliness, visibility and accessibility of medicines information in the system.

This will enable clinicians to experience the benefits of access to relevant clinical and treatment information, and improve the quality and delivery of healthcare services for individuals. To deliver on this important work, the Agency will negotiate a new Intergovernmental Agreement as part of delivering the next National Digital Health Strategy.

The Agency is a Corporate Commonwealth Entity which was established under the *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016* to be the single accountable organisation for digital health at a national level in Australia.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Digital Health Agency Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Estimate \$'000</b>
<b>Opening balance/cash reserves at 1 July</b>	-	20,619
<b>Funds from Government</b>		
<b>Annual appropriations <sup>(a)</sup></b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	110,303	197,062
Other services <sup>(b)</sup>		
Equity injection	10,589	53,464
<b>Total annual appropriations</b>	<b>120,892</b>	<b>250,526</b>
<b>Amounts received from related entities <sup>(c)</sup></b>		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
<b>Total amounts received from related entities</b>	<b>-</b>	<b>-</b>
<b>Total funds from Government</b>	<b>120,892</b>	<b>250,526</b>
<b>Funds from other sources</b>		
Interest	1,750	1,800
Sale of goods and services	-	-
Other	32,250	32,250
<b>Total funds from other sources</b>	<b>35,600</b>	<b>35,600</b>
<b>Total net resourcing for the Digital Health Agency</b>	<b>156,492</b>	<b>306,745</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	219	250

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(c)</sup> 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

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

**Table 1.2: Digital Health Agency 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>My Health Record - continuation and expansion <sup>(a)</sup></b>						
Australian Digital Health Agency						
Departmental expenses	1.1	-	84,496	211,327	-	-
Departmental capital	1.1	-	53,464	37,542	-	-
<b>Total</b>		-	<b>137,960</b>	<b>248,869</b>	-	-

<sup>(a)</sup> The Australian Digital Health Agency is not the lead entity for this measure. Only the Australian Digital Health Agency impacts are shown in this table.

Digital  
Health

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### **Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The Digital Health Agency's most recent corporate plan is available at: [www.digitalhealth.gov.au/about-the-agency/corporate-plan-2016-17](http://www.digitalhealth.gov.au/about-the-agency/corporate-plan-2016-17)

The Digital Health Agency's most recent annual performance statement is available at: [www.health.gov.au/internet/main/publishing.nsf/Content/annual-report2015-16](http://www.health.gov.au/internet/main/publishing.nsf/Content/annual-report2015-16)

## **2.1 BUDGETED EXPENSES AND PERFORMANCE**

### **Outcome 1**

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

### **Program Contributing to Outcome 1**

**Program 1.1: Digital Health**

### **Linked Programs**

#### **Other Commonwealth entities that contribute to Outcome 1**

##### **Department of Health**

##### **Program 1.2: Health Innovation and Technology**

The Department of Health has policy responsibility for improving health outcomes for Australians through digital healthcare systems.



## Planned Performance for the Digital Health Agency

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the Digital Health Agency**

<b>Purpose</b>
To improve health outcomes for Australians through the delivery of digital health services and systems, and to support digital innovation across Australia to give people more control of their health and healthcare.
<b>Outcome 1</b>
To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians
<b>Program 1.1: Digital Health</b>
<p>In collaboration with consumers, healthcare providers and the health industry,<sup>3</sup> the Digital Health Agency will deliver an effective national digital health capability that will achieve significant improvements in the quality and delivery of healthcare, and increased efficiency of the Australian health system.</p> <p>Following unanimous support by COAG for a national rollout of the My Health Record, the Government will invest \$374.2 million over two years to ensure every Australian has a My Health Record, unless they prefer not to. This will support the expanded rollout of the opt-out model to all Australians, and will continue and improve operations of My Health Record, while making it easier for health providers to register for the system.</p>
<b>Delivery</b>
<p><b>A. Delivering core clinical programs (medicines safety, pathology, diagnostic imaging)</b></p> <ul style="list-style-type: none"> <li>• Work with the community on co-designing core clinical programs.</li> <li>• Improve medicines management use and capability in the My Health Record system.</li> <li>• Enhance clinical management and care by making pathology and diagnostic imaging results available in a single location and accessible by all healthcare providers.</li> </ul> <p><b>B. Improving the My Health Record system</b></p> <ul style="list-style-type: none"> <li>• Increase the breadth of content available within the My Health Record system so that an individual's record offers a more complete picture of their health status.</li> <li>• Take a proactive approach to drive increased adoption and improve the usability of the My Health Record by partnering with innovators.</li> <li>• Ensure digital health solutions are fit for purpose, usable and useful.</li> </ul> <p><b>C. Achieving secure messaging and interoperability</b></p> <ul style="list-style-type: none"> <li>• Prioritise secure messaging as a core foundational capability required to enable interoperability between two or more messaging suppliers and seamless, secure, and confidential information sharing across all healthcare providers and consumers.</li> <li>• Provide leadership and guidance around standards to enable technical innovators and industry to achieve interoperability across their products and services at the lowest cost and effort.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 Digital Health Agency Annual Report.

<sup>3</sup> Health industry includes entities such as peak health organisations, health software vendors, and consumer health organisations (including insurers).

<b>D. Conducting strategy research and driving development of digital health</b> <ul style="list-style-type: none"> <li>Negotiate an Intergovernmental Agreement (IGA) with Jurisdictions to deliver the next National Digital Health Strategy, including funding via the IGA for this work program.</li> <li>Communicate the national digital health strategy to clinical, consumer and industry stakeholders, including findings from the national consultation process and the priority initiatives identified for digital health reform.</li> <li>Establish a National Children's Collaboration Network to bring together centres of excellence in children's health innovation.</li> <li>Design My Health Record enhancements to support delivery of the Health Care Homes strategy to improve the care of patients with chronic and complex conditions.</li> <li>Implement two projects to embed telehealth in clinical consultations to prevent disease and provide convenient and accessible healthcare.</li> </ul>		
<b>E. Delivering national opt-out for My Health Record</b> <ul style="list-style-type: none"> <li>Implement national opt-out with Jurisdictions.</li> <li>Communicate with the community to maximise their awareness of the My Health Record so individuals can choose to have a record and apply access settings, or choose to opt-out.</li> <li>Co-produce and deliver communication and education activities for healthcare providers.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Delivering core clinical programs (medicines safety, pathology, diagnostic imaging)</b>		
<b>Better medicines safety through improved accuracy, timeliness, visibility and accessibility of medicines information in the My Health Record system.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>
Design of an improved view of medicines information available in the My Health Record to be completed by 30 June 2017.	Commence public pharmacy dispense records upload to the My Health Record from two jurisdictions and upload a minimum of 60% of dispensed pharmacy prescriptions supplied to consumers registered with the My Health Record by 30 June 2018.	Upload 90% of dispensed pharmacy prescriptions supplied to consumers registered with the My Health Record by 30 June 2019. <sup>4</sup>
<b>Establish foundation sources of pathology and diagnostic imaging reports in the My Health Record with key implementation partners from public hospital networks and the private sector.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>
Two public jurisdiction diagnostic imaging providers and two public jurisdiction pathology providers have commenced sharing reports with the My Health Record.	All States and Territories, two private diagnostic imaging providers and two private pathology providers are sharing diagnostic imaging and pathology reports with the My Health Record.	Uploading of more than 60% of reports by private pathology and diagnostic imaging providers for consumers with a My Health Record. <sup>5</sup>

<sup>4</sup> The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2019.

<sup>5</sup> Ibid.

B. Improving the My Health Record system				
Enhance the My Health Record system to improve participation, usage, content and engagement with the service.				
2016-17 Estimated result		2017-18 Target		2018-19 Target
Design of an application allowing consumers to connect to the My Health Record system using mobile devices, and connection of more than 200 (out of a total of 1,124 <sup>6</sup> ) public hospitals and more than 95 (out of a total of 204 <sup>7</sup> ) private hospitals to the My Health Record system is expected to occur between 1 July 2016 and 30 June 2017.		Release an upgrade to the My Health Record system to improve the medicines view, end user experience and mobile access, complete public hospital connections, and connect an additional 20 private hospitals to the My Health Record system between 1 July 2017 and 30 June 2018.		Connect an additional 20 private hospitals to the My Health Record system between 1 July 2018 and 30 June 2019. <sup>8</sup>
Availability of the My Health Record system.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	N/A <sup>9</sup>	N/A
C. Achieving secure messaging and interoperability				
Establish secure message interoperability by developing and deploying a process for a message to flow securely from one health service provider to another.				
2016-17 Estimated result		2017-18 Target		2018-19 Target
Develop a strategy to drive the implementation plans to deliver usable point-to-point secure messaging by 30 June 2017.		Finalise industry specification and guidelines for secure messaging and implement messaging in three jurisdictions.		Implement a national rollout of secure messaging by 30 June 2019.
D. Conducting strategy research and driving development of digital health				
Development and delivery of the National Digital Health Strategy.				
2016-17 Estimated result		2017-18 Target		2018-19 Target
Develop the National Digital Health Strategy and finalise it with the Australian Health Ministers' Advisory Council (AHMAC) by 30 June 2017.		Finalise National Digital Health Strategy with the Council of Australian Governments' Health Council.		First year of implementation of the National Digital Health Strategy. <sup>10</sup>

<sup>6</sup> Total number of public hospital and health services reported by State and Territory jurisdictions in March 2017, with 529 hospitals and health services connected to the My Health Record system prior to 1 July 2016.

<sup>7</sup> Total number of private hospitals and clinics contracted with the Agency for connection to the My Health Record system in March 2017, with 66 private hospitals and clinics connected prior to 1 July 2016.

<sup>8</sup> The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2019.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<b>E. Delivering national opt-out for My Health Record</b>		
<b>Deliver national opt-out participation for My Health Record.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>
<i>N/A<sup>11</sup></i>	<i>Finalise a program delivery, outline key milestones and decision points for successful implementation.</i>	<i>Deliver national opt-out by 31 December 2018.</i>
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>My Health Record – continuation and expansion</i></li> </ul>		

<sup>11</sup> There is no estimated result for 2016-17 as this performance criterion relates to the 2017-18 Budget measure *My Health Record – continuation and expansion*.

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences Between Entity Resourcing and Financial Statements**

This section is not applicable to the Digital Health Agency.

#### **3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements**

The Digital Health Agency became operational on 1 July 2016. Relevant financial statement balances have transferred from the National e-Health Transition Authority and the Department of Health. The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2019.

##### **Departmental Resources**

##### **Comprehensive Income Statement**

Resourcing includes funding for the delivery of the Digital Health Agency's program, as well as the associated agency management costs. The Digital health Agency is jointly funded by the Australian, State and Territory Governments.

##### **Balance Sheet**

My Health Record increases in value through Government contributions and from internal resources.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	46,321	40,414	-	-	-
Supplier expenses	128,387	180,333	215,358	-	-
Depreciation and amortisation	10,132	10,365	-	-	-
<b>Total expenses</b>	<b>184,840</b>	<b>231,112</b>	<b>215,358</b>	-	-
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Interest	1,750	1,800	-	-	-
Other revenue	32,250	32,250	-	-	-
<b>Total revenue</b>	<b>34,000</b>	<b>34,050</b>	-	-	-
<b>Gains</b>					
Other	52,355	-	-	-	-
<b>Total gains</b>	<b>52,355</b>	-	-	-	-
<b>Total own-source income</b>	<b>86,355</b>	<b>34,050</b>	-	-	-
<b>Net cost of (contribution by) services</b>	<b>98,485</b>	<b>197,062</b>	<b>215,358</b>	-	-
Revenue from Government	110,303	197,062	215,358	-	-
<b>Surplus (deficit)</b>	<b>11,818</b>	-	-	-	-
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>11,818</b>	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	-	-	-	-	-
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>11,818</b>	-	-	-	-

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	20,619	20,075	20,075	20,075	20,075
Trade and other receivables	78	78	78	78	78
<b>Total financial assets</b>	<b>20,697</b>	<b>20,153</b>	<b>20,153</b>	<b>20,153</b>	<b>20,153</b>
<b>Non-financial assets</b>					
Property, plant and equipment	940	1,647	1,647	1,647	1,647
Intangibles	50,361	103,825	141,367	141,367	141,367
Other	379	395	395	395	395
<b>Total non-financial assets</b>	<b>51,680</b>	<b>105,867</b>	<b>143,409</b>	<b>143,409</b>	<b>143,409</b>
<b>Total assets</b>	<b>72,377</b>	<b>126,020</b>	<b>163,562</b>	<b>163,562</b>	<b>163,562</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5,874	5,874	5,874	5,874	5,874
<b>Total payables</b>	<b>5,874</b>	<b>5,874</b>	<b>5,874</b>	<b>5,874</b>	<b>5,874</b>
<b>Provisions</b>					
Employees	4,324	4,503	4,503	4,503	4,503
<b>Total provisions</b>	<b>4,324</b>	<b>4,503</b>	<b>4,503</b>	<b>4,503</b>	<b>4,503</b>
<b>Total liabilities</b>	<b>10,198</b>	<b>10,377</b>	<b>10,377</b>	<b>10,377</b>	<b>10,377</b>
<b>Net assets</b>	<b>62,179</b>	<b>115,643</b>	<b>153,185</b>	<b>153,185</b>	<b>153,185</b>
<b>EQUITY</b>					
Contributed equity	50,361	103,825	141,367	141,367	141,367
Reserves	-	-	-	-	-
Retained surpluses (accumulated deficits)	11,818	11,818	11,818	11,818	11,818
<b>Total equity</b>	<b>62,179</b>	<b>115,643</b>	<b>153,185</b>	<b>153,185</b>	<b>153,185</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	11,818	-	50,361	<b>62,179</b>
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	53,464	<b>53,464</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>11,818</b>	<b>-</b>	<b>103,825</b>	<b>115,643</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	110,303	197,062	215,358	-	-
Interest	1,835	1,800	-	-	-
Net GST received	11,000	9,500	-	-	-
Other cash received	82,240	32,250	-	-	-
<b>Total cash received</b>	<b>205,378</b>	<b>240,612</b>	<b>215,358</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Employees	46,215	40,235	-	-	-
Suppliers	116,472	180,349	215,358	-	-
Net GST paid	11,000	9,500	-	-	-
<b>Total cash used</b>	<b>173,687</b>	<b>230,084</b>	<b>215,358</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) operating activities</b>	<b>31,691</b>	<b>10,528</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	21,661	64,536	37,542	-	-
<b>Total cash used</b>	<b>21,661</b>	<b>64,536</b>	<b>37,542</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) investing activities</b>	<b>(21,661)</b>	<b>(64,536)</b>	<b>(37,542)</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	10,589	53,464	37,542	-	-
<b>Total cash received</b>	<b>10,589</b>	<b>53,464</b>	<b>37,542</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>10,589</b>	<b>53,464</b>	<b>37,542</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>20,619</b>	<b>(544)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	-	20,619	20,075	20,075	20,075
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>20,619</b>	<b>20,075</b>	<b>20,075</b>	<b>20,075</b>	<b>20,075</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	10,589	53,464	37,542	-	-
<b>Total capital appropriations</b>	<b>10,589</b>	<b>53,464</b>	<b>37,542</b>	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	10,589	53,464	37,542	-	-
<b>Total items</b>	<b>10,589</b>	<b>53,464</b>	<b>37,542</b>	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	10,589	53,464	37,542	-	-
Funded internally from departmental resources	11,072	11,072	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>21,661</b>	<b>64,536</b>	<b>37,542</b>	-	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	21,661	64,536	37,542	-	-
<b>Total cash used to acquire assets</b>	<b>21,661</b>	<b>64,536</b>	<b>37,542</b>	-	-

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	-	1,000	137,022	<b>138,022</b>
Accumulated depreciation/ amortisation and impairment	-	(60)	(86,661)	<b>(86,721)</b>
<b>Opening net book balance</b>	<b>-</b>	<b>940</b>	<b>50,361</b>	<b>51,301</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	53,464	<b>53,464</b>
By purchase - internal resources	-	1,000	10,072	<b>11,072</b>
<b>Total additions</b>	<b>-</b>	<b>1,000</b>	<b>63,536</b>	<b>64,536</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(293)	(10,072)	<b>(10,365)</b>
<b>Total other movements</b>	<b>-</b>	<b>(293)</b>	<b>(10,072)</b>	<b>(10,365)</b>
<b>As at 30 June 2018</b>				
Gross book value	-	2,000	200,558	<b>202,558</b>
Accumulated depreciation/ amortisation and impairment	-	(353)	(96,733)	<b>(97,086)</b>
<b>Closing net book balance</b>	<b>-</b>	<b>1,647</b>	<b>103,825</b>	<b>105,472</b>

# **AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE**

AIHW

## **Entity Resources and Planned Performance**



# AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government, through the Australian Institute of Health and Welfare (AIHW), is committed to providing high quality national health and welfare-related data and analysis across all relevant sectors, presented in meaningful and relevant ways and delivered in a timely manner. Accurate statistical information, comprehensive data development and high quality analyses support an increased understanding of health and welfare issues. This evidence base is critical to good policy making and effective service delivery, leading to better health and welfare outcomes for Australians. The independence of the AIHW is central to maintaining the ready acceptance of the accuracy and relevance of the evidence-base developed by the AIHW.

The AIHW develops, collects, analyses and reports information drawn from the national data collections of which it has custody, and from other credible data sources. It produces many public reports and actively promotes its work to Governments, other organisations and the community as open and accessible data and information. As a trusted strategic partner, the AIHW maintains close engagement with data providers and users of the information that it produces. A key element of this central role is understanding the range of data that is available and also identifying where there may be gaps in that data. As one of the leading entities managing people-centred data, the AIHW has a key role in raising awareness of data gaps and opportunities.

Following an independent review of the role of the AIHW, the AIHW Board has approved a new Strategic Directions document for the AIHW. Central to this strategy are five new strategic goals. These five goals are for the AIHW to be:

- leaders in health and welfare data;
- drivers of data improvement;
- expert sources of value-added analysis;
- champions of open and accessible data and information; and
- trusted strategic partners.

Together with revised vision and purpose statements, these goals will be pursued by the AIHW during 2017-18 and beyond.

In the 2017-18 Budget, the Government will provide \$3.4 million over three years, to the AIHW from the transformation and innovation stream of the Public Service Modernisation Fund.

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

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<sup>1</sup> For more information about the strategic direction of the AIHW, refer to the current corporate plan, available at: [www.aihw.gov.au/publication-detail/?id=60129556354](http://www.aihw.gov.au/publication-detail/?id=60129556354)

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: AIHW Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	27,220	52,393
<b>Funds from Government</b>		
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	26,911	28,078
Other services <sup>(b)</sup>		
Equity injection	-	-
<b>Total annual appropriations</b>	<b>26,911</b>	<b>28,078</b>
<b>Amounts received from related entities <sup>(c)</sup></b>		
Amounts from the Portfolio Department	21,000	21,000
Amounts from other entities	-	-
<b>Total amounts received from related entities</b>	<b>21,000</b>	<b>21,000</b>
<b>Total funds from Government</b>	<b>47,911</b>	<b>49,078</b>
<b>Funds from other sources</b>		
Interest	1,000	1,000
Sale of goods and services	11,000	11,000
Other	30	30
<b>Total funds from other sources</b>	<b>12,030</b>	<b>12,030</b>
<b>Total net resourcing for AIHW</b>	<b>87,161</b>	<b>113,501</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	311	308

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(c)</sup> 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

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

**Table 1.2: AIHW 2017-18 Budget Measures**

Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Whole of Government Measures</b>					
<b>Public Service Modernisation Fund - transformation and innovation stream</b>					
Australian Institute of Health and Welfare					
Departmental expenses 1.1	-	-	-	-	-
<b>Total expenses</b>	-	-	-	-	-

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The AIHW's most recent corporate plan is available at:  
[www.aihw.gov.au/publication-detail/?id=60129556354](http://www.aihw.gov.au/publication-detail/?id=60129556354)

The AIHW's most recent annual performance statement is available at:  
[www.aihw.gov.au/publications/aihw-annual-reports](http://www.aihw.gov.au/publications/aihw-annual-reports)

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## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### 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

### Program Contributing to Outcome 1

**Program 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community**

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 1

#### Department of Health

#### Program 1.1: Health Policy, Research and Analysis

The Department of Health invests in knowledge and information to support its responsibilities in developing health policy and legislation. This includes working with the AIHW in the development and publication of health statistics and information.

## Budgeted Expenses for the AIHW

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the AIHW**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community</b>					
Revenue from Government					
Ordinary annual services <sup>(a)</sup>	26,911	28,078	27,669	27,058	26,406
Amounts from related entities	21,000	21,000	21,000	21,000	21,000
Revenues from independent sources	12,030	12,030	12,030	12,030	12,030
Operating deficit (surplus)	445	366	-	-	-
<b>Total for Program 1.1</b>	<b>60,386</b>	<b>61,474</b>	<b>60,699</b>	<b>60,088</b>	<b>59,436</b>
<b>Total expenses for Outcome 1</b>	<b>60,386</b>	<b>61,474</b>	<b>60,699</b>	<b>60,088</b>	<b>59,436</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	311	308			

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

## Planned Performance for the AIHW

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the AIHW**

Purpose
To create authoritative and accessible information and statistics that, inform decisions and improve the health and welfare of all Australians.
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
Program 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community
<p>The 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. The AIHW develops, maintains and promotes statistical information standards for the health, community services and housing assistance sectors, and publishes comprehensive biennial reports on <i>Australia's health</i> and <i>Australia's welfare</i>.</p> <p>Accurate statistical information, comprehensive data development and high quality analyses support an increased understanding of health and welfare issues. This creates an evidence-base that can drive changes in policy and service delivery which have a direct impact on the lives of Australians.</p> <p>In the 2017-18 Budget, the Government will provide \$3.4 million over three years, to the AIHW from the transformation and innovation stream of the Public Service Modernisation Fund.</p>
Delivery
<p><b>A. Providing health and welfare information and analysis</b></p> <ul style="list-style-type: none"> <li>Release a range of data and information products relevant to key policy areas.</li> <li>Provide access to data and information in an environment that supports stringent governance, capability, data management and privacy requirements.</li> <li>Assist reporting of, or report on, nationally-agreed performance indicators.</li> </ul> <p><b>B. Providing leadership and improvements in health and welfare data and information</b></p> <ul style="list-style-type: none"> <li>Work with AIHW trusted partners to identify and fill priority data gaps.</li> <li>Modernise presentation of national health and welfare-related data and analysis.</li> <li>Enhance data analysis capabilities.</li> </ul>

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<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 AIHW Annual Report.

Performance criteria				
A. Providing health and welfare information and analysis				
<b>Release a range of data and information products relevant to key policy areas, measured by the number or proportion of:</b> <sup>3, 4, 5</sup> <b>a. products released;</b> <b>b. statistical products released that include data in a manipulatable format;</b> <b>c. completed requests for customised data analysis;</b> <b>d. sessions on the AIHW's websites;</b> <sup>6</sup> <b>e. references to the AIHW and its products in the media; and</b> <b>f. statistical products relating to annual national collections<sup>7</sup> for which data are reported less than one year after the end of their data collection period.</b>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 165	176	181	183	183
b. 70%	≥56%	≥61%	≥66%	≥66%
c. 200	160	160	160	160
d. 2,900,000	3,300,000	3,600,000	3,900,000	4,200,000
e. 4,600	4,300	4,300	4,300	4,300
f. 60%	≥70%	≥75%	≥77%	≥77%
<b>Provide access to data and information in an environment that supports stringent governance, capability, data management and privacy requirements, measured by the number of completed data linkage project requests as agreed under the <i>National Collaborative Research Infrastructure Strategy 2013</i>.</b>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
50	40	40	40	40

<sup>3</sup> Two measures of this performance criterion used previously (that is, downloads of PDF versions of *Australia's health* and *Australia's welfare*) have been removed. They are no longer comprehensive measures of information provision because HTML as well as PDF versions are now provided.

<sup>4</sup> The 2016-17 results provided for these measures were estimated at the end of March 2017. When comparing these results to 2016-17 targets, results include contributions related to the NHPA functions transferred to the AIHW from 1 July 2016 that were not possible to estimate when 2016-17 targets were made available in the 2016-17 PBS. 2017-18 and later targets have since been revised.

<sup>5</sup> Targets for measures a, b, d and e of this performance criteria have been revised to encompass NHPA functions transferred to the AIHW from 1 July 2016.

<sup>6</sup> Figures for website sessions exclude the Metadata Online Registry (METeOR) and Specialist Homelessness Services websites managed by the AIHW.

<sup>7</sup> Products that fully report or publicly release an annual national data collection collated by the AIHW.

Release a range of data and information products relevant to key policy areas.		
2016-17 Estimated result <sup>8</sup>	2017-18 Target	2018-19 (& beyond) Target
Five targeted products have been released. Three remaining products will be released by 30 June 2017.	<p><i>Australia's welfare 2017</i> to be presented to the Minister for Health by 31 December 2017.</p> <p><i>Australia's health 2018</i> to be presented to the Minister for Health by 30 June 2018.</p> <p>Release of products by 30 June 2018 relating to:</p> <ul style="list-style-type: none"> <li>– health expenditure in 2015-16;</li> <li>– admitted hospital patient care in 2016-17;</li> <li>– detailed findings from the 2016 National Drug Strategy Household Survey;</li> <li>– residential and community mental health services in 2015-16; and</li> <li>– pathways in aged care and cause of death.</li> </ul>	<p>New editions of <i>Australia's health</i> and <i>Australia's welfare</i> to be presented to the Minister for Health biennially from 2019-20.</p> <p>Release of products by 30 June each year relating to products to be defined.</p>
Assist reporting of, or report on, nationally-agreed performance indicators.		
2016-17 Estimated result <sup>9</sup>	2017-18 Target	2018-19 (& beyond) Target
<p>Activities completed relating to the development, coordination and supply of data for governments, including a range of performance indicators in the Council of Australian Governments (COAG) national agreements on health, affordable housing, disability and Indigenous reform.</p> <p>Seven products were released relating to performance indicators in the Performance and Accountability Framework agreed by COAG.</p>	<p>Supply data required for performance indicators in COAG national agreements on healthcare and Indigenous reform by 30 June 2018.</p> <p>Supply data to timetables required for the Steering Committee for the Review of Government Service Provision's <i>Report on Government Services 2018</i> Volumes on health, housing and homelessness, and community services.</p> <p>Release products by 30 June 2018 relating to local level health performance indicators.<sup>10</sup></p>	<p>Supply data required for nationally agreed performance indicators annually, as determined collectively by governments.</p>

<sup>8</sup> Estimated as at 31 March 2017.

<sup>9</sup> Ibid.

<sup>10</sup> Includes MyHospitals and MyHealthyCommunities websites.

<b>B. Providing leadership and improvements in health and welfare data and information</b>		
<b>Work with trusted partners to identify and fill priority data gaps.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
N/A <sup>11</sup>	<p>Complete work toward the Coordination of Health Care Study, linking data from participants in the ABS Survey of Health Care with other data sets to find out about their use of primary care, hospital and emergency department services, and pharmaceuticals for periods before and after the survey.</p> <p>Release of products by 30 June 2018 relating to under-identification of Indigenous people in key data sets.</p> <p>Improve data in at least one subject area where there is a demonstrable data gap, for example, family and domestic violence, primary health care or disability.</p>	<p>Release of products by 30 June each year relating to information products relevant to key policy areas to be defined.</p> <p>Continue improving data in targeted subject areas.</p>
<b>Modernise presentation of national health and welfare – related data and analysis.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
N/A <sup>12</sup>	Release a redeveloped AIHW website, including links to content from the former National Health Performance Authority.	Activities to be defined during implementation of a revised communications and engagement strategy.

<sup>11</sup> This performance criterion is new in 2017-18, therefore there is no estimated result for 2016-17.

<sup>12</sup> Ibid.

Enhance data analysis capabilities.		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
N/A <sup>13</sup>	<p>Complete analysis of linked data from three national cancer screening programs by 30 June 2018.</p> <p>Complete the second of three work phases to improve storage, accessibility and analysis of locational data in AIHW data holdings, enabling better information on, for example, patterns and trends of service use.</p> <p>Demonstrate, as case studies, AIHW contributions shown externally in 2017-18 of improved reporting of population- or service-related health and welfare outcomes.</p>	<p>Release products presenting the results of linked data from three national cancer screening programs by 30 June 2019.</p> <p>Release a replacement to Metadata Online Registry by 30 June 2019.</p> <p>Other activities to be defined.</p>
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 1.1 resulting from measures.</li> </ul>		

<sup>13</sup> This performance criterion is new in 2017-18, therefore there is no estimated result for 2016-17.

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the AIHW.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

Appropriation revenue from Government will be \$1.2 million higher in 2017-18 than in 2016-17 consistent with the 2017-18 Budget measure *Public Service Modernisation Fund - transformation and innovation stream*.

The AIHW has budgeted to break even in 2017-18 prior to an accrual of \$0.4 million 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

The AIHW's cash balance and equity will remain stable over the forward estimates.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	37,678	38,432	38,816	39,592	40,384
Supplier expenses	21,708	22,042	20,883	19,496	18,052
Depreciation and amortisation	1,000	1,000	1,000	1,000	1,000
<b>Total expenses</b>	<b>60,386</b>	<b>61,474</b>	<b>60,699</b>	<b>60,088</b>	<b>59,436</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	32,000	32,000	32,000	32,000	32,000
Interest	1,000	1,000	1,000	1,000	1,000
Other revenue	30	30	30	30	30
<b>Total revenue</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>	<b>33,030</b>
<b>Net cost of (contribution by) services</b>	<b>27,356</b>	<b>28,444</b>	<b>27,669</b>	<b>27,058</b>	<b>26,406</b>
Revenue from Government	26,911	28,078	27,669	27,058	26,406
<b>Surplus (deficit)</b>	<b>(445)</b>	<b>(366)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(445)</b>	<b>(366)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(445)</b>	<b>(366)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	27,920	28,402	28,830	28,830	28,830
Trade and other receivables	30,908	30,582	30,310	30,038	30,038
<b>Total financial assets</b>	<b>58,828</b>	<b>58,984</b>	<b>59,140</b>	<b>58,868</b>	<b>58,868</b>
<b>Non-financial assets</b>					
Land and buildings	4,445	4,362	4,279	4,004	4,004
Property, plant and equipment	3,008	2,935	2,862	2,709	2,709
Other	1,076	1,076	1,076	1,076	1,076
<b>Total non-financial assets</b>	<b>8,529</b>	<b>8,373</b>	<b>8,217</b>	<b>7,789</b>	<b>7,789</b>
<b>Total assets</b>	<b>67,357</b>	<b>67,357</b>	<b>67,357</b>	<b>66,657</b>	<b>66,657</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,733	2,983	3,233	2,783	2,783
Other payables	18,970	18,970	18,970	18,970	18,970
<b>Total payables</b>	<b>21,703</b>	<b>21,953</b>	<b>22,203</b>	<b>21,753</b>	<b>21,753</b>
<b>Provisions</b>					
Employees	11,817	11,817	11,817	11,817	11,817
Other provisions	3,872	3,988	3,738	3,488	3,488
<b>Total provisions</b>	<b>15,689</b>	<b>15,805</b>	<b>15,555</b>	<b>15,305</b>	<b>15,305</b>
<b>Total liabilities</b>	<b>37,392</b>	<b>37,758</b>	<b>37,758</b>	<b>37,058</b>	<b>37,058</b>
<b>Net assets</b>	<b>29,965</b>	<b>29,599</b>	<b>29,599</b>	<b>29,599</b>	<b>29,599</b>
<b>EQUITY</b>					
Contributed equity	27,501	27,501	27,501	27,501	27,501
Reserves	2,410	2,410	2,410	2,410	2,410
Retained surpluses (accumulated deficits)	54	(312)	(312)	(312)	(312)
<b>Total equity</b>	<b>29,965</b>	<b>29,599</b>	<b>29,599</b>	<b>29,599</b>	<b>29,599</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	54	2,410	27,501	<b>29,965</b>
Surplus (deficit) for the period	(366)	-	-	<b>(366)</b>
Appropriation (equity injection)	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>(312)</b>	<b>2,410</b>	<b>27,501</b>	<b>29,599</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	32,000	32,000	32,000	32,000	32,000
Appropriations	26,911	28,078	27,669	27,058	26,406
Interest	1,000	1,000	1,000	1,000	1,000
Net GST received	1,000	1,000	1,000	1,000	1,000
Other cash received	30	30	30	30	30
<b>Total cash received</b>	<b>60,941</b>	<b>62,108</b>	<b>61,699</b>	<b>61,088</b>	<b>60,436</b>
<b>Cash used</b>					
Employees	37,678	37,527	38,076	39,592	40,384
Suppliers	20,991	22,527	21,623	19,924	18,752
Net GST paid	1,000	1,000	1,000	1,000	1,000
<b>Total cash used</b>	<b>59,669</b>	<b>61,054</b>	<b>60,699</b>	<b>60,516</b>	<b>60,136</b>
<b>Net cash from (or used by) operating activities</b>	<b>1,272</b>	<b>1,054</b>	<b>1,000</b>	<b>572</b>	<b>300</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	572	572	572	572	300
<b>Total cash used</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>300</b>
<b>Net cash from (or used by) investing activities</b>	<b>(572)</b>	<b>(572)</b>	<b>(572)</b>	<b>(572)</b>	<b>(300)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>700</b>	<b>482</b>	<b>428</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	27,220	27,920	28,402	28,830	28,830
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>27,920</b>	<b>28,402</b>	<b>28,830</b>	<b>28,830</b>	<b>28,830</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded internally from departmental resources	572	572	572	572	300
<b>Total acquisitions of non-financial assets</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>300</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	572	572	572	572	300
<b>Total cash used to acquire asset</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>572</b>	<b>300</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	<b>Buildings</b>	<b>Other property, plant and equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2017</b>				
Gross book value	6,466	4,539	1,086	<b>12,091</b>
Accumulated depreciation/ amortisation and impairment	(1,829)	(1,451)	(1,086)	<b>(4,366)</b>
<b>Opening net book balance</b>	<b>4,637</b>	<b>3,088</b>	<b>-</b>	<b>7,725</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	180	392	-	<b>572</b>
<b>Total additions</b>	<b>180</b>	<b>392</b>	<b>-</b>	<b>572</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(455)	(545)	-	<b>(1,000)</b>
<b>Total other movements</b>	<b>(455)</b>	<b>(545)</b>	<b>-</b>	<b>(1,000)</b>
<b>As at 30 June 2018</b>				
Gross book value	6,646	4,931	1,086	<b>12,663</b>
Accumulated depreciation/ amortisation and impairment	(2,284)	(1,996)	(1,086)	<b>(5,366)</b>
<b>Closing net book balance</b>	<b>4,362</b>	<b>2,935</b>	<b>-</b>	<b>7,297</b>

# **AUSTRALIAN RADIATION PROTECTION AND NUCLEAR SAFETY AGENCY**

## **Entity Resources and Planned Performance**

ARPANSA



# AUSTRALIAN RADIATION PROTECTION AND NUCLEAR SAFETY AGENCY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), on behalf of the Australian Government, aims to protect the Australian people and the 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 Commonwealth and States and Territories. It also independently regulates the radiation sources, radiation facilities and nuclear installations of Commonwealth entities and contractors.

ARPANSA's regulatory and advisory frameworks are based on evidence regarding levels of ionising and non-ionising<sup>2</sup> radiation in the environment and the effect on human and environmental health and wellbeing.

In 2017-18, ARPANSA will continue to refine its risk-informed approach to effective regulation of radiation and nuclear facilities and practices, while striving to reduce the regulatory burden, through activities such as benchmarking Australia's radiation and nuclear safety framework against the International Atomic Energy Agency safety standards.

ARPANSA will also assess exposure to the public, workers and the environment to ionising and non-ionising radiation through monitoring and publishing UV data and radiation doses to exposed workers.

For the purpose of radiation protection of patients, ARPANSA will expand the audit service for linear accelerators used in radiation therapy and continue the establishment of diagnostic reference levels for medical imaging.

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*.

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<sup>1</sup> For more information about the strategic direction of ARPANSA, refer to the current corporate plan, available at: [www.arpansa.gov.au/AboutUs/Corporate/corplan.cfm](http://www.arpansa.gov.au/AboutUs/Corporate/corplan.cfm)

<sup>2</sup> Ionising radiation from radioactive substances or X-ray equipment can produce ionisation in matter. It has sufficient energy to damage the heredity material in cells (DNA). Non-ionising radiation such as UV radiation from the sun or from emitters of radiofrequency radiation does not produce ionisation, but may still cause health effects.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ARPANSA Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Estimate \$'000</b>
<b>DEPARTMENTAL</b>		
Prior year appropriation available	1,210	1,210
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	13,049	12,839
s74 retained revenue receipts <sup>(b)</sup>	10,654	9,712
Departmental capital budget <sup>(c)</sup>	2,124	1,955
Other services <sup>(d)</sup>		
Equity injection	-	5,000
<b>Total departmental annual appropriations</b>	<b>25,827</b>	<b>29,506</b>
<b>Special Accounts <sup>(e)</sup></b>		
Appropriation receipts	15,173	19,794
Non-appropriation receipts	10,654	9,712
<b>Total special account</b>	<b>25,827</b>	<b>29,506</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts <sup>(f)</sup>	(25,827)	(29,506)
<b>Total departmental resourcing</b>	<b>27,037</b>	<b>30,716</b>
<b>Total resourcing for ARPANSA</b>	<b>27,037</b>	<b>30,716</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	<b>131</b>	<b>130</b>

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(e)</sup> For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

<sup>(f)</sup> Appropriation receipts included above.

## 1.3 BUDGET MEASURES

This section is not applicable to ARPANSA

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

ARPANSA's most recent corporate plan is available at:  
[www.arpansa.gov.au/AboutUs/Corporate/corplan2016-20.cfm](http://www.arpansa.gov.au/AboutUs/Corporate/corplan2016-20.cfm)

ARPANSA's most recent annual performance statement is available at:  
[www.arpansa.gov.au/AboutUs/corporate/ar1516/1516home.cfm](http://www.arpansa.gov.au/AboutUs/corporate/ar1516/1516home.cfm)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### Outcome 1

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

### Program Contributing to Outcome 1

**Program 1.1: Radiation Protection and Nuclear Safety**

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 1

##### Department of Health

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

The Department of Health has strategic regulatory policy and national leadership responsibility for radiation protection and nuclear safety with particular regard to the regulatory framework. This includes best practice for health technologies related to radiation and nuclear safety.

### Budgeted Expenses for ARPANSA

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for ARPANSA**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Radiation Protection and Nuclear Safety</b>					
Departmental expenses					
Ordinary annual services <sup>(a)</sup>	13,049	12,839	12,729	12,729	12,791
Special Accounts	10,654	9,712	9,823	9,937	10,046
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	2,570	2,570	2,570	2,570	2,570
Operating deficit (surplus)					
<b>Total for Program 1.1</b>	<b>26,273</b>	<b>25,121</b>	<b>25,122</b>	<b>25,236</b>	<b>25,407</b>
<b>Total expenses for Outcome 1</b>	<b>26,273</b>	<b>25,121</b>	<b>25,122</b>	<b>25,236</b>	<b>25,407</b>
	<b>2016-17</b>	<b>2017-18</b>			
<b>Average staffing level (number)</b>	131	130			

(a) Appropriation (Bill No. 1) 2017-18.

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

## Planned Performance for ARPANSA

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>3</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for ARPANSA**

Purpose
The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) is the Australian Government's primary authority on radiation protection and nuclear safety. Our purpose is to protect the Australian people and the environment from the harmful effects of radiation, through research, policy, advice, codes, standards, services and regulation.
Outcome 1
Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation
Program 1.1: Radiation Protection and Nuclear Safety
<p>The Australian Government, through ARPANSA, aims to protect the Australian people and the environment from the harmful effects of radiation. Scientific knowledge and international best practice is applied to promote awareness of the effects of radiation, and a nationally uniform approach to radiation protection of people (the public, workers and patients undergoing medical procedures using radiation) and the environment.</p> <p>ARPANSA regulates the use of radiation sources, facilities and nuclear installations controlled by the Australian Government. It provides expert support to national, regional and international arrangements for safety, security and responses to nuclear and radiological emergencies.</p>
Delivery
<p><b>A. Protecting the public, workers and the environment from radiation exposure</b></p> <ul style="list-style-type: none"> <li>Evaluate radiation dose trends to workers to inform protective actions.</li> <li>Provide advice to the Government and the public on radiation protection and nuclear safety.</li> </ul> <p><b>B. Promoting radiological and nuclear safety and security, and emergency preparedness</b></p> <ul style="list-style-type: none"> <li>Support national and regional arrangements for preventing accidents and security events that may lead to radiation exposure.</li> <li>Maintain effective emergency response systems that protect the Australian community in the case of a radiological or nuclear event.</li> </ul> <p><b>C. Promoting the safe and effective use of ionising radiation in medicine</b></p> <ul style="list-style-type: none"> <li>Provide auditing and calibration services to clinics to support radiation protection of patients in diagnosis and therapy.</li> <li>Survey clinics and disseminate information on diagnostic exposure levels, with the aim of optimising patient protection.</li> </ul> <p><b>D. Ensuring risk-informed and efficient regulation</b></p> <ul style="list-style-type: none"> <li>Conduct self-assessment and external reviews to improve ARPANSA's regulatory processes for the benefit of licence holders, applicants and the Australian community.</li> <li>Interact with State and Territory jurisdictions to promote national uniformity in radiation protection policies and practices.</li> </ul>

ARPANSA

<sup>3</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 ARPANSA Annual Report.

Performance criteria				
A. Protecting the public, workers and the environment from radiation exposure				
Monitor radiation doses to occupationally exposed workers. <sup>4</sup>				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Achieved. Australian National Radiation Dose Register Annual Newsletter published September 2016. <sup>5</sup>	Annual reporting of trend in radiation doses received by workers, determined from quantitative dose measurement, provides evidence of optimisation of radiation protection.		As per 2017-18.	
UV monitoring network data available to the public. <sup>6</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
N/A <sup>7</sup>	>95%	>95%	>95%	>95%
B. Promoting radiological and nuclear safety and security, and emergency preparedness				
ARPANSA is prepared for a radiological or nuclear incident or emergency.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Target on track to be met.	Emergency preparedness and response systems for field, network and laboratory measurements, and information management and decision support systems are available, calibrated, tested and aligned with national planning.		As per 2017-18.	

<sup>4</sup> This measure refers to dose records captured in the Australian National Radiation Dose Register.

<sup>5</sup> Australian National Radiation Dose Register Annual Newsletter can be found at: [www.arpansa.gov.au/pubs/Services/ANRDR/ANRDR\\_in\\_Review\\_Sep16.pdf](http://www.arpansa.gov.au/pubs/Services/ANRDR/ANRDR_in_Review_Sep16.pdf)

<sup>6</sup> ARPANSA has a network of UV detectors in cities around Australia. The UV data is collected continuously by detectors that respond to UV in a manner similar to human skin. Data is used to provide real-time and historical UV levels to inform the public when protective measures should be taken outdoors. Data is available at: [www.arpansa.gov.au/uvindex/index.cfm](http://www.arpansa.gov.au/uvindex/index.cfm)

<sup>7</sup> This is a new performance criterion for 2017-18, therefore there is no estimated result for 2016-17.

<b>C. Promoting the safe and effective use of ionising radiation in medicine</b>				
<b>Number of Diagnostic Reference Level surveys per annual survey period.<sup>8</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
1,507	>1,200	>1,400	>1,600	>1,600
<b>Percentage of Australian radiotherapy providers subscribing to the national dosimetric auditing program provided by the Australian Clinical Dosimetry Service.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
>50%	>50%	>60%	>70%	>70%
<b>Percentage of Australian radiotherapy providers covered by ARPANSA dose calibration services.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
>70%	>70%	>70%	>70%	>80%

<sup>8</sup> The Australian National Diagnostic Reference Level Service provides individual facilities with a tool for comparing their representative medical imaging patient dose metrics with the National Diagnostic Reference Levels (DRLs). The data from DRL surveys, collected over a calendar year from individual facilities, is collated and used to establish and update National DRLs for common diagnostic imaging procedures.

D. Ensuring risk-informed and efficient regulation				
Monitor doses to radiation workers at licensed Commonwealth facilities and influence the doses in a downward manner.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
N/A <sup>9</sup>		The radiation doses of the 100 most exposed workers at licensed Commonwealth facilities trend downwards over time.		As per 2017-18.
Benchmark Australia's radiation and nuclear safety framework against the International Atomic Energy Agency (IAEA) safety requirements, by means of an Integrated Regulatory Review Service (IRRS) mission to Australia.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
N/A <sup>10</sup>		Complete self-assessment of ARPANSA's and participating States' and Territories' framework for radiation and nuclear safety, prepare draft action plan.		Receive Integrated Regulatory Review Service mission coordinated by International Atomic Energy Agency, finalise action plan and commence implementation.
Inspections are conducted in accordance with established inspection schedule.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
>85%	>85%	>85%	>85%	>85%
Material changes to Program 1.1 resulting from the following measures:				
• There are no material changes to Program 1.1 resulting from measures.				

<sup>9</sup> This is a new performance criterion for 2017-18, therefore there is no estimated result for 2016-17.

<sup>10</sup> Ibid.

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to ARPANSA.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

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.

For the 2017-18 and forward years ARPANSA is budgeting for a break even result after adjustment for unfunded depreciation and amortisation expenses.

##### 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 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	16,502	16,498	16,494	16,490	16,490
Supplier expenses	7,201	6,053	6,058	6,176	6,347
Depreciation and amortisation	2,570	2,570	2,570	2,570	2,570
<b>Total expenses</b>	<b>26,273</b>	<b>25,121</b>	<b>25,122</b>	<b>25,236</b>	<b>25,407</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	6,325	5,275	5,275	5,275	5,275
Other revenue	4,329	4,437	4,548	4,662	4,771
<b>Total revenue</b>	<b>10,654</b>	<b>9,712</b>	<b>9,823</b>	<b>9,937</b>	<b>10,046</b>
<b>Total own-source income</b>	<b>10,654</b>	<b>9,712</b>	<b>9,823</b>	<b>9,937</b>	<b>10,046</b>
<b>Net cost of (contribution by) services</b>	<b>15,619</b>	<b>15,409</b>	<b>15,299</b>	<b>15,299</b>	<b>15,361</b>
Revenue from Government	13,049	12,839	12,729	12,729	12,791
<b>Surplus (deficit)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>	<b>(2,570)</b>
plus non-appropriated expenses depreciation and amortisation expenses	2,570	2,570	2,570	2,570	2,570
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,210	1,210	1,210	1,210	1,210
Receivables	933	933	933	933	933
Accrued revenue	83	83	83	83	83
<b>Total financial assets</b>	<b>2,226</b>	<b>2,226</b>	<b>2,226</b>	<b>2,226</b>	<b>2,226</b>
<b>Non-financial assets</b>					
Land and buildings	24,441	24,223	24,005	23,787	23,442
Property, plant and equipment	6,526	10,894	10,250	9,612	9,434
Inventories	1,533	1,533	1,533	1,533	1,533
Intangibles	1,248	1,483	1,718	1,953	1,941
Other	436	436	436	436	436
<b>Total non-financial assets</b>	<b>34,184</b>	<b>38,569</b>	<b>37,942</b>	<b>37,321</b>	<b>36,786</b>
<b>Total assets</b>	<b>36,410</b>	<b>40,795</b>	<b>40,168</b>	<b>39,547</b>	<b>39,012</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	-	-	-	-	-
Other payables	1,159	1,159	1,159	1,159	1,159
<b>Total payables</b>	<b>1,159</b>	<b>1,159</b>	<b>1,159</b>	<b>1,159</b>	<b>1,159</b>
<b>Provisions</b>					
Employees	4,545	4,545	4,545	4,545	4,545
<b>Total provisions</b>	<b>4,545</b>	<b>4,545</b>	<b>4,545</b>	<b>4,545</b>	<b>4,545</b>
<b>Total liabilities</b>	<b>5,704</b>	<b>5,704</b>	<b>5,704</b>	<b>5,704</b>	<b>5,704</b>
<b>Net assets</b>	<b>30,706</b>	<b>35,091</b>	<b>34,464</b>	<b>33,843</b>	<b>33,308</b>
<b>EQUITY</b>					
Contributed equity	21,606	28,561	30,504	32,453	34,488
Reserves	14,609	14,609	14,609	14,609	14,609
Retained surpluses (accumulated deficits)	(5,509)	(8,079)	(10,649)	(13,219)	(15,789)
<b>Total equity</b>	<b>30,706</b>	<b>35,091</b>	<b>34,464</b>	<b>33,843</b>	<b>33,308</b>

ARPANSA

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	(5,509)	14,609	21,606	<b>30,706</b>
Surplus (deficit) for the period	(2,570)	-	-	<b>(2,570)</b>
Capital budget - Bill 1 (DCB)	-	-	1,955	<b>1,955</b>
Equity injection - appropriation	-	-	5,000	<b>5,000</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(8,079)</b>	<b>14,609</b>	<b>28,561</b>	<b>35,091</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	5,840	4,790	4,790	4,790	4,796
Appropriations	13,049	12,839	12,729	12,729	12,791
Net GST received	485	485	485	485	479
Other cash received	4,329	4,437	4,548	4,662	4,771
<b>Total cash received</b>	<b>23,703</b>	<b>22,551</b>	<b>22,552</b>	<b>22,666</b>	<b>22,837</b>
<b>Cash used</b>					
Employees	16,503	16,498	16,494	16,490	16,490
Suppliers	6,499	5,370	5,375	5,493	5,664
Net GST paid	701	683	683	683	683
<b>Total cash used</b>	<b>23,703</b>	<b>22,551</b>	<b>22,552</b>	<b>22,666</b>	<b>22,837</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,124	6,955	1,943	1,949	2,035
<b>Total cash used</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>
<b>Net cash from (or used by) investing activities</b>	<b>(2,124)</b>	<b>(6,955)</b>	<b>(1,943)</b>	<b>(1,949)</b>	<b>(2,035)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	2,124	6,955	1,943	1,949	2,035
<b>Total cash received</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>
<b>Net cash from (or used by) financing activities</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,210	1,210	1,210	1,210	1,210
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>	<b>1,210</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	2,124	1,955	1,943	1,949	2,035
Equity injections - Bill 2	-	5,000	-	-	-
<b>Total capital appropriations</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	2,124	6,955	1,943	1,949	2,035
<b>Total items</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	5,000	-	-	-
Funded by capital appropriation - DCB <sup>(a)</sup>	2,124	1,955	1,943	1,949	2,035
<b>Total acquisitions of non-financial assets</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	2,124	6,955	1,943	1,949	2,035
<b>Total cash used to acquire assets</b>	<b>2,124</b>	<b>6,955</b>	<b>1,943</b>	<b>1,949</b>	<b>2,035</b>

<sup>(a)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>					
Gross book value	7,500	24,333	18,884	4,133	<b>54,850</b>
Accumulated depreciation/ amortisation and impairment	-	(7,392)	(12,358)	(2,885)	<b>(22,635)</b>
<b>Opening net book balance</b>	<b>7,500</b>	<b>16,941</b>	<b>6,526</b>	<b>1,248</b>	<b>32,215</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation ordinary annual services	-	727	5,781	447	<b>6,955</b>
<b>Total additions</b>	<b>-</b>	<b>727</b>	<b>5,781</b>	<b>447</b>	<b>6,955</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(945)	(1,413)	(212)	<b>(2,570)</b>
<b>Total other movements</b>	<b>-</b>	<b>(945)</b>	<b>(1,413)</b>	<b>(212)</b>	<b>(2,570)</b>
<b>As at 30 June 2018</b>					
Gross book value	7,500	25,060	24,665	4,580	<b>61,805</b>
Accumulated depreciation/ amortisation and impairment	-	(8,337)	(13,771)	(3,097)	<b>(25,205)</b>
<b>Closing net book balance</b>	<b>7,500</b>	<b>16,723</b>	<b>10,894</b>	<b>1,483</b>	<b>36,600</b>

# **AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY**

## **Entity Resources and Planned Performance**

ASADA



# AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government, as a signatory to the United Nations Educational, Scientific and Cultural Organization (UNESCO) 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.

ASADA provides a comprehensive anti-doping program for the Australian sports community, encompassing engagement, deterrence, detection and enforcement activities. ASADA does this by working with sports, athletes, support personnel and Government entities.

In 2017-18, ASADA will:

- engage with sports to ensure compliance with their anti-doping obligations and support them to assist their athletes and support personnel to comply with their anti-doping responsibilities;
- use technology to enhance its intelligence capabilities, risk methodologies and processes;
- work collaboratively with partners to ensure athletes competing at major events, including the 2018 Gold Coast Commonwealth Games, are subject to the best anti-doping program available;
- continue to improve its knowledge around the risk of doping in sport and better customise its responses to those risks, including more targeted education and awareness-raising; and
- partner with stakeholders to maximise anti-doping interventions.

In the 2017-18 Budget, the Government will provide \$0.8 million to ASADA from the agency sustainability stream of the Public Service Modernisation Fund.

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*.

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<sup>1</sup> For more information about the strategic direction of ASADA, refer to the current corporate plan, available at: [www.asada.gov.au/about-asada/corporate-information/corporate-plan-2016-17](http://www.asada.gov.au/about-asada/corporate-information/corporate-plan-2016-17)

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ASADA Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available <sup>(a)</sup>	5,789	6,289
<b>Annual appropriations</b>		
Ordinary annual services		
Departmental appropriation <sup>(b)</sup>	11,929	12,615
s74 retained revenue receipts <sup>(c)</sup>	2,483	4,269
Departmental capital budget <sup>(d)</sup>	371	372
Other services <sup>(e)</sup>		
Equity injection	-	826
<b>Total departmental annual appropriations</b>	<b>14,783</b>	<b>18,082</b>
<b>Total departmental resourcing</b>	<b>20,572</b>	<b>24,371</b>
<b>Total resourcing for ASADA</b>	<b>20,572</b>	<b>24,371</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	49	50

All figures are GST exclusive.

<sup>(a)</sup> Estimated adjusted balance carried forward from previous year.

<sup>(b)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(c)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(d)</sup> Departmental Capital Budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details.

For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(e)</sup> Appropriation Bill (No. 2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: ASADA 2017-18 Budget Measures**

Program		2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Gold Coast 2018 Commonwealth Games - additional Australian Government support <sup>(a)</sup></b>						
Australian Sports Anti-Doping Authority						
Departmental expenses	1.1	nfp	nfp	-	-	-
Departmental revenues	1.1	nfp	nfp	-	-	-
<b>Total</b>		<b>nfp</b>	<b>nfp</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Whole of Government Measures</b>						
<b>Public Service Modernisation Fund - agency sustainability</b>						
Australian Sports Anti-Doping Authority						
Departmental capital	1.1	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>(a)</sup> ASADA is not the lead entity for this measure. Only ASADA impacts are shown in the table.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

ASADA's most recent corporate plan is available at: [www.asada.gov.au/about-asada/corporate-information/corporate-plan-2016-17](http://www.asada.gov.au/about-asada/corporate-information/corporate-plan-2016-17)

ASADA's most recent annual performance statement is available at: [www.asada.gov.au/about-asada/corporate-information/annual-reports](http://www.asada.gov.au/about-asada/corporate-information/annual-reports)

### 2.1 BUDGETED EXPENSES AND PERFORMANCE

#### Outcome 1

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

#### Program Contributing to Outcome 1

**Program 1.1: Engagement, Deterrence, Detection and Enforcement**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<p><b>Department of Health</b> <b>Program 3.1: Sport and Recreation</b></p> <p>The Department of Health contributes to the collaborative effort to protect the integrity of Australian and international sport. The Department provides strategic leadership, policy oversight and program support on national and international anti-doping matters, working closely with ASADA, World Anti-Doping Agency (WADA), UNESCO and other stakeholders.</p>
<p><b>Australian Sports Commission</b> <b>Program 1.1: Australian Sports Commission</b></p> <p>The Australian Sports Commission (ASC) contributes to the collaborative effort to protect the integrity of Australian sport. The ASC provides targeted support and advice to sporting organisations in a range of areas, including governance and sports integrity.</p>

## Budgeted Expenses for ASADA

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for ASADA**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Engagement, Deterrence, Detection and Enforcement</b>					
Departmental expenses					
Departmental appropriation <sup>(a)</sup>	14,202	16,707	13,314	13,364	13,419
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	477	522	439	339	339
Operating deficit (surplus)	(500)	-	-	-	-
<b>Total for Program 1.1</b>	<b>14,179</b>	<b>17,229</b>	<b>13,753</b>	<b>13,703</b>	<b>13,758</b>
<b>Total expenses for Outcome 1</b>	<b>14,179</b>	<b>17,229</b>	<b>13,753</b>	<b>13,703</b>	<b>13,758</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	49	50

<sup>(a)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(b)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Planned Performance for ASADA

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for ASADA**

<b>Purpose</b>
To protect the health of athletes and the integrity of Australian sport through engagement, deterrence, detection and enforcement activities aimed at minimising the risk of doping.
<b>Outcome 1</b>
Protection of the health of athletes and the integrity of Australian sport including through engagement, deterrence, detection and enforcement to minimise the risk of doping
<b>Program 1.1: Engagement, Deterrence, Detection and Enforcement</b>
The Australian Government, through ASADA, aims to achieve clean sport through a balanced mix of prevention, detection and enforcement activities. In the 2017-18 Budget, the Government will provide \$0.8 million to ASADA from the agency sustainability stream of the Public Service Modernisation Fund.
<b>Delivery</b>
<p><b>A. Engagement – Strengthening relationships internally and externally to build anti-doping capabilities and hardening the environment against doping in sport</b></p> <ul style="list-style-type: none"> <li>• Support athletes and athlete support personnel to meet their anti-doping obligations.</li> <li>• Work with national sporting organisations to help them minimise the threat of doping in sport.</li> <li>• Contribute to the reform of the global anti-doping framework and share expertise at international anti-doping forums.</li> </ul> <p><b>B. Deterrence – Minimising the risk of doping in Australian sport through education, communications and testing activities</b></p> <ul style="list-style-type: none"> <li>• Design and deliver education and communications programs.</li> <li>• Work with sporting organisations to help them develop and implement education programs relevant to the needs of their sport.</li> <li>• Conduct no-advance notice testing of athletes.</li> </ul> <p><b>C. Detection – Gathering intelligence and investigating possible breaches of the anti-doping rules by athletes and support personnel</b></p> <ul style="list-style-type: none"> <li>• Conduct intelligence risk assessment functions to detect the highest doping threats through enhanced relationships and collaborations with sports, law enforcement agencies and regulators within Australia and anti-doping organisations internationally.</li> <li>• Monitor and report on sports' compliance with anti-doping policies.</li> </ul> <p><b>D. Enforcement – Managing possible anti-doping violations by athletes and athlete support personnel</b></p> <ul style="list-style-type: none"> <li>• Manage the presentation of cases of possible anti-doping rule violations at sport tribunal hearings.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 ASADA Annual Report.

Performance criteria				
<b>A. Engagement – Strengthening relationships internally and externally to build anti-doping capabilities and hardening the environment against doping in sport</b>				
Achievement of ASADA legislation and Code awareness amongst sporting organisations, athletes and support personnel.				
a. Percentage of sporting organisations, athletes and support personnel aware of ASADA legislation and the Code.				
b. Percentage of sporting organisations, athletes and support personnel aware of their rights and responsibilities in relation to anti-doping.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
a. 97% level of awareness	80% level of awareness	80% level of awareness	80% level of awareness	80% level of awareness
b. 90% level of awareness	80% level of awareness	80% level of awareness	80% level of awareness	80% level of awareness
<b>Achievement in working with stakeholders to reduce the risk of doping in sport.</b>				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Engaged with a range of stakeholders to develop anti-doping programs aimed at reducing the risk of doping in sport, including (but not limited to) targeted or co-authored anti-doping education programs and the development of testing programs based on risk and intelligence assessments.	Engage with a range of stakeholders to develop anti-doping programs aimed at reducing the risk of doping in sport.		As per 2017-18.	

<b>B. Deterrence – Minimising the risk of doping in Australian sport through education, communications and testing activities.</b>				
<b>Achievement of satisfaction with anti-doping education and awareness raising activities in the sporting community.</b>				
<b>a. Percentage of national sporting organisations, athletes and support personnel who are satisfied with anti-doping education and awareness raising programs.</b>				
<b>b. Percentage of athletes agreeing that ASADA's education and information services had minimised their risk of an accidental breach of the anti-doping regulations.</b>				
<b>c. Percentage of stakeholders who rate ASADA's testing activities as an effective way to deter athletes and support personnel from doping.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
a. 88% level of satisfaction	80% level of satisfaction	80% level of satisfaction	80% level of satisfaction	80% level of satisfaction
b. 88% level of agreement	80% level of agreement	80% level of agreement	80% level of agreement	80% level of agreement
c. 80% level of agreement	80% level of agreement	80% level of agreement	80% level of agreement	80% level of agreement
<b>C. Detection – Gathering intelligence and investigating possible breaches of the anti-doping rules by athletes and support personnel</b>				
<b>Achievement in maintaining relevant intelligence flows to and from third parties.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 Target</b>	
Enhanced intelligence and detection capabilities, and collaboration with stakeholders from sport, Government agencies and law enforcement that assist to minimise the risk of doping in sport.	Enhance intelligence and detection capabilities, and collaboration with stakeholders to minimise the risk of doping in sport.		As per 2017-18.	

<b>D. Enforcement – Managing possible anti-doping violations by athletes and athlete support personnel</b>				
<b>Achievement of anti-doping rule violation findings in tribunals.</b>				
<b>a. Percentage of cases conducted by ASADA in tribunals that result in a finding of an anti-doping rule violation.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
a. 100% of tribunal findings result in an anti-doping rule violation.	80% of tribunal findings result in an anti-doping rule violation.	80% of tribunal findings result in an anti-doping rule violation.	80% of tribunal findings result in an anti-doping rule violation.	80% of tribunal findings result in an anti-doping rule violation.
<b>Material changes to Program 1.1 resulting from the following measures:</b>				
There are no material changes to Program 1.1 resulting from measures.				

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to ASADA.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

ASADA is budgeting for comprehensive income result attributable to the agency of \$0.5 million in 2016-17 after adjustment for unfunded depreciation and amortisation expenses. The comprehensive income result is primarily attributable to higher than anticipated revenue from rendering of services.

For the 2017-18 Budget year and the forward estimates, ASADA is budgeting for a break even comprehensive income result attributable to the agency after adjustment for unfunded depreciation and amortisation expenses.

Total operating revenue for 2017-18 is estimated at \$16.7 million and comprises appropriation funding for ordinary annual services of \$12.6 million and revenue from independent sources of \$4.1 million, primarily comprised of revenue from contracted testing services.

Total expenses in 2017-18 are anticipated to be \$17.2 million including \$0.5 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 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	6,748	7,838	6,820	7,034	7,034
Supplier expenses	6,958	8,873	6,498	6,334	6,389
Depreciation and amortisation	443	488	405	305	305
Other expenses	30	30	30	30	30
<b>Total expenses</b>	<b>14,179</b>	<b>17,229</b>	<b>13,753</b>	<b>13,703</b>	<b>13,758</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	2,273	4,092	1,822	1,876	1,876
<b>Total revenue</b>	<b>2,273</b>	<b>4,092</b>	<b>1,822</b>	<b>1,876</b>	<b>1,876</b>
<b>Gains</b>					
Other	34	34	34	34	34
<b>Total gains</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
<b>Total own-source income</b>	<b>2,307</b>	<b>4,126</b>	<b>1,856</b>	<b>1,910</b>	<b>1,910</b>
<b>Net cost of (contribution by) services</b>	<b>11,872</b>	<b>13,103</b>	<b>11,897</b>	<b>11,793</b>	<b>11,848</b>
Revenue from Government	11,929	12,615	11,492	11,488	11,543
<b>Surplus (deficit)</b>	<b>57</b>	<b>(488)</b>	<b>(405)</b>	<b>(305)</b>	<b>(305)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>57</b>	<b>(488)</b>	<b>(405)</b>	<b>(305)</b>	<b>(305)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>57</b>	<b>(488)</b>	<b>(405)</b>	<b>(305)</b>	<b>(305)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	57	(488)	(405)	(305)	(305)
plus non-appropriated expenses					
depreciation and amortisation expenses	443	488	405	305	305
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	93	93	93	93	93
Receivables	7,529	6,879	6,879	6,879	6,879
<b>Total financial assets</b>	<b>7,622</b>	<b>6,972</b>	<b>6,972</b>	<b>6,972</b>	<b>6,972</b>
<b>Non-financial assets</b>					
Land and buildings	53	1,229	1,114	999	884
Property, plant and equipment	525	719	709	801	909
Intangibles	163	153	243	333	423
Inventories	114	114	114	114	114
Other	112	112	112	112	112
<b>Total non-financial assets</b>	<b>967</b>	<b>2,327</b>	<b>2,292</b>	<b>2,359</b>	<b>2,442</b>
<b>Total assets</b>	<b>8,589</b>	<b>9,299</b>	<b>9,264</b>	<b>9,331</b>	<b>9,414</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,119	1,119	1,119	1,119	1,119
Other payables	679	679	679	679	679
<b>Total payables</b>	<b>1,798</b>	<b>1,798</b>	<b>1,798</b>	<b>1,798</b>	<b>1,798</b>
<b>Provisions</b>					
Employees	2,449	2,449	2,449	2,449	2,449
Other provisions	101	101	101	101	101
<b>Total provisions</b>	<b>2,550</b>	<b>2,550</b>	<b>2,550</b>	<b>2,550</b>	<b>2,550</b>
<b>Total liabilities</b>	<b>4,348</b>	<b>4,348</b>	<b>4,348</b>	<b>4,348</b>	<b>4,348</b>
<b>Net assets</b>	<b>4,241</b>	<b>4,951</b>	<b>4,916</b>	<b>4,983</b>	<b>5,066</b>
<b>EQUITY</b>					
Contributed equity	3,460	4,658	5,028	5,400	5,788
Reserves	253	253	253	253	253
Retained surpluses (accumulated deficits)	528	40	(365)	(670)	(975)
<b>Total equity</b>	<b>4,241</b>	<b>4,951</b>	<b>4,916</b>	<b>4,983</b>	<b>5,066</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	528	253	3,460	<b>4,241</b>
Surplus (deficit) for the period	(488)	-	-	<b>(488)</b>
Equity injection - appropriations			826	<b>826</b>
Departmental capital budget	-	-	372	<b>372</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>40</b>	<b>253</b>	<b>4,658</b>	<b>4,951</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward estimate \$'000</b>	<b>2019-20 Forward estimate \$'000</b>	<b>2020-21 Forward estimate \$'000</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	11,429	13,265	11,492	11,488	11,543
Goods and services	2,483	4,269	2,004	2,064	2,064
Net GST received	481	589	468	445	451
<b>Total cash received</b>	<b>14,393</b>	<b>18,123</b>	<b>13,964</b>	<b>13,997</b>	<b>14,058</b>
<b>Cash used</b>					
Employees	6,748	7,838	6,820	7,034	7,034
Suppliers	6,924	8,839	6,464	6,300	6,355
Net GST paid	691	766	650	633	639
Other cash used	30	30	30	30	30
<b>Total cash used</b>	<b>14,393</b>	<b>17,473</b>	<b>13,964</b>	<b>13,997</b>	<b>14,058</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	371	1,848	370	372	388
<b>Total cash used</b>	<b>371</b>	<b>1,848</b>	<b>370</b>	<b>372</b>	<b>388</b>
<b>Net cash from (or used by) investing activities</b>	<b>(371)</b>	<b>(1,848)</b>	<b>(370)</b>	<b>(372)</b>	<b>(388)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital injections	371	1,198	370	372	388
<b>Total cash received</b>	<b>371</b>	<b>1,198</b>	<b>370</b>	<b>372</b>	<b>388</b>
<b>Net cash from (or used by) financing activities</b>	<b>371</b>	<b>1,198</b>	<b>370</b>	<b>372</b>	<b>388</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	93	93	93	93	93
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>	<b>93</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	826	-	-	-
Capital budget - Bill 1 (DCB)	371	372	370	372	388
<b>Total capital appropriations</b>	<b>371</b>	<b>1,198</b>	<b>370</b>	<b>372</b>	<b>388</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	371	1,198	370	372	388
<b>Total items</b>	<b>371</b>	<b>1,198</b>	<b>370</b>	<b>372</b>	<b>388</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	826	-	-	-
Funded internally from departmental resources	-	650	-	-	-
Funded by capital appropriation - DCB <sup>(b)</sup>	371	372	370	372	388
<b>Total acquisitions of non-financial assets</b>	<b>371</b>	<b>1,848</b>	<b>370</b>	<b>372</b>	<b>388</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	371	1,848	370	372	388
<b>Total cash used to acquire assets</b>	<b>371</b>	<b>1,848</b>	<b>370</b>	<b>372</b>	<b>388</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

<sup>(b)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	293	618	2,573	<b>3,484</b>
Accumulated depreciation/ amortisation and impairment	(240)	(93)	(2,410)	<b>(2,743)</b>
<b>Opening net book balance</b>	<b>53</b>	<b>525</b>	<b>163</b>	<b>741</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	426	350	50	<b>826</b>
By purchase - appropriation ordinary annual services	250	72	50	<b>372</b>
By purchase - other	650	-	-	<b>650</b>
<b>Total additions</b>	<b>1,326</b>	<b>422</b>	<b>100</b>	<b>1,848</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(150)	(228)	(110)	<b>(488)</b>
<b>Total other movements</b>	<b>(150)</b>	<b>(228)</b>	<b>(110)</b>	<b>(488)</b>
<b>As at 30 June 2018</b>				
Gross book value	1,619	1,040	2,673	<b>5,332</b>
Accumulated depreciation/ amortisation and impairment	(390)	(321)	(2,520)	<b>(3,231)</b>
<b>Closing net book balance</b>	<b>1,229</b>	<b>719</b>	<b>153</b>	<b>2,101</b>

# **AUSTRALIAN SPORTS COMMISSION**

## **Entity Resources and Planned Performance**

ASC



# AUSTRALIAN SPORTS COMMISSION

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Sports Commission (ASC) is committed to making Australian sport stronger – to get more people playing sport and to help athletes realise international success. The ASC promotes and supports the development of a cohesive and effective national sport sector that creates opportunities for all Australians to participate and excel in sport.

Two broad strategic documents *Australia's Winning Edge 2012-2022* and *Play.Sport.Australia*. provide the framework for the ASC's operations, and a context for the strategic pillars of the ASC's corporate plan. The pillars of win, play and thrive define the ASC's approach to delivering international success, more participation and sustainable sporting organisations.

*Australia's Winning Edge 2012-2022* is the national high performance strategy; it is the blueprint for Australia's high performance success and provides the high performance sport sector with clear performance targets and a framework for collaboration.

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 (NSOs), state institutes and academies of sport, and peak bodies such as the Australian Olympic Committee, Australian Paralympic Committee and the Australian Commonwealth Games Association.

In the lead up to the 2018 Gold Coast Commonwealth Games, the Government will commit an additional \$15.5 million in the 2017-18 Budget to maintain sporting grants and services for more than 2,000 aspiring and high performing athletes.

*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 aims to use its unique position of influence as well as its leadership role to inform, support and create alignment through the sport sector to achieve the collective national goal of participation growth.

A key focus in 2017-18 will be the continued delivery and expansion of the Sporting Schools program, with funding and support for schools and partnerships with national sporting organisations to deliver free quality sporting experiences to students. The expanded program will include an increased focus on secondary schools, particularly students in years seven and eight.

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<sup>1</sup> For more information about the strategic direction of the ASC, refer to the current corporate plan, available at: [www.ausport.gov.au/about](http://www.ausport.gov.au/about)

In addition, the Government will provide \$0.4 million, to the ASC from the agency sustainability stream of the Public Service Modernisation Fund.

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 RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: ASC Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Estimate \$'000</b>
<b>Opening balance/cash reserves at 1 July <sup>(a)</sup></b>	75,842	72,127
<b>Funds from Government</b>		
<b>Annual appropriations</b>		
Ordinary annual services <sup>(b)</sup>		
Outcome 1	250,669	264,595
Other services <sup>(c)</sup>		
Equity injection	-	1,069
<b>Total annual appropriations</b>	<b>250,669</b>	<b>265,664</b>
<b>Funds from other sources</b>		
Interest	2,500	2,250
Sale of goods and services	34,612	21,422
Other	276	1,129
<b>Total funds from other sources</b>	<b>37,388</b>	<b>24,801</b>
<b>Total net resourcing for ASC</b>	<b>363,899</b>	<b>362,592</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	570	570

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.

<sup>(a)</sup> Includes cash and investments.

<sup>(b)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(c)</sup> Appropriation Bill (No. 2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: ASC 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Gold Coast 2018 Commonwealth Games - support for athletes</b>						
Australian Sports Commission						
Departmental expenses	1.1	-	15,500	-	-	-
<b>Total expenses</b>		-	<b>15,500</b>	-	-	-
<b>Sporting Schools Program - extension <sup>(a)</sup></b>						
Australian Sports Commission						
Departmental expenses	1.1	-	39,008	19,490	-	-
Departmental capital	1.1	-	1,069	-	-	-
<b>Total</b>		-	<b>40,077</b>	<b>19,490</b>	-	-
<b>Whole of Government Measures</b>						
<b>Public Service Modernisation Fund - agency sustainability</b>						
Australian Sports Commission						
Departmental expenses	1.1	-	-	-	-	-
<b>Total expenses</b>		-	-	-	-	-

<sup>(a)</sup> This measure was announced in the 2016-17 MYEFO.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### **Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The ASC's most recent corporate plan is available at:

[www.ausport.gov.au/\\_\\_data/assets/pdf\\_file/0004/651784/Australian\\_Sports\\_Commission\\_Corporate\\_Plan\\_2016-20.pdf](http://www.ausport.gov.au/__data/assets/pdf_file/0004/651784/Australian_Sports_Commission_Corporate_Plan_2016-20.pdf)

The ASC's most recent annual performance statement is available at:

[www.ausport.gov.au/annual\\_report](http://www.ausport.gov.au/annual_report)

## **2.1 BUDGETED EXPENSES AND PERFORMANCE**

### **Outcome 1**

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

### **Program Contributing to Outcome 1**

**Program 1.1: Australian Sports Commission**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<p><b>Australian Sports Anti-Doping Authority</b>  <b>Program 1.1: Engagement, Deterrence, Detection and Enforcement</b>                      The Australian Sports Anti-Doping Authority (ASADA) contributes to the protection of the health of athletes, and the integrity of sport, by conducting World Anti-Doping Code compliant activities domestically. ASADA also contributes to international efforts to combat doping in sport.</p>
<p><b>Department of Health</b>  <b>Program 3.1: Sport and Recreation</b>                      The Department of Health aims to increase participation in sport and recreation activities, support major international sporting events, improve water and snow safety, and protect the integrity of sport.</p>
<p><b>Department of the Prime Minister and Cabinet</b>  <b>Program 1.1: Prime Minister and Cabinet</b>                      The Department of the Prime Minister and Cabinet contributes to improving the diversity of sporting organisations by working to increase female representation in sport leadership roles.</p>

## Budgeted Expenses for the ASC

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the ASC**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Australian Sports Commission</b>					
Revenue from Government					
Ordinary annual services <sup>(a)</sup>	250,669	264,595	227,557	207,942	209,083
Revenues from independent sources	37,260	23,806	22,898	22,438	22,312
Operating deficit (surplus)	7,858	8,386	8,857	8,958	8,958
<b>Total for Program 1.1</b>	<b>295,787</b>	<b>296,787</b>	<b>259,312</b>	<b>239,338</b>	<b>240,353</b>
<b>Total expenses for Outcome 1</b>	<b>295,787</b>	<b>296,787</b>	<b>259,312</b>	<b>239,338</b>	<b>240,353</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	570	570

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

## Planned Performance for the ASC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the ASC**

<b>Purpose</b>
To strengthen Australian sport – to enable more people to play sport and Australian athletes and teams to succeed on the world stage.
<b>Outcome 1</b>
Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport
<b>Program 1.1: Australian Sports Commission</b>
<p>The ASC aims to increase participation in sport, improve the sustainability of sporting organisations, and deliver continued success for Australian athletes and teams on the world stage.</p> <p>In the lead up to the 2018 Gold Coast Commonwealth Games, the Government will commit an additional \$15.5 million in the 2017-18 Budget to maintain sporting grants and services for more than 2,000 aspiring and high performing athletes.</p> <p>In addition, the Government will provide \$0.4 million, to the ASC from the agency sustainability stream of the Public Service Modernisation Fund.</p>
<b>Delivery</b>
<p><b>A. Delivering international sporting success</b></p> <ul style="list-style-type: none"> <li>• Provide targeted investment to National Sporting Organisations (NSOs) and athletes that demonstrate the greatest chance of short, medium and long-term success.</li> <li>• Provide support and advice to assist NSOs with high performance strategy, planning and program delivery.</li> <li>• Develop and deliver customised athlete, coach and leader talent initiatives to optimise high performance outcomes.</li> <li>• Plan, coordinate and deliver sport science and sports medicine expertise to ensure Australia's athletes get the right support at the right time.</li> <li>• Support innovative solutions to enhance Australia's competitive advantage for prioritised sports and promote the growth of new knowledge and expertise for high performance sport.</li> </ul> <p><b>B. Increasing participation in sport</b></p> <ul style="list-style-type: none"> <li>• Provide targeted investment to NSOs to help them grow their participation base.</li> <li>• Provide services and support that assists NSOs with participation strategies, planning and operations.</li> <li>• Develop and share high quality information, research and data to better understand what is happening in sport.</li> <li>• Drive demand for lifelong participation in sport by focussing on younger Australians through the Sporting Schools program.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 ASC Annual Report.

<b>C. Improving the sustainability of sports</b>				
<ul style="list-style-type: none"><li>• Provide support to sporting bodies to improve their governance and enhance alignment of systems and behaviours through national, state and territory levels.</li><li>• Develop and deliver sector initiatives to optimise coach, official and leader talent.</li><li>• Assist sports to develop relevant products and identify commercial opportunities to improve their financial sustainability.</li><li>• Assist sports to develop their digital capacity to ensure they are connecting with their customers and utilising technology to support growth and innovation.</li><li>• Support sports to build their capability and strengthen integrity frameworks to deliver safe, fair and inclusive sporting environments.</li></ul>				
<b>Performance criteria</b>				
<b>A. Delivering international sporting success</b>				
<b>Improved capability of national sporting organisations to deliver effective high performance programs.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>		
On track to be achieved.	The Annual Sports Performance Review shows improvement in the high performance capability of national sporting organisations, compared to previous year's results.	As per 2017-18.		
<b>B. Increasing participation in sport</b>				
<b>Increase in the percentage of Australians participating in organised sport (traditional or social).</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>		
Sport participation baseline established through AusPlay survey.	AusPlay survey results show an increase in sport participation compared to previous year.	As per 2017-18.		
<b>Number of student attendances in the Sporting Schools program.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
On track to be achieved.	≥750,000 <sup>3</sup>	≥1,100,000 <sup>4</sup>	N/A <sup>5</sup>	N/A

<sup>3</sup> The Sporting Schools program has been extended for an 18 month period from 1 July 2017–31 December 2018. The program will expand to include secondary schools with a focus on females and inactive children.

<sup>4</sup> Target represents the cumulative total for the extended program 1 July 2017–31 December 2018.

<sup>5</sup> Funding for this program ceases as at 31 December 2018.

<b>C. Improving the sustainability of sports</b>		
<b>Improved organisational capability of national sporting organisations.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Baseline of organisational capability established.	The organisational development assessment shows improvement in the organisational capability of targeted national sporting organisations, compared to the previous year.	As per 2017-18.
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 1.1 resulting from measures.</li> </ul>		

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

The agency resource statement (Table 1.1) provides a consolidated view of all the resources available in 2017-18. 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 3.1).

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

The ASC is budgeting for an operating loss of \$7.9 million in 2016-17 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 occurs.

The ASC is budgeting for an operating loss for the 2017-18 Budget year and three forward estimates arising from additional and unfunded depreciation expense reflecting the revaluations of assets.

Since the 2016-17 PB Statements were published, the 2017-18 revenue from Government estimate (and associated costs) has increased by \$51.6 million primarily reflecting the measures shown in Table 1.2 including: *Sporting Schools Program – extension* (\$39.0 million), *Gold Coast 2018 Commonwealth Games – support for athletes* (\$15.5 million) and the *Public Service Modernisation Fund – agency sustainability* (\$0.4 million).

##### Balance Sheet

Total assets at 30 June 2018 are anticipated to be \$312.9 million, \$235.5 million (75 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 \$294.2 million at 30 June 2018. The reduction in equity over the forward estimates reflects the impact of the unfunded loss for increased depreciation expense arising from revaluations of assets.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	64,083	64,510	62,187	59,896	61,717
Suppliers	39,787	37,757	33,452	30,075	28,383
Grants	167,777	168,920	138,004	123,999	124,885
Depreciation and amortisation	24,140	25,600	25,669	25,368	25,368
<b>Total expenses</b>	<b>295,787</b>	<b>296,787</b>	<b>259,312</b>	<b>239,338</b>	<b>240,353</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	34,612	21,422	20,776	20,574	20,730
Interest	2,648	2,384	2,122	1,864	1,582
<b>Total revenue</b>	<b>37,260</b>	<b>23,806</b>	<b>22,898</b>	<b>22,438</b>	<b>22,312</b>
<b>Net cost of (contribution by) services</b>	<b>258,527</b>	<b>272,981</b>	<b>236,414</b>	<b>216,900</b>	<b>218,041</b>
Revenue from Government	250,669	264,595	227,557	207,942	209,083
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(7,858)</b>	<b>(8,386)</b>	<b>(8,857)</b>	<b>(8,958)</b>	<b>(8,958)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(7,858)</b>	<b>(8,386)</b>	<b>(8,857)</b>	<b>(8,958)</b>	<b>(8,958)</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward estimate \$'000</b>	<b>2019-20 Forward estimate \$'000</b>	<b>2020-21 Forward estimate \$'000</b>
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	22,127	20,566	18,665	15,724	11,056
Trade and other receivables	5,007	5,007	5,007	5,007	4,980
Loans	2,859	1,864	869	41	-
Investments	50,000	50,000	40,000	25,000	25,000
<b>Total financial assets</b>	<b>79,993</b>	<b>77,437</b>	<b>64,541</b>	<b>45,772</b>	<b>41,036</b>
<b>Non-financial assets</b>					
Land and buildings	221,256	215,012	217,429	225,801	221,740
Property, plant and equipment	12,609	13,527	14,948	14,182	14,647
Intangibles	3,292	4,170	3,620	6,153	5,863
Inventories	419	419	419	419	419
Other	2,368	2,368	2,368	2,368	2,368
<b>Total non-financial assets</b>	<b>239,944</b>	<b>235,496</b>	<b>238,784</b>	<b>248,923</b>	<b>245,037</b>
<b>Total assets</b>	<b>319,937</b>	<b>312,933</b>	<b>303,325</b>	<b>294,695</b>	<b>286,073</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,354	2,354	2,354	2,354	2,354
Grants	86	86	86	86	86
Other payables	1,481	1,481	1,481	1,481	1,481
<b>Total payables</b>	<b>3,921</b>	<b>3,921</b>	<b>3,921</b>	<b>3,921</b>	<b>3,921</b>
<b>Provisions</b>					
Employees	14,444	14,757	14,006	14,334	14,670
Other provisions	72	72	72	72	72
<b>Total provisions</b>	<b>14,516</b>	<b>14,829</b>	<b>14,078</b>	<b>14,406</b>	<b>14,742</b>
<b>Total liabilities</b>	<b>18,437</b>	<b>18,750</b>	<b>17,999</b>	<b>18,327</b>	<b>18,663</b>
<b>Net assets</b>	<b>301,500</b>	<b>294,183</b>	<b>285,326</b>	<b>276,368</b>	<b>267,410</b>
<b>EQUITY</b>					
Contributed equity	150,210	151,279	151,279	151,279	151,279
Reserves	193,835	193,835	193,835	193,835	193,835
Retained surpluses (accumulated deficits)	(42,545)	(50,931)	(59,788)	(68,746)	(77,704)
<b>Total equity</b>	<b>301,500</b>	<b>294,183</b>	<b>285,326</b>	<b>276,368</b>	<b>267,410</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings (accumulated deficit) \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	(42,545)	193,835	150,210	<b>301,500</b>
Surplus (deficit) for the period	(8,386)	-	-	<b>(8,386)</b>
Appropriation (equity injection)	-	-	1,069	<b>1,069</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(50,931)</b>	<b>193,835</b>	<b>151,279</b>	<b>294,183</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	34,612	21,422	20,776	20,574	20,730
Appropriations	250,669	264,595	227,557	207,942	209,083
Interest	2,500	2,250	2,000	1,750	1,500
<b>Total cash received</b>	<b>287,781</b>	<b>288,267</b>	<b>250,333</b>	<b>230,266</b>	<b>231,313</b>
<b>Cash used</b>					
Employees	63,746	64,197	62,938	59,568	61,381
Suppliers	39,787	37,757	33,452	30,075	28,383
Grants	167,777	168,920	138,004	123,999	124,885
<b>Total cash used</b>	<b>271,310</b>	<b>270,874</b>	<b>234,394</b>	<b>213,642</b>	<b>214,649</b>
<b>Net cash from (or used by) operating activities</b>	<b>16,471</b>	<b>17,393</b>	<b>15,939</b>	<b>16,624</b>	<b>16,664</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Repayment of loans and interest	276	1,129	1,117	942	150
<b>Total cash received</b>	<b>276</b>	<b>1,129</b>	<b>1,117</b>	<b>942</b>	<b>150</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	20,462	21,152	28,957	35,507	21,482
<b>Total cash used</b>	<b>20,462</b>	<b>21,152</b>	<b>28,957</b>	<b>35,507</b>	<b>21,482</b>
<b>Net cash from (or used by) investing activities</b>	<b>(20,186)</b>	<b>(20,023)</b>	<b>(27,840)</b>	<b>(34,565)</b>	<b>(21,332)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	1,069	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>1,069</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>1,069</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(3,715)</b>	<b>(1,561)</b>	<b>(11,901)</b>	<b>(17,941)</b>	<b>(4,668)</b>
Cash and cash equivalents at the beginning of the reporting period	75,842	72,127	70,566	58,665	40,724
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>72,127</b>	<b>70,566</b>	<b>58,665</b>	<b>40,724</b>	<b>36,056</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	1,069	-	-	-
<b>Total capital appropriations</b>	-	<b>1,069</b>	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	1,069	-	-	-
<b>Total items</b>	-	<b>1,069</b>	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	1,069	-	-	-
Funded internally from departmental resources	20,462	20,083	28,957	35,507	21,482
<b>Total acquisitions of non-financial assets</b>	<b>20,462</b>	<b>21,152</b>	<b>28,957</b>	<b>35,507</b>	<b>21,482</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	20,462	21,152	28,957	35,507	21,482
<b>Total cash used to acquire assets</b>	<b>20,462</b>	<b>21,152</b>	<b>28,957</b>	<b>35,507</b>	<b>21,482</b>

<sup>(a)</sup> Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>					
Gross book value	10,000	546,340	34,643	11,615	<b>602,598</b>
Accumulated depreciation/ amortisation and impairment	-	(335,084)	(22,034)	(8,323)	<b>(365,441)</b>
<b>Opening net book balance</b>	<b>10,000</b>	<b>211,256</b>	<b>12,609</b>	<b>3,292</b>	<b>237,157</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - internal resources	-	12,492	5,914	2,746	<b>21,152</b>
<b>Total additions</b>	<b>-</b>	<b>12,492</b>	<b>5,914</b>	<b>2,746</b>	<b>21,152</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(18,736)	(4,996)	(1,868)	<b>(25,600)</b>
<b>Total other movements</b>	<b>-</b>	<b>(18,736)</b>	<b>(4,996)</b>	<b>(1,868)</b>	<b>(25,600)</b>
<b>As at 30 June 2018</b>					
Gross book value	10,000	558,832	40,557	14,361	<b>623,750</b>
Accumulated depreciation/ amortisation and impairment	-	(353,820)	(27,030)	(10,191)	<b>(391,041)</b>
<b>Closing net book balance</b>	<b>10,000</b>	<b>205,012</b>	<b>13,527</b>	<b>4,170</b>	<b>232,709</b>

# **CANCER AUSTRALIA**

## **Entity Resources and Planned Performance**



# CANCER AUSTRALIA

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

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 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.

In order to minimise the impact of cancer, Cancer Australia will, in 2017-18:

- implement the 2017-18 Budget measure *Invest in Medical Research – fighting childhood cancer*, which will provide \$4.4 million aimed at increasing Australia's research capacity to advance diagnosis, treatment, management, analysis, and improve data and awareness of childhood cancer, as well as \$1.4 million to fast track international research collaborations of paediatric brain cancer in Australia;
- translate evidence to inform the development and implementation of policies and programs in cancer control;
- promote best practice cancer care to health professionals across Australia including the updating and dissemination of evidence-based information on ovarian cancer;
- lead the development of innovative, sustainable, and evidence-based models of cancer care;
- strengthen national data capacity through reporting on cancer stage and treatment for selected cancers;
- fund research in priority areas, including a focus on low survival cancers common among children (0-14 years of age), through the Priority-driven Collaborative Cancer Research Scheme;
- provide information for people affected by cancer about their diagnosis and treatment; and
- promote cancer awareness to the community.

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

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<sup>1</sup> For more information about the strategic direction of Cancer Australia, refer to the current corporate plan, available at: [www.canceraustralia.gov.au/about-us/accountability-and-reporting#corporate](http://www.canceraustralia.gov.au/about-us/accountability-and-reporting#corporate)

*Auditor-General Act 1997, and is a Non-corporate Commonwealth Entity under the Public Governance, Performance and Accountability Act 2013.*

## **1.2 ENTITY RESOURCE STATEMENT**

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Cancer Australia Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Estimate \$'000</b>
<b>DEPARTMENTAL</b>		
Prior year appropriation available	4,749	4,585
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	11,270	11,110
s74 retained revenue receipts <sup>(b)</sup>	1,130	127
Departmental capital budget <sup>(c)</sup>	82	81
Other services <sup>(d)</sup>		
Equity injection	-	-
<b>Total departmental annual appropriations</b>	<b>12,482</b>	<b>11,318</b>
<b>Total departmental resourcing</b>	<b>17,231</b>	<b>15,903</b>
<b>ADMINISTERED</b>		
Prior year appropriation available	30	30
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	17,150	18,679
Other services <sup>(d)</sup>		
Administered assets and liabilities	-	-
<b>Total administered annual appropriations</b>	<b>17,150</b>	<b>18,679</b>
<b>Total administered resourcing</b>	<b>17,180</b>	<b>18,709</b>
<b>Total resourcing for Cancer Australia</b>	<b>34,411</b>	<b>34,612</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	69	69

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.<sup>(c)</sup> Departmental Capital Budget (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details.<sup>(d)</sup> For accounting purposes, this amount has been designated as a 'contribution by owner'.<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: Cancer Australia 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Investing in Medical Research - fighting childhood cancer</b>						
Cancer Australia						
Administered expenses	1.1	-	1,307	2,186	2,086	250
<b>Total expenses</b>		-	<b>1,307</b>	<b>2,186</b>	<b>2,086</b>	<b>250</b>

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### **Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

Cancer Australia's most recent corporate plan is available at:  
[www.canceraustralia.gov.au/about-us/accountability-and-reporting](http://www.canceraustralia.gov.au/about-us/accountability-and-reporting)

Cancer Australia's most recent annual performance statement is available at:  
[www.canceraustralia.gov.au/about-us/accountability-and-reporting/annual-reports](http://www.canceraustralia.gov.au/about-us/accountability-and-reporting/annual-reports)

## **2.1 BUDGETED EXPENSES AND PERFORMANCE**

### **Outcome 1**

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

### **Program Contributing to Outcome 1**

**Program 1.1: Improved Cancer Control**

### **Linked Programs**

#### **Other Commonwealth entities that contribute to Outcome 1**

##### **Department of Health**

##### **Program 2.4: Preventive Health and Chronic Disease Support**

The Department of Health has policy responsibility for improving the detection, treatment and survival outcomes for people with cancer. This includes oversight of cancer screening programs, such as the National Bowel Cancer Screening Program and the National Cervical Screening Program.

## Budgeted Expenses for Cancer Australia

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for Cancer Australia**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Improved Cancer Control</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	17,150	18,679	19,802	19,966	18,381
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	12,400	11,237	11,206	11,214	11,269
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	443	437	457	436	339
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>29,993</b>	<b>30,353</b>	<b>31,465</b>	<b>31,616</b>	<b>29,989</b>
<b>Total expenses for Outcome 1</b>	<b>29,993</b>	<b>30,353</b>	<b>31,465</b>	<b>31,616</b>	<b>29,989</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	69	69			

<sup>(a)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expenses and audit fees.

## Movement of Funds

There were no movements of administered funds between years.

## Planned Performance for Cancer Australia

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for Cancer Australia**

<b>Purpose</b>
To minimise the impact of cancer, address disparities, and improve the health outcomes of people affected by cancer in Australia by providing national leadership in cancer control.
<b>Outcome 1</b>
Minimised impacts of cancer, including through national leadership in cancer control with targeted research, cancer service development, education and consumer support
<b>Program 1.1: Improved Cancer Control</b>
<p>Cancer Australia is a specialist agency providing national leadership in cancer control across the cancer continuum of care. Cancer Australia guides scientific improvements in cancer prevention, treatment and care; coordinates and liaises between the wide range of groups and health care providers with an interest in cancer; makes recommendations to the Australian Government about cancer policies and priorities; assists with the implementation of policies and programs in cancer control; and oversees a dedicated budget for research into cancer.</p> <p>In 2017-18, the Government will provide \$5.8 million for childhood cancer research, including \$1.4 million for paediatric brain cancer clinical trials and \$4.4 million aimed at increasing Australia's research capacity to advance diagnosis, treatment, management, analysis, and improve data and awareness of childhood cancer.</p>
<b>Delivery</b>
<p><b>A. Providing leadership in national cancer control and promoting appropriate cancer care</b></p> <ul style="list-style-type: none"> <li>Promote evidence-based practice for identified cancers and population groups.</li> <li>Lead a shared agenda for improvements in cancer outcomes for Aboriginal and Torres Strait Islander peoples in agreed priority areas across the cancer continuum.</li> <li>Monitor and report national trends in cancer control.</li> </ul> <p><b>B. Funding priority research and strengthening national data capacity</b></p> <ul style="list-style-type: none"> <li>Partner with non-government organisations to maximise Government investment in priority areas of cancer research through the Priority-driven Collaborative Cancer Research Scheme.</li> <li>Provide funding to support the development of industry independent cancer clinical trials.</li> <li>Report on cancer stage and treatments for selected cancers.</li> </ul> <p><b>C. Promoting cancer awareness and providing information about cancer to the community</b></p> <ul style="list-style-type: none"> <li>Engage consumers to inform Cancer Australia's work.</li> <li>Provide evidence-based cancer information, resources and data for consumers, health professionals and the community through the Cancer Australia websites, including the Children's cancer website, and social media platforms.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 Cancer Australia Annual Report.

Performance criteria				
A. Providing leadership in national cancer control and promoting appropriate cancer care				
Research is translated into evidence-based information, policy and clinical practice.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
The release of the Cancer Australia Statement – influencing best practice in breast cancer, has been achieved and the Statement is available on the Cancer Australia website. <sup>3</sup>	Evidence is advanced about the most appropriate interventions across the continuum of cancer care through the publication of research and guidance in specific cancers.		As per 2017-18.	
B. Funding priority research and strengthening national data capacity				
Minimum number of cancer research grants funded by Cancer Australia through the Priority-driven Collaborative Cancer Research Scheme.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
Target of 7 is on track to be achieved by 30 June 2017.	7	7	7	7
Percentage of funding for applied research through the Priority-driven Collaborative Cancer Research Scheme.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
Target of ≥70% is on track to be achieved by 30 June 2017.	≥70%	≥70%	≥70%	≥70%

<sup>3</sup> Further information is available at: [thestatement.canceraustralia.gov.au/](http://thestatement.canceraustralia.gov.au/)

<b>C. Promoting cancer awareness and providing information about cancer to the community</b>				
<b>Total number of Cancer Australia resources available to inform the community.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
Target of 280 is on track to be achieved by 30 June 2017.	285	290	290	290
<b>Number of consumers involved in Cancer Australia advisory and project activities.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
Target of 60 is on track to be achieved by 30 June 2017.	70	70	80	80
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 1.1 resulting from measures.</li> </ul>				

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to Cancer Australia.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

This statement details budgeted financial results for Cancer Australia in 2017-18.

Cancer Australia anticipates a break even position for the Budget year 2017-18 and all forward years.

Total expenses for 2017-18 are consistent with former years. The income statement deficit in the Budget year 2017-18 and forward years is as a result of depreciation being unfunded.

##### 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 programs will continue in 2017-18. The level of administered funding across forward years represents Government expenditure on programs delivered to all Australians through Cancer Australia.

In the 2017-18 Budget, the Government will provide \$5.8 million over four years to improve outcomes for childhood cancer, including \$1.4 million for paediatric brain cancer clinical trials and \$4.4 million aimed at increasing Australia's research capacity to advance diagnosis, treatment, management, analysis, and improve data and awareness of childhood cancer.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	8,451	8,559	8,928	8,934	8,987
Supplier expenses	3,145	2,873	2,475	2,474	2,479
Grants expenses	1,000	-	-	-	-
Depreciation and amortisation	247	242	260	242	142
<b>Total expenses</b>	<b>12,843</b>	<b>11,674</b>	<b>11,663</b>	<b>11,650</b>	<b>11,608</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Other revenue	1,130	127	129	128	129
<b>Total revenue</b>	<b>1,130</b>	<b>127</b>	<b>129</b>	<b>128</b>	<b>129</b>
<b>Gains</b>					
Other	196	195	197	194	197
<b>Total gains</b>	<b>196</b>	<b>195</b>	<b>197</b>	<b>194</b>	<b>197</b>
<b>Total own-source income</b>	<b>1,326</b>	<b>322</b>	<b>326</b>	<b>322</b>	<b>326</b>
<b>Net cost of (contribution by) services</b>	<b>11,517</b>	<b>11,352</b>	<b>11,337</b>	<b>11,328</b>	<b>11,282</b>
Revenue from Government	11,270	11,110	11,077	11,086	11,140
<b>Surplus (deficit)</b>	<b>(247)</b>	<b>(242)</b>	<b>(260)</b>	<b>(242)</b>	<b>(142)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(247)</b>	<b>(242)</b>	<b>(260)</b>	<b>(242)</b>	<b>(142)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(247)</b>	<b>(242)</b>	<b>(260)</b>	<b>(242)</b>	<b>(142)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(247)</b>	<b>(242)</b>	<b>(260)</b>	<b>(242)</b>	<b>(142)</b>
plus non-appropriated expenses depreciation and amortisation expenses	247	242	260	242	142
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	214	214	214	214	214
Receivables	4,562	4,512	4,429	4,339	4,337
<b>Total financial assets</b>	<b>4,776</b>	<b>4,726</b>	<b>4,643</b>	<b>4,553</b>	<b>4,551</b>
<b>Non-financial assets</b>					
Buildings	-	-	-	-	-
Property, plant and equipment	414	312	243	188	132
Intangibles	69	60	33	17	17
Other	66	66	66	66	66
<b>Total non-financial assets</b>	<b>549</b>	<b>438</b>	<b>342</b>	<b>271</b>	<b>215</b>
<b>Total assets</b>	<b>5,325</b>	<b>5,164</b>	<b>4,985</b>	<b>4,824</b>	<b>4,766</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	649	649	649	649	649
Other payables	545	545	545	545	545
<b>Total payables</b>	<b>1,194</b>	<b>1,194</b>	<b>1,194</b>	<b>1,194</b>	<b>1,194</b>
<b>Provisions</b>					
Employees	1,834	1,834	1,834	1,834	1,834
Other provisions	180	180	180	180	180
<b>Total provisions</b>	<b>2,014</b>	<b>2,014</b>	<b>2,014</b>	<b>2,014</b>	<b>2,014</b>
<b>Total liabilities</b>	<b>3,208</b>	<b>3,208</b>	<b>3,208</b>	<b>3,208</b>	<b>3,208</b>
<b>Net Assets</b>	<b>2,117</b>	<b>1,956</b>	<b>1,777</b>	<b>1,616</b>	<b>1,558</b>
<b>EQUITY</b>					
Contributed equity	164	245	326	407	491
Reserves	-	-	-	-	-
Retained surpluses (accumulated deficits)	1,953	1,711	1,451	1,209	1,067
<b>Total equity</b>	<b>2,117</b>	<b>1,956</b>	<b>1,777</b>	<b>1,616</b>	<b>1,558</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	1,953	-	164	<b>2,117</b>
Surplus (deficit) for the period	(242)	-	-	<b>(242)</b>
Capital budget - Bill 1 (DCB)	-	-	81	<b>81</b>
Other movements	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>1,711</b>	<b>-</b>	<b>245</b>	<b>1,956</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	11,294	11,020	11,022	11,035	11,002
GST	221	223	238	232	232
Other cash received	1,130	127	129	128	129
<b>Total cash received</b>	<b>12,645</b>	<b>11,370</b>	<b>11,389</b>	<b>11,395</b>	<b>11,363</b>
<b>Cash used</b>					
Employees	8,251	8,559	8,928	8,934	8,988
Suppliers	3,009	2,538	2,140	2,139	2,141
Grants	1,000	-	-	-	-
GST	221	223	238	232	232
<b>Total cash used</b>	<b>12,481</b>	<b>11,320</b>	<b>11,306</b>	<b>11,305</b>	<b>11,361</b>
<b>Net cash from (or used by) operating activities</b>	<b>164</b>	<b>50</b>	<b>83</b>	<b>90</b>	<b>2</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	246	131	164	171	86
<b>Total cash used</b>	<b>246</b>	<b>131</b>	<b>164</b>	<b>171</b>	<b>86</b>
<b>Net cash from (or used by) investing activities</b>	<b>(246)</b>	<b>(131)</b>	<b>(164)</b>	<b>(171)</b>	<b>(86)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	82	81	81	81	84
<b>Total cash received</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>84</b>
<b>Net cash from (or used by) financing activities</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>84</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	214	214	214	214	214
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>	<b>214</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	82	81	81	81	84
<b>Total capital appropriations</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>84</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	82	81	81	81	84
<b>Total represented by</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>84</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>(a)</sup>	82	81	81	81	84
Funded internally from departmental resources	164	50	83	90	2
<b>Total acquisitions of non-financial assets</b>	<b>246</b>	<b>131</b>	<b>164</b>	<b>171</b>	<b>86</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	246	131	164	171	86
<b>Total cash used to acquire assets</b>	<b>246</b>	<b>131</b>	<b>164</b>	<b>171</b>	<b>86</b>

<sup>(a)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	-	1,186	582	<b>1,768</b>
Accumulated depreciation/ amortisation and impairment	-	(772)	(513)	<b>(1,285)</b>
<b>Opening net book balance</b>	<b>-</b>	<b>414</b>	<b>69</b>	<b>483</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	111	20	<b>131</b>
<b>Total additions</b>	<b>-</b>	<b>111</b>	<b>20</b>	<b>131</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(213)	(29)	<b>(242)</b>
<b>Total other movements</b>	<b>-</b>	<b>(213)</b>	<b>(29)</b>	<b>(242)</b>
<b>As at 30 June 2018</b>				
Gross book value	-	1,297	602	<b>1,899</b>
Accumulated depreciation/ amortisation and impairment	-	(985)	(542)	<b>(1,527)</b>
<b>Closing net book balance</b>	<b>-</b>	<b>312</b>	<b>60</b>	<b>372</b>

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	15,794	16,382	16,737	16,881	17,013
Suppliers	1,356	2,297	3,065	3,085	1,368
<b>Total expenses administered on behalf of Government</b>	<b>17,150</b>	<b>18,679</b>	<b>19,802</b>	<b>19,966</b>	<b>18,381</b>

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	30	30	30	30	30
Receivables	39	39	39	39	39
Other financial assets	387	387	387	387	387
<b>Total financial assets</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>
<b>Total assets administered on behalf of Government</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	242	242	242	242	242
Grants	60	60	60	60	60
Other payables	154	154	154	154	154
<b>Total payables</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>
<b>Total liabilities administered on behalf of Government</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>	<b>456</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
GST	695	707	707	707	707
<b>Total cash received</b>	<b>695</b>	<b>707</b>	<b>707</b>	<b>707</b>	<b>707</b>
<b>Cash used</b>					
Grant payments	15,177	16,382	16,737	16,881	17,013
Suppliers	1,973	2,297	3,065	3,085	1,368
GST	695	707	707	707	707
<b>Total cash used</b>	<b>17,845</b>	<b>19,386</b>	<b>20,509</b>	<b>20,673</b>	<b>19,088</b>
<b>Net cash from (or used by) operating activities</b>	<b>17,150</b>	<b>18,679</b>	<b>19,802</b>	<b>19,966</b>	<b>18,381</b>
<b>Net increase (or decrease) in cash held</b>	<b>17,150</b>	<b>18,679</b>	<b>19,802</b>	<b>19,966</b>	<b>18,381</b>
Cash at beginning of reporting period	30	30	30	30	30
Cash from Official Public Account for:					
- appropriations	17,150	18,679	19,802	19,966	18,381
<b>Cash at end of reporting period</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>

# **FOOD STANDARDS AUSTRALIA NEW ZEALAND**

## **Entity Resources and Planned Performance**



# FOOD STANDARDS AUSTRALIA NEW ZEALAND

FSANZ

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government aims to ensure that Australia's food supply is safe and well managed in order to minimise the risk of adverse health events.

Food Standards Australia New Zealand (FSANZ) was established to achieve the goals of: a high degree of consumer 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.

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 expand 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.

Through the operation of treaty arrangements, some food standards developed by FSANZ are implemented as food standards in New Zealand.

Food standards are implemented through multi-jurisdictional arrangements with the Australian, New Zealand and State and Territory 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, maintains national food composition and food consumption databases, and provides advice to the Department of Agriculture and Water Resources to assist that Department to control imported foods.

In 2017-18, FSANZ will continue work on revision of standards for novel foods and nutritive substances, and commence reviews of Chapters 3 and 4 of the Food Standards Code (food safety requirements and primary production and processing standards) and of the standard for food produced using gene technology.

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<sup>1</sup> For more information about the strategic direction of FSANZ, refer to the current corporate plan, available at: [www.foodstandards.gov.au/publications/Pages/Corporate-Plan-201617.aspx](http://www.foodstandards.gov.au/publications/Pages/Corporate-Plan-201617.aspx)

FSANZ will also work with food regulators to develop policies to reduce the levels of foodborne illness and to better explain the role of food labelling. FSANZ will also develop an enhanced evidence-based framework to assess risks from imported foods. In addition, FSANZ will also undertake work to engage industry and the community more effectively in response activities.

The role and functions of FSANZ are set out in the *Food Standards Australia New Zealand Act 1991* (FSANZ Act). FSANZ is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: FSANZ Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	10,802	11,126
<b>Funds from Government</b>		
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	17,177	16,961
Other services <sup>(b)</sup>		
Equity injection	-	-
<b>Total annual appropriations</b>	<b>17,177</b>	<b>16,961</b>
<b>Amounts received from related entities <sup>(c)</sup></b>		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
<b>Total amounts received from related entities</b>	<b>-</b>	<b>-</b>
<b>Total funds from Government</b>	<b>17,177</b>	<b>16,961</b>
<b>Funds from other sources</b>		
Interest	320	320
Sale of goods and services	100	100
Other	1,749	1,749
<b>Total funds from other sources</b>	<b>2,169</b>	<b>2,169</b>
<b>Total net resourcing for FSANZ</b>	<b>30,148</b>	<b>30,256</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	108	107

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(c)</sup> 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

This section is not applicable to FSANZ.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

FSANZ's most recent corporate plan is available at:

[www.foodstandards.gov.au/publications/Pages/Corporate-Plan-201617.aspx](http://www.foodstandards.gov.au/publications/Pages/Corporate-Plan-201617.aspx)

FSANZ's most recent annual performance statement is available at:

[www.foodstandards.gov.au/publications/annualreport201516/Pages/Annual%20Report%202015-2016.aspx](http://www.foodstandards.gov.au/publications/annualreport201516/Pages/Annual%20Report%202015-2016.aspx)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### 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

### Program Contributing to Outcome 1

**Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<b>Department of Health</b> <b>Program 2.4: Preventive Health and Chronic Disease Support</b> The Department of Health has strategic responsibility for the development of policies that ensure Australia's food supply is safe and that Australians have access to information to make informed choices about the food they consume.
<b>Department of Agriculture and Water Resources</b> <b>Program 2.1: Biosecurity and Export Services</b> The Department of Agriculture and Water Resources administers the Imported Food Program, which includes managing the risks to human health and regulating imported food for compliance with Australian food standards. This program contributes to the effectiveness of the Australian food regulatory system which provides confidence to the community that the food supply is safe.

## Budgeted Expenses for FSANZ

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for FSANZ**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament</b>					
Revenue from Government					
Ordinary annual services <sup>(a)</sup>	17,177	16,961	16,882	16,890	16,973
Revenues from independent sources	2,169	2,169	2,350	2,350	2,375
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>19,346</b>	<b>19,130</b>	<b>19,232</b>	<b>19,240</b>	<b>19,348</b>
<b>Total expenses for Outcome 1</b>	<b>19,346</b>	<b>19,130</b>	<b>19,232</b>	<b>19,240</b>	<b>19,348</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	108	107

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

## Planned Performance for FSANZ

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for FSANZ**

<b>Purpose</b>
To contribute to the cooperative food regulatory system by developing evidence-based standards, providing evidence-based advice, coordinating regulatory responses and providing information about food standards.
<b>Outcome 1</b>
A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices
<b>Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament</b>
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. FSANZ develops evidence-based food regulatory measures, coordinates trans-jurisdictional food regulatory activities, and provides information about food regulation in order to enhance confidence in food for sale.
<b>Delivery</b>
<p><b>A. Ensuring effective, evidence-based food standards</b></p> <ul style="list-style-type: none"> <li>Develop standards in response to applications and proposals to amend the Food Standards Code.</li> </ul> <p><b>B. Coordinating food regulation to protect public health and safety</b></p> <ul style="list-style-type: none"> <li>Coordinate food incident response and food recalls.</li> <li>Undertake monitoring and surveillance activities to ensure that regulatory and non-regulatory activities achieve their objectives.</li> </ul> <p><b>C. Providing food-related information</b></p> <ul style="list-style-type: none"> <li>Provide authoritative evidence-based information about food composition and consumption to stakeholders and consumers.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 FSANZ Annual Report.

Performance Criteria				
A. Ensuring effective, evidence-based food standards				
Food regulatory measures are considered in a timely manner.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
100% of applications assessed in statutory deadlines.	Applications are assessed within 12 months or less as required by the FSANZ Act.	As per 2017-18.		
B. Coordinating food regulation to protect public health and safety				
Manage the operation of the Bi-National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Response and management of salmonella and rockmelon national food incident effectively coordinated. Effective coordination of information exchange on more than ten food issues.	Deliver efficient and effective food incident management through the Bi-National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.	As per 2017-18.		
Make a valuable contribution to ensuring that the food regulatory system is implemented consistently.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
64 food recalls relating to foods that were not safe or suitable for consumption were coordinated effectively.	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). <sup>3</sup>	As per 2017-18.		
Deliver efficient and effective food recall coordination. <sup>4</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
Industry satisfaction with food recall coordination was ≥95%.	Industry satisfaction with food recall coordination is ≥95%.	Industry satisfaction with food recall coordination is ≥95%.	Industry satisfaction with food recall coordination is ≥95%.	Industry satisfaction with food recall coordination is ≥95%.

<sup>3</sup> 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: [foodregulation.gov.au/internet/fr/publishing.nsf/Content/ISFR](http://foodregulation.gov.au/internet/fr/publishing.nsf/Content/ISFR)

<sup>4</sup> Industry satisfaction with food recall coordination is measured by surveying industry recall participants.

<b>C. Providing food-related information</b>				
<b>FSANZ is recognised as the primary source of information about food standards and food regulation in Australia and New Zealand.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
Stakeholder survey to be completed by 31 May 2017.	Stakeholders consistently report a high level of satisfaction with FSANZ and the information it provides.		As per 2017-18.	
<b>Improved understanding of community food safety and public health issues through the Consumer and Public Health Dialogue (CPHD).</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
The effectiveness of FSANZ’s regulatory response to food safety and public health nutrition issues was improved through engagement with the CPHD.	Food policy is informed by Public Health and Consumer evidence-base.		As per 2017-18.	
<b>Encourage stakeholder engagement through up-to-date information on FSANZ’s website and social media interactions.</b>				
<b>a. Website unique visitors.</b>				
<b>b. Social media interactions.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
a. 1,100,000 visits	>850,000	>850,000	>850,000	>850,000
b. 200,000 engaged users on Facebook.	>200,000	>200,000	>200,000	>200,000
<b>Material changes to Program 1.1 resulting from the following measures:</b>				
• There are no material changes to Program 1.1 resulting from measures.				

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to FSANZ.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

FSANZ has projected a break even budget in 2017-18 and the forward years.

##### Revenues

Appropriation revenue in 2017-18 has decreased from 2016-17 largely reflecting the impact of previous increased efficiency dividends on the agency.

Revenue from other sources of \$2.2 million in 2017-18 is expected to remain stable next year then increase slightly 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 2017-18 is anticipated to be \$19.1 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 2016-17 actuals with a relatively stable workforce and a slight increase in salaries. Supplier expenses will decrease in line with the reduction in appropriation.

##### Balance Sheet

Non-financial assets are reducing across future years as assets are depreciated over their useful life.

Employee provisions are expected to remain stable.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	14,437	14,434	14,432	14,429	14,382
Supplier expenses	3,804	3,591	3,695	3,706	3,861
Depreciation and amortisation	1,105	1,105	1,105	1,105	1,105
<b>Total expenses</b>	<b>19,346</b>	<b>19,130</b>	<b>19,232</b>	<b>19,240</b>	<b>19,348</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	100	100	100	100	200
Interest	320	320	320	320	200
Other revenue	1,749	1,749	1,930	1,930	1,975
<b>Total revenue</b>	<b>2,169</b>	<b>2,169</b>	<b>2,350</b>	<b>2,350</b>	<b>2,375</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>2,169</b>	<b>2,169</b>	<b>2,350</b>	<b>2,350</b>	<b>2,375</b>
<b>Net cost of (contribution by) services</b>	<b>17,177</b>	<b>16,961</b>	<b>16,882</b>	<b>16,890</b>	<b>16,973</b>
Revenue from Government	17,177	16,961	16,882	16,890	16,973
<b>Surplus (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	11,126	11,626	12,126	12,126	12,126
Trade and other receivables	375	375	375	375	375
<b>Total financial assets</b>	<b>11,501</b>	<b>12,001</b>	<b>12,501</b>	<b>12,501</b>	<b>12,501</b>
<b>Non-financial assets</b>					
Land and buildings	571	591	611	611	611
Property, plant and equipment	319	269	219	219	219
Intangibles	1,703	1,233	763	763	763
Other	282	282	282	282	282
<b>Total non-financial assets</b>	<b>2,875</b>	<b>2,375</b>	<b>1,875</b>	<b>1,875</b>	<b>1,875</b>
<b>Total assets</b>	<b>14,376</b>	<b>14,376</b>	<b>14,376</b>	<b>14,376</b>	<b>14,376</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	211	211	211	211	211
Other payables	1,222	1,222	1,222	1,222	1,222
<b>Total payables</b>	<b>1,433</b>	<b>1,433</b>	<b>1,433</b>	<b>1,433</b>	<b>1,433</b>
<b>Interest bearing liabilities</b>					
Leases	228	228	228	228	228
<b>Total interest bearing liabilities</b>	<b>228</b>	<b>228</b>	<b>228</b>	<b>228</b>	<b>228</b>
<b>Provisions</b>					
Employees	4,625	4,625	4,625	4,625	4,625
Other provisions	345	345	345	345	345
<b>Total provisions</b>	<b>4,970</b>	<b>4,970</b>	<b>4,970</b>	<b>4,970</b>	<b>4,970</b>
<b>Total liabilities</b>	<b>6,631</b>	<b>6,631</b>	<b>6,631</b>	<b>6,631</b>	<b>6,631</b>
<b>Net assets</b>	<b>7,745</b>	<b>7,745</b>	<b>7,745</b>	<b>7,745</b>	<b>7,745</b>
<b>EQUITY</b>					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	2,254	2,254	2,254	2,254	2,254
Retained surpluses (accumulated deficits)	3,668	3,668	3,668	3,668	3,668
<b>Total equity</b>	<b>7,745</b>	<b>7,745</b>	<b>7,745</b>	<b>7,745</b>	<b>7,745</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	3,668	2,254	1,823	<b>7,745</b>
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>3,668</b>	<b>2,254</b>	<b>1,823</b>	<b>7,745</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	100	100	100	100	200
Appropriations	17,177	16,961	16,882	16,890	16,973
Interest	320	320	320	320	200
Net GST received	519	519	519	519	519
Other cash received	1,573	1,749	1,930	1,930	1,975
<b>Total cash received</b>	<b>19,689</b>	<b>19,649</b>	<b>19,751</b>	<b>19,759</b>	<b>19,867</b>
<b>Cash used</b>					
Employees	14,437	14,434	14,432	14,429	14,382
Suppliers	3,804	3,591	3,695	3,706	3,861
Net GST paid	519	519	519	519	519
<b>Total cash used</b>	<b>18,760</b>	<b>18,544</b>	<b>18,646</b>	<b>18,654</b>	<b>18,762</b>
<b>Net cash from (or used by) operating activities</b>	<b>929</b>	<b>1,105</b>	<b>1,105</b>	<b>1,105</b>	<b>1,105</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	605	605	605	1,105	1,105
<b>Total cash used</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>1,105</b>	<b>1,105</b>
<b>Net cash from (or used by) investing activities</b>	<b>(605)</b>	<b>(605)</b>	<b>(605)</b>	<b>(1,105)</b>	<b>(1,105)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>324</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	10,802	11,126	11,626	12,126	12,126
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>11,126</b>	<b>11,626</b>	<b>12,126</b>	<b>12,126</b>	<b>12,126</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded internally from departmental resources	605	605	605	1,105	1,105
<b>Total acquisitions of non-financial assets</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>1,105</b>	<b>1,105</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	605	605	605	1,105	1,105
<b>Total cash used to acquire assets</b>	<b>605</b>	<b>605</b>	<b>605</b>	<b>1,105</b>	<b>1,105</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	1,111	1,709	4,806	<b>7,626</b>
Accumulated depreciation/ amortisation and impairment	(540)	(1,390)	(3,103)	<b>(5,033)</b>
<b>Opening net book balance</b>	<b>571</b>	<b>319</b>	<b>1,703</b>	<b>2,593</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	200	100	305	<b>605</b>
<b>Total additions</b>	<b>200</b>	<b>100</b>	<b>305</b>	<b>605</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(180)	(150)	(775)	<b>(1,105)</b>
<b>Total other movements</b>	<b>(180)</b>	<b>(150)</b>	<b>(775)</b>	<b>(1,105)</b>
<b>As at 30 June 2018</b>				
Gross book value	1,311	1,809	5,111	<b>8,231</b>
Accumulated depreciation/ amortisation and impairment	(720)	(1,540)	(3,878)	<b>(6,138)</b>
<b>Closing net book balance</b>	<b>591</b>	<b>269</b>	<b>1,233</b>	<b>2,093</b>

# **INDEPENDENT HOSPITAL PRICING AUTHORITY**

## **Entity Resources and Planned Performance**



# INDEPENDENT HOSPITAL PRICING AUTHORITY

IHPA

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

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) 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 services. IHPA also determines a National Efficient Cost (NEC) which is used when Activity Based Funding is not suitable for funding such as in the case of small rural public hospitals.

Following the *Heads of Agreement between the Commonwealth and States and Territories on Public Hospital Funding*, signed on 1 April 2016, and subsequent Direction issued to IHPA by the Minister for Health on 16 February 2017, IHPA began work to implement pricing for safety and quality into funding of public hospital services.

IHPA is responsible for developing national classifications for health care and other services delivered by 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.

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, advise on matters relating to the functions of IHPA. These committees ensure that the underlying principles applied to setting the NEP and NEC are both clinically relevant and technically appropriate.

IHPA is independent of the Australian Government and State and Territory Governments.

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*.

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<sup>1</sup> For more information about the strategic direction of the IHPA, refer to the current corporate plan, available at: [www.ihta.gov.au/who-we-are/corporate-plan](http://www.ihta.gov.au/who-we-are/corporate-plan)

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: IHPA Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>Opening balance/cash reserves at 1 July</b>	26,576	24,913
<b>Funds from Government</b>		
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	-	-
Other services <sup>(b)</sup>		
Equity injection	-	-
<b>Total annual appropriations</b>	-	-
<b>Amounts received from related entities <sup>(c)</sup></b>		
Amounts from the Portfolio Department	15,538	15,476
Amounts from other entities	-	-
<b>Total amounts received from related entities</b>	<b>15,538</b>	<b>15,476</b>
<b>Total funds from Government</b>	<b>15,538</b>	<b>15,476</b>
<b>Funds from other sources</b>		
Interest	96	96
Sale of goods and services	845	850
Other	-	-
<b>Total funds from other sources</b>	<b>941</b>	<b>946</b>
<b>Total net resourcing for IHPA</b>	<b>43,055</b>	<b>41,335</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	1	1

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(c)</sup> 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

This section is not applicable to IHPA.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

IHPA's most recent corporate plan is available at:  
[www.ihpa.gov.au/who-we-are/corporate-plan](http://www.ihpa.gov.au/who-we-are/corporate-plan)

IHPA's most recent annual performance statement is available at:  
[www.ihpa.gov.au/publications/annual-report-2016](http://www.ihpa.gov.au/publications/annual-report-2016)

### 2.1 BUDGETED EXPENSES AND PERFORMANCE

#### 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

#### Program Contributing to Outcome 1

**Program 1.1: Public Hospital Price Determinations**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<b>Department of Health</b> <b>Program 2.7: Hospital Services</b> The Department of Health has policy responsibility for public and private hospital services, including the Commonwealth Government funding contribution for public hospital services. This includes policy responsibility for the implementation of Activity Based Funding under the National Health Reform Agreement.
<b>Australian Commission on Safety and Quality in Health Care</b> <b>Program 1.1: Safety and Quality in Health Care</b> The Australian Commission on Safety and Quality in Health Care works together with IHPA, through a joint working party, to consider options for their respective governing bodies on possible approaches to ensuring safety and quality in the provision of health care services to fulfil the relevant requirements of the National Health Reform Agreement.

IHPA

## Budgeted Expenses for IHPA

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for IHPA**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Public Hospital Price Determinations</b>					
Revenue from Government					
Ordinary annual services	-	-	-	-	-
Amounts from related entities	15,538	15,476	15,876	16,118	16,102
Revenues from independent sources	941	946	1,351	951	951
Expenses not requiring appropriation in the Budget year <sup>(a)</sup>	6,698	6,811	6,924	7,046	7,039
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>23,177</b>	<b>23,233</b>	<b>24,151</b>	<b>24,115</b>	<b>24,092</b>
<b>Total expenses for Outcome 1</b>	<b>23,177</b>	<b>23,233</b>	<b>24,151</b>	<b>24,115</b>	<b>24,092</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	1	1			

<sup>(a)</sup> Expenses not requiring appropriation in the Budget year are made up of staff salary and shared services received free of charge from Department of Health.

## Planned Performance for IHPA

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for IHPA**

<b>Purpose</b>
To determine the National Efficient Price and the National Efficient Cost for public hospital services.
<b>Outcome 1</b>
Promote improved efficiency in, and access to, public hospital services primarily through setting efficient national prices and levels of block funding for hospital activities
<b>Program 1.1: Public Hospital Price Determinations</b>
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 Activity Based Funding for those services. In 2017-18 this will include work to implement pricing for safety and quality into funding of public hospital services, consistent with the <i>Heads of Agreement between the Commonwealth and States and Territories on Public Hospital Funding</i> signed on 1 April 2016.
<b>Delivery</b>
<p><b>A. Determining the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services</b></p> <ul style="list-style-type: none"> <li>Continue to develop and refine the pricing models which will ensure accurate NEP and NEC Determinations.</li> <li>Develop safety and quality measures for inclusion in the NEP in future years.</li> </ul> <p><b>B. Developing infrastructure to support a national Activity Based Funding system</b></p> <ul style="list-style-type: none"> <li>Continue to develop and refine new and existing hospital activity classifications through specialist input from clinicians.</li> <li>Ensure clinical acceptance of classification systems through consultation and collaboration with specialist committees including IHPA's Clinical Advisory Committee.</li> <li>Establish and maintain national costing standards.</li> <li>Ensure effective collection and processing of costing information from public and private hospitals.</li> <li>Develop and maintain standards for activity data collections, including the annual publication of the <i>Three Year Data Plan</i>.</li> <li>Publish a six-monthly report outlining jurisdictional compliance with the data requirements and data standards as set out in the <i>Three Year Data Plan</i>.</li> </ul> <p><b>C. Resolving disputes on cost-shifting and cross-border issues</b></p> <ul style="list-style-type: none"> <li>Investigate and make recommendations concerning cross-border disputes and cost-shifting disputes between States and Territories.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 IHPA Annual Report.

Performance criteria		
<b>A. Determining the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services</b>		
<b>Publish the <i>Pricing Framework for Australian Public Hospital Services</i> (Pricing Framework) outlining the principles, scope and methodology to be adopted in the determination of the National Efficient Price and National Efficient Cost.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
<i>Pricing Framework for Australian Public Hospital Services 2017-18</i> published in March 2017. <sup>3</sup>	Publish the Pricing Framework 2018-19 by 31 December 2017.	Publish the Pricing Framework annually by 31 December.
<b>Publish an annual determination of the National Efficient Price and National Efficient Cost for the coming financial year along with other information supporting the efficient funding of public hospital services.</b>		
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target
The National Efficient Price (NEP) and National Efficient Cost (NEC) Determinations for 2017-18 were published in March 2017.	Publish the NEP and NEC Determinations for 2018-19 by 31 March 2018.	Publish the NEP and NEC Determinations annually by 31 March.

<sup>3</sup> The *Pricing Framework for Australian Public Hospital Services* for 2017-18 was published in March 2017. This allowed for time to consult with stakeholders following the Direction issued to IHPA by the former Minister for Health and Aged Care following from the Heads of Agreement signed at the Council of Australian Governments meeting in April 2016 for IHPA to develop options for incorporating safety and quality into the pricing and funding of public hospital services.

<b>B. Developing infrastructure to support a national Activity Based Funding system</b>		
<b>Develop new Activity Based Funding classifications.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Australian Mental Health Care Classification Version 1.0 implemented.	Complete work on the new classification system for emergency care services by December 2017. Development of the Australian Mental Health Care Classification Version 2.0. Continue to develop a new classification for teaching and training. Development of the Australian non-admitted care classification system.	Complete work on the Australian non-admitted care classification system by December 2018. Complete work on the teaching and training classification by June 2018.
<b>Revise existing Activity Based Funding classifications.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Australian Refined Diagnosis Related Groups Version 9.0 approved by the Pricing Authority in November 2016.	Continue work on the Australian Modification of the International Statistical Classification of Diseases 11th edition. Continue work on the new classification for Australian national sub-acute and non-acute patient care. Continue work on Australian Refined Diagnosis Related Group Version 10.	Complete work on the Australian Modification of the International Statistical Classification of Diseases 11th edition by 2019. Complete work on Australian Refined Diagnosis Related Group Version 10 by 2019.
<b>Maintain up-to-date national costing standards.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
In progress.	Release of the Australian Hospital Patient Costing Standards Version 4.	Continued development of the Australian Hospital Patient Costing Standards Version 4.
<b>Ensure effective collection and processing of costing information to support ABF outcomes.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The National Hospital Cost Data Collection (Round 19) was published in November 2016. The National Hospital Cost Data Collection (Round 19) Independent Financial Review was published in February 2017.	Completion of the annual National Hospital Cost Data Collection Round by 30 December of that year. Completion of the annual National Hospital Cost Data Collection Round, Independent Financial Review by 30 December of that year. Release of the annual cost weights for public and private hospitals by June of that year.	As per 2017-18.

<b>C. Resolving disputes on cost-shifting and cross-border issues</b>		
<b>Review of IHPA's <i>Cost-Shifting and Cross-Border Dispute Resolution Framework</i>.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
The <i>Cost-Shifting and Cross-Border and Dispute Resolution Framework</i> was reviewed and published on 1 March 2016.	Complete review and publish updated <i>Cost-Shifting and Cross-Border and Dispute Resolution Framework</i> annually by June.	As per 2017-18.
<b>Timely investigation and provision of recommendations to Health Ministers to resolve cost-shifting and cross-border disputes.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
No disputes were received.	IHPA investigation of cost-shifting or cross-border disputes and provision of recommendations or assessment within six months of receipt of request.	As per 2017-18.
<b>Material changes to Program 1.1 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>There are no material changes to Program 1.1 resulting from measures.</li> </ul>		

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences Between Entity Resourcing and Financial Statements**

This section is not applicable to IHPA.

#### **3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements**

##### **Departmental Resources**

##### **Comprehensive Income Statement**

The operational functions of the Independent Hospital Pricing Authority (IHPA) were transferred to the Department of Health (the Department) on 1 July 2016, with the Board, Chief Executive Officer (CEO) and functions retained.

Under a memorandum of understanding (MOU) arrangement executed in June 2016, the Department's staff are seconded to IHPA under the direct control of IHPA's CEO to support its functions. The cost of these services are provided to IHPA as resources received free of charge.

In the 2017-18 financial year IHPA's total budget expenditure estimate is \$23.2 million. IHPA is funded through both payments from the Department and funds from own source income.

##### **Balance Sheet**

IHPA's receivables are planned to reduce from \$18.5 million in 2016-17 to \$0.3 million in 2017-18, as a result of the extinguishing of the unspent \$18.2 million from the 2014-15 appropriation by the automatic operation of the three year repeal that will occur at the end of 2016-17.

##### **Cash Flow**

Cash flows are consistent with income, expenses and asset movements.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	6,134	6,201	6,326	6,454	6,454
Supplier expenses	16,311	16,315	17,262	17,098	17,075
Depreciation and amortisation	732	717	563	563	563
<b>Total expenses</b>	<b>23,177</b>	<b>23,233</b>	<b>24,151</b>	<b>24,115</b>	<b>24,092</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services <sup>(a)</sup>	16,383	16,326	17,131	16,973	16,957
Interest	96	96	96	96	96
<b>Total revenue</b>	<b>16,479</b>	<b>16,422</b>	<b>17,227</b>	<b>17,069</b>	<b>17,053</b>
<b>Gains</b>					
Other <sup>(b)</sup>	6,698	6,811	6,924	7,046	7,039
<b>Total gains</b>	<b>6,698</b>	<b>6,811</b>	<b>6,924</b>	<b>7,046</b>	<b>7,039</b>
<b>Total own-source income</b>	<b>23,177</b>	<b>23,233</b>	<b>24,151</b>	<b>24,115</b>	<b>24,092</b>
<b>Net cost of (contribution by) services</b>	-	-	-	-	-
Revenue from Government	-	-	-	-	-
<b>Surplus (deficit)</b>	-	-	-	-	-
<b>Surplus (deficit) attributable to the Australian Government</b>	-	-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	-	-	-	-	-
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	-	-	-	-	-

<sup>(a)</sup> Payments from Department of Health and funds from own sources.

<sup>(b)</sup> Staff salary and shared services received free of charge from Department of Health.

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward estimate \$'000</b>	<b>2019-20 Forward estimate \$'000</b>	<b>2020-21 Forward estimate \$'000</b>
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	6,737	6,633	6,824	7,015	7,106
Receivables	18,515	339	339	339	339
<b>Total financial assets</b>	<b>25,252</b>	<b>6,972</b>	<b>7,163</b>	<b>7,354</b>	<b>7,445</b>
<b>Non-financial assets</b>					
Land and buildings	203	383	318	253	188
Property, plant and equipment	290	314	290	209	183
Intangibles	303	247	190	190	190
Prepayments	49	49	49	49	49
<b>Total non-financial assets</b>	<b>845</b>	<b>993</b>	<b>847</b>	<b>701</b>	<b>610</b>
<b>Total assets</b>	<b>26,097</b>	<b>7,965</b>	<b>8,010</b>	<b>8,055</b>	<b>8,055</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,350	1,384	1,419	1,454	1,454
Other payables	355	355	355	355	355
<b>Total payables</b>	<b>1,705</b>	<b>1,739</b>	<b>1,774</b>	<b>1,809</b>	<b>1,809</b>
<b>Provisions</b>					
Employees	120	130	140	150	150
Other provisions	165	165	165	165	165
<b>Total provisions</b>	<b>285</b>	<b>295</b>	<b>305</b>	<b>315</b>	<b>315</b>
<b>Total liabilities</b>	<b>1,990</b>	<b>2,034</b>	<b>2,079</b>	<b>2,124</b>	<b>2,124</b>
<b>Net Assets</b>	<b>24,107</b>	<b>5,931</b>	<b>5,931</b>	<b>5,931</b>	<b>5,931</b>
<b>EQUITY</b>					
Contributed equity	400	400	400	400	400
Reserves	16	16	16	16	16
Retained surpluses (accumulated deficits)	23,691	5,515	5,515	5,515	5,515
<b>Total equity</b>	<b>24,107</b>	<b>5,931</b>	<b>5,931</b>	<b>5,931</b>	<b>5,931</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	23,691	16	400	<b>24,107</b>
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	(18,176)	-	-	<b>(18,176)</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>5,515</b>	<b>16</b>	<b>400</b>	<b>5,931</b>

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	846	866	1,273	887	871
Interest	96	96	96	96	96
Appropriations	-	-	-	-	-
Net GST received	1,304	1,303	1,379	1,364	1,364
Other	15,538	15,460	15,859	16,085	16,085
<b>Total cash received</b>	<b>17,784</b>	<b>17,725</b>	<b>18,607</b>	<b>18,432</b>	<b>18,416</b>
<b>Cash used</b>					
Employees	7,105	6,197	6,322	6,450	6,450
Suppliers	11,408	10,682	11,551	11,289	11,318
Net GST paid	85	85	126	85	85
Others	432	-	-	-	-
<b>Total cash used</b>	<b>19,030</b>	<b>16,964</b>	<b>17,999</b>	<b>17,824</b>	<b>17,853</b>
<b>Net cash from (or used by) operating activities</b>	<b>(1,246)</b>	<b>761</b>	<b>608</b>	<b>608</b>	<b>563</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	417	865	417	417	472
<b>Total cash used</b>	<b>417</b>	<b>865</b>	<b>417</b>	<b>417</b>	<b>472</b>
<b>Net cash from (or used by) investing activities</b>	<b>(417)</b>	<b>(865)</b>	<b>(417)</b>	<b>(417)</b>	<b>(472)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Cash used for other financing activities	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>(1,663)</b>	<b>(104)</b>	<b>191</b>	<b>191</b>	<b>91</b>
Cash and cash equivalents at the beginning of the reporting period	8,400	6,737	6,633	6,824	7,015
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6,737</b>	<b>6,633</b>	<b>6,824</b>	<b>7,015</b>	<b>7,106</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded internally from departmental resources	417	865	417	417	472
<b>Total acquisitions of non-financial assets</b>	<b>417</b>	<b>865</b>	<b>417</b>	<b>417</b>	<b>472</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	417	865	417	417	472
<b>Total cash used to acquire assets</b>	<b>417</b>	<b>865</b>	<b>417</b>	<b>417</b>	<b>472</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	<b>Buildings</b>	<b>Other property, plant and equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2017</b>				
Gross book value	796	811	530	<b>2,137</b>
Accumulated depreciation/ amortisation and impairment	(593)	(521)	(227)	<b>(1,341)</b>
<b>Opening net book balance</b>	<b>203</b>	<b>290</b>	<b>303</b>	<b>796</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	388	234	243	<b>865</b>
<b>Total additions</b>	<b>388</b>	<b>234</b>	<b>243</b>	<b>865</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(208)	(210)	(299)	<b>(717)</b>
<b>Total other movements</b>	<b>(208)</b>	<b>(210)</b>	<b>(299)</b>	<b>(717)</b>
<b>As at 30 June 2018</b>				
Gross book value	1,184	1,045	531	<b>3,002</b>
Accumulated depreciation/ amortisation and impairment	(801)	(731)	(284)	<b>(2,058)</b>
<b>Closing net book balance</b>	<b>383</b>	<b>314</b>	<b>247</b>	<b>944</b>

# **NATIONAL BLOOD AUTHORITY**

## **Entity Resources and Planned Performance**



# NATIONAL BLOOD AUTHORITY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government, through the National Blood Authority (NBA), aims to ensure that Australia has an adequate, safe, secure and well managed blood supply. The NBA was established by the Australian Government, and State and Territory Governments, to coordinate policy, governance, funding and management of the blood and blood product sector in Australia.

The NBA manages national contracts to secure the supply of safe and affordable blood products in Australia in accordance with the National Blood Agreement.

The 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 blood products<sup>2</sup> will continue to be improved, including the further strengthening of risk mitigation arrangements.

The NBA will continue to undertake a range of activities aimed at improving the clinical use of blood and blood products in recognition of the growing cost of blood products and the growing evidence of risk associated with unnecessary transfusions. Specifically, the NBA aims to improve the sustainability and performance of the sector through enhanced data capture and analysis; improved governance of access to immunoglobulin products to ensure the most cost-effective use of scarce and high cost products; and facilitate development and publication of evidence-based national clinical practice guidelines, informed by close engagement with clinicians.

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*.

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<sup>1</sup> For more information about the strategic direction of the NBA, refer to the current corporate plan, available at: [www.blood.gov.au/system/files/documents/2016-19Corporate-Plan-v5webversion.pdf](http://www.blood.gov.au/system/files/documents/2016-19Corporate-Plan-v5webversion.pdf)

<sup>2</sup> Fractionated products are those derived from human plasma whereas recombinant products are those manufactured through commercial scale expression of proteins from cell lines modified using recombinant gene technology.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: NBA Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	9,068	9,050
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	5,636	5,537
s74 retained revenue receipts <sup>(b)</sup>	-	-
Departmental capital budget <sup>(c)</sup>	631	621
Other services <sup>(d)</sup>		
Equity injection	-	-
<b>Total departmental annual appropriations</b>	<b>6,267</b>	<b>6,158</b>
<b>Special Accounts <sup>(e)</sup></b>		
Appropriation receipts	6,267	6,158
Non-appropriation receipts	3,681	3,617
<b>Total special account</b>	<b>9,948</b>	<b>9,775</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts <sup>(f)</sup>	(6,267)	(6,158)
<b>Total departmental resourcing</b>	<b>19,016</b>	<b>18,825</b>

**Table 1.1: NBA Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>ADMINISTERED</b>		
Prior year appropriation available	174,005	95,657
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	5,190	3,860
Other services <sup>(d)</sup>		
Administered assets and liabilities	-	-
<b>Total administered annual appropriations</b>	<b>5,190</b>	<b>3,860</b>
<b>Special Accounts <sup>(e)</sup></b>		
Appropriation receipts	5,190	3,860
Appropriation receipts - other entities <sup>(g)</sup>	664,802	748,914
Non-appropriation receipts	389,743	449,457
<b>Total Special Accounts</b>	<b>1,059,735</b>	<b>1,202,231</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts <sup>(f)</sup>	(5,190)	(3,860)
<b>Total administered resourcing</b>	<b>1,233,740</b>	<b>1,297,888</b>
<b>Total resourcing for NBA</b>	<b>1,252,756</b>	<b>1,316,713</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	53	52

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(e)</sup> For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

<sup>(f)</sup> Appropriation receipts included above.

<sup>(g)</sup> Appropriation receipts from the Department of Health.

### 1.3 BUDGET MEASURES

This section is not applicable to the NBA.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The NBA's most recent corporate plan is available at:  
[www.blood.gov.au/about-nba](http://www.blood.gov.au/about-nba)

The NBA's most recent annual performance statement is available at:  
[www.blood.gov.au/pubs/1516report/index.html](http://www.blood.gov.au/pubs/1516report/index.html)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### 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

### Program Contributing to Outcome 1

**Program 1.1: National Blood Agreement Management**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<p><b>Australian Commission on Safety and Quality in Health Care</b> <b>Program 1.1: Safety and Quality in Health Care</b></p> <p>The Australian Commission on Safety and Quality in Health Care works closely with the National Blood Authority in relation to the <i>National Safety and Quality Health Service Standard 7: Blood and Blood Products</i>.</p> <p>This supports the National Blood Authority in administering the National Blood Agreement.</p>
<p><b>Department of Health</b> <b>Program 1.1: Health Policy Research and Analysis</b></p> <p>The Department of Health, in collaboration with State and Territory health departments, has policy responsibility for ensuring Australians have access to an adequate, safe, secure and affordable blood supply. This includes supporting the National Blood Authority to administer the national blood arrangements.</p>

## Budgeted Expenses for the NBA

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the NBA**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: National Blood Agreement Management</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	5,190	3,860	-	-	-
to National Blood Authority Account	(5,190)	(3,860)	-	-	-
to National Managed Fund (Blood and Blood Products) Special Account	-	-	-	-	-
Special Accounts					
National Blood Authority Account	1,135,072	1,198,731	1,279,759	1,363,891	1,484,042
National Managed Fund (Blood and Blood Products) Special Account	-	-	-	-	-
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	6,267	6,158	6,103	6,108	6,160
to National Blood Authority Account	(6,267)	(6,158)	(6,103)	(6,108)	(6,160)
Special Accounts					
National Blood Authority Account	9,716	9,398	9,115	9,121	9,176
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	433	575	575	576	566
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>1,145,221</b>	<b>1,208,704</b>	<b>1,289,449</b>	<b>1,373,588</b>	<b>1,493,784</b>
<b>Total expenses for Outcome 1</b>	<b>1,145,221</b>	<b>1,208,704</b>	<b>1,289,449</b>	<b>1,373,588</b>	<b>1,493,784</b>
	<b>2016-17</b>	<b>2017-18</b>			
<b>Average staffing level (number)</b>	<b>53</b>	<b>52</b>			

<sup>(a)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Movement of Funds

There were no movements of administered funds between years.

## Planned Performance for the NBA

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>3</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the NBA**

<b>Purpose</b>
To save and improve Australian lives through a world-class blood supply.
<b>Outcome 1</b>
Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements
<b>Program 1.1: National Blood Agreement Management</b>
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.
<b>Delivery</b>
<p><b>A. Providing a safe, secure and affordable supply of blood and blood-related products and services to ensure access best meets clinical need in Australia</b></p> <ul style="list-style-type: none"> <li>Finalise and implement national plasma fractionation contract arrangements for supply from 1 January 2018.</li> <li>Continue implementation of the Immunoglobulin Governance Program.</li> <li>Finalise and implement the revised National Blood Supply Contingency Plan.</li> <li>Implement the National Wastage Reduction Strategy.</li> </ul> <p><b>B. Driving performance improvement in the Australian blood sector through a national information management and data analysis capability</b></p> <ul style="list-style-type: none"> <li>Implement the revised National ICT Strategy.</li> <li>Implement the revised National Data Strategy.</li> <li>Finalise the implementation of BloodNet interfaces with hospital laboratory information systems.</li> <li>Establish immunoglobulin governance performance indicators and reporting.</li> </ul> <p><b>C. Promoting a best practice model of management and use of blood and blood-related products and services in Australia</b></p> <ul style="list-style-type: none"> <li>Develop and promote an expanded suite of tools to support health providers to implement the National Safety Quality Health Services Blood Standard.</li> <li>Implement the revised Patient Blood Management (PBM) Implementation Strategy.</li> <li>Continue the review and revision of criteria for access to immunoglobulin products under the national blood arrangements.</li> <li>Revise and publish updated editions of the PBM Guidelines.</li> </ul>

<sup>3</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 NBA Annual Report.

Performance criteria				
A. Providing a safe, secure and affordable supply of blood and blood-related products and services to ensure access best meets clinical need in Australia				
Provision of an adequate, affordable and secure supply of blood and blood products.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Supply has been met within the requirements of the approved National Supply Plan and Budget. There have been no contingency events and no product shortages reported.		Blood products are available to meet clinical need.		As per 2017-18.
Variance between actual and NBA estimated demand for supply of products.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
<5%	<5%	<5%	<5%	<5%
Discards as a percentage of total issues of red blood cells.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
<3.5%	<3%	<3%	<3%	<3%
B. Driving performance improvement in the Australian blood sector through a national information management and data analysis capability				
National data and ICT strategy and National Patient Blood Management Guidelines Implementation Strategy are progressed.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
Work continues to be progressed leading to improved management of products, and reduced wastage of fresh blood and costs. <sup>4</sup>		Performance scorecard and comparator benchmark data is published by 31 December each year.		As per 2017-18.
Percentage of national blood supply processed by laboratories interfaced to BloodNet.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
≥40%	≥50%	≥60%	≥80%	≥85%

<sup>4</sup> Further information available at: [www.blood.gov.au/wastage](http://www.blood.gov.au/wastage)

<b>C. Promoting a best practice model of management and use of blood and blood-related products and services in Australia</b>		
<b>There is a robust framework supporting best practice management and use of blood and blood products.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Best practice management and use of blood and blood products has been supported, resulting in reduced wastage of fresh blood supplies. <sup>5</sup>	Sustain improvements in the management and use of blood products by: <ul style="list-style-type: none"> <li>– Improving inventory management practices as part of the National Inventory Management Framework rollout.</li> <li>– Reduction in wastage in comparison to the 2016-17 result.</li> <li>– Improving the delivery schedule for fresh products by a reduction in the number of orders by health providers.</li> </ul>	As per 2017-18.
<b>Support clinicians to use best practice models for the management and use of blood and blood products.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
On track to publish 5 clinical practice tools.	Develop and promote a number of clinical guidelines, clinical practice tools and resources for use within the sector.	As per 2017-18.
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>• There are no material changes to Program 1.1 resulting from measures.</li> </ul>		

<sup>5</sup> Further information available at: [www.blood.gov.au/wastage](http://www.blood.gov.au/wastage)

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the NBA.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

This statement illustrates the expected financial results for the NBA by identifying accrual expenses and revenues showing the net cost of services.

The NBA's operational costs are funded jointly by the Australian Government and State and Territory Governments, on a 63 per cent: 37 per cent basis via annual contributions. All NBA receipts and payments are accounted for through special accounts.

The NBA expects 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 increases from 2017-18 onwards due to the development of replacement systems. 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's administered accounts include contributions from all States and Territories and the Australian Government for the supply of blood and blood related products for 2017-18. Each year the Council of Australian Governments' (COAG) Health Council approves an Annual National Supply Plan and Budget which is formulated by the NBA, derived 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.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>EXPENSES</b>					
Employee benefits	6,734	6,630	6,500	6,591	6,639
Supplier expenses	3,063	2,849	2,696	2,611	2,618
Depreciation and amortisation	346	488	488	488	478
Finance costs	6	6	6	7	7
<b>Total expenses</b>	<b>10,149</b>	<b>9,973</b>	<b>9,690</b>	<b>9,697</b>	<b>9,742</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	405	250	50	50	50
Other revenue	3,681	3,617	3,584	3,587	3,618
<b>Total revenue</b>	<b>4,086</b>	<b>3,867</b>	<b>3,634</b>	<b>3,637</b>	<b>3,668</b>
<b>Gains</b>					
Other	81	81	81	81	81
<b>Total gains</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>
<b>Total own-source income</b>	<b>4,167</b>	<b>3,948</b>	<b>3,715</b>	<b>3,718</b>	<b>3,749</b>
<b>Net cost of (contribution by) services</b>	<b>5,982</b>	<b>6,025</b>	<b>5,975</b>	<b>5,979</b>	<b>5,993</b>
Revenue from Government	5,636	5,537	5,487	5,491	5,515
<b>Surplus (deficit)</b>	<b>(346)</b>	<b>(488)</b>	<b>(488)</b>	<b>(488)</b>	<b>(478)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(346)</b>	<b>(488)</b>	<b>(488)</b>	<b>(488)</b>	<b>(478)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(346)</b>	<b>(488)</b>	<b>(488)</b>	<b>(488)</b>	<b>(478)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(346)</b>	<b>(488)</b>	<b>(488)</b>	<b>(488)</b>	<b>(478)</b>
plus non-appropriated expenses depreciation and amortisation expenses	346	488	488	488	478
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	30	30	30	30	30
Receivables	9,141	9,147	9,153	9,159	9,159
<b>Total financial assets</b>	<b>9,171</b>	<b>9,177</b>	<b>9,183</b>	<b>9,189</b>	<b>9,189</b>
<b>Non-financial assets</b>					
Land and buildings	879	870	761	652	553
Property, plant and equipment	442	373	304	185	66
Intangibles	481	692	998	1,355	1,740
Other	149	149	149	149	149
<b>Total non-financial assets</b>	<b>1,951</b>	<b>2,084</b>	<b>2,212</b>	<b>2,341</b>	<b>2,508</b>
<b>Total assets</b>	<b>11,122</b>	<b>11,261</b>	<b>11,395</b>	<b>11,530</b>	<b>11,697</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	397	397	397	397	397
Other payables	561	561	561	561	561
<b>Total payables</b>	<b>958</b>	<b>958</b>	<b>958</b>	<b>958</b>	<b>958</b>
<b>Provisions</b>					
Employees	1,734	1,734	1,734	1,734	1,734
Other provisions	147	153	159	165	165
<b>Total provisions</b>	<b>1,881</b>	<b>1,887</b>	<b>1,893</b>	<b>1,899</b>	<b>1,899</b>
<b>Total liabilities</b>	<b>2,839</b>	<b>2,845</b>	<b>2,851</b>	<b>2,857</b>	<b>2,857</b>
<b>Net Assets</b>	<b>8,283</b>	<b>8,416</b>	<b>8,544</b>	<b>8,673</b>	<b>8,840</b>
<b>EQUITY</b>					
Contributed equity	3,944	4,565	5,181	5,798	6,443
Reserves	359	359	359	359	359
Retained surpluses (accumulated deficits)	3,980	3,492	3,004	2,516	2,038
<b>Total equity</b>	<b>8,283</b>	<b>8,416</b>	<b>8,544</b>	<b>8,673</b>	<b>8,840</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	3,980	359	3,944	<b>8,283</b>
Surplus (deficit) for the period	(488)	-	-	<b>(488)</b>
Appropriation (equity injection)	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	621	<b>621</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>3,492</b>	<b>359</b>	<b>4,565</b>	<b>8,416</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	5,636	5,537	5,487	5,491	5,515
Net GST received	253	253	253	253	253
Other cash received	4,086	3,867	3,634	3,637	3,668
Cash from the Official Public Account	(159)	(137)	(139)	(146)	(146)
<b>Total cash received</b>	<b>9,816</b>	<b>9,520</b>	<b>9,235</b>	<b>9,235</b>	<b>9,290</b>
<b>Cash used</b>					
Employees	6,734	6,630	6,500	6,591	6,639
Suppliers	3,075	2,861	2,708	2,618	2,625
Net GST paid	31	29	27	26	26
Cash to the Official Public Account	-	-	-	-	-
<b>Total cash used</b>	<b>9,840</b>	<b>9,520</b>	<b>9,235</b>	<b>9,235</b>	<b>9,290</b>
<b>Net cash from (or used by) operating activities</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	631	621	616	617	645
<b>Total cash used</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>
<b>Net cash from (or used by) investing activities</b>	<b>(631)</b>	<b>(621)</b>	<b>(616)</b>	<b>(617)</b>	<b>(645)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	631	621	616	617	645
<b>Total cash received</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>
<b>Net cash from (or used by) financing activities</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>
<b>Net increase (or decrease) in cash held</b>	<b>(24)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	54	30	30	30	30
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	631	621	616	617	645
<b>Total capital appropriations</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	631	621	616	617	645
<b>Total items</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>(a)</sup>	631	621	616	617	645
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	631	621	616	617	645
<b>Total cash used to acquire assets</b>	<b>631</b>	<b>621</b>	<b>616</b>	<b>617</b>	<b>645</b>

DCB = Departmental Capital Budget.

<sup>(a)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	1,242	952	3,965	<b>6,159</b>
Accumulated depreciation/ amortisation and impairment	(363)	(510)	(3,484)	<b>(4,357)</b>
<b>Opening net book balance</b>	<b>879</b>	<b>442</b>	<b>481</b>	<b>1,802</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	100	50	471	<b>621</b>
By purchase - internal resources	-	-	-	-
<b>Total additions</b>	<b>100</b>	<b>50</b>	<b>471</b>	<b>621</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(109)	(119)	(260)	<b>(488)</b>
<b>Total other movements</b>	<b>(109)</b>	<b>(119)</b>	<b>(260)</b>	<b>(488)</b>
<b>As at 30 June 2018</b>				
Gross book value	1,342	1,002	4,436	<b>6,780</b>
Accumulated depreciation/ amortisation and impairment	(472)	(629)	(3,744)	<b>(4,845)</b>
<b>Closing net book balance</b>	<b>870</b>	<b>373</b>	<b>692</b>	<b>1,935</b>

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Employee benefits	362	634	-	-	-
Suppliers	1,133,949	1,197,422	1,279,759	1,363,891	1,484,042
Grants	-	-	-	-	-
Depreciation and amortisation	761	675	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>1,135,072</b>	<b>1,198,731</b>	<b>1,279,759</b>	<b>1,363,891</b>	<b>1,484,042</b>
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Other sources of non-taxation revenues	1,058,691	1,203,441	1,283,905	1,368,037	1,488,188
<b>Total non-taxation revenue</b>	<b>1,058,691</b>	<b>1,203,441</b>	<b>1,283,905</b>	<b>1,368,037</b>	<b>1,488,188</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,058,691</b>	<b>1,203,441</b>	<b>1,283,905</b>	<b>1,368,037</b>	<b>1,488,188</b>
<b>Total income administered on behalf of Government</b>	<b>1,058,691</b>	<b>1,203,441</b>	<b>1,283,905</b>	<b>1,368,037</b>	<b>1,488,188</b>

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalent	337	337	337	337	337
Receivables	23,635	24,469	24,469	24,469	24,469
Investments	123,746	128,816	132,962	137,108	141,254
<b>Total financial assets</b>	<b>147,718</b>	<b>153,622</b>	<b>157,768</b>	<b>161,914</b>	<b>166,060</b>
<b>Non-financial assets</b>					
Property, plant and equipment	125	115	115	115	115
Intangibles	2,534	2,819	2,819	2,819	2,819
Inventories	105,598	105,598	105,598	105,598	105,598
Other	76,055	76,055	76,055	76,055	76,055
<b>Total non-financial assets</b>	<b>184,312</b>	<b>184,587</b>	<b>184,587</b>	<b>184,587</b>	<b>184,587</b>
<b>Total assets administered on behalf of Government</b>	<b>332,030</b>	<b>338,209</b>	<b>342,355</b>	<b>346,501</b>	<b>350,647</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<b>Payables</b>					
Suppliers	51,489	51,489	51,489	51,489	51,489
<b>Total payables</b>	<b>51,489</b>	<b>51,489</b>	<b>51,489</b>	<b>51,489</b>	<b>51,489</b>
<b>Total liabilities administered on behalf of Government</b>	<b>51,489</b>	<b>51,489</b>	<b>51,489</b>	<b>51,489</b>	<b>51,489</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Commonwealth contributions	664,802	748,914	800,066	852,943	928,507
State and Territory contributions	387,743	449,457	479,693	510,948	555,535
Interest	4,146	5,070	4,146	4,146	4,146
Net GST received	100,500	100,500	100,500	100,500	100,500
Other	90,898	14,300	29,441	37,854	49,870
<b>Total cash received</b>	<b>1,248,089</b>	<b>1,318,241</b>	<b>1,413,846</b>	<b>1,506,391</b>	<b>1,638,558</b>
<b>Cash used</b>					
Employees	362	634	-	-	-
Suppliers	1,129,803	1,192,352	1,275,613	1,359,745	1,479,896
Grant payments	-	-	-	-	-
Net GST paid	112,980	119,235	127,561	135,974	147,990
<b>Total cash used</b>	<b>1,243,145</b>	<b>1,312,221</b>	<b>1,403,174</b>	<b>1,495,719</b>	<b>1,627,886</b>
<b>Net cash from (or used by) operating activities</b>	<b>4,944</b>	<b>6,020</b>	<b>10,672</b>	<b>10,672</b>	<b>10,672</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of investments	58,200	63,500	-	-	-
<b>Total cash received</b>	<b>58,200</b>	<b>63,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of investments	63,296	69,520	10,672	10,672	10,672
<b>Total cash used</b>	<b>63,296</b>	<b>69,520</b>	<b>10,672</b>	<b>10,672</b>	<b>10,672</b>
<b>Net cash from (or used by) investing activities</b>	<b>(5,096)</b>	<b>(6,020)</b>	<b>(10,672)</b>	<b>(10,672)</b>	<b>(10,672)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(152)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	489	337	337	337	337
Cash from Official Public Account for:					
- special accounts	1,301,251	1,377,881	1,413,846	1,506,391	1,638,558
- appropriations	5,190	3,860	-	-	-
Cash to Official Public Account for:					
- special accounts	1,306,441	1,381,741	1,413,846	1,506,391	1,638,558
- appropriations	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>337</b>	<b>337</b>	<b>337</b>	<b>337</b>	<b>337</b>

# **NATIONAL HEALTH FUNDING BODY**

**NHFB**

## **Entity Resources and Planned Performance**



# NATIONAL HEALTH FUNDING BODY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The role of the National Health Funding Body (NHFB) is to support the obligations and responsibilities of the Administrator of the National Health Funding Pool (the Administrator) by providing transparent and efficient administration of the Commonwealth, State and Territory funding of the Australian public hospital system. The Administrator and the NHFB were created through the Council of Australian Governments' National Health Reform Agreement of August 2011. The functions of the Administrator are set out in the *National Health Reform Act 2011* and common provisions in relevant State and Territory legislation.

The functions of the NHFB are to assist the Administrator in:

- calculating and advising the Commonwealth Treasurer of the National Health Reform Agreement funding to be paid by the Commonwealth to each State and Territory for public hospital services, including advice on any reconciliation of amounts paid against actual services provided;
- managing the National Health Funding Pool, comprised of a Reserve Bank of Australia account for each State and Territory (State Pool Accounts), which receive all Commonwealth and State activity-based hospital funding, and make payments to Local Hospital Networks and other parties;
- overseeing transactions through the National Health Funding Pool using the National Payments System (Payments System);
- reporting publicly on National Health Reform Agreement funding and payments made from each State Pool Account and each State Managed Fund;
- developing the Administrator's rolling Three Year Data Plan which details the Administrator's data requirements, standards, and timelines to the Commonwealth, and States and Territories; and
- undertaking Commonwealth funding integrity analysis through data matching by linking hospital activity, Medicare Benefits Schedule and Pharmaceutical Benefits Scheme data.

Following the signing of the Addendum to the National Health Reform Agreement (Addendum) by the Prime Minister and First Ministers in 2017, the Administrator and NHFB are required to implement a cap on the Commonwealth National Health Reform funding; administer pricing and funding for safety and quality; and introduce data conditional payments to improve submission timeliness of hospital activity data.

To support its existing role and new functions, the Government will increase funding to the National Health Funding Body (NHFB) by \$4.1 million over three years.

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<sup>1</sup> For more information about the strategic direction of the NHFB, refer to the current corporate plan, available at: [www.nhfb.gov.au/publications/](http://www.nhfb.gov.au/publications/)

In addition, to manage the challenges associated with achieving the policy requirements of the Addendum, the NHFB will:

- transition the calculation of the Commonwealth National Health Reform Agreement funding to a more flexible and robust platform to better meet the needs of stakeholders;
- improve transparency and assurance over the funding calculations through enhanced reporting, data integrity and quality controls; and
- enhance the National Payments System to facilitate and improve the funding and payments to Local Hospital Networks for delivering public hospital services.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: NHFB Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	1,989	1,489
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	4,307	5,844
s74 retained revenue receipts <sup>(b)</sup>	-	-
Departmental capital budget <sup>(c)</sup>	-	-
Other services <sup>(d)</sup>		
Equity injection	-	-
<b>Total departmental annual appropriations</b>	<b>4,307</b>	<b>5,844</b>
<b>Total departmental resourcing</b>	<b>6,296</b>	<b>7,333</b>
<b>Total resourcing for NHFB</b>	<b>6,296</b>	<b>7,333</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	19	21

All figures are GST exclusive.

Prepared on resourcing (i.e. appropriation available) basis.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budget (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

### 1.3 BUDGET MEASURES

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

**Table 1.2: NHFB 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>National Health Funding Body - funding requirements</b>						
National Health Funding Body						
Departmental expenses	1.1	-	1,597	1,154	1,343	-
<b>Total expenses</b>		-	<b>1,597</b>	<b>1,154</b>	<b>1,343</b>	-

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The NHFB's most recent corporate plan is available at:  
[www.nhfb.gov.au/publications](http://www.nhfb.gov.au/publications)

The NHFB's most recent annual performance statement is available at:  
[www.nhfb.gov.au/publications](http://www.nhfb.gov.au/publications)

### 2.1 BUDGETED EXPENSES AND PERFORMANCE

#### 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

#### Program Contributing to Outcome 1

**Program 1.1: National Health Funding Pool Administration**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<b>Department of Health</b> <b>Program 2.7: Hospital Services</b> The Department of Health has policy responsibility for public and private hospital services, including the Commonwealth Government funding contribution for public hospital services. This includes policy responsibility for the Administrator and the National Health Funding Body.
<b>The Treasury</b> <b>Program 1.5: Assistance to the States for Healthcare Services</b> The Commonwealth Treasury transfers to the National Health Funding Pool the amount of Commonwealth funding to which each State and Territory (including Local Hospital Networks in each jurisdiction) is entitled, and makes the payments on the dates specified in the Intergovernmental Agreement on Federal Financial Relations.

## Budgeted Expenses for the NHFB

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the NHFB**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: National Health Funding Pool Administration</b>					
Departmental expenses					
Departmental appropriation <sup>(a)</sup>	4,307	5,844	5,373	5,570	4,248
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	51	53	55	57	57
Operating deficit (surplus)	500	-	-	-	-
<b>Total for Program 1.1</b>	<b>4,858</b>	<b>5,897</b>	<b>5,428</b>	<b>5,627</b>	<b>4,305</b>
<b>Total expenses for Outcome 1</b>	<b>4,858</b>	<b>5,897</b>	<b>5,428</b>	<b>5,627</b>	<b>4,305</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	19	21

<sup>(a)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(b)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Planned Performance for the NHFB

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the NHFB**

<b>Purpose</b>
To support the obligations and responsibilities of the Administrator by providing transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system.
<b>Outcome 1</b>
Provide transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system, and support the obligations and responsibilities of the Administrator of the National Health Funding Pool
<b>Program 1.1: National Health Funding Pool Administration</b>
<p>The NHFB supports the Administrator of the National Health Funding Pool (the Funding Pool) in paying and distributing Commonwealth and State and Territory funding for public hospitals – responsible for around \$40 billion a year. The NHFB ensures that payments from the Funding Pool are made in accordance with directions from the responsible State or Territory Minister, and in line with the National Health Reform Agreement (NHR Agreement) and Addendum.</p> <p>The Government will increase funding by \$4.1 million over three years to the NHFB to support its existing role and new functions arising from the Council of Australian Governments' agreement on public hospital funding.</p>
<b>Delivery</b>
<p><b>A. Accountability through assisting the Administrator in implementing and overseeing a nationally consistent public hospital funding arrangement through the National Health Funding Pool</b></p> <ul style="list-style-type: none"> <li>• Develop and publish documents that will provide expert NHR Agreement policy advice to the Administrator and stakeholders.</li> <li>• Develop and implement efficient and robust processes to oversee NHR Agreement funding and payments through the Funding Pool.</li> <li>• Assist the Administrator to ensure the Funding Pool operations are in accordance with directions from the responsible State or Territory Minister, and in line with the NHR Agreement.</li> </ul> <p><b>B. Increasing transparency and effective reporting of the funding to Local Hospital Networks for services delivered</b></p> <ul style="list-style-type: none"> <li>• Develop and publish the National Health Funding Pool Annual Report and Financial Statements for each financial year.</li> <li>• Ensure monthly reporting requirements under the <i>National Health Reform Act 2011</i> are satisfied.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 NHFB Annual Report.

<b>C. Producing accurate Commonwealth funding contribution calculations by using nationally consistent pricing and costing standards</b> <ul style="list-style-type: none"> <li>Calculate the Commonwealth funding contribution accurately (assessed by acceptance of the calculation by the Commonwealth, States and Territories).</li> <li>Reconcile estimated and actual volume of service delivery for calculation of Commonwealth funding contributions.</li> <li>The calculation forms the Administrator's advice to the Commonwealth Treasurer.</li> </ul> <b>D. Operating as a fully functional and compliant agency, meeting statutory and legislative obligations, and developing productive and effective partnerships with stakeholders</b> <ul style="list-style-type: none"> <li>Robust policies and procedures are in place, including ensuring all NHFB values are reflected and compliant with relevant statutory and legislative requirements.</li> <li>Maintain and continually strengthen productive partnerships and collaboration with all stakeholders, adhering to good governance principles.</li> </ul>		
<b>Performance criteria</b>		
<b>A. Accountability through assisting the Administrator in implementing and overseeing a nationally consistent public hospital funding arrangement through the National Health Funding Pool (the Funding Pool)</b>		
<b>Develop and publish documents that will provide expert NHR Agreement policy advice to the Administrator and stakeholders.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Key policy documents will be published to a satisfactory standard, and are on track to be accepted by the Administrator and all jurisdictions. This includes the rolling <i>Three Year Data Plan</i> , accepted by the Council of Australian Governments' (COAG) Health Council, and associated documents that enabled States and Territories to submit all required data.	Timely production of key policy documents to a satisfactory standard to enable acceptance by the Administrator and all jurisdictions.  Develop and release policies to provide expert advice on the implementation of the Addendum.	As per 2017-18.

Develop and implement efficient and robust processes to oversee NHR Agreement funding and payments through the Funding Pool.				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond) Target
The NHFB and State and Territory Payments System Procedures Manuals, which cover the procedures for the Funding Pool, have been reviewed and published. An independent third-party review was completed on the Payments System Internal Control Framework, on behalf of all Auditors-General. The review did not identify any material, systemic control or process weaknesses.		Ensure all payments made in accordance with the authorised Payments System Procedures Manuals. The independent third-party review of the Payments System Internal Control Framework does not find any material weaknesses and is satisfactory to all Auditors-General. Engage with jurisdictions to enhance data integrity and assurance processes, in line with the Addendum.		As per 2017-18.
National Health Funding Pool operations and payments are in accordance with directions from the responsible State or Territory Minister.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
100%	100%	100%	100%	TBC <sup>3</sup>
B. Increasing transparency and effective reporting of the funding to Local Hospital Networks for services delivered				
The Annual Report on the operations of the Administrator of the Funding Pool is submitted to each Health Minister for tabling as per the <i>National Health Reform Act 2011</i> .				
2016-17 Estimated result		2017-18 Target		2018-19 (& beyond)Target
A single 2015-16 annual report and accompanying financial statements on the operation of the Funding Pool was tabled in the Commonwealth Parliament and each State and Territory Parliament on 31 October 2016. The annual report included a combined financial statement for the Funding Pool, and financial statements for each State and Territory Pool Account audited by the respective Auditor-General.		Release a single annual report and accompanying financial statements on the operation of the Funding Pool and table in the Commonwealth Parliament, and each State and Territory Parliament. The annual report will include a combined financial statement for the Funding Pool, and financial statements for each State and Territory State Pool Account audited by the respective Auditor-General.		As per 2017-18.

<sup>3</sup> The National Health Reform Agreement (2011) and Addendum (2017) secure public hospital funding arrangements until 30 June 2020. The Commonwealth and States and Territories will begin discussions regarding funding arrangements for 1 July 2020 onward in 2018.

Financial statements were prepared for each State Pool Account and received an unqualified audit by the relevant Auditor-General.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
100%	100%	100%	100%	TBC <sup>4</sup>
Monthly reports of the funding and payments through the Funding Pool and State Managed Funds are produced and published to support the transparency of public hospital funding. <sup>5</sup>				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
100% (1,780 reports published)	100%	100%	100%	TBC <sup>6</sup>
C. Producing accurate Commonwealth funding contribution calculations by using nationally consistent pricing and costing standards				
The Commonwealth funding contribution is accurately calculated and is accepted by the Administrator and informs the basis of advice to the Commonwealth Treasurer.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
The 2016-17 and 2017-18 Commonwealth Contribution Models have been developed and accepted by the Administrator to calculate the Commonwealth NHR funding for each State and Territory.	Current and future year Commonwealth Contribution Models are developed and accepted by the Administrator to calculate the Commonwealth NHR funding for each State and Territory.	As per 2017-18.		

<sup>4</sup> The National Health Reform Agreement (2011) and Addendum (2017) secure public hospital funding arrangements until 30 June 2020. The Commonwealth and States and Territories will begin discussions regarding funding arrangements for 1 July 2020 onward in 2018.

<sup>5</sup> This includes a national report, a report for each State and Territory, and a report for each Local Hospital Network.

<sup>6</sup> The National Health Reform Agreement (2011) and Addendum (2017) secure public hospital funding arrangements until 30 June 2020. The Commonwealth and States and Territories will begin discussions regarding funding arrangements for 1 July 2020 onward in 2018.

<b>D. Operating as a fully functional and compliant agency, meeting statutory and legislative obligations, and developing productive and effective partnerships with stakeholders</b>		
<b>Robust policies and procedures are in place, including ensuring all NHFB values are reflected, and compliant with relevant statutory and legislative requirements.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Policies and procedures are in place, supporting the integrity of the NHFB and the health and wellbeing of staff. These cover governance, performance, controls, risk management, fraud and human resources.</p> <p>In 2016-17 the NHFB negotiated an Enterprise Agreement, and developed a Workforce Capability Framework and a Health and Wellbeing Strategy.</p> <p>All compliance reporting requirements for the NHFB as a non-corporate entity have been met.</p> <p>The 2015-16 NHFB Annual Report was provided to all Health Ministers and the financial statements received an unqualified audit opinion.</p>	<p>Policies and procedures are in place to support the integrity of the NHFB and the health and wellbeing of staff.</p> <p>All compliance reporting requirements for the NHFB as a non-corporate entity are met.</p> <p>The NHFB Annual Report is provided to all Health Ministers and the financial statements receive an unqualified audit opinion.</p>	As per 2017-18.
<b>Maintain and continually strengthen productive partnerships and collaboration with all stakeholders to ensure support the obligations and responsibilities of the Administrator.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
<p>Effective partnerships were maintained through national and bi-lateral collaboration with the Commonwealth, States and Territories, and other national bodies and stakeholder groups.</p> <p>This has been achieved through national workshops and meetings in 2016-17, and consultation with the Commonwealth, States and Territories in the development of NHR Agreement policy advice to COAG.</p>	<p>Effective partnerships are maintained through national and bi-lateral collaboration with the Commonwealth, States and Territories, and other national bodies and stakeholder groups.</p>	As per 2017-18.
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li><i>National Health Funding Body – funding requirements</i></li> </ul>		

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the NHFB.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### 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.

The NHFB will receive additional funding in 2017-18 of \$1.597 million for work associated with the requirements of the Addendum to the Agreement. This includes additional components of the Commonwealth Contribution Model, development of a supporting policy framework, improvements to integrity and assurance processes and enhancement of the national payments system.

##### Balance Sheet

The NHFB equity position reflects an approved loss of \$0.5 million anticipated for 2016-17.

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 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>EXPENSES</b>					
Employee benefits	2,322	2,349	2,451	2,455	2,187
Supplier expenses	2,536	3,548	2,977	3,172	2,118
Depreciation and amortisation	-	-	-	-	-
<b>Total expenses</b>	<b>4,858</b>	<b>5,897</b>	<b>5,428</b>	<b>5,627</b>	<b>4,305</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	51	53	55	57	57
<b>Total gains</b>	<b>51</b>	<b>53</b>	<b>55</b>	<b>57</b>	<b>57</b>
<b>Total own-source revenue</b>	<b>51</b>	<b>53</b>	<b>55</b>	<b>57</b>	<b>57</b>
<b>Net cost of (contribution by) services</b>	<b>4,807</b>	<b>5,844</b>	<b>5,373</b>	<b>5,570</b>	<b>4,248</b>
Revenue from Government	4,307	5,844	5,373	5,570	4,248
<b>Surplus (Deficit)</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
plus non-appropriated expenses depreciation and amortisation expenses	-	-	-	-	-
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>(500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	25	25	25	25	25
Trade and other receivables	1,489	1,501	1,513	1,513	1,513
<b>Total financial assets</b>	<b>1,514</b>	<b>1,526</b>	<b>1,538</b>	<b>1,538</b>	<b>1,538</b>
<b>Non-financial assets</b>					
Other non-financial asset	-	-	-	-	-
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>1,514</b>	<b>1,526</b>	<b>1,538</b>	<b>1,538</b>	<b>1,538</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	510	510	510	510	510
Other payables	54	54	54	54	54
<b>Total payables</b>	<b>564</b>	<b>564</b>	<b>564</b>	<b>564</b>	<b>564</b>
<b>Provisions</b>					
Employees	397	409	421	421	421
<b>Total provisions</b>	<b>397</b>	<b>409</b>	<b>421</b>	<b>421</b>	<b>421</b>
<b>Total liabilities</b>	<b>961</b>	<b>973</b>	<b>985</b>	<b>985</b>	<b>985</b>
<b>Net Assets</b>	<b>553</b>	<b>553</b>	<b>553</b>	<b>553</b>	<b>553</b>
<b>EQUITY</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses (accumulated deficits)	553	553	553	553	553
<b>Total equity</b>	<b>553</b>	<b>553</b>	<b>553</b>	<b>553</b>	<b>553</b>

NHFB

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	553	-	-	<b>553</b>
Surplus (deficit) for the period	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>553</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	4,807	5,844	5,373	5,570	4,248
Net GST received	152	152	155	155	155
<b>Total cash received</b>	<b>4,959</b>	<b>5,996</b>	<b>5,528</b>	<b>5,725</b>	<b>4,403</b>
<b>Cash used</b>					
Employees	2,362	2,337	2,439	2,455	2,187
Suppliers	2,445	3,507	2,934	3,115	2,061
Net GST paid	152	152	155	155	155
<b>Total cash used</b>	<b>4,959</b>	<b>5,996</b>	<b>5,528</b>	<b>5,725</b>	<b>4,403</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (or used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	25	25	25	25	25
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
<b>Total items</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded by capital appropriation - DCB <sup>(b)</sup>	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	-	-	-	-	-
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	-	-	-	-	-
<b>Total cash used to acquire assets</b>	-	-	-	-	-

- <sup>(a)</sup> Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.  
<sup>(b)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	-	-	-
<b>Opening net book balance</b>	-	-	-	-
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	-	-
<b>Total additions</b>	-	-	-	-
<b>Other movements</b>				
Depreciation/amortisation expense	-	-	-	-
<b>Total other movements</b>	-	-	-	-
<b>As at 30 June 2018</b>				
Gross book value	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	-	-	-
<b>Closing net book balance</b>	-	-	-	-

# **NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL**

## **Entity Resources and Planned Performance**

**NHMRC**



# NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The National Health and Medical Research Council (NHMRC) is the Australian Government's key entity for managing investment in, and integrity of, 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 2016-20 Corporate Plan outlines major health issues for the period covered by the plan, including how NHMRC will deal with these issues and a national strategy for medical research and public health research. It also sets out NHMRC's purposes, planned activities and performance for the period, and addresses NHMRC's capability, environment, and risk oversight and management. The Corporate Plan is tabled annually in Parliament after the Minister's approval.<sup>2</sup>

In 2017-18, NHMRC will finalise the outcomes of the Structural Review of NHMRC's Grant Program (the Review). The Review, which was initiated in 2016 and involved an extensive public consultation process, considered whether the research grants program could be restructured in order to optimise the Australian Government's investment in health and medical research. The three key aims of the Review were to encourage greater creativity and innovation, reduce the burden on researchers of application and peer review, and provide opportunities for talented researchers at all career stages.

In the 2017-18 Budget, the Government will provide \$8.5 million to NHMRC from the agency sustainability stream of the Public Service Modernisation Fund to develop two prototype applications that automate resource intensive and repetitive tasks within the grants administration process. NHMRC will also continue to improve its application and assessment processes for research grants and look for further efficiencies and reductions in red tape for the research community.

NHMRC's work will also facilitate and promote 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.

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*.

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<sup>1</sup> For more information about the strategic direction of NHMRC, refer to the current corporate plan, available at: [www.nhmrc.gov.au/guidelines-publications/nh171](http://www.nhmrc.gov.au/guidelines-publications/nh171)

<sup>2</sup> The NHMRC Corporate Plan is developed in accordance with Division 3 of the *National Health and Medical Research Council Act 1992*.

Section s32D(3) of the *Medical Research Future Fund Act 2015* (MRFF Act) requires the Australian Medical Research Advisory Board to take into account NHMRC's strategy for medical research and public health research for the purpose of determining the Australian Medical Research and Innovation Strategy. NHMRC is working closely with the Department of Health to provide effective and efficient support for relevant MRFF investments that leverage NHMRC's existing capability, including the advanced Research Grants Management System (RGMS).

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: NHMRC Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	16,400	15,035
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	37,442	39,005
s74 retained revenue receipts <sup>(b)</sup>	1,500	1,500
Departmental capital budget <sup>(c)</sup>	173	171
Other services <sup>(d)</sup>		
Equity injection	-	3,879
<b>Total departmental annual appropriations</b>	<b>39,115</b>	<b>44,555</b>
<b>Total departmental resourcing for NHMRC</b>	<b>55,515</b>	<b>59,590</b>

**Table 1.1: NHMRC Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017 (continued)**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>ADMINISTERED</b>		
Prior year appropriation available	151,660	137,350
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	852,458	871,932
Other services <sup>(d)</sup>		
Administered assets and liabilities	-	-
<b>Total administered annual appropriations</b>	<b>852,458</b>	<b>871,932</b>
<b>Special Accounts <sup>(e)</sup></b>		
Appropriation receipts	807,383	817,990
Appropriation receipts - other entities <sup>(f)</sup>	-	-
Non-appropriation receipts	20,000	11,000
<b>Total Special Accounts</b>	<b>827,383</b>	<b>828,990</b>
<b>Total administered resourcing</b>	<b>1,831,501</b>	<b>1,838,272</b>
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts <sup>(g)</sup>	(807,383)	(817,990)
<b>Total administered resourcing</b>	<b>1,024,118</b>	<b>1,020,282</b>
<b>Total resourcing for NHMRC</b>	<b>1,079,633</b>	<b>1,079,872</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	<b>179</b>	<b>177</b>

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budget (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details.

For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

<sup>(e)</sup> For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

<sup>(f)</sup> Appropriation receipts from the Department of Health.

<sup>(g)</sup> Appropriation receipts included above.

### 1.3 BUDGET MEASURES

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

**Table 1.2: NHMRC 2017-18 Budget Measures**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Whole of Government Measures</b>						
<b>Public Service Modernisation Fund - agency sustainability</b>						
National Health and Medical Research Council						
Departmental expenses	1.1	-	-	-	-	-
Departmental capital	1.1	-	-	-	-	-
<b>Total</b>		-	-	-	-	-

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

NHMRC's most recent corporate plan is available at:  
[www.nhmrc.gov.au/guidelines-publications/nh171](http://www.nhmrc.gov.au/guidelines-publications/nh171)

NHMRC's most recent annual performance statement is available at:  
[www.nhmrc.gov.au/guidelines-publications/nh172](http://www.nhmrc.gov.au/guidelines-publications/nh172)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### 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

### Program Contributing to Outcome 1

**Program 1.1: Health and Medical Research**

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 1

##### Department of Health

##### Program 1.1: Health Policy Research and Analysis

The Department of Health has policy responsibility for health and medical research through the Medical Research Future Fund, which will support the sustainability of the health system into the future, and drive further medical innovation.

## Budgeted Expenses for NHMRC

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for NHMRC**

	<b>2016-17 Estimated actual \$'000</b>	<b>2017-18 Budget \$'000</b>	<b>2018-19 Forward Year 1 \$'000</b>	<b>2019-20 Forward Year 2 \$'000</b>	<b>2020-21 Forward Year 3 \$'000</b>
<b>Program 1.1: Health and Medical Research</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup> to Medical Research Endowment Account	852,458	871,932	882,753	855,555	867,532
Special Accounts Medical Research Endowment Account	(807,383)	(817,990)	(829,324)	(843,598)	(855,407)
	840,503	841,391	844,199	845,575	863,136
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	38,942	40,505	39,175	39,264	38,390
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	2,300	2,300	2,300	2,300	2,300
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>926,820</b>	<b>938,138</b>	<b>939,103</b>	<b>899,096</b>	<b>915,951</b>
<b>Total expenses for Outcome 1</b>	<b>926,820</b>	<b>938,138</b>	<b>939,103</b>	<b>899,096</b>	<b>915,951</b>
	<b>2016-17</b>	<b>2017-18</b>			
<b>Average staffing level (number)</b>	179	177			

<sup>(a)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Movement of Funds

There were no movements of administered funds between years.

## Planned Performance for NHMRC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>3</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for NHMRC**

<b>Purpose</b>
<ul style="list-style-type: none"> <li>To fund high quality health and medical research and build research capability;</li> <li>To support the translation of health and medical research into better health outcomes; and</li> <li>To promote the highest ethical standards in health and medical research.</li> </ul>
<b>Outcome 1</b>
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
<b>Program 1.1: Health and Medical Research</b>
<p>The Australian Government, through NHMRC, will continue to invest in innovative health and medical research that is undertaken within a framework that promotes quality, integrity and ethics. The knowledge created will contribute to addressing the national health priorities with the aim of improving health care and the health status of all Australians.</p> <p>In the 2017-18 Budget, the Government will provide \$8.5 million to NHMRC from the agency sustainability stream of the Public Service Modernisation Fund to facilitate implementation of two prototype software applications (apps) that automate resource intensive and repetitive tasks within the grants administration process. The Research Impact and Grant Application Assignment prototype apps complete administrative tasks more quickly and accurately freeing researchers and NHMRC to focus on more complex tasks such as quality assurance, application assessments, and evaluation of the outcomes of research.</p>
<b>Delivery</b>
<p><b>A. Supporting high quality health and medical research</b></p> <ul style="list-style-type: none"> <li>Support research across the four pillars of health research: biomedical, clinical, public health and health services research; fund both individuals and teams and the highest quality research and researchers.</li> <li>Continue funding of research and capacity building to support better health outcomes for Aboriginal and Torres Strait Islander peoples.</li> <li>Boost Australia's dementia research capacity and fund priority research and translation into prevention, better diagnosis, treatment and care for people with dementia. During 2017-18 the NHMRC National Institute for Dementia Research will focus on strengthening coordination of Australia's dementia research effort, implementing research findings into policy and practice and evaluating impacts.</li> <li>Integration with external data sources to facilitate automated publication discovery, and automated capture of research impact to prefill impact surveys and identification of case studies that demonstrate return on investment.</li> </ul>

<sup>3</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 NHMRC Annual Report.

<b>B. Supporting the translation of health and medical research</b>				
<ul style="list-style-type: none"><li>Support leadership in research and evidence-based health care through the designation and promotion of Advanced Health Research and Translation Centres and Centres for Innovation in Regional Health.</li><li>Facilitate and promote the translation of evidence derived from health and medical research into practices and systems designed to prevent illness and improve public health.</li><li>Establishment of the ongoing capability to report on patents and commercialisation.</li></ul>				
<b>C. Promoting the highest standards in health and medical research</b>				
<ul style="list-style-type: none"><li>In partnership with the Australian Research Council and Universities Australia, review guidelines, such as the <i>Australian Code for the Responsible Conduct of Research</i> (2007), to ensure they are up-to-date and reflect best practice in ethics and integrity.</li><li>Administer the <i>Research Involving Human Embryos Act 2002</i> and the <i>Prohibition of Human Cloning for Reproduction Act 2002</i>, which prohibit certain practices, including human cloning for reproduction, and restrict other practices relating to reproductive technology and research.</li></ul>				
<b>Performance criteria</b>				
<b>A. Supporting high quality health and medical research</b>				
<b>Citation rate of journal articles resulting from NHMRC funded research, triennial measure.<sup>4</sup></b>				
<b>2016-17 Estimated result</b>	<b>2019-20 Target</b>		<b>2022-3 (&amp; beyond) Target</b>	
168% of the average citation rate of all journal articles published worldwide.	>150% of the average citation rate of all journal articles published worldwide.		>150% of the average citation rate of all journal articles published worldwide.	
<b>Support research that will provide better health outcomes for Aboriginal and Torres Strait Islander peoples, through percentage of annual research budget awarded to Indigenous health research.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
On track to achieve >5%	>5%	>5%	>5%	>5%
<b>Enhance research on dementia and its translation into policy and practice.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>		<b>2018-19 (&amp; beyond) Target</b>	
Three additional grant rounds were opened between November 2016 and March 2017 to support priority research projects.	Undertake two additional grant rounds to support priority research projects.		Synthesise outcomes from dementia research to inform improved treatments and care for people with dementia.	

<sup>4</sup> Bibliographic citations are the referencing of a journal article 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 shown as a proportion of 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. In this measure, the world average, based on publications and citation data available in the Web of Science database, is set to 100%, which means publications are achieving citations as would be expected for that subject area during the specified time period. Therefore, a value of 150%, for example, indicates a citation impact of 50% higher than the world average for similar research worldwide.

<b>B. Supporting the translation of health and medical research</b>		
<b>Approve high quality clinical, public and/or environmental health guidelines prepared by NHMRC or third parties.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Guidelines submitted to the Council and approved by the CEO of NHMRC have met quality standards.	Guidelines submitted to the Council and approved by the CEO of NHMRC meet quality standards, as articulated in the <i>Procedures and requirements for meeting the 2011 NHMRC standard for clinical practice guidelines</i> .	As per 2017-18.
<b>Recognise and promote leading collaborations between health care organisations, academia and research institutions.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Recognise second tranche of collaborations through the Advanced Health Research and Translation Centres program.	Showcase initiatives on the NHMRC website that demonstrate the translation of research into better clinical practices.	As per 2017-18.
<b>C. Promoting the highest standards in health and medical research</b>		
<b>Release the revised <i>Australian Code for the Responsible Conduct of Research</i> (2007) and monitor implementation.</b>		
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 (&amp; beyond) Target</b>
Development of revised Australian Code for the Responsible Conduct of Research (2007) (the Code).	Release the revised Code.	At least 80% of Administering Institutions report implementation of the Code.
<b>Material changes to Program 1.1 resulting from the following measures:</b>		
<ul style="list-style-type: none"> <li>There are no material changes to Program 1.1 resulting from measures.</li> </ul>		

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to NHMRC.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement (showing net cost of services)

Revenue and expenditure for 2017-18 is expected to be in line with Government forecasts, with Employee expenses to be 52 per cent of total expenditure.

##### Balance Sheet

Capital expenditure relating to an Enhanced Reporting System, Cloud Computing solution, and Digital Transition project are expected to progress in 2017-18. In 2017-18, an additional \$3.9 million in capital will be provided through the 2017-18 Budget measure *Public Service Modernisation Fund – agency sustainability*.

##### Administered Resources

The Administered accounts are used as a mechanism to transfer the majority of funds to NHMRC's Special Account (Medical Research Endowment Account). In 2017-18 the transfer to the Special Account is expected to be \$818.0 million.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	22,972	22,231	22,253	22,446	22,308
Supplier expenses	16,050	18,354	17,002	16,898	16,162
Depreciation and amortisation	2,200	2,200	2,200	2,200	2,200
Finance costs	20	20	20	20	20
<b>Total expenses</b>	<b>41,242</b>	<b>42,805</b>	<b>41,475</b>	<b>41,564</b>	<b>40,690</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	1,500	1,500	1,500	1,500	1,500
<b>Total revenue</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Gains</b>					
Other	100	100	100	100	100
<b>Total gains</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Total own-source income</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>	<b>1,600</b>
<b>Net cost of (contribution by) services</b>	<b>39,642</b>	<b>41,205</b>	<b>39,875</b>	<b>39,964</b>	<b>39,090</b>
Revenue from Government	37,442	39,005	37,675	37,764	36,890
<b>Surplus (deficit)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>	<b>(2,200)</b>
plus non-appropriated expenses depreciation and amortisation expenses	2,200	2,200	2,200	2,200	2,200
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	409	409	409	409	409
Receivables	15,706	12,547	11,488	10,138	10,138
<b>Total financial assets</b>	<b>16,115</b>	<b>12,956</b>	<b>11,897</b>	<b>10,547</b>	<b>10,547</b>
<b>Non-financial assets</b>					
Property, plant and equipment	4,259	3,684	2,455	2,576	1,354
Inventories	200	200	200	200	200
Intangibles	4,008	8,862	9,242	8,692	7,892
Other	984	984	984	984	984
<b>Total non-financial assets</b>	<b>9,451</b>	<b>13,730</b>	<b>12,881</b>	<b>12,452</b>	<b>10,430</b>
<b>Total assets</b>	<b>25,566</b>	<b>26,686</b>	<b>24,778</b>	<b>22,999</b>	<b>20,977</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,351	3,300	3,290	3,290	3,290
Other payables	2,000	2,000	2,000	2,000	2,000
<b>Total payables</b>	<b>5,351</b>	<b>5,300</b>	<b>5,290</b>	<b>5,290</b>	<b>5,290</b>
<b>Provisions</b>					
Employees	5,756	5,070	4,945	4,945	4,945
Other provisions	920	927	933	933	933
<b>Total provisions</b>	<b>6,676</b>	<b>5,997</b>	<b>5,878</b>	<b>5,878</b>	<b>5,878</b>
<b>Total liabilities</b>	<b>12,027</b>	<b>11,297</b>	<b>11,168</b>	<b>11,168</b>	<b>11,168</b>
<b>Net assets</b>	<b>13,539</b>	<b>15,389</b>	<b>13,610</b>	<b>11,831</b>	<b>9,809</b>
<b>EQUITY</b>					
Contributed equity	11,775	15,825	16,246	16,667	16,845
Reserves	124	124	124	124	124
Retained surpluses (accumulated deficits)	1,640	(560)	(2,760)	(4,960)	(7,160)
<b>Total equity</b>	<b>13,539</b>	<b>15,389</b>	<b>13,610</b>	<b>11,831</b>	<b>9,809</b>

NHMRC

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	1,640	124	11,775	<b>13,539</b>
Surplus (deficit) for the period	(2,200)	-	-	<b>(2,200)</b>
Appropriation (equity injection)	-	-	3,879	<b>3,879</b>
Capital budget - Bill 1 (DCB)	-	-	171	<b>171</b>
Other movements	-	-	-	-
<b>Estimated closing balance as at 30 June 2018</b>	<b>(560)</b>	<b>124</b>	<b>15,825</b>	<b>15,389</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	1,500	1,500	1,500	1,500	1,500
Appropriations	38,490	42,191	38,764	37,764	36,890
Net GST received	1,500	1,500	1,500	1,500	1,500
<b>Total cash received</b>	<b>41,490</b>	<b>45,191</b>	<b>41,764</b>	<b>40,764</b>	<b>39,890</b>
<b>Cash used</b>					
Employees	23,321	23,757	24,548	23,946	23,808
Suppliers	16,261	19,005	16,286	16,818	16,082
<b>Total cash used</b>	<b>39,582</b>	<b>42,762</b>	<b>40,834</b>	<b>40,764</b>	<b>39,890</b>
<b>Net cash from (or used by) operating activities</b>	<b>1,908</b>	<b>2,429</b>	<b>930</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	2,081	6,479	1,351	421	178
<b>Total cash used</b>	<b>2,081</b>	<b>6,479</b>	<b>1,351</b>	<b>421</b>	<b>178</b>
<b>Net cash from (or used by) investing activities</b>	<b>(2,081)</b>	<b>(6,479)</b>	<b>(1,351)</b>	<b>(421)</b>	<b>(178)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	173	171	171	171	178
Equity injections - Bill 2	-	3,879	250	250	-
<b>Total cash received</b>	<b>173</b>	<b>4,050</b>	<b>421</b>	<b>421</b>	<b>178</b>
<b>Net cash from (or used by) financing activities</b>	<b>173</b>	<b>4,050</b>	<b>421</b>	<b>421</b>	<b>178</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	409	409	409	409	409
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>409</b>	<b>409</b>	<b>409</b>	<b>409</b>	<b>409</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	173	171	171	171	178
Equity injections - Bill 2	-	3,879	250	250	-
<b>Total capital appropriations</b>	<b>173</b>	<b>4,050</b>	<b>421</b>	<b>421</b>	<b>178</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	173	4,050	421	421	178
<b>Total items</b>	<b>173</b>	<b>4,050</b>	<b>421</b>	<b>421</b>	<b>178</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	3,879	250	250	-
Funded by capital appropriation - DCB <sup>(b)</sup>	173	171	171	171	178
Funded internally from departmental resources	1,908	2,429	930	-	-
<b>Total acquisitions of non-financial assets</b>	<b>2,081</b>	<b>6,479</b>	<b>1,351</b>	<b>421</b>	<b>178</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	2,081	6,479	1,351	421	178
<b>Total cash used to acquire assets</b>	<b>2,081</b>	<b>6,479</b>	<b>1,351</b>	<b>421</b>	<b>178</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

<sup>(b)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	-	6,131	11,182	<b>17,313</b>
Accumulated depreciation/ amortisation and impairment	-	(1,872)	(7,174)	<b>(9,046)</b>
<b>Opening net book balance</b>	<b>-</b>	<b>4,259</b>	<b>4,008</b>	<b>8,267</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	825	5,654	<b>6,479</b>
<b>Total additions</b>	<b>-</b>	<b>825</b>	<b>5,654</b>	<b>6,479</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(1,400)	(800)	<b>(2,200)</b>
<b>Total other movements</b>	<b>-</b>	<b>(1,400)</b>	<b>(800)</b>	<b>(2,200)</b>
<b>As at 30 June 2018</b>				
Gross book value	-	6,956	16,836	<b>23,792</b>
Accumulated depreciation/ amortisation and impairment	-	(3,272)	(7,974)	<b>(11,246)</b>
<b>Closing net book balance</b>	<b>-</b>	<b>3,684</b>	<b>8,862</b>	<b>12,546</b>

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants - MREA	840,503	841,391	844,199	845,575	863,136
Grants - dementia	31,000	40,000	40,000	-	-
Suppliers	14,075	13,942	13,429	11,957	12,125
<b>Total expenses administered on behalf of Government</b>	<b>885,578</b>	<b>895,333</b>	<b>897,628</b>	<b>857,532</b>	<b>875,261</b>
Recoveries	5,000	5,000	5,000	5,000	5,000
Other non-tax revenue	15,000	6,000	6,000	6,000	6,000
<b>Total income administered on behalf of Government</b>	<b>20,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>

MREA = Medical Research Endowment Account.

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	648	648	648	648	648
<b>Total financial assets</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>648</b>
<b>Total assets administered on behalf of Government</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>648</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	5,000	5,000	5,000	5,000	5,000
Other	190	190	190	190	190
<b>Total payables</b>	<b>5,190</b>	<b>5,190</b>	<b>5,190</b>	<b>5,190</b>	<b>5,190</b>
<b>Total liabilities administered on behalf of Government</b>	<b>5,190</b>	<b>5,190</b>	<b>5,190</b>	<b>5,190</b>	<b>5,190</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Cash received - other	20,000	11,000	11,000	11,000	11,000
Net GST received	26,000	26,000	26,000	26,000	26,000
<b>Total cash received</b>	<b>46,000</b>	<b>37,000</b>	<b>37,000</b>	<b>37,000</b>	<b>37,000</b>
<b>Cash used</b>					
Grant payments - MREA	840,503	841,391	857,436	845,575	863,136
Grant payments - dementia	31,000	40,000	40,000	-	-
Suppliers	14,075	13,942	13,429	11,957	12,125
Net GST paid	26,000	26,000	26,000	26,000	26,000
<b>Total cash used</b>	<b>911,578</b>	<b>921,333</b>	<b>936,865</b>	<b>883,532</b>	<b>901,261</b>
<b>Net cash from (or used by) operating activities</b>	<b>(865,578)</b>	<b>(884,333)</b>	<b>(899,865)</b>	<b>(846,532)</b>	<b>(864,261)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(865,578)</b>	<b>(884,333)</b>	<b>(899,865)</b>	<b>(846,532)</b>	<b>(864,261)</b>
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations	865,578	884,333	899,865	846,532	864,261
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

MREA = Medical Research Endowment Account.

# **NATIONAL MENTAL HEALTH COMMISSION**

## **Entity Resources and Planned Performance**

**NMHC**



# NATIONAL MENTAL HEALTH COMMISSION

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government is committed to delivering an efficient, integrated and sustainable mental health system to improve mental health outcomes for Australians and help prevent suicide.

The National Mental Health Commission (NMHC) supports the Australian Government through the provision of insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems, and acts as a catalyst for change to achieve those improvements. This includes increasing accountability and transparency in mental health through the provision of independent reports and advice to the Australian Government and the community. The NMHC provides cross-sectoral leadership on the policy, programs, services and systems that support better mental health and social and emotional wellbeing in Australia.

The NMHC works with stakeholders – particularly with people with lived experience of mental health, their families and other support people; to ensure reforms are collectively owned and actioned, and to enable participation in government process. People with a lived experience of mental health, including carers and other support people, are actively engaged in all areas of the NMHC's work.

The NMHC recognises Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing as an overarching strategic priority which sits across all of our work.

The NMHC will advise on national suicide prevention including approaches to delivering a systematic and planned regional approach to community based suicide prevention, refocussing efforts to prevent Indigenous suicide and ensuring effective post discharge follow up and support for people who have attempted suicide.

Ensuring that mental health and suicide prevention is embedded across government reform is key to driving system improvement and better accountability. To achieve this, the NMHC works across all sectors that have a role in mental health and preventing mental illness and suicide; not just government and not just health but the broader system including education, housing, employment, human services, justice and social support.

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*.

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<sup>1</sup> For more information about the strategic direction of the NMHC, refer to the current corporate plan, available at: [www.mentalhealthcommission.gov.au/about-us/our-documents.aspx](http://www.mentalhealthcommission.gov.au/about-us/our-documents.aspx)

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: NMHC Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	621	680
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	2,755	2,712
s74 retained revenue receipts <sup>(b)</sup>	-	-
Departmental capital budget <sup>(c)</sup>	23	24
Other services <sup>(d)</sup>		
Equity injection	150	-
<b>Total departmental annual appropriations</b>	<b>2,928</b>	<b>2,736</b>
<b>Total departmental resourcing</b>	<b>3,549</b>	<b>3,416</b>
<b>ADMINISTERED</b>		
Prior year appropriation available	3	3
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	3,685	3,726
Other services <sup>(d)</sup>		
Administered assets and liabilities	-	-
<b>Total administered annual appropriations</b>	<b>3,685</b>	<b>3,726</b>
<b>Total administered resourcing</b>	<b>3,685</b>	<b>3,726</b>
<b>Total resourcing for the NMHC</b>	<b>7,234</b>	<b>7,142</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	<b>14</b>	<b>14</b>

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental Capital Budget (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

## 1.3 BUDGET MEASURES

This section is not applicable to the NMHC.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The NMHC's most recent corporate plan is available at:  
[www.mentalhealthcommission.gov.au/about-us/our-documents.aspx](http://www.mentalhealthcommission.gov.au/about-us/our-documents.aspx)

The NMHC's most recent annual performance statement is available at:  
[www.mentalhealthcommission.gov.au/about-us/our-documents.aspx](http://www.mentalhealthcommission.gov.au/about-us/our-documents.aspx)

## 2.1 BUDGETED EXPENSES AND PERFORMANCE

### 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

### Program Contributing to Outcome 1

**Program 1.1: National Mental Health Commission**

### Linked Programs

#### Other Commonwealth entities that contribute to Outcome 1

#### Department of Health

#### Program 2.1: Mental Health

The Department of Health has strategic policy responsibility for developing a more efficient, integrated and sustainable mental health system.

## Budgeted Expenses for the NMHC

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the NMHC**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: National Mental Health Commission</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	3,685	3,726	3,785	3,853	3,918
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	2,755	2,712	2,690	2,689	2,697
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	38	38	38	38	38
Operating deficit (surplus)	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>6,478</b>	<b>6,476</b>	<b>6,513</b>	<b>6,580</b>	<b>6,653</b>
<b>Total expenses for Outcome 1</b>	<b>6,478</b>	<b>6,476</b>	<b>6,513</b>	<b>6,580</b>	<b>6,653</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	14	14

<sup>(a)</sup> Appropriation (Bill No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Movement of Funds

There were no movements of administered funds between years.

## Planned Performance for the NMHC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the NMHC**

<b>Purpose</b>
To provide insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems and act as a catalyst for change to achieve those improvements.
<b>Outcome 1</b>
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
<b>Program 1.1: National Mental Health Commission</b>
The NMHC continues to increase accountability and transparency in mental health and suicide prevention through independent reporting and the provision of advice to the Australian Government and the community. The NMHC continues to lead projects that improve the policy, programs, services and systems that support mental wellbeing and suicide prevention in Australia.
<b>Delivery</b>
<p><b>A. Reporting on national progress to improve mental health and prevent suicide</b></p> <ul style="list-style-type: none"> <li>Publically release an annual report on mental health and suicide prevention outcomes, ensuring a cross-sectoral perspective is taken where possible.</li> <li>Monitor performance on mental health reform across Australia, with benchmarking against agreed indicators and targets, where possible.</li> </ul> <p><b>B. Improving system accountability, evidence and results</b></p> <ul style="list-style-type: none"> <li>Provide mental health and suicide prevention policy advice to the Australian Government, developed in collaboration with consumers and carers and in consultation with stakeholders.</li> <li>Initiate research reports, discussion and policy papers to inform key policy or service delivery issues.</li> <li>Promote consumer and career engagement and participation in the mental health system.</li> </ul>

NMHC

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 NMHC Annual Report.

Performance criteria				
A. Reporting on national progress to improve mental health and prevent suicide				
Prepare and disseminate the national report on mental health and suicide prevention.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
The publishing date of the <i>Annual National Report on Mental Health and Suicide Prevention</i> has been revised from 30 June 2017 to 31 December 2017, to enable the report to cover a complete calendar year.	<i>Annual National Report on Mental Health and Suicide Prevention</i> , published annually by 31 December.		As per 2017-18.	
B. Improving system accountability, evidence and results				
Undertake research, analysis and evaluation on key national mental health priorities.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Evidence-based advice continues to be developed and is available to inform improvements in policy, programs, services and systems that support mental health and suicide prevention.	Timely evidence-based advice is available to inform improvements in policy, programs, services and systems that support mental health and suicide prevention.		As per 2017-18.	
Promote consumer and carer engagement and participation in the mental health system.				
2016-17 Estimated result	2017-18 Target		2018-19 (& beyond) Target	
Promotion of opportunities for consumer and carer engagement and participation in the mental health system has been, and continues to be, undertaken.	Opportunities for engagement and participation by consumers and carers in all levels of the mental health system have increased.		As per 2017-18.	
Percentage of NMHC projects that have governance and advisory arrangements that include people with lived experience of mental health issues.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
80%	100%	100%	100%	100%
Material changes to Program 1.1 resulting from the following measures:				
• There are no material changes to Program 1.1 resulting from measures.				

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### 3.1 BUDGETED FINANCIAL STATEMENTS

#### 3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the NMHC.

#### 3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

##### Departmental Resources

##### Comprehensive Income Statement

Revenue from Government will remain stable from 2016-17 to 2017-18 at around \$2.6 million per annum.

##### Balance Sheet

The NMHC does not expect any significant movements in assets and liabilities.

##### Administered Resources

##### Schedule of budgeted income and expense administered on behalf of Government

Expenses administered on behalf of Government will remain stable from 2016-17 to 2017-18 at around \$3.7 million per annum with a slight increase over forward years.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	1,972	1,972	1,972	1,972	1,972
Supplier expenses	808	765	743	742	750
Depreciation and amortisation	13	13	13	13	13
<b>Total expenses</b>	<b>2,793</b>	<b>2,750</b>	<b>2,728</b>	<b>2,727</b>	<b>2,735</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	25	25	25	25	25
<b>Total gains</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Total own-source income</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>
<b>Net cost of (contribution by) services</b>	<b>2,768</b>	<b>2,725</b>	<b>2,703</b>	<b>2,702</b>	<b>2,710</b>
Revenue from Government	2,755	2,712	2,690	2,689	2,697
<b>Surplus (deficit)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>	<b>(13)</b>
plus non-appropriated expenses depreciation and amortisation expenses	13	13	13	13	13
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	45	45	45	45	45
Receivables	923	922	922	922	922
<b>Total financial assets</b>	<b>968</b>	<b>967</b>	<b>967</b>	<b>967</b>	<b>967</b>
<b>Non-financial assets</b>					
Land and buildings	9	9	9	9	9
Property, plant and equipment	21	33	44	55	66
Intangibles	150	150	150	150	150
<b>Total non-financial assets</b>	<b>180</b>	<b>192</b>	<b>203</b>	<b>214</b>	<b>225</b>
<b>Total assets</b>	<b>1,148</b>	<b>1,159</b>	<b>1,170</b>	<b>1,181</b>	<b>1,192</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	179	179	179	179	179
<b>Total payables</b>	<b>179</b>	<b>179</b>	<b>179</b>	<b>179</b>	<b>179</b>
<b>Provisions</b>					
Employees	365	365	365	365	365
Other provisions	58	58	58	58	58
<b>Total provisions</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>	<b>423</b>
<b>Total liabilities</b>	<b>602</b>	<b>602</b>	<b>602</b>	<b>602</b>	<b>602</b>
<b>Net assets</b>	<b>546</b>	<b>557</b>	<b>568</b>	<b>579</b>	<b>590</b>
<b>EQUITY</b>					
Contributed equity	257	281	305	329	353
Reserves	-	-	-	-	-
Retained surpluses (accumulated deficits)	289	276	263	250	237
<b>Total equity</b>	<b>546</b>	<b>557</b>	<b>568</b>	<b>579</b>	<b>590</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	289	-	257	<b>546</b>
Surplus (deficit) for the period	(13)	-	-	<b>(13)</b>
Capital budget - Bill 1 (DCB)	-	-	24	<b>24</b>
Equity injections - Bill 2	-	-	-	<b>-</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>276</b>	<b>-</b>	<b>281</b>	<b>557</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,692	2,693	2,690	2,689	2,697
GST received	79	84	84	84	84
<b>Total cash received</b>	<b>2,771</b>	<b>2,777</b>	<b>2,774</b>	<b>2,773</b>	<b>2,781</b>
<b>Cash used</b>					
Employees	1,968	1,972	1,972	1,972	1,972
Suppliers	724	721	718	717	725
GST paid	79	84	84	84	84
<b>Total cash used</b>	<b>2,771</b>	<b>2,777</b>	<b>2,774</b>	<b>2,773</b>	<b>2,781</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	173	24	24	24	24
<b>Total cash used</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Net cash from (or used by) investing activities</b>	<b>(173)</b>	<b>(24)</b>	<b>(24)</b>	<b>(24)</b>	<b>(24)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	23	24	24	24	24
Equity injections - Bill 2	150	-	-	-	-
<b>Total cash received</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Net cash from (or used by) financing activities</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	45	45	45	45	45
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	23	24	24	24	24
Equity injections - Bill 2	150	-	-	-	-
<b>Total capital appropriations</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	173	24	24	24	24
<b>Total items</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	150	-	-	-	-
Funded by capital appropriation - DCB <sup>(b)</sup>	23	24	24	24	24
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	173	24	24	24	24
<b>Total cash used to acquire assets</b>	<b>173</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

<sup>(b)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	13	42	174	<b>229</b>
Accumulated depreciation/ amortisation and impairment	(4)	(20)	(24)	<b>(48)</b>
<b>Opening net book balance</b>	<b>9</b>	<b>22</b>	<b>150</b>	<b>181</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	24	-	<b>24</b>
<b>Total additions</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>24</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	(13)	-	<b>(13)</b>
<b>Total other movements</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>(13)</b>
<b>As at 30 June 2018</b>				
Gross book value	13	66	174	<b>253</b>
Accumulated depreciation/ amortisation and impairment	(4)	(33)	(24)	<b>(61)</b>
<b>Closing net book balance</b>	<b>9</b>	<b>33</b>	<b>150</b>	<b>192</b>

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Supplier expenses	3,685	3,726	3,785	3,853	3,918
<b>Total expenses administered on behalf of Government</b>	<b>3,685</b>	<b>3,726</b>	<b>3,785</b>	<b>3,853</b>	<b>3,918</b>

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3	3	3	3	3
Receivables	131	131	131	131	131
<b>Total financial assets</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
<b>Total assets administered on behalf of Government</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	558	558	558	558	558
<b>Total payables</b>	<b>558</b>	<b>558</b>	<b>558</b>	<b>558</b>	<b>558</b>
<b>Total liabilities administered on behalf of Government</b>	<b>558</b>	<b>558</b>	<b>558</b>	<b>558</b>	<b>558</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
GST received	140	142	142	142	142
<b>Total cash received</b>	<b>140</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>
<b>Cash used</b>					
Grant payments	-	-	-	-	-
Suppliers	3,685	3,726	3,785	3,853	3,918
GST paid	140	142	142	142	142
<b>Total cash used</b>	<b>3,825</b>	<b>3,868</b>	<b>3,927</b>	<b>3,995</b>	<b>4,060</b>
<b>Net cash from (or used by) operating activities</b>	<b>(3,685)</b>	<b>(3,726)</b>	<b>(3,785)</b>	<b>(3,853)</b>	<b>(3,918)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(3,685)</b>	<b>(3,726)</b>	<b>(3,785)</b>	<b>(3,853)</b>	<b>(3,918)</b>
Cash at beginning of reporting period	3	3	3	3	3
Cash from Official Public Account for:					
- appropriations	3,685	3,726	3,785	3,853	3,918
Cash to the Official Public Account	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

# **ORGAN AND TISSUE AUTHORITY**

## **Entity Resources and Planned Performance**

OTA



# ORGAN AND TISSUE AUTHORITY

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government's national reform program for improving opportunities for transplantation through increased organ and tissue donation was endorsed by the Council of Australian Governments (COAG) on 3 July 2008.

The Australian Organ and Tissue Donation and Transplantation Authority, also known as the Organ and Tissue Authority (OTA), works in partnership with the DonateLife Network (DLN), States and Territories, the donation and transplantation clinical sectors, eye and tissue banks and the community to implement the national reform program.

Australia's national reform program is implemented within the context of clear international commitments and statements by the World Health Organization relating to the obligation of governments to be accountable and responsible for implementing safe, ethical and effective organ and tissue donation and transplantation systems.

All State and Territory health ministers are committed to increasing Australia's organ and tissue rates by proactively promoting organ and tissue donations and committing to effectively managing retrieval, tissue typing and transplantation services. National organ donation targets and projected donation growth trajectories have been agreed to 2018.

To inform trajectories post-2018, work has commenced to model the donation potential and growth and consequential demand on the retrieval and transplant workforce and services. This work is critical to ensure that all transplant opportunities presented by increased donation rates are realised.

The OTA will focus on the following three key areas to ensure organ and tissue donation is delivered on a collaborative basis throughout Australia with a view to increasing organ donation outcomes to 25 donors per million population by 2018:

- increasing the number of potential organ and tissue donors;
- improving organ and tissue donor consent rates; and
- enhancing systems to support organ and tissue donation and transplantation.

The OTA 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 the OTA and the Chief Executive Officer (CEO).

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<sup>1</sup> For more information about the strategic direction of the OTA, refer to the current corporate plan, available at: [www.donatelife.gov.au/corporate-plan](http://www.donatelife.gov.au/corporate-plan)

The Australian Organ and Tissue Donation and Transplantation Authority Amendment (New Governance Arrangements) Bill 2016 received Royal Assent on 1 December 2016. This Bill establishes the Australian Organ and Tissue Donation and Transplantation Authority Board (the Board) and will transfer responsibilities previously invested in the CEO to the Board from 1 July 2017.

The OTA is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: OTA Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	1,889	1,889
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	5,530	5,453
s74 retained revenue receipts <sup>(b)</sup>	-	-
Departmental capital budget <sup>(c)</sup>	254	251
Other services <sup>(d)</sup>		
Equity injection	-	-
<b>Total departmental annual appropriations</b>	<b>5,784</b>	<b>5,704</b>
<b>Total departmental resourcing</b>	<b>7,673</b>	<b>7,593</b>
<b>ADMINISTERED</b>		
Prior year appropriation available	80	80
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Outcome 1	43,766	42,116
<b>Total administered annual appropriations</b>	<b>43,766</b>	<b>42,116</b>
<b>Total administered resourcing</b>	<b>43,846</b>	<b>42,196</b>
<b>Total resourcing for OTA</b>	<b>51,519</b>	<b>49,789</b>
	<b>2016-17</b>	<b>2017-18</b>
<b>Average staffing level (number)</b>	<b>27</b>	<b>28</b>

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

### **1.3 BUDGET MEASURES**

This section is not applicable to the OTA.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### **Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The OTA's most recent corporate plan is available at:  
[www.donatelife.gov.au/corporate-plan](http://www.donatelife.gov.au/corporate-plan)

The OTA's most recent annual performance statement is available at:  
[www.donatelife.gov.au/annual-reports](http://www.donatelife.gov.au/annual-reports)

## **2.1 BUDGETED EXPENSES AND PERFORMANCE**

### **Outcome 1**

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

### **Program Contributing to Outcome 1**

<b>Program 1.1:</b>	<b>A Nationally Coordinated System for Organ and Tissue Donation for Transplantation</b>
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## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<b>Department of Health</b> <b>Program 1.1: Health Policy Research and Analysis</b> The Department of Health has policy responsibility for organ and tissue donation for transplantation, including the Australian Organ Donor Register, administration of the Supporting Leave for Living Organ Donors Program, national approaches around access to organ donation and transplantation services and emerging national and international issues.
<b>Department of Human Services</b> <b>Program 1.2: Services to the Community – Health</b> The Department of Human Services administers the Australian Organ Donor Register on behalf of the Department of Health.

## Budgeted Expenses for the OTA

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for the OTA**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation</b>					
Administered expenses					
Ordinary annual services <sup>(a)</sup>	43,766	42,116	42,706	43,389	44,041
Departmental expenses					
Departmental appropriation <sup>(b)</sup>	5,530	5,453	5,456	5,461	5,487
Expenses not requiring appropriation in the Budget year <sup>(c)</sup>	405	405	399	551	556
Operating loss	-	-	-	-	-
<b>Total for Program 1.1</b>	<b>49,701</b>	<b>47,974</b>	<b>48,561</b>	<b>49,401</b>	<b>50,084</b>
<b>Total expenses for Outcome 1</b>	<b>49,701</b>	<b>47,974</b>	<b>48,561</b>	<b>49,401</b>	<b>50,084</b>

	2016-17	2017-18
<b>Average staffing level (number)</b>	27	28

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(c)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Movement of Funds

There were no movements of administered funds between years.

## Planned Performance for the OTA

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>2</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for the OTA**

<b>Purpose</b>
To save and improve the lives of more Australians through optimising every potential organ and tissue donation for transplantation.
<b>Outcome 1</b>
Improved access to organ and tissue transplants, including through a nationally coordinated and consistent approach and system
<b>Program 1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation</b>
The Australian Government aims to deliver a nationally coordinated leading practice approach to organ and tissue donation for transplantation, in collaboration with the States and Territories, clinicians and the community.
<b>Delivery</b>
<p><b>A. Increasing the capability and capacity within the health system to maximise donation and transplantation rates</b></p> <ul style="list-style-type: none"> <li>• In collaboration with the DonateLife Network (DLN), strengthen accountability and performance of DLN hospitals through an updated performance measurement framework to promote the uptake of best practice consent and request models.</li> <li>• Implement the Australian Organ Matching System by 30 June 2018 to maximise equity of access and clinical outcomes for transplants in Australia, to be delivered in partnership with the Australian Red Cross Blood Service.</li> <li>• Deliver an additional simplified registration channel by 30 December 2017, to encourage more Australians to register their donation decision on the Australian Organ Donor Record.</li> </ul> <p><b>B. Raising community awareness and stakeholder engagement across Australia to promote organ and tissue donation</b></p> <ul style="list-style-type: none"> <li>• Continue to educate the Australian community about the need for family discussion, knowledge, and the normalisation of organ and tissue donation in end of life care.</li> </ul>

<sup>2</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 OTA Annual Report.

Performance criteria <sup>3</sup>				
A. Increasing the capability and capacity within the health system to maximise donation and transplantation rates				
Organ transplant recipients (from deceased donors) per million population (trpmp).				
2016 Result	2017 Target	2018 Target	2019 Target	2020 Target
60 trpmp	≥65 trpmp	≥70 trpmp	N/A <sup>4</sup>	N/A <sup>5</sup>
Deceased organ donors per million population (dpmp).				
2016 Result	2017 Target	2018 Target	2019 Target	2020 Target
21 dpmp	≥23 dpmp	≥25 dpmp	N/A	N/A
Rate of consent to organ donation.				
2016 Result	2017 Target	2018 Target	2019 Target	2020 Target
60% <sup>6</sup>	≥65%	≥70%	≥75%	≥75%
B. Raising community awareness and stakeholder engagement across Australia to promote organ and tissue donation				
Through community education and awareness, increase the number of registrations on the Australian Organ Donor Register.				
2016 Target		2017 Target	2018 (& beyond) Target	
150,000 new annual registrations.		10% increase on the number of new annual registrations on the Australian Organ Donor Register from the prior year.	10% increase on the number of new annual registrations on the Australian Organ Donor Register from the prior year.	
Material changes to Program 1.1 resulting from the following measures:				
• There are no material changes to Program 1.1 resulting from measures.				

<sup>3</sup> Performance criteria are reported by calendar year to align with Australian and international donation and performance reporting practice.

<sup>4</sup> Targets are COAG endorsed to 2018 only.

<sup>5</sup> Ibid.

<sup>6</sup> Target is inclusive of Donation by Circulatory Death and Donation by Brain Death.

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences Between Entity Resourcing and Financial Statements**

This section is not applicable to the OTA.

#### **3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements**

##### **Departmental Resources**

For the budget and forward years the OTA is expected to achieve a break even position net of unfunded depreciation. Employee and supplier expenses are expected to remain consistent with 2016-17 actuals.

##### **Administered Resources**

The OTA administers funds associated with the delivery of the Australian Government's national reform program to implement a world's best practice approach to organ and tissue donation for transplantation.

In 2017-18, the OTA has forecast Administered expenses of \$42.116 million. The slight reduction in 2017-18 reflects the allocation received in 2016-17 for the OTA Budget measure *Accelerating Growth in Organ and Tissue Donation for Transplantation*.

## 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	3,759	3,666	3,706	3,772	3,819
Supplier expenses	1,841	1,857	1,820	1,759	1,743
Depreciation and amortisation	335	335	329	481	481
<b>Total expenses</b>	<b>5,935</b>	<b>5,858</b>	<b>5,855</b>	<b>6,012</b>	<b>6,043</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	70	70	70	70	75
<b>Total gains</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>75</b>
<b>Total own-source income</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>75</b>
<b>Net cost of (contribution by) services</b>	<b>5,865</b>	<b>5,788</b>	<b>5,785</b>	<b>5,942</b>	<b>5,968</b>
Revenue from Government	5,530	5,453	5,456	5,461	5,487
<b>Surplus (deficit)</b>	<b>(335)</b>	<b>(335)</b>	<b>(329)</b>	<b>(481)</b>	<b>(481)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(335)</b>	<b>(335)</b>	<b>(329)</b>	<b>(481)</b>	<b>(481)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(335)</b>	<b>(335)</b>	<b>(329)</b>	<b>(481)</b>	<b>(481)</b>
<b>Note: Reconciliation of comprehensive income attributable to the agency</b>					
	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(335)</b>	<b>(335)</b>	<b>(329)</b>	<b>(481)</b>	<b>(481)</b>
plus non-appropriated expenses depreciation and amortisation expenses	335	335	329	481	481
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	91	91	91	91	91
Receivables	2,204	2,204	2,204	2,204	2,204
<b>Total financial assets</b>	<b>2,295</b>	<b>2,295</b>	<b>2,295</b>	<b>2,295</b>	<b>2,295</b>
<b>Non-financial assets</b>					
Land and buildings	331	322	280	167	54
Property, plant and equipment	173	196	192	254	258
Intangibles	1,028	930	896	716	606
Other	44	44	44	44	44
<b>Total non-financial assets</b>	<b>1,576</b>	<b>1,492</b>	<b>1,412</b>	<b>1,181</b>	<b>962</b>
<b>Total assets</b>	<b>3,871</b>	<b>3,787</b>	<b>3,707</b>	<b>3,476</b>	<b>3,257</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	90	90	90	90	90
Other payables	562	562	562	562	562
<b>Total payables</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>	<b>652</b>
<b>Provisions</b>					
Employees	1,081	1,081	1,081	1,081	1,081
<b>Total provisions</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>	<b>1,081</b>
<b>Total liabilities</b>	<b>1,733</b>	<b>1,733</b>	<b>1,733</b>	<b>1,733</b>	<b>1,733</b>
<b>Net assets</b>	<b>2,138</b>	<b>2,054</b>	<b>1,974</b>	<b>1,743</b>	<b>1,524</b>
<b>EQUITY</b>					
Contributed equity	2,668	2,919	3,168	3,418	3,680
Reserves	678	678	678	678	678
Retained surpluses (accumulated deficits)	(1,208)	(1,543)	(1,872)	(2,353)	(2,834)
<b>Total equity</b>	<b>2,138</b>	<b>2,054</b>	<b>1,974</b>	<b>1,743</b>	<b>1,524</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	(1,208)	678	2,668	<b>2,138</b>
Surplus (deficit) for the period	(335)	-	-	<b>(335)</b>
Capital budget - Bill 1 (DCB)	-	-	251	<b>251</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>(1,543)</b>	<b>678</b>	<b>2,919</b>	<b>2,054</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	5,577	5,475	5,512	5,461	5,487
GST received	203	752	752	752	165
<b>Total cash received</b>	<b>5,780</b>	<b>6,227</b>	<b>6,264</b>	<b>6,213</b>	<b>5,652</b>
<b>Cash used</b>					
Employees	3,762	3,669	3,709	3,775	3,819
Suppliers	1,815	1,806	1,803	1,686	1,668
GST paid	203	752	752	752	165
<b>Total cash used</b>	<b>5,780</b>	<b>6,227</b>	<b>6,264</b>	<b>6,213</b>	<b>5,652</b>
<b>Net cash from (or used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	254	251	249	250	262
<b>Total cash used</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>
<b>Net cash from (or used by) investing activities</b>	<b>(254)</b>	<b>(251)</b>	<b>(249)</b>	<b>(250)</b>	<b>(262)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	254	251	249	250	262
<b>Total cash received</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>
<b>Net cash from (or used by) financing activities</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>
<b>Net increase (or decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	91	91	91	91	91
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	254	251	249	250	262
Equity injections - Bill 2	-	-	-	-	-
<b>Total capital appropriations</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	254	251	249	250	262
Other	-	-	-	-	-
<b>Total items</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations - equity injection <sup>(a)</sup>	-	-	-	-	-
Funded by capital appropriation - DCB <sup>(b)</sup>	254	251	249	250	262
Funded internally from departmental resources	-	-	-	-	-
<b>Total acquisitions of non-financial assets</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	254	251	249	250	262
<b>Total cash used to acquire assets</b>	<b>254</b>	<b>251</b>	<b>249</b>	<b>250</b>	<b>262</b>

<sup>(a)</sup> Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

<sup>(b)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2017</b>				
Gross book value	795	410	2,114	<b>3,319</b>
Accumulated depreciation/ amortisation and impairment	(464)	(237)	(1,086)	<b>(1,787)</b>
<b>Opening net book balance</b>	<b>331</b>	<b>173</b>	<b>1,028</b>	<b>1,532</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	-	63	188	<b>251</b>
<b>Total additions</b>	<b>-</b>	<b>63</b>	<b>188</b>	<b>251</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(9)	(40)	(286)	<b>(335)</b>
Disposals <sup>(a)</sup>	-	-	-	-
Other	-	-	-	-
<b>Total other movements</b>	<b>(9)</b>	<b>(40)</b>	<b>(286)</b>	<b>(335)</b>
<b>As at 30 June 2018</b>				
Gross book value	795	473	2,302	<b>3,570</b>
Accumulated depreciation/ amortisation and impairment	(473)	(277)	(1,372)	<b>(2,122)</b>
<b>Closing net book balance</b>	<b>322</b>	<b>196</b>	<b>930</b>	<b>1,448</b>

<sup>(a)</sup> Net proceeds may be returned to the Official Public Account.

**Table 3.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	38,126	39,106	40,106	42,118	42,541
Supplier expenses	5,640	3,010	2,600	1,271	1,500
<b>Total expenses administered on behalf of Government</b>	<b>43,766</b>	<b>42,116</b>	<b>42,706</b>	<b>43,389</b>	<b>44,041</b>

**Table 3.8: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	80	80	80	80	80
Receivables	119	119	119	119	119
<b>Total financial assets</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>	<b>199</b>
<b>Non-financial assets</b>					
Other	142	142	142	142	142
<b>Total non-financial assets</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>	<b>142</b>
<b>Total assets administered on behalf of Government</b>	<b>341</b>	<b>341</b>	<b>341</b>	<b>341</b>	<b>341</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Grants	10,855	10,855	10,855	10,855	10,855
Suppliers	99	99	99	99	99
Other payables	46	46	46	46	46
<b>Total payables</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>
<b>Total liabilities administered on behalf of Government</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>	<b>11,000</b>

**Table 3.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
GST received	752	752	752	752	752
<b>Total cash received</b>	<b>752</b>	<b>752</b>	<b>752</b>	<b>752</b>	<b>752</b>
<b>Cash used</b>					
Grant payments	38,126	39,106	40,106	42,118	41,847
Suppliers	5,801	3,010	2,600	1,271	1,500
GST paid	752	752	752	752	752
<b>Total cash used</b>	<b>44,679</b>	<b>42,868</b>	<b>43,458</b>	<b>44,141</b>	<b>44,099</b>
<b>Net cash from (or used by) operating activities</b>	<b>(43,927)</b>	<b>(42,116)</b>	<b>(42,706)</b>	<b>(43,389)</b>	<b>(43,347)</b>
<b>Net increase (or decrease) in cash held</b>	<b>(43,927)</b>	<b>(42,116)</b>	<b>(42,706)</b>	<b>(43,389)</b>	<b>(43,347)</b>
Cash at beginning of reporting period	80	80	80	80	80
Cash from Official Public Account for:					
- appropriations	43,927	42,116	42,706	43,389	43,347
Cash to the Official Public Account	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>	<b>80</b>

# **PROFESSIONAL SERVICES REVIEW**

## **Entity Resources and Planned Performance**

**PSR**



# PROFESSIONAL SERVICES REVIEW

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## Section 1: Entity Overview and Resources

### 1.1 STRATEGIC DIRECTION STATEMENT<sup>1</sup>

The Australian Government, through the Professional Services Review (PSR), aims to protect the integrity of Commonwealth Medicare benefits, dental benefits and pharmaceutical benefits programs. In undertaking this role PSR safeguards the public against the risks and costs of inappropriate practice by health practitioners.

PSR reviews and investigates health practitioners who are suspected of inappropriate practice, on request from the Chief Executive Medicare. '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 is part of a strong regulatory regime designed to ensure that appropriate and cost-effective clinical services are delivered. The Scheme covers medical practitioners, dentists, optometrists, midwives, nurse practitioners, chiropractors, physiotherapists, podiatrists, osteopaths, audiologists, diabetes educators, dietitians, exercise physiologists, mental health nurses, occupational therapists, psychologists, social workers, speech pathologists, Aboriginal and Torres Strait Islander health practitioners, Aboriginal health workers and orthoptists.

Reviews are conducted by the Director of PSR who can take further action by entering into a negotiated agreement with the health practitioner or referring them to a committee of peers constituted by appointed PSR Panel members and Deputy Directors. This review could be undertaken in relation to the MBS and/or the PBS, both of which are administered by the Department of Human Services. The PSR Scheme also applies sanctions, if required, through the PSR Determining Authority.<sup>2</sup>

PSR seeks to change behaviour across the health professions by deterring inappropriate practice and raising awareness of the Australian Government's expectation of high quality health service delivery. 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*.

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<sup>1</sup> For more information about the strategic direction of the PSR, refer to the current corporate plan, available at: [www.psr.gov.au/publications-and-resources/governance-and-corporate-documents](http://www.psr.gov.au/publications-and-resources/governance-and-corporate-documents)

<sup>2</sup> The Determining Authority is the body established by section 106Q of the *Health Insurance Act 1973* that determines the sanctions that should be applied in cases where PSR committees have found inappropriate practice, and decides whether or not to ratify negotiated agreements.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: PSR Resource Statement – Budget Estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>DEPARTMENTAL</b>		
Prior year appropriation available	2,450	2,665
<b>Annual appropriations</b>		
Ordinary annual services <sup>(a)</sup>		
Departmental appropriation	5,131	5,042
s74 retained revenue receipts <sup>(b)</sup>	40	-
Departmental capital budget <sup>(c)</sup>	143	649
Other services <sup>(d)</sup>		
Equity injection	-	-
<b>Total departmental annual appropriations</b>	<b>5,314</b>	<b>5,691</b>
<b>Total departmental resourcing</b>	<b>7,764</b>	<b>8,356</b>
<b>Total resourcing for PSR</b>	<b>7,764</b>	<b>8,356</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	18	18

All figures are GST exclusive.

<sup>(a)</sup> Appropriation Bill (No. 1) 2017-18.

<sup>(b)</sup> Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

<sup>(c)</sup> Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

<sup>(d)</sup> Appropriation Bill (No. 2) 2017-18.

## 1.3 BUDGET MEASURES

This section is not applicable to PSR.

## Section 2: Outcomes and Planned Performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

### **Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Enhanced Commonwealth Performance Framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

PSR's most recent corporate plan is available at: [www.psr.gov.au/publications-and-resources/governance-and-corporate-documents](http://www.psr.gov.au/publications-and-resources/governance-and-corporate-documents)

PSR's most recent annual performance statement is available at: [www.psr.gov.au/publications-and-resources/annual-reports](http://www.psr.gov.au/publications-and-resources/annual-reports)

## **2.1 BUDGETED EXPENSES AND PERFORMANCE**

### **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

### **Program Contributing to Outcome 1**

**Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme**

## Linked Programs

Other Commonwealth entities that contribute to Outcome 1
<b>Department of Health</b> <b>Program 4.1: Medical Benefits</b> The Department of Health has policy responsibility for Medicare and the Pharmaceutical Benefits Scheme (PBS). <b>Program 4.7: Health Benefit Compliance</b> Under the National Compliance Program, the Chief Executive Medicare refers suspected cases of inappropriate practice by health care service providers to the PSR for investigation.
<b>Department of Human Services</b> <b>Program 1.2: Services to the Community – Health</b> The Department of Human Services administers the PBS, Repatriation PBS, Indigenous access to PBS, and Medicare services and benefit payments.

## Budgeted Expenses for PSR

Table 2.1.1 shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

**Table 2.1.1: Budgeted Expenses for PSR**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme</b>					
Departmental expenses					
Departmental appropriation <sup>(a)</sup>	5,171	5,042	5,010	5,015	5,039
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	234	206	220	215	212
Operating deficit (surplus)	(253)	-	(185)	(100)	-
<b>Total for Program 1.1</b>	<b>5,152</b>	<b>5,248</b>	<b>5,045</b>	<b>5,130</b>	<b>5,251</b>
<b>Total expenses for Outcome 1</b>	<b>5,152</b>	<b>5,248</b>	<b>5,045</b>	<b>5,130</b>	<b>5,251</b>
	2016-17	2017-18			
<b>Average staffing level (number)</b>	18	18			

<sup>(a)</sup> Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

<sup>(b)</sup> Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.

## Planned Performance for PSR

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1.<sup>3</sup> It also summarises how the program is delivered and where 2017-18 Budget measures have materially changed the program.

**Table 2.1.2: Performance Criteria for PSR**

<b>Purpose</b>
To protect the integrity of the Commonwealth Medicare Benefits and Pharmaceutical Benefits programs and in doing so safeguard the Australian public from the cost and risk of inappropriate practice.
<b>Outcome 1</b>
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
<b>Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme</b>
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 Medicare Benefits Scheme (MBS) and the Pharmaceutical Benefits Schedule (PBS).
<b>Delivery</b>
<p><b>A. Protecting against inappropriate health care practice</b></p> <ul style="list-style-type: none"> <li>Where warranted the Director will review provision of services by engaging expert consultants to advise on the conduct of practitioners and the Director interviewing persons under review.</li> <li>The Director enters into agreements, where appropriate, with persons under review who have acknowledged engaging in inappropriate practice.</li> <li>If an agreement is not made, PSR Committees are established to conduct hearings and obtain information to investigate possible inappropriate practice of persons under review.</li> <li>PSR's Determining Authority takes into account the circumstances of each case and makes appropriate sanction decisions: ratifying agreements that are fair and fitting to the inappropriate practice acknowledged by the person under review, and making determinations fitting to the inappropriate practice found by PSR Committees.</li> </ul>

<sup>3</sup> Progress against the performance criteria published in the 2016-17 Portfolio Budget Statements will be reported in the 2016-17 PSR Annual Report.

Performance criteria				
A. Protecting against inappropriate health care practice				
Investigate whether practitioners have engaged in inappropriate practice through a staged review process.				
a. The Director of PSR will review the provision of services by practitioners referred by Medicare and, where appropriate, enter into an agreement with the practitioner.				
b. Where appropriate, the Director of PSR will refer the practitioner to a PSR Peer Review Committee.				
c. The Determining Authority will consider ratification of agreements and make appropriate determinations.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
a. The Director conducted reviews of practitioners referred by the Chief Executive Medicare and in appropriate cases entered into agreements.	The Director will conduct reviews of practitioners referred by the Chief Executive Medicare and in appropriate cases enter into agreements.	As per 2017-18.		
b. PSR Committees were convened and conducted hearings in a timely manner ensuring that practitioners being reviewed by their peers were afforded procedural fairness in each stage of the process.	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 process.	As per 2017-18.		
c. The Determining Authority ratifies agreements and makes appropriate determinations of sanctions.	The Determining Authority will ratify agreements and make appropriate determinations of sanctions.	As per 2017-18.		
Professional bodies actively engaged in consultation.				
2016-17 Estimated result	2017-18 Target	2018-19 (& beyond) Target		
Professional bodies were actively engaged in the process for appointments to the PSR Panel, and PSR received the required number of nominees to ensure broad professional representation on the PSR Panel.	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.	As per 2017-18.		
Percentage of reviews by the Director of PSR finalised within 12 months.				
2016-17 Estimated result	2017-18 Target	2018-19 Target	2019-20 Target	2020-21 Target
100%	100%	100%	100%	100%

<b>Total number of matters for review finalised.<sup>4</sup></b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
70	80	80	80	80
<b>Percentage of court cases where PSR's application of the law upheld.</b>				
<b>2016-17 Estimated result</b>	<b>2017-18 Target</b>	<b>2018-19 Target</b>	<b>2019-20 Target</b>	<b>2020-21 Target</b>
100%	100%	100%	100%	100%
<b>Material changes to Program 1.1 resulting from the following measures:</b> <ul style="list-style-type: none"> <li>There are no material changes to Program 1.1 resulting from measures.</li> </ul>				

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<sup>4</sup> Reviews are requested by the Chief Executive Medicare to the Director of PSR.

## Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 Budget year, including the impact of Budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences Between Entity Resourcing and Financial Statements**

This section is not applicable to PSR.

#### **3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements**

##### **Departmental Resources**

##### **Comprehensive Income Statement**

PSR is anticipating a break even position for the Budget and forward years. The Budget year and forward year three have been adjusted for unfunded depreciation and amortisation expenses.

##### **Balance Sheet**

PSR's total assets and liabilities are expected to remain stable over the forward years.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	2,757	2,649	2,883	3,140	3,276
Supplier expenses	2,192	2,426	1,977	1,812	1,802
Depreciation and amortisation	203	173	185	178	173
<b>Total expenses</b>	<b>5,152</b>	<b>5,248</b>	<b>5,045</b>	<b>5,130</b>	<b>5,251</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	-	-	-	-	-
Other revenue	40	-	-	-	-
<b>Total revenue</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gains</b>					
Other	31	33	35	37	39
<b>Total gains</b>	<b>31</b>	<b>33</b>	<b>35</b>	<b>37</b>	<b>39</b>
<b>Total own-source income</b>	<b>71</b>	<b>33</b>	<b>35</b>	<b>37</b>	<b>39</b>
<b>Net cost of (contribution by) services</b>	<b>5,081</b>	<b>5,215</b>	<b>5,010</b>	<b>5,093</b>	<b>5,212</b>
Revenue from Government	5,131	5,042	5,010	5,015	5,039
<b>Surplus (deficit)</b>	<b>50</b>	<b>(173)</b>	<b>-</b>	<b>(78)</b>	<b>(173)</b>
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>50</b>	<b>(173)</b>	<b>-</b>	<b>(78)</b>	<b>(173)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income attributable to the Australian Government</b>	<b>50</b>	<b>(173)</b>	<b>-</b>	<b>(78)</b>	<b>(173)</b>

**Note: Reconciliation of comprehensive income attributable to the agency**

	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>50</b>	<b>(173)</b>	<b>-</b>	<b>(78)</b>	<b>(173)</b>
plus non-appropriated expenses depreciation and amortisation expenses	203	173	185	178	173
<b>Total comprehensive income (loss) attributable to the agency</b>	<b>253</b>	<b>-</b>	<b>185</b>	<b>100</b>	<b>-</b>

**Table 3.2: Budgeted Departmental Balance Sheet (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward Year 1 \$'000	2019-20 Forward Year 2 \$'000	2020-21 Forward Year 3 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	79	79	79	79	79
Receivables	2,617	2,502	2,716	2,787	2,717
<b>Total financial assets</b>	<b>2,696</b>	<b>2,581</b>	<b>2,795</b>	<b>2,866</b>	<b>2,796</b>
<b>Non-financial assets</b>					
Land and buildings	7	261	221	181	141
Property, plant and equipment	69	346	285	228	346
Intangibles	352	297	275	223	191
Other	38	38	38	38	38
<b>Total non-financial assets</b>	<b>466</b>	<b>942</b>	<b>819</b>	<b>670</b>	<b>716</b>
<b>Total assets</b>	<b>3,162</b>	<b>3,523</b>	<b>3,614</b>	<b>3,536</b>	<b>3,512</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	352	339	339	339	339
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>352</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>339</b>
<b>Provisions</b>					
Employees	723	610	610	610	610
Other provisions	89	100	100	100	100
<b>Total provisions</b>	<b>812</b>	<b>710</b>	<b>710</b>	<b>710</b>	<b>710</b>
<b>Total liabilities</b>	<b>1,164</b>	<b>1,049</b>	<b>1,049</b>	<b>1,049</b>	<b>1,049</b>
<b>Net assets</b>	<b>1,998</b>	<b>2,474</b>	<b>2,565</b>	<b>2,487</b>	<b>2,463</b>
<b>EQUITY</b>					
Contributed equity	997	1,646	1,737	1,737	1,886
Reserves	498	498	498	498	498
Retained surpluses (accumulated deficits)	503	330	330	252	79
<b>Total equity</b>	<b>1,998</b>	<b>2,474</b>	<b>2,565</b>	<b>2,487</b>	<b>2,463</b>

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2017-18)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2017</b>				
Balance carried forward from previous period	503	498	997	<b>1,998</b>
Surplus (deficit) for the period	(173)	-	-	<b>(173)</b>
Capital budget - Bill 1 (DCB)	-	-	649	<b>649</b>
<b>Estimated closing balance as at 30 June 2018</b>	<b>330</b>	<b>498</b>	<b>1,646</b>	<b>2,474</b>

DCB = Departmental Capital Budget.

**Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	4,715	5,038	4,657	4,745	5,109
Net GST received	233	272	243	248	250
Other cash received	40	-	-	-	-
<b>Total cash received</b>	<b>4,988</b>	<b>5,310</b>	<b>4,900</b>	<b>4,993</b>	<b>5,359</b>
<b>Cash used</b>					
Employees	2,757	2,989	2,928	3,113	3,036
Suppliers	2,199	2,321	2,001	1,851	2,253
<b>Total cash used</b>	<b>4,956</b>	<b>5,310</b>	<b>4,929</b>	<b>4,964</b>	<b>5,289</b>
<b>Net cash from (or used by) operating activities</b>	<b>32</b>	<b>-</b>	<b>(29)</b>	<b>29</b>	<b>70</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	192	649	62	29	219
<b>Total cash used</b>	<b>192</b>	<b>649</b>	<b>62</b>	<b>29</b>	<b>219</b>
<b>Net cash from (or used by) investing activities</b>	<b>(192)</b>	<b>(649)</b>	<b>(62)</b>	<b>(29)</b>	<b>(219)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital budget - Bill 1 (DCB)	143	649	91	-	149
<b>Total cash received</b>	<b>143</b>	<b>649</b>	<b>91</b>	<b>-</b>	<b>149</b>
<b>Net cash from (or used by) financing activities</b>	<b>143</b>	<b>649</b>	<b>91</b>	<b>-</b>	<b>149</b>
<b>Net increase (or decrease) in cash held</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	96	79	79	79	79
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>

DCB = Departmental Capital Budget.

**Table 3.5: Departmental Capital Budget Statement (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	143	649	91	-	149
<b>Total capital appropriations</b>	<b>143</b>	<b>649</b>	<b>91</b>	<b>-</b>	<b>149</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	143	649	91	-	149
<b>Total items</b>	<b>143</b>	<b>649</b>	<b>91</b>	<b>-</b>	<b>149</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation - DCB <sup>(a)</sup>					
- current year appropriation	143	649	62	-	149
- prior year appropriation	49	-	-	29	70
<b>Total acquisitions of non-financial assets</b>	<b>192</b>	<b>649</b>	<b>62</b>	<b>29</b>	<b>219</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	192	649	62	29	219
<b>Total cash used to acquire assets</b>	<b>192</b>	<b>649</b>	<b>62</b>	<b>29</b>	<b>219</b>

<sup>(a)</sup> Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budget (DCB).

**Table 3.6: Statement of Asset Movements (Budget year 2017-18)**

	<b>Buildings</b>	<b>Other property, plant and equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2017</b>				
Gross book value	261	301	793	<b>1,355</b>
Accumulated depreciation/ amortisation and impairment	(254)	(232)	(441)	<b>(927)</b>
<b>Opening net book balance</b>	<b>7</b>	<b>69</b>	<b>352</b>	<b>428</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation ordinary annual services	300	349	-	<b>649</b>
<b>Total additions</b>	<b>300</b>	<b>349</b>	<b>-</b>	<b>649</b>
<b>Other movements</b>				
Depreciation/amortisation expense	(46)	(72)	(55)	<b>(173)</b>
<b>Total other movements</b>	<b>(46)</b>	<b>(72)</b>	<b>(55)</b>	<b>(173)</b>
<b>As at 30 June 2018</b>				
Gross book value	561	650	793	<b>2,004</b>
Accumulated depreciation/ amortisation and impairment	(300)	(304)	(496)	<b>(1,100)</b>
<b>Closing net book balance</b>	<b>261</b>	<b>346</b>	<b>297</b>	<b>904</b>

# PORTFOLIO GLOSSARY

<b>Accrual accounting</b>	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.
<b>Accumulated depreciation</b>	The aggregate depreciation recorded for a particular depreciating asset.
<b>Additional Estimates</b>	The Additional Estimates process updates estimates from the previous Budget update.
<b>Additional Estimates Bills or Acts</b>	Where amounts appropriated in the annual appropriation acts at Budget time are insufficient, Parliament may appropriate more funds to Portfolios through the Additional Estimates Acts. These are Appropriation Bills No. 3 and No. 4, and a separate Bill for Parliamentary Departments (Appropriations (Parliamentary Departments) Bill (No.2)). These Bills are introduced into the Parliament sometime after the Budget Bills.
<b>Administered items</b>	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).
<b>Annotated appropriation</b>	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> .
<b>Annual appropriation</b>	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.
<b>Appropriation</b>	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.
<b>ASL (Average Staffing Levels)</b>	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.
<b>Assets</b>	Future economic benefits controlled by an entity as a result of past transactions or past events.

<b>Available appropriation</b>	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.
<b>Budget measure</b>	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>
<b>Capital expenditure</b>	Expenditure by an entity on non-financial assets, for example purchasing a building.
<b>Cross-Portfolio Budget measure</b>	This is a <u>Budget measure</u> which affects outcomes administered in a number of Portfolios.
<b>Capital Budget Statement</b>	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.
<b>Departmental items</b>	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.
<b>Departmental Capital Budget (DCB)</b>	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.
<b>Depreciation</b>	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
<b>Efficiency dividend</b>	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.
<b>Equity or net assets</b>	Residual interest in the assets of an entity after deduction of its liabilities.
<b>Expense</b>	The value of resources consumed or lost during the reporting period.
<b>Fair value</b>	Fair values are prices in arm's length transactions between willing buyers and sellers in an active market.

<b>Forward estimates</b>	A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another out year is added to the forward estimates.
<b>Historical cost</b>	The original cost of acquisition of an asset, including any costs associated with acquisition. Under 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.
<b>Liabilities</b>	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
<b>MYEFO</b>	Mid-Year Economic and Fiscal Outlook.
<b>Operating result</b>	Equals income less expenses.
<b>Outcomes</b>	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.
<b>PGPA Act</b>	<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.
<b>Performance criteria</b>	A concise list of criteria, which are used to measure entity effectiveness in achieving the Government's outcomes. Criteria must be measurable, but may be qualitative or quantitative. Criteria in the Portfolio Budget Statements are reported in the annual performance statements, in the Annual Report, for the same year. Outcomes are generally measured by performance criteria relating to effectiveness and equity, but may include efficiency and access criteria.

<b>Portfolio Budget Statements</b>	Statements prepared by Portfolios to explain the Budget appropriations in terms of outcomes and programs.
<b>Price parameter adjustment</b>	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'.
<b>Program</b>	Commonwealth programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole, and are the primary vehicles for Government entities to achieve the intended results of their outcome statements. Commencing from the 2009-10 Budget, entities are required to report to Parliament by program.
<b>Quality</b>	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.
<b>Quantity</b>	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.
<b>Revenue</b>	Total value of resources earned or received during the reporting period.
<b>Special account</b>	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.
<b>Special appropriation</b>	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.
<b>Strategic Direction Statement</b>	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 ongoing functions, new function and significant partnership arrangements, as well as upcoming challenges in the years ahead.