

Portfolio Additional Estimates Statements 2018-19

Health Portfolio

Explanations of Additional Estimates 2018-19

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The Hon Greg Hunt MP
Minister for Health

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 Additional Estimates Statements in support of the 2018-19 Additional Estimates for the Health Portfolio.

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

I present these statements by virtue of mine and Senator the Hon Bridget McKenzie's ministerial responsibilities for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Greg Hunt', written in a cursive style.

Greg Hunt

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

USER GUIDE

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

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2018-19. In this sense the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2018-19* (MYEFO) is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the Portfolio.

Abbreviations and conventions

The following notations may be used:

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

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

Enquiries

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

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

Structure of the Portfolio Additional Estimates Statements

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

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

PORTFOLIO OVERVIEW

HEALTH PORTFOLIO OVERVIEW

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

Since the 2018-19 Budget the Australian Government has continued to implement initiatives to support an improved health system that will deliver better health outcomes and access to care for all Australians.

For more information refer Section 1.1 Strategic Direction Statement on page 8.

Ministerial Changes

On 28 August 2018, the Prime Minister, the Hon Scott Morrison MP's new Ministry was sworn in. The Hon Greg Hunt MP continued in his role as Minister for Health. Senator the Hon Bridget McKenzie was appointed as Minister for Regional Services, Sport, Decentralisation and Local Government. The Hon Ken Wyatt AM, MP continued as Minister for Indigenous Affairs, and was appointed Minister for Senior Australians and Aged Care, reflecting the Government's broader whole-of-government approach to advancing the interests of senior Australians.

Portfolio Structure

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

The Aged Care Quality and Safety Commission (ACQSC) was established on 1 January 2019. The ACQSC integrates and streamlines the roles of the Aged Care Complaints Commissioner and the Australian Aged Care Quality Agency. From January 2020, the ACQSC will also incorporate the Department of Health's aged care compliance responsibilities.

The Australian Aged Care Quality Agency has been closed and the position of Aged Care Complaints Commissioner has been abolished.

Figure 1: Health Portfolio Structure and Outcomes

<p>The Hon Greg Hunt MP Minister for Health</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 1, 2, 4, 5 and 6</p> <p><i>Entities:</i> ACSQHC, AIHW, Australian Digital Health Agency, Cancer Australia, IHPA, NHFB, NHMRC, NMHC and PSR</p>	<p>Senator the Hon Bridget McKenzie Minister for Regional Services Minister for Sport Minister for Local Government and Decentralisation</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 2 and 3</p> <p><i>Entities:</i> ARPANSA, ASADA, ASC, ASF, FSANZ and NBA</p>	<p>The Hon Ken Wyatt AM, MP Minister for Indigenous Health Minister for Senior Australians and Aged Care</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 1, 2, 4 and 6</p> <p><i>Entities:</i> ACQSC and OTA</p>
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Department of Health

Glenys Beauchamp 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: Health Portfolio Structure and Outcomes (continued) – Portfolio Entities

Aged Care Quality and Safety Commission

Janet Anderson Commissioner

Outcome 1. Protect and enhance the safety, health, wellbeing and quality of life of aged care consumers, including through effective engagement with them, regulation and education of Commonwealth-funded aged care service providers and resolution of aged care complaints.

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

David Sharpe 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**National Health Funding Body****Shannon White** Chief Executive Officer

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

National Health and Medical Research Council**Professor Anne Kelso AO**

Chief Executive Officer

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

National Mental Health Commission**Ms Maureen Lewis** Interim Chief Executive Officer

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

Organ and Tissue Authority**Lucinda Barry** Chief Executive Officer

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

Professional Services Review**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.

Statutory Office Holders**Aged Care Pricing Commissioner**

John Dicer

Director, National Industrial Chemicals Notification and Assessment Scheme

Dr Brian Richards

Gene Technology Regulator

Dr Raj Bhula

National Health Funding Pool Administrator

Michael Lambert

National Rural Health Commissioner

Emeritus Professor Paul Worley

Portfolio Resources

Table 1 shows, for those entities reporting in the Portfolio Additional Estimates Statements, the additional resources provided to the Portfolio in the 2018-19 Budget year, by entity.

Table 1: Additional Portfolio Resources 2018-19

	Appropriations ^(a)			Receipts	Total
	Bill No. 3 \$'000	Bill No. 4 \$'000	Special \$'000	\$'000	\$'000
DEPARTMENTAL					
Department of Health	60,298	229	-	500	61,027
Aged Care Quality and Safety Commission	8,660	-	-	-	8,660
Australian Sports Commission	60,867	-	-	(358)	60,509
Food Standards Australia New Zealand	259	-	-	-	2,609
Total departmental	130,084	229	-	142	130,455
ADMINISTERED					
Department of Health	566,045	95,133	566,192	52,240	1,279,610
Total administered	566,045	95,133	566,192	52,240	1,279,610
Total Portfolio	696,129	95,362	566,192	52,382	1,410,065

All figures are GST exclusive.

^(a) Administered and Departmental Bill No. 3 and No. 4 does not include notional reductions to the 2018-19 Budget Bill (No. 1). For notional reductions to the Budget Bill (No. 1) see Table 1.4 in each entity chapter.

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DEPARTMENT OF HEALTH

Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

Mid-Year Economic and Fiscal Outlook 2018-19 (MYEFO 2018-19) further strengthens the four pillars of the long term national health plan with funding provided to: guarantee Medicare and the Pharmaceutical Benefits Scheme (PBS); support hospitals; prioritise mental health, preventive health and sport; and invest in medical research. Support also continues to deliver stronger health services for regional, rural and remote Australia, improve outcomes for Aboriginal and Torres Strait Islander peoples and to provide older Australians increased choice in safe, high quality aged care services.

The Government's commitment to improving health and wellbeing outcomes for all Australians is further demonstrated through MYEFO 2018-19 and subsequent announcements. Through MYEFO 2018-19, the Government is investing an additional \$3.2 billion, building on the significant investments in health, Indigenous health, aged care and sport made in Budget 2018-19.

With the provision of \$1.3 billion for the Community Health and Hospitals Program, the Government is supporting patient care while reducing pressure on community and hospital services. This program will complement the Government's record investment of more than \$130.2 billion from 2020-21 to 2024-25 in public hospitals by funding projects and services in every state and territory.

The Government also continues its strong focus on ensuring the affordability of health care for Australians. This is being delivered through the listing of new medicines on the PBS, provision of over \$100 million for the expansion of services under the Continuous Glucose Monitoring Program, the provision of subsidised services under the Medicare Benefits Schedule (MBS) with a \$512 million investment in primary care, and reforms to private health insurance.

In 2019, following the introduction of Government reforms, the lowest annual private health insurance premium change in 18 years will take effect. With hospital insurance product tiers to be introduced in April 2019, private health insurance will be simpler, more transparent and more affordable. More than \$100 million is also being invested through MYEFO 2018-19 for public dental care for low income households, providing these important services at little or no cost.

These changes and the large number of initiatives underway or to be implemented in 2019 and beyond, will directly benefit many Australians in both the short and longer term. A large number of Australians will benefit from the significant investments being made to strengthen mental health services, particularly the roughly 45 per cent of Australians aged 16–85 who will experience a mental illness in their life¹.

¹ ABS National Survey of Mental Health and Wellbeing 2007. Mental illness is defined here as a high prevalence mental disorder including depression, anxiety or substance abuse.

Advanced health care is already being realised as a result of ground-breaking medical research and discoveries through the Medical Research Future Fund (MRFF). An investment of \$185 million through the MRFF will support a Dementia, Ageing and Aged Care Research Mission. This will focus on: prevention, risk reduction and avoidable hospitalisations; the diagnosis, treatment and prevention of dementia; prolonging quality of life through assistive technology to support functional independence; and developing innovative care models and technologies to improve health outcomes.

Funding has been allocated to pilot improved access to specialist nursing. A new trial network of community-based nurses will be established to care for people with Parkinson's disease. The Health Care Homes Program will also be refined and extended to 30 June 2021. This extension will allow the general practices and Aboriginal Community Controlled Health Services already participating in the program further time to implement new flexible models of care tailored to the needs of their patients living with chronic and complex conditions. The Government will also invest \$2 million to implement a wound management trial to examine best practice, integrated approaches to the management and treatment of wounds in primary care.

The benefits of the My Health Record will increase following the transition to an opt-out model after 31 January 2019. The Government is investing \$200 million to enable the continued operation of the My Health Record system, which includes updates and improvements to ensure it keeps pace with new and proven health technology. Greater use of the My Health Record system will enable improved patient health outcomes through enhanced patient self-management and continuity of care across the spectrum of health services. The passing of legislation in November 2018 further strengthens the privacy and security of the My Health Record system ensuring information is kept confidential and safe.

Building on the Government's unprecedented investment in the More Choices for a Longer Life package in Budget 2018-19, senior Australians will benefit from the aged care reforms underway to ensure the provision of safe, high quality services and support. The Government is delivering an additional \$1.2 billion to increase aged care funding, on top of the \$5 billion over five years that was announced through Budget 2018-19. Funding will provide for an additional 20,000 new home care packages to assist senior Australians to live in their own homes longer and to cut the fees for many already receiving this support. Support will be provided to residential providers including over \$100 million for eligible services in regional and remote Australia receiving the viability supplement and a \$320 million increase to the general residential care subsidy in 2018-19.

As the Royal Commission into Aged Care Quality and Safety undertakes its important work, the Government will continue to progress strategies to improve the standards and quality of aged care, including in residential aged care homes. The establishment of the Aged Care Quality and Safety Commission on 1 January 2019, in conjunction with other initiatives, is integral to ensuring all aged care providers are accountable for the safety and wellbeing of people in their care.

The Government will invest \$98 million over four years on a new MBS structure for general practitioners attending a residential aged care facility (RACF). Residents will benefit from having increased access to GP services and greater continuity of care. GPs will benefit from the introduction of a new \$55 single callout fee that recognises the important role of GPs in supporting the health and care of patients in residential aged care.

These and other initiatives all contribute to Australia's universal, world-class health system, and will also make a major contribution to jobs and growth.

Community Health and Hospitals Program

This new and important program further demonstrates the Government's commitment to supporting hospitals and strengthening primary care services. The Government is investing \$1.3 billion over the forward estimates for a new Community Health and Hospitals Program. The program will focus on four key areas:

- specialist hospital services and critical health infrastructure such as cancer treatment, rural health, and hospital and research infrastructure;
- drug and alcohol treatment and rehabilitation;
- preventive care, primary care and chronic disease management, including palliative care; and
- mental health.

The program will support projects that reduce hospital demand, promote stable and local health services where they are needed, improve people's access to essential health services and better health outcomes, prevent disease and build on existing investments, including in infrastructure and health programs.

Guaranteeing Medicare and improving access to medicines

Guaranteeing Medicare

The Government will continue to own, operate and strengthen the Medicare payments system, with Medicare funding at record levels. A \$512 million investment in primary care is being provided through MYEFO 2018-19, which includes \$318 million to assist GPs undertake their important role, including through expanded funding for telehealth, after hours and aged care home services. This includes \$58.9 million being invested to provide affordable access under Medicare to diagnostic and treatment services for bladder and liver cancer, obstetrics, x-ray services in aged care homes and Alport Syndrome.

These investments further build on the commitments for new MBS items that have been added since Budget 2018-19 including access to lifesaving scans for cancer, stroke, heart and other medical conditions. In addition, the Government will provide \$110 million from 1 November 2019 for the provision of services for Australians with anorexia nervosa and patients with other eating disorders who have complex needs. Each patient will be eligible for Medicare rebates for the development and review of a comprehensive treatment and management plan and up to 40 psychological and 20 dietetic sessions funded through Medicare per year, depending on their needs.

The Government continues to increase its support for women with breast cancer, the most commonly diagnosed cancer among Australian women. Funding is being doubled to provide an additional \$27.7 million to increase the number of breast care nurses to almost 100. The McGrath Breast Care Nurse Initiative is being supported to increase the number of specially trained nurses, including the provision of specialist nurses for complex care required for metastatic breast cancer.

Improving access to medicines

The Government remains committed to listing all medicines on the PBS with a positive Pharmaceutical Benefits Advisory Committee recommendation. The Government has invested \$1.4 billion on new and amended medicines since Budget 2018-19. In 2019, the maximum cost for a PBS item at a pharmacy is \$40.30 for general patients and \$6.50 for concessional patients, with any additional costs (sometimes thousands of dollars per item) subsidised by the Government.

In October 2018, the mandated price drop on over 226 brands of medicines listed on the PBS took effect. This price drop is delivering cheaper medicines. Patients with neuropathic pain, hypertension and glaucoma, for example, now pay significantly lower prices per script than previously.

The Government continues to assist patients fighting cancer and will provide more than \$100 million for a range of new medicines. Significant investments are being made to provide for the listing of new and amended medicines to treat people with leukaemia, pancreatic and neuroendocrine tumours, lymphoma and multiple myeloma. These listings will benefit significant numbers of patients and save families thousands of dollars per year. In addition, Australians with lung cancer are being supported through the PBS listing of new treatments for certain types of lung cancer, Keytruda[®] (pembrolizumab) and Tagrisso[®] (osimertinib). Without PBS subsidy these medicines would cost more than \$11,300 and close to \$8,000 per prescription respectively. These medicines will now cost patients just \$40.30 per script or \$6.50 for concessional patients.

Lumacaftor with ivacaftor (Orkambi[®]) was listed on the PBS from 1 October 2018 for the treatment of cystic fibrosis in patients aged six years and over who meet certain conditions. Without PBS subsidy this treatment would cost patients up to \$250,000 per year. Other recent PBS listings support people with severe asthma with the listing of benralizumab (Fasenra[®]); cholesterol patients at risk of a heart attack with the listing of evolocumab (Repatha[®]); patients with severe spinal arthritis, who look to save more than \$15,000 a year, through the listing of golimumab (Simponi[®]); those living with diabetes and hepatitis C, with the listing of insulin degludec and insulin aspart (Ryzodeg[®]) and glecaprevir and pibrentasvir (Maviret[®]) respectively; and the almost 6,500 patients who suffer with severe epilepsy with the listing of peramppanel (Fycompa[®]). More than 6,000 Australians with the most common form of multiple sclerosis will now have access to more affordable treatment with the listing of cladribine (Mavenclad[®]) on the PBS from 1 January 2019.

To help improve and preserve the vision of thousands of Australians and reduce the cost of treatment, the Government has also recently announced the expanded listing of dexamethosone (Ozurdex[®]) and ranibizumab (Lucentis[®]) on the PBS. \$80 million is being invested to increase access to treatment options for blocked veins in the retina and choroidal neovascularization that can impact vision as a result of the unwanted growth of new blood vessels in the eye. Not only will this save sufferers thousands of dollars a year, but will also potentially save the sight of many Australians.

New medicines have also been recently listed on the Life Saving Drugs Program for extremely rare and potentially life-threatening diseases, including for patients with Fabry disease, which usually presents in childhood and causes severe pain.

Subsidised access to Continuous Glucose Monitoring (CGM) will be expanded to include: women with type-1 diabetes who are pregnant, breastfeeding or actively planning pregnancy; people under 21 years of age with serious medical conditions that are similar to type-1 diabetes, such as cystic fibrosis-related diabetes and neonatal diabetes, which require insulin; and people with type-1 diabetes who are 21 years of age and older, have concessional status and have a high clinical need such as experiencing recurrent severe hypoglycaemic events.

To assist with eliminating the transmission of HIV in Australia, the Government has also approved the listing of dolutegravir and rilpivirine (Juluca[®]) on the PBS, which works to stop the replication of the HIV virus. The first HIV self-testing kit (Atomo HIV Self-Test) has also been approved, enabling HIV-testing to be more accessible and convenient. In conjunction with the listing earlier in the year of the combination medicine tenofovir with emtricitabine for use as a preventative HIV medication (Pre-Exposure Prophylaxis (PrEP)), Australia is in reach of being one of the first countries in the world to eliminate the transmission of HIV.

Ageing and Aged Care

The new, independent Aged Care Quality and Safety Commission has been established and will focus on implementing a regulatory framework to protect and enhance senior Australian's quality of life and wellbeing. A new single set of Aged Care Quality Standards will also be introduced from 1 July 2019 to ensure boards and governance bodies of aged care providers are clearly accountable for their consumers' safety and quality of care.

In addition to these significant reforms, the Government is committed to a range of other important programs and initiatives to support older Australians. This includes the release of an additional 20,000 home care packages across all levels (on top of an additional 14,000 high level packages announced as part of Budget 2018-19, and the 6,000 packages announced at MYEFO 2017-18) to enable senior Australians to live at home for as long as possible. Support for existing home care package consumers is also being provided through a reduction in fees, as well as an enhancement to the dementia and cognition supplement and Veterans' supplement. The Government will also be supporting both home care and residential providers to help themselves through subsidised independent accounting and business advisory services.

Extra support will also be provided for residential aged care consumers and providers. A one-off \$320 million increase will be applied to the general residential care subsidy in 2018-19. Residential providers who support senior Australians living in hard-to-reach places and for people facing homelessness will receive a 30 per cent increase in the viability supplement and homeless supplement. Quality of care in service will be increased by the introduction of the mandatory collection and publication of Quality Indicators for residential care. In addition, the Government's investment in exploring longer term residential funding reform options will continue with the trialling of a new residential care funding tool to replace the Aged Care Funding Instrument.

Subsidised independent accounting and business advisory services for both residential and home care providers will 'help providers to help themselves' find efficiencies and improvements in their operations.

These initiatives are part of the Government's More Choice for a Longer Life Package, announced in Budget 2018-19. The package is aimed at supporting Australians to be better prepared to live a healthy, independent, connected and safe life.

Life-saving and job-creating medical research

Over \$1.9 billion in strategic research investments have been announced to date from the Government's landmark Medical Research Future Fund (MRFF), including the Dementia, Ageing and Aged Care Research Mission. The second set of MRFF priorities were announced in November 2018 and include 12 new priorities that have a focus on antimicrobial resistance, Aboriginal and Torres Strait Islander health, primary care and ageing.

The Government's commitment to health and medical research is further strengthened through the provision of more than \$526 million for over 600 grants through the National Health and Medical Research Council (NHMRC). This funding provides for research into cardiovascular disease, cancer research - including cancers where treatment options are limited and early detection is critical - mental health, diabetes, Parkinson's disease, anorexia nervosa, obesity and improving the health of Indigenous Australians. The Government is also providing \$4 million to fund research into autism, to help find better diagnosis, treatment and care options.

A grant of \$800,000 is also being provided through the NHMRC to conduct research into prostate cancer, which is the most commonly diagnosed cancer in Australia. This research, to be conducted by the University of Western Australia, will look into how this disease spreads and becomes resistant to conventional treatments. This further builds on the \$12 million invested in September 2018 to establish the Prostate Cancer Research Alliance to conduct life-saving research into how to stop the disease from progressing to advanced stages and to improve treatment.

The Government is also providing \$54.5 million to provide hope and support for more than 120,000 Australian children and adults living with type 1 diabetes. \$50 million will be provided from the MRFF: \$25 million will support the Juvenile Diabetes Research Foundation (JDRF) Australia to advance its Type 1 Diabetes Clinical Research Network; and an initial investment of \$25 million will also be dedicated to broader diabetes research under the \$125 million MRFF Targeted Translation Research

Accelerator initiative to progress early stage health and medical research discoveries to reach proof-of-concept and progress to clinical trials, through open and competitive grant rounds. An additional \$4.5 million in funding will be provided to JDRA Australia over three years to further assist with the strategic vision and national leadership of the research network.

New medical research and education programs to address the rate of stillbirth, is also being supported. An initial commitment of \$7.2 million will be provided for this important work, including \$3 million through the MRFF for research to be guided by a national roundtable. \$1.2 million from the NHMRC will also be provided to the University of Melbourne for research to minimise preventable stillbirth through the use of biomarkers and ultrasound in late pregnancy, and a further \$3 million for stillbirth education and awareness programs.

Prioritising mental health and preventive health

The Government has already committed an estimated \$4.7 billion for mental health payments, programs and services this financial year. With three quarters of all mental illness manifesting in people under 25², young people are the focus of additional mental health spending in MYEFO 2018-19. The Government is providing funding for a range of important early intervention and treatment initiatives, including extension of funding for the Early Psychosis Youth Services Program.

The expansion of services delivered by headspace is also being supported with the provision of an additional \$47 million that includes the delivery of the Young Ambassadors for Mental Health project over five years. Eight young ambassadors will share their lived experiences and practical strategies for dealing with mental health issues, as well as providing continued funding to headspace National to provide training and other support for a further three years.

These initiatives build on other significant programs and activities that have been introduced since Budget 2018-19 which include: the provision of \$33.9 million to fund Beyond Blue programs to support those who suffer from depression and anxiety; a new education initiative to give teachers the tools to help students manage their mental health; funding of \$36 million in national suicide prevention projects; and new mental health initiatives to support Australia's service men and women.

The Government is continuing to prioritise providing Australian children the best possible start in life. Significant funding has been recently provided for: a new, free meningococcal vaccine for teenagers; supporting premature babies and their families through funding to the Miracle Babies Foundation; and tackling Fetal Alcohol Spectrum Disorder with the provision of over \$7 million in new funding.

² ABS Mental Health of Young People 2007. Mental illness is defined here as a high prevalence mental disorder including depression, anxiety or substance abuse.

Reshaping Australian Sport

In August 2018, the *National Sport Plan – Sport 2030* was launched, providing an important foundation for getting more Australians more active, more often as well as sustaining Australia's sporting excellence, protecting the integrity of Australian sport and strengthening Australia's sports industry. The Government has invested an extra \$30.3 million in the Community Sports Infrastructure grants program to enable local communities to get Australia's population moving through access to good quality sporting facilities.

The Government has also invested further in high performance sport to enable the Australian Institute of Sport to support our athletes in the lead up to the 2020 Tokyo Olympics and Paralympics. Additional high performance grants of \$50.4 million over two years will be provided to National Sporting Organisations along with a one-off contribution of \$8 million to the Australian Paralympic Committee.

Looking to the future, the Government has endorsed the development of a detailed business case for the potential redevelopment of the Australian Institute of Sport campus in Canberra. This project has the potential to reposition the Australian Institute of Sport to again be a world leading high performance sport centre.

The Government is also continuing to support the increasing recognition of female athletes and teams in Australia through the Women Leaders in Sport program. In partnership between the Office for Women and Sport Australia, more than 300 women from across 43 sports will be involved with the 2019 program.

Improving health outcomes for Indigenous Australians

The Government's targeting of specific health conditions that disproportionately impact Aboriginal and Torres Strait Islander peoples continues. A four year commitment to fund remote renal dialysis for end-stage kidney disease treatment has been made to ensure patients, in particular Aboriginal and Torres Strait Islander peoples, receive the critical care required, when and where they need it. A new communications campaign has also been launched to reduce new cases of HIV among First Nations people and increase understanding of the virus.

In response to an outbreak of infectious syphilis in remote Indigenous communities across northern and central Australia the Government has committed an additional \$12.4 million in 2018-19, bringing to a total of \$21.2 million to 2020-21 to implement the roll out of an enhanced response through Aboriginal Community Controlled Health Services (ACCHS). The Commonwealth response is in line with the key priorities of the Australian Health Ministers' Advisory Council endorsed *Action Plan: Enhanced response to addressing sexually transmissible infections (and blood borne viruses) in Indigenous Populations* and is being rolled out in consultation with the National Aboriginal Community Controlled Health Organisation, affected jurisdictions and impacted ACCHS.

The Government is providing \$8 million to support an enhanced response to communicable diseases in Indigenous communities, including HTLV-1. Funding will be provided to determine appropriate evidence-based responses to HTLV-1 and other communicable diseases in remote Indigenous communities.

The Government is expanding eligibility to free seasonal influenza vaccine for Aboriginal and Torres Strait Islander children aged 5–14. All Aboriginal and Torres Strait Islander people aged 6 months and over now have access to free seasonal influenza vaccine under the National Immunisation Program.

First Nation children and young people have been recently supported through a number of important projects. The Government has renewed its commitment to giving children the best possible start in life. \$147.9 million has been allocated to continue the Australian Nurse Family Partnership Program, the New Directions: Mothers and Babies Services Program and the Connected Beginnings Program for three years, commencing in 2019-20.

Stronger Rural Health Strategy

Work continues on the Government's ten year, \$550 million investment from Budget 2018-19 in the Stronger Rural Health Strategy. This strategy improves access to health services for people living in regional, rural and remote areas of Australia by adopting a range of approaches such as attracting, training and retaining doctors who understand local issues. In December 2018, a \$74 million investment was made in the Murray-Darling Medical Schools Network to maximise opportunities for country-raised students to study medicine in rural and regional Australia.

The first ever summit to address rural medical specialist shortage was held in November 2018 and brought together experts and specialists to discuss how to improve rural specialist training in country areas. Through MYEFO 2018-19, rural patients are gaining additional access to care through an extension of telehealth at a cost of \$33.5 million, building on telehealth measures through the Government's Drought package.

In August 2018, the Government announced that Australia's remote rural health workforce will receive additional training, support and professional services through a \$13.7 million grant over three years to CRANApplus. CRANApplus provides health professionals and families working in remote communities with training, support and professional services that are relevant to their area of practice. These important initiatives continue to complement the landmark package of initiatives that the Government invested in through Budget 2018-19 to strengthen health services and outcomes across Australia.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Department of Health at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2018-19 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019

	2017-18 Total available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed additional estimates \$'000	2018-19 Total estimate at AEs \$'000
DEPARTMENTAL				
Prior year appropriation available ^{(a) (b)}	38,089	56,323	-	56,323
Annual appropriations				
Ordinary annual services ^(c)				
Departmental appropriation ^(d)	659,018	621,034	55,829	676,863
s74 retained revenue receipts ^(e)	20,662	20,883	2,235	23,118
Departmental capital budget ^(d)	11,095	8,239	4,469	12,708
Other services ^(f)				
Equity injection	7,422	19,017	229	19,246
Total departmental annual appropriations	698,197	669,173	62,762	731,935
Special accounts ^(g)				
Opening balance ^(b)	88,919	99,137	-	99,137
Appropriation receipts	10,305	10,094	-	10,094
Non-appropriation receipts	167,634	172,916	500	173,416
Total special account	266,858	282,147	500	282,647
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations	(10,305)	(10,094)	-	(10,094)
Total departmental resourcing for Health	992,839	997,549	63,262	1,060,811

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019 (continued)

	2017-18 Total available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed additional estimates \$'000	2018-19 Total estimate at AEs \$'000
ADMINISTERED				
Annual appropriations				
Ordinary annual services ^(c)				
Outcome 1: Health System Policy, Design and Innovation	127,510	88,001	16,574	104,575
Outcome 2: Health Access and Support Services	4,145,448	4,352,205	319,026	4,671,231
Outcome 3: Sport and Recreation	23,377	23,906	-	23,906
Outcome 4: Individual Health Benefits	1,488,545	1,489,935	128,244	1,618,179
Outcome 5: Regulation, Safety and Protection	125,925	124,629	9,279	133,908
Outcome 6: Ageing and Aged Care	3,044,678	3,675,352	92,922	3,768,274
Payments to corporate entities	510,429	582,970	61,126	644,096
Other services ^(f)				
Administered assets and liabilities	25,000	25,000	95,133	120,133
Payments to corporate entities	54,533	38,398	-	38,398
Total administered annual appropriations	9,545,445	10,400,396	722,304	11,122,700
Special appropriations limited by criteria/entitlement				
<i>National Health Act 1953</i> - blood fractionation, products and blood related products to National Blood Authority	718,621	782,766	(894)	781,872
<i>Public Governance, Performance and Accountability Act 2013 s77</i> - repayments	2,000	2,000	18,000	20,000
<i>Health Insurance Act 1973</i> - payments relating to the former Health and Hospitals Fund	26,039	11,844	23,540	35,384

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019 (continued)

	2017-18 Total available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed additional estimates \$'000	2018-19 Total estimate at AEs \$'000
Special appropriations limited by criteria/entitlement (continued)				
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	6,024,091	6,150,597	20,005	6,170,602
<i>Medical Indemnity Act 2002</i>	91,800	78,800	-	78,800
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	1,934	2,406	-	2,406
<i>Dental Benefits Act 2008</i>	326,223	321,236	23,876	345,112
<i>National Health Act 1953 - aids and appliances</i>	353,784	356,371	18,560	374,931
<i>National Health Act 1953 - essential vaccines</i>	374,572	380,960	11,967	392,927
<i>Aged Care Act 1997 - residential and home care</i>	13,468,264	14,295,623	444,859	14,740,482
<i>National Health Act 1953 - continence aids payments</i>	92,009	85,116	5,696	90,812
<i>Aged Care Act 1997 - flexible care</i>	470,072	493,226	583	493,809
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	85	-	-	-
Total administered special appropriations	21,949,494	22,960,945	566,192	23,527,137

Table 1.1: Department of Health Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019 (continued)

	2017-18 Total available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed additional estimates \$'000	2018-19 Total estimate at AEs \$'000
Special accounts ^(g)				
Opening balance ^(b)	55,499	553,888	-	553,888
Appropriation receipts	7,055	7,133	-	7,133
Non-appropriation receipts	34,539,809	35,486,364	52,240	35,538,604
Total Special Accounts	34,602,363	36,047,385	52,240	36,099,625
Total administered resourcing	66,097,302	69,408,726	1,340,736	70,749,462
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations	(572,017)	(628,501)	(61,126)	(651,229)
Total administered resourcing for Health	65,525,285	68,780,225	1,279,610	70,098,233
Total resourcing for Health	66,518,124	69,777,774	1,342,872	71,159,044
	2017-18			2018-19
Average staffing level (number)	4,140			4,033

All figures are GST exclusive.

- (a) The estimate of prior year amounts available constitutes opening balance at bank and appropriation receivable for the core department (excluding special accounts).
- (b) The estimate at Budget has been revised to reflect the Department's 2017-18 Annual Report.
- (c) Appropriation Bill (No. 1 & 3) 2018-19.
- (d) The 2018-19 Budget estimates have been updated to include the transfer of appropriations to the Department of Social Services and the Aged Care Quality and Safety Commission under section 75 of the PGPA Act.
- (e) Estimated retained revenue receipts under the section 74 of the PGPA Act.
- (f) Appropriation Bill (No. 2 & 4) 2018-19.
- (g) Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health. For further information on special accounts see Table 3.1.1.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2018-19 Budget. The table is split into revenue, expense and capital measures, with the affected programs identified.

Table 1.2: Department of Health 2018-19 Measures since Budget

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Outcome 1: Health System Policy, Design and Innovation					
Investing in Health and Medical Research - Australian Genomic Cancer Medicine Program					
Department of Health					
Administered expenses	1.1	10,000	10,000	10,000	10,000
Total expenses		10,000	10,000	10,000	10,000
Investing in Health and Medical Research - Medical Research Future Fund ^(a)					
Department of Health					
Departmental expenses	1.1	-	-	-	-
Total expenses		-	-	-	-
My Health Record ^(a)					
Department of Health					
Administered expenses	1.2	-	-	-	-
Australian Digital Health Agency					
Departmental expenses		-	-	-	-
Total expenses		-	-	-	-
Support for Stillbirth Research and Education ^(b)					
Department of Health					
Administered expenses	1.1	-	-	-	-
	2.5	1,500	1,500	-	-
Total expenses		1,500	1,500	-	-
Outcome 2: Health Access and Support Services					
Community Health and Hospitals Program					
Department of Health					
Administered expenses	2.1	85,000	85,000	120,000	130,000
	2.4	80,000	80,000	110,000	140,000
	2.5	85,000	85,000	120,000	130,000
Total expenses		250,000	250,000	350,000	400,000
Drug and Alcohol Support Services ^(c)					
Department of Health					
Administered expenses	2.4	-	-	-	-
Total expenses		-	-	-	-

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Fetal Alcohol Spectrum Disorder - strategic action plan					
Department of Health					
Administered expenses	2.4	-	2,400	2,350	1,950
Departmental expenses		578	42	42	42
Total expenses		578	2,442	2,392	1,992
Guaranteeing Medicare - strengthening primary care					
Department of Health					
Administered expenses	2.1	11,351	11,699	-	-
Administered expenses	2.4	-	5,714	5,714	5,714
Administered expenses	2.5	(45,634)	(3,288)	21,705	2,169
Administered expenses	4.1	50,184	82,871	82,866	110,922
Administered expenses	4.3	(4,838)	(4,420)	(133)	-
Administered expenses	4.5	700	(391)	(3,257)	(3,269)
Departmental expenses		431	248	195	182
Department of Human Services					
Departmental expenses		3,056	5,611	1,271	562
Departmental capital		2,236	681	-	-
Department of Veterans' Affairs					
Administered expenses		174	696	729	800
Total		17,660	99,421	109,090	117,080
Improving Confidence in the Strawberry Supply Chain ^(b)					
Department of Health					
Administered expenses	2.4	390	-	-	-
Food Standards Australia New Zealand					
Departmental expenses		259	-	-	-
Total expenses		649	-	-	-
Fighting Cancer - McGrath Foundation Breast Care Nurses ^(a)					
Department of Health					
Administered expenses	2.4	-	-	-	-
Total expenses		-	-	-	-
Fighting Diabetes - Juvenile Diabetes Research Foundation ^(a)					
Department of Health					
Administered expenses	2.4	-	-	-	-
Total expenses		-	-	-	-
Prioritising Mental Health - Early Psychosis Youth Services ^(a)					
Department of Health					
Administered expenses	2.1	-	-	-	-
Departmental expenses		-	-	-	-
Total expenses		-	-	-	-
Prioritising Mental Health - headspace satellite sites in regional Australia - additional funding					
Department of Health					
Administered expenses	2.1	1,260	1,203	1,203	1,203
Total expenses		1,260	1,203	1,203	1,203

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Prioritising Mental Health - headspace sustainability ^(b)					
Department of Health					
Administered expenses	2.1	8,162	10,162	10,162	10,162
Departmental expenses		67	93	93	93
Total expenses		8,229	10,255	10,255	10,255
Strengthening Aged Care - improved access and compliance ^(b)					
Department of Health					
Administered expenses	2.1	(4,000)	-	-	-
	6.2	(1,601)	4,436	9,050	(710)
	6.3	342	250	-	-
Departmental expenses		1,642	1,185	303	79
Department of the Treasury					
Administered expenses	2.7	4,000	-	-	-
	6.2	2,704	3,506	4,605	3,964
Aged Care Quality and Safety Commission					
Departmental expenses		816	3,336	4,279	4,203
Department of Human Services					
Departmental expenses		(204)	(203)	(206)	(207)
Department of Veterans' Affairs					
Administered expenses		18	152	485	422
Total expenses		3,717	12,662	18,516	7,751
Stronger Rural Health - Royal Flying Doctor Service - additional support					
Department of Health					
Administered expenses	2.3	4,500	-	-	-
Total expenses		4,500	-	-	-
Support for Stillbirth Research and Education ^(b)					
Department of Health					
Administered expenses	1.1	-	-	-	-
	2.4	1,500	1,500	-	-
Total expenses		1,500	1,500	-	-
Western Australian Children's Health Telethon ^(d)					
Department of Health					
Administered expenses	2.4	-	-	-	-
Total expenses		-	-	-	-

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Outcome 3: Sport and Recreation				
Australian Government support for the 2021 Women's Rugby World Cup ^(c)				
Department of Health				
Administered expenses	3.1	-	-	-
Total expenses		-	-	-
Outcome 4: Individual Health Benefits				
Changes to the National Diabetes Services Scheme and the Continuous Glucose Monitoring Program ^(e)				
Department of Health				
Administered expenses	4.8	6,638	(851)	1,079
Departmental expenses			15,201	
Total expenses		6,638	(851)	1,079
Administered revenue		nfp	nfp	nfp
Total revenues		nfp	nfp	nfp
Guaranteeing Medicare - expansion of Medicare eligibility for magnetic resonance imaging				
Department of Health				
Administered expenses	4.1	23,827	50,347	50,357
Departmental expenses		-	-	-
Department of Human Services				
Departmental expenses		42	100	101
Department of Veterans' Affairs				
Administered expenses		175	361	332
Total expenses		24,044	50,808	50,790
Guaranteeing Medicare - Medicare Benefits Schedule Review ^(a)				
Department of Health				
Administered expenses	4.1	-	-	-
Department of Human Services				
Departmental expenses		-	-	-
Department of Veterans' Affairs				
Administered expenses		-	-	-
Total expenses		-	-	-

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Guaranteeing Medicare - strengthening primary care					
Department of Health					
Administered expenses	2.1	11,351	11,699	-	-
Administered expenses	2.4	-	5,714	5,714	5,714
Administered expenses	2.5	(45,634)	(3,288)	21,705	2,169
Administered expenses	4.1	50,184	82,871	82,866	110,922
Administered expenses	4.3	(4,838)	(4,420)	(133)	-
Administered expenses	4.5	700	(391)	(3,257)	(3,269)
Departmental expenses		431	248	195	182
Department of Human Services					
Departmental expenses		3,056	5,611	1,271	562
Departmental capital		2,236	681	-	-
Department of Veterans' Affairs					
Administered expenses		174	696	729	800
Total		17,660	99,421	109,090	117,080
Improving Access to Medicines - Life Saving Drugs Program - new listing ^(d)					
Department of Health					
Administered expenses	4.3	-	-	-	-
Total expenses		-	-	-	-
Improving Access to Medicines - Pharmaceutical Benefits Scheme - compensation cases ^(f)					
Department of Health					
Administered expenses	4.3	nfp	-	-	-
Total expenses		nfp	-	-	-
Improving Access to Medicines - Pharmaceutical Benefits Scheme - new and amended listings ^{(e)(g)}					
Department of Health					
Administered expenses	4.3	342,909	112,850	-	-
Department of Human Services					
Departmental expenses		-	-	-	-
Department of Veterans' Affairs					
Administered expenses		-	-	-	-
Total expenses		342,909	112,850	-	-
Administered revenue		nfp	nfp	nfp	nfp
Total revenues		nfp	nfp	nfp	nfp

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Improving Access to Medicines - Pharmaceutical Benefits Scheme Payment Arrangements - implementation funding ^(d)					
Department of Health					
Administered expenses	4.3	-	-	-	-
Department of Human Services					
Departmental expenses		-	-	-	-
Total expenses		-	-	-	-
Improving Access to Medicines - streamlined listings ^(b)					
Department of Health					
Administered expenses	4.3	817	3,493	3,840	3,655
	5.3		15	49	
Departmental expenses		-	6,513	10,867	11,149
Departmental capital		4,469	3,426	2,105	2,158
Total Expenses		5,286	13,447	16,861	16,962
Administered revenue		817	10,740	16,043	16,507
Total revenues		817	10,740	16,043	16,507
National Partnership Agreement on Public Dental Services for Adults - one year extension					
Department of the Treasury					
Administered expenses	4.6	-	107,750	-	-
Total expenses		-	107,750	-	-
Private Health Insurance Reforms - information campaign ^(a)					
Department of Health					
Administered expenses	4.4	-	-	-	-
Total expenses		-	-	-	-
Stoma Appliance Scheme - new listings					
Department of Health					
Administered expenses	4.8	8	38	52	61
Total expenses		8	38	52	61
Outcome 5: Regulation, Safety and Protection					
Improving Access to Medicines - National Immunisation Program - new listings ^(d)					
Department of Health					
Administered expenses	5.3	-	-	-	-
Department of the Treasury					
Administered expenses		-	-	-	-
Total expenses		-	-	-	-

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Improving Access to Medicines - streamlined listings ^(b)					
Department of Health					
Administered expenses	4.3	817	3,493	3,840	3,655
	5.3	-	15	49	-
Departmental expenses		-	6,513	10,867	11,149
Departmental capital		4,469	3,426	2,105	2,158
Total Expenses		5,286	13,447	16,861	16,962
Administered revenue		817	10,740	16,043	16,507
Total revenues		817	10,740	16,043	16,507
Medicinal Cannabis Scheme					
Department of Health					
Departmental expenses	5.1	1,839	2,543	-	-
Total expenses		1,839	2,543	-	-
Administered revenue		2,321	2,427	-	-
Total revenues		2,321	2,427	-	-
Supporting Our Hospitals - National Critical Care and Trauma Response Centre ^(d)					
Department of the Treasury					
Administered expenses	5.2	-	-	-	-
Total expenses		-	-	-	-

Outcome 6: Ageing and Aged Care**Strengthening Aged Care - improved access and compliance ^(b)**

Department of Health					
Administered expenses	2.1	(4,000)	-	-	-
	6.2	(1,601)	4,436	9,050	(710)
	6.3	342	250	-	-
Departmental expenses		1,642	1,185	303	79
Department of the Treasury					
Administered expenses	2.7	4,000	-	-	-
	6.2	2,704	3,506	4,605	3,964
Aged Care Quality and Safety Commission					
Departmental expenses		816	3,336	4,279	4,203
Department of Human Services					
Departmental expenses		(204)	(203)	(206)	(207)
Department of Veterans' Affairs					
Administered expenses		18	152	485	422
Total expenses		3,717	12,662	18,516	7,751

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

	Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
More Choices for a Longer Life - healthy ageing and high quality care ^(a)					
Department of Health					
Administered expenses	6.1	-	-	-	-
	6.2	296,515	-	-	-
	6.3	-	-	-	-
Departmental expenses		-	-	-	-
Aged Care Quality and Safety Commission					
Departmental expenses	1	-	-	-	-
Department of Veterans' Affairs					
Administered expenses		23,485	-	-	-
Department of Human Services					
Departmental expenses		-	-	-	-
Total expenses		320,000	-	-	-
Strengthening Aged Care - more places, lower fees, better access					
Department of Health					
Administered expenses	6.2	98,518	236,175	57,608	54,235
Departmental expenses		-	-	-	-
Department of Veterans' Affairs					
Administered expenses		425	1,437	1,439	1,309
Department of Human Services					
Departmental expenses		3,330	375	-	-
Total expenses		102,273	237,987	59,047	55,544
Other Portfolio Measures ^(h)					
Assistance for Farmers and Farm Communities in Drought					
<i>Department of Agriculture and Water</i>					
Department of Health					
Departmental expenses	4.1	-	-	-	-
Total expenses		-	-	-	-
Commonwealth Illicit Drugs Joint Agency Taskforce - establishment					
<i>Department of Home Affairs</i>					
Department of Health					
Administered expenses	2.4	-	-	-	-
Total expenses		-	-	-	-
Retaining the Energy Supplement					
<i>Department of Social Services</i>					
Department of Health					
Administered expenses	4.1	11	15	18	20
	4.3	21	25	29	32
Total expenses		32	40	47	52

Table 1.2: Department of Health 2018-19 Measures since Budget (continued)

Outcome/ Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Royal Commission into Aged Care Quality and Safety				
<i>Attorney General's</i>				
Department of Health				
Departmental expenses	6,020	2,717	-	-
Aged Care Quality and Safety Commission				
Departmental expenses	5,986	2,515	-	-
Total expenses	12,006	5,232	-	-
Social Services and Other Legislation Amendment (Promoting Sustainable Welfare) Bill				
<i>Department of Social Services</i>				
Department of Health				
Administered expenses	4.1	-	1,934	2,026
Administered expenses	4.3	2	40	256
Administered expenses	4.6	1	5,297	6,933
Total expenses		3	7,271	9,215
			13,523	

- (a) This measure has been announced since MYEFO and will be included in the 2019-20 Budget Paper 2. Fiscal impacts are already included in the forward estimates.
- (b) The cost of this measure will be partially met from existing resources.
- (c) The cost of this measure will be met from existing resources.
- (d) Funding for this measure has already been provided for by the Government.
- (e) Revenue implications are not for publication (nfp) due to commercial sensitivities.
- (f) Financial implications of this measure are not for publication (nfp) due to legal sensitivities.
- (g) Funding for this measure has already been partially provided for by the Government.
- (h) The Department of Health is not the lead entity for these measures. Health Portfolio impacts only are shown in this table.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table details the changes to the resourcing for the Department of Health at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2018-19 Budget in Appropriation Bills No. 3 and No. 4.

Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since 2018-19 Budget

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

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.4: Appropriation Bill (No. 3) 2018-19

	2017-18 Available ^(a) \$'000	2018-19 Budget ^(b) \$'000	2018-19 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Administered					
Outcome 1					
Health System Policy, Design and Innovation	127,619	88,001	104,575	16,574	-
Outcome 2					
Health Access and Support Services	4,145,448	4,352,205	4,671,231	319,026	-
Outcome 3					
Sport and Recreation	23,377	23,906	23,906	-	-
Outcome 4					
Individual Health Benefits	1,488,545	1,489,935	1,618,179	128,244	-
Outcome 5					
Regulation, Safety and Protection	125,816	124,629	133,908	9,279	-
Outcome 6					
Ageing and Aged Care	3,044,678	3,675,352	3,768,274	92,922	-
Total administered	8,955,483	9,754,028	10,320,073	566,045	-
Departmental					
Outcome 1					
Health System Policy, Design and Innovation	83,903	64,246	64,475	229	-
Outcome 2					
Health Access and Support Services	174,269	172,614	173,518	904	-
Outcome 3					
Sport and Recreation	6,695	8,145	8,145	-	-
Outcome 4					
Individual Health Benefits	185,562	178,855	183,324	4,469	-
Outcome 5					
Regulation, Safety and Protection	37,058	58,572	60,411	1,839	-
Outcome 6					
Ageing and Aged Care	175,097	146,841	199,698	52,857	-
Total departmental	662,584	629,273	689,571	60,298	-
Total appropriation administered and departmental Bill No. 3	9,618,067	10,383,301	11,009,644	626,343	-

^(a) 2017-18 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year and is represented on the basis of the current Outcome structure. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + AFM - Savings - Rephasings - Other reduction +/- Section 75.

^(b) The 2018-19 Budget estimates have been updated to include the transfer of appropriations to the Department of Social Services and the Aged Care Quality and Safety Commission under s75 of the PGPA Act.

Table 1.5: Appropriation Bill (No. 4) 2018-19

	2017-18 Available^(a) \$'000	2018-19 Budget \$'000	2018-19 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Non-operating					
Equity injections	7,422	19,017	19,246	229	-
Administered assets and liabilities	150,537	25,000	120,133	95,133	-
Total non-operating	157,959	44,017	139,379	95,362	-
Total appropriation administered and departmental Bill No. 4	157,959	44,017	139,379	95,362	-

^(a) 2017-18 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget Appropriation + Additional Estimates Appropriation + AFM – section 51 withholdings – administrative quarantines +/- Machinery of Government transfers.

Section 2: Revisions to Outcomes and Planned Performance

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

There have been no revisions to performance information since the 2018-19 Budget.

Cross Outcome Variations

There are no cross outcome variations for the Department of Health in 2018-19.

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

Table 2.1.1: Resource Summary – Outcome 1

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

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 1.1: Health Policy Research and Analysis ^(a)			
Administered expenses			
Ordinary annual services ^(b)	54,817	64,817	10,000
Special accounts			
Medical Research Future Fund	222,383	222,383	-
Special appropriations			
<i>National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority</i>	782,766	781,872	(894)
<i>Public Governance, Performance and Accountability Act 2013 - s77 - repayments</i>	2,000	20,000	18,000
Departmental expenses			
Departmental appropriation ^(c)	55,995	55,995	-
Expenses not requiring appropriation in the Budget year ^(d)	2,856	2,856	-
Total for Program 1.1	1,120,817	1,147,923	27,106
Program 1.2: Health Innovation and Technology			
Administered expenses			
Ordinary annual services ^(b)	3,107	8,136	5,029
Departmental expenses			
Departmental appropriation ^(c)	2,652	2,652	-
Expenses not requiring appropriation in the Budget year ^(d)	175	175	-
Total for Program 1.2	5,934	10,963	5,029

Table 2.1.1: Resource Summary – Outcome 1 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 1.3: Health Infrastructure ^(a)			
Administered expenses			
Ordinary annual services ^(b)	6,871	6,871	-
Special appropriations			
<i>Health Insurance Act 1973</i> - payments relating to the former Health and Hospitals Fund	11,844	30,770	18,926
Departmental expenses			
Departmental appropriation ^(c)	3,916	3,916	-
Expenses not requiring appropriation in the Budget year ^(d)	105	105	-
Total for Program 1.3	22,736	41,662	18,926
Program 1.4: Health Peak and Advisory Bodies			
Administered expenses			
Ordinary annual services ^(b)	7,458	7,458	-
Departmental expenses			
Departmental appropriation ^(c)	3,513	3,513	-
Expenses not requiring appropriation in the Budget year ^(d)	94	94	-
Total for Program 1.4	11,065	11,065	-
Program 1.5: International Policy			
Administered expenses			
Ordinary annual services ^(b)	15,748	17,293	1,545
Departmental expenses			
Departmental appropriation ^(c)	9,319	9,319	-
Expenses not requiring appropriation in the Budget year ^(d)	250	250	-
Total for Program 1.5	25,317	26,862	1,545

Table 2.1.1: Resource Summary – Outcome 1 (continued)

	2018-19 Budget	2018-19 Revised	Variation to estimates
	\$'000	\$'000	\$'000
Outcome 1 totals by appropriation type			
Administered expenses			
Ordinary annual services ^(b)	88,001	104,575	16,574
Special accounts	222,383	222,383	-
Special appropriations	796,610	832,642	36,032
Departmental expenses			
Departmental appropriation ^(c)	75,395	75,395	-
Expenses not requiring appropriation in the Budget year ^(d)	3,480	3,480	-
Total expenses for Outcome 1	1,185,869	1,238,475	52,606
	2018-19 Budget	2018-19 Revised	
Average staffing level (number)	396	396	

^(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 Framework. National Partnerships are listed in Section 2 of the *2018-19 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2018-19 Mid-Year Economic Fiscal Outlook*.

^(b) Appropriation (Bill No. 1 & 3) 2018-19.

^(c) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) 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.

Table 2.1.2: Variations Table – Outcome 1

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 1.1: Health Policy Research and Analysis				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Investing in Health and Medical Research - Australian Genomic Cancer Medicine Program	10,000	10,000	10,000	10,000
Price parameter adjustments ^(a)	-	36	74	79
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Investing in Health and Medical Research - Medical Research Future Fund	-	738	411	76
	10,000	10,774	10,485	10,155
Program 1.2: Health Innovation and Technology				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
My Health Record - reallocation from Program 2.5	5,029	-	-	-
	5,029	-	-	-
Program 1.4: Health Peak and Advisory Bodies				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ^(a)	-	7	15	15
	-	7	15	15
Program 1.5: International Policy				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Variation to reflect change in exchange rate	1,545	1,592	1,917	2,267
	1,545	1,592	1,917	2,267

^(a) See explanation in Portfolio Glossary.

Table 2.1.3: Program Expenses Table – Outcome 1

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.1: Health Policy Research and Analysis					
Administered expenses					
Ordinary annual services	45,988	64,817	59,607	60,967	63,508
Special Accounts					
Medical Research Future Fund	30,100	222,383	392,703	650,236	645,951
Special appropriations					
<i>National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority</i>	718,621	781,872	833,494	903,997	987,601
<i>Public Governance, Performance and Accountability Act 2013 - s77 - repayments</i>	583	20,000	2,000	2,000	2,000
Other Services	4,720	-	-	-	-
Program support	55,762	58,851	57,234	56,843	56,580
Total for Program 1.1	855,774	1,147,923	1,345,038	1,674,043	1,755,640
Program 1.2: Health Innovation and Technology					
Administered expenses					
Ordinary annual services	43,718	8,136	370	442	449
Program support	6,093	2,827	2,747	2,731	2,836
Total for Program 1.2	49,811	10,963	3,117	3,173	3,285

Table 2.1.3: Program Expenses Table – Outcome 1 (continued)

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.3: Health Infrastructure					
Administered expenses					
Ordinary annual services	8,001	6,871	8,535	9,094	5,961
Special appropriations					
<i>Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund</i>	10,506	30,770	5,408	10	-
Program support	4,334	4,021	3,973	3,964	4,027
Total for Program 1.3	22,841	41,662	17,916	13,068	9,988
Program 1.4: Health Peak and Advisory Bodies					
Administered expenses					
Ordinary annual services	8,046	7,458	7,319	7,672	7,787
Program support	3,394	3,607	3,563	3,555	3,611
Total for Program 1.4	11,440	11,065	10,882	11,227	11,398
Program 1.5: International Policy					
Administered expenses					
Ordinary annual services	14,212	17,293	17,340	18,092	18,882
Program support	8,751	9,569	9,454	9,431	9,580
Total for Program 1.5	22,963	26,862	26,794	27,523	28,462

Planned Performance for Outcome 1

There have been no changes to performance information for Outcome 1 since the 2018-19 Budget that require new or modified performance criteria. Refer to the *2018-19 Health Portfolio Budget Statements* for current performance information.

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

Table 2.2.1: Resource Summary – Outcome 2

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

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 2.1: Mental Health ^(a)			
Administered expenses			
Ordinary annual services ^(b)	856,413	970,786	114,373
Departmental expenses			
Departmental appropriation ^(c)	20,336	16,329	(4,007)
Expenses not requiring appropriation in the Budget year ^(d)	574	574	-
Total for Program 2.1	877,323	987,689	110,366
Program 2.2: Aboriginal and Torres Strait Islander Health ^(a)			
Administered expenses			
Ordinary annual services ^(b)	898,519	903,519	5,000
Departmental expenses			
Departmental appropriation ^(c)	35,409	27,295	(8,114)
Expenses not requiring appropriation in the Budget year ^(d)	982	982	-
Total for Program 2.2	934,910	931,796	(3,114)
Program 2.3: Health Workforce			
Administered expenses			
Ordinary annual services ^(b)	1,381,500	1,386,000	4,500
Departmental expenses			
Departmental appropriation ^(c)	39,780	39,780	-
Expenses not requiring appropriation in the Budget year ^(d)	945	945	-
Total for Program 2.3	1,422,225	1,426,725	4,500

Table 2.2.1: Resource Summary – Outcome 2 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 2.4: Preventive Health and Chronic Disease Support ^(a)			
Administered expenses			
Ordinary annual services ^(b)	399,893	559,209	159,316
Departmental expenses			
Departmental appropriation ^(c)	44,314	45,121	807
Expenses not requiring appropriation in the Budget year ^(d)	1,200	1,200	-
Total for Program 2.4	445,407	605,530	160,123
Program 2.5: Primary Health Care Quality and Coordination			
Administered expenses			
Ordinary annual services ^(b)	435,378	471,215	35,837
Departmental expenses			
Departmental appropriation ^(c)	27,366	21,265	(6,101)
Expenses not requiring appropriation in the Budget year ^(d)	752	752	-
Total for Program 2.5	463,496	493,232	29,736
Program 2.6: Primary Care Practice Incentives			
Administered expenses			
Ordinary annual services ^(b)	365,670	365,670	-
Departmental expenses			
Departmental appropriation ^(c)	2,223	2,223	-
Expenses not requiring appropriation in the Budget year ^(d)	61	61	-
Total for Program 2.6	367,954	367,954	-
Program 2.7: Hospital Services ^(a)			
Administered expenses			
Ordinary annual services ^(b)	14,832	14,832	-
Departmental expenses			
Departmental appropriation ^(c)	24,704	24,704	-
Expenses not requiring appropriation in the Budget year ^(d)	3,740	3,740	-
Total for Program 2.7	43,276	43,276	-

Table 2.2.1: Resource Summary – Outcome 2 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Outcome 2 totals by appropriation type			
Administered expenses			
Ordinary annual services ^(b)	4,352,205	4,671,231	319,026
Departmental expenses			
Departmental appropriation ^(c)	194,132	176,717	(17,415)
Expenses not requiring appropriation in the Budget year ^(d)	8,254	8,254	-
Total expenses for Outcome 2	4,554,591	4,856,202	301,611
	2018-19 Budget	2018-19 Revised	
Average staffing level (number)	995	877	

(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 Framework. National Partnerships are listed in Section 2 of the *2018-19 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2018-19 Mid-Year Economic Fiscal Outlook*.

(b) Appropriation (Bill No. 1 & 3) 2018-19.

(c) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) 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.

Table 2.2.2: Variations Table – Outcome 2

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 2.1: Mental Health				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Community Health and Hospitals Program	85,000	85,000	120,000	130,000
Measure - Strengthening Aged Care - improved access and compliance	(4,000)	-	-	-
Measure - Guaranteeing Medicare - strengthening primary care	11,351	11,699	-	-
Measure - Prioritising Mental Health - headspace sustainability	8,162	10,162	10,162	10,162
Measure - Prioritising Mental Health - Early Psychosis Youth Services	-	54,788	54,788	-
Measure - Prioritising Mental Health - headspace satellite sites in regional Australia - additional funding	1,260	1,203	1,203	1,203
Partners in Recovery - reprofile of funding	12,600	-	-	-
Price parameter adjustments ^(a)	-	646	1,314	1,364
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Guaranteeing Medicare - strengthening primary care	120	24	-	-
Measure - Prioritising Mental Health - Early Psychosis Youth Services	57	30	30	-
Measure - Prioritising Mental Health - headspace sustainability	67	93	93	93
Transfer to Department of Social Services for grants administration ^(b)	(4,251)	(5,158)	(5,198)	(5,201)
	110,366	158,487	182,392	137,621
Program 2.2: Aboriginal and Torres Strait Islander Health				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Indigenous PBS Co Payment Program - variation to reflect demand	5,000	5,250	5,500	5,750
Price parameter adjustments ^(a)	-	-	-	954
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Transfer to Department of Social Services for grants administration ^(b)	(8,114)	(9,847)	(9,923)	(9,929)
	(3,114)	(4,597)	(4,423)	(3,225)

Table 2.2.2: Variations Table – Outcome 2 (continued)

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 2.3: Health Workforce				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Stronger Rural Health - Royal Flying Doctor Service - additional support	4,500	-	-	-
Price parameter adjustments ^(a)	-	1,385	2,892	2,922
	4,500	1,385	2,892	2,922
Program 2.4: Preventive Health and Chronic Disease Support				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Community Health and Hospitals Program	80,000	80,000	110,000	140,000
Measure - Fighting Diabetes - Juvenile Diabetes Research Foundation	-	1,500	1,500	1,500
Measure - Fetal Alcohol Spectrum Disorder - strategic action plan	-	2,400	2,350	1,950
Measure - Guaranteeing Medicare - strengthening primary care	-	5,714	5,714	5,714
Measure - Improving Confidence in the Strawberry Supply Chain	390	-	-	-
Measure – Fighting Cancer - McGrath Foundation Breast Care Nurses	-	2,900	3,800	10,000
Measure - Western Australian Children's Health Telethon	2,000	-	-	-
Drug testing trial - reprofile of funding	2,926	-	-	-
National Cancer Screening Register - reprofile of funding	68,000	-	-	-
Tobacco litigation - reprofile of funding	nfp	-	-	-
Price parameter adjustments ^(a)	-	388	771	755
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Fetal Alcohol Spectrum Disorder - strategic action plan	578	42	42	42
Measure - Guaranteeing Medicare - strengthening primary care	229	69	39	24
	154,123	93,013	124,216	159,985

Table 2.2.2: Variations Table – Outcome 2 (continued)

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 2.5: Primary Health Care Quality and Coordination				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Community Health and Hospitals Program	85,000	85,000	120,000	130,000
Measure - Guaranteeing Medicare - strengthening primary care	(45,634)	69,947	94,940	2,169
Measure - Support for Stillbirth Research and Education	1,500	1,500	-	-
My Health Record - reallocation to Program 1.2	(5,029)	-	-	-
Price parameter adjustments ^(a)	-	326	611	620
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Guaranteeing Medicare - strengthening primary care	82	155	156	158
Transfer to Department of Social Services for grants administration ^(b)	(6,183)	(7,502)	(7,560)	(7,565)
	29,736	149,426	208,147	125,382
Program 2.6: Primary Care Practice Incentives				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ^(a)	-	-	-	372
	-	-	-	372
Program 2.7: Hospital Services				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ^(a)	-	3	7	7
	-	3	7	7

^(a) See explanation in Portfolio Glossary.

^(b) Transfer under Section 75 of the PGPA Act.

Table 2.2.3: Program Expenses Table – Outcome 2

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 2.1: Mental Health					
Administered expenses					
Ordinary annual services	759,708	970,786	817,809	853,535	834,018
Program support	22,058	16,903	15,691	15,545	15,858
Total for Program 2.1	781,766	987,689	833,500	869,080	849,876
Program 2.2: Aboriginal and Torres Strait Islander Health					
Administered expenses					
Ordinary annual services	856,784	903,519	941,288	981,560	1,022,873
Program support	36,347	28,277	26,094	25,927	26,507
Total for Program 2.2	893,131	931,796	967,382	1,007,487	1,049,380
Program 2.3: Health Workforce					
Administered expenses					
Ordinary annual services	1,296,175	1,386,000	1,407,310	1,469,183	1,484,356
Program support	35,871	40,725	38,415	36,831	36,756
Total for Program 2.3	1,332,046	1,426,725	1,445,725	1,506,014	1,521,112
Program 2.4: Preventive Health and Chronic Disease Support					
Administered expenses					
Ordinary annual services	373,999	559,209	486,923	516,222	542,995
Program support	47,416	46,321	44,806	44,658	45,359
Total for Program 2.4	421,415	605,530	531,729	560,880	588,354

Table 2.2.3: Program Expenses Table – Outcome 2 (continued)

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 2.5: Primary Health Care Quality and Coordination					
Administered expenses					
Ordinary annual services	400,252	471,215	488,745	525,046	446,924
Program support	28,142	22,017	20,305	20,179	20,625
Total for Program 2.5	428,394	493,232	509,050	545,225	467,549
Program 2.6: Primary Care Practice Incentives					
Administered expenses					
Ordinary annual services	343,487	365,670	365,736	371,953	378,276
Program support	1,828	2,284	2,256	2,249	2,285
Total for Program 2.6	345,315	367,954	367,992	374,202	380,561
Program 2.7: Hospital Services					
Administered expenses					
Ordinary annual services	14,435	14,832	14,957	16,064	16,305
Program support	29,629	28,444	26,123	26,213	26,301
Total for Program 2.7	44,064	43,276	41,080	42,277	42,606

Planned Performance for Outcome 2

There have been no changes to performance information for Outcome 2 since the 2018-19 Budget that require new or modified performance criteria. Refer to the *2018-19 Health Portfolio Budget Statements* for current performance information.

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

Table 2.3.1: Resource Summary – Outcome 3

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

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 3.1: Sport and Recreation ^(a)			
Administered expenses			
Ordinary annual services ^(b)	23,906	23,906	-
Special accounts			
Sport and Recreation	407	407	-
Departmental expenses			
Departmental appropriation ^(c)	8,468	8,468	-
Expenses not requiring appropriation in the Budget year ^(d)	227	227	-
Total for Program 3.1	33,008	33,008	-
Outcome 3 totals by appropriation type			
Administered expenses			
Ordinary annual services ^(b)	23,906	23,906	-
Special accounts	407	407	-
Departmental expenses			
Departmental appropriation ^(c)	8,468	8,468	-
Expenses not requiring appropriation in the Budget year ^(d)	227	227	-
Total expenses for Outcome 3	33,008	33,008	-
	2018-19 Budget	2018-19 Revised	
Average staffing level (number)	39	39	

^(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 Framework. National Partnerships are listed in Section 2 of the *2018-19 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2018-19 Mid-Year Economic Fiscal Outlook*.

^(b) Appropriation (Bill No. 1 & 3) 2018-19.

^(c) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) 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.

Table 2.3.2: Variations Table – Outcome 3

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 3.1: Sport and Recreation				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Price parameter adjustments ^(a)	-	-	-	(16)
	-	-	-	(16)

^(a) See explanation in Portfolio Glossary.

Table 2.3.3: Program Expenses Table – Outcome 3

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 3.1: Sport and Recreation					
Administered expenses					
Ordinary annual services	23,328	23,906	19,260	17,198	16,039
Special Accounts					
Sport and Recreation	404	407	407	407	407
Program support	6,630	8,695	7,602	7,584	7,706
Total for Program 3.1	30,362	33,008	27,269	25,189	24,152

Planned Performance for Outcome 3

There have been no changes to performance information for Outcome 3 since the 2018-19 Budget that require new or modified performance criteria. Refer to the *2018-19 Health Portfolio Budget Statements* for current performance information.

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

Table 2.4.1: Resource Summary – Outcome 4

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

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 4.1: Medical Benefits			
Administered expenses			
Ordinary annual services ^(a)	107,712	117,635	9,923
Special account			
Medicare Guarantee Fund			
- medical benefits	23,970,854	24,064,785	93,931
accrual adjustment ^(b)	(5,054)	(45,022)	(39,968)
Departmental expenses			
Departmental appropriation ^(c)	31,860	31,860	-
Expenses not requiring appropriation in the Budget year ^(d)	864	864	-
Total for Program 4.1	24,106,236	24,170,122	63,886
Program 4.2: Hearing Services			
Administered expenses			
Ordinary annual services ^(a)	538,662	542,504	3,842
Departmental expenses			
Departmental appropriation ^(c)	7,437	7,437	-
Expenses not requiring appropriation in the Budget year ^(d)	2,000	2,000	-
Total for Program 4.2	548,099	551,941	3,842
Program 4.3: Pharmaceutical Benefits ^(e)			
Administered expenses			
Ordinary annual services ^(a)	814,229	931,582	117,353
Special account			
Medicare Guarantee Fund			
- pharmaceutical benefits	11,296,337	11,787,211	490,874
accrual adjustment ^(b)	(22,937)	(11,271)	11,666
Departmental expenses			
Departmental appropriation ^(c)	52,462	52,462	-
Expenses not requiring appropriation in the Budget year ^(d)	2,133	2,133	-
Total for Program 4.3	12,142,224	12,762,117	619,893

Table 2.4.1: Resource Summary – Outcome 4 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 4.4: Private Health Insurance			
Administered expenses			
Ordinary annual services ^(a)	3,594	8,224	4,630
Special appropriations			
<i>Private Health Insurance Act 2007</i>			
- incentive payments and rebate	6,150,597	6,170,602	20,005
Departmental expenses			
Departmental appropriation ^(c)	13,556	13,556	-
Expenses not requiring appropriation in the Budget year ^(d)	272	272	-
Total for Program 4.4	6,168,019	6,192,654	24,635
Program 4.5: Medical Indemnity			
Administered expenses			
Ordinary annual services ^(a)	142	842	700
Special appropriations			
<i>Medical Indemnity Act 2002</i>	78,800	78,800	-
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	2,406	2,406	-
Departmental expenses			
Departmental appropriation ^(c)	1,883	1,883	-
Expenses not requiring appropriation in the Budget year ^(d)	43	43	-
Total for Program 4.5	83,274	83,974	700
Program 4.6: Dental Services ^(e)			
Administered expenses			
Ordinary annual services ^(a)	-	-	-
Special appropriations			
<i>Dental Benefits Act 2008</i>	321,236	345,112	23,876
Departmental expenses			
Departmental appropriation ^(c)	2,684	2,684	-
Expenses not requiring appropriation in the Budget year ^(d)	54	54	-
Total for Program 4.6	323,974	347,850	23,876

Table 2.4.1: Resource Summary – Outcome 4 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 4.7: Health Benefit Compliance			
Administered expenses			
Ordinary annual services ^(a)	12,090	15,800	3,710
Departmental expenses			
Departmental appropriation ^(c)	71,060	71,060	-
Expenses not requiring appropriation in the Budget year ^(d)	1,736	1,736	-
Total for Program 4.7	84,886	88,596	3,710
Program 4.8: Targeted Assistance - Aids and Appliances			
Administered expenses			
Ordinary annual services ^(a)	13,506	1,592	(11,914)
Special appropriations			
<i>National Health Act 1953 - aids and appliances</i>	356,371	374,931	18,560
Departmental expenses			
Departmental appropriation ^(c)	4,651	4,651	-
Expenses not requiring appropriation in the Budget year ^(d)	116	116	-
Total for Program 4.8	374,644	381,290	6,646
Outcome 4 totals by appropriation type			
Administered expenses			
Ordinary annual services ^(a)	1,489,935	1,618,179	128,244
Special appropriations	6,909,410	6,971,851	62,441
Special account	35,267,191	35,851,996	584,805
accrual adjustment ^(b)	(27,991)	(56,293)	(28,302)
Departmental expenses			
Departmental appropriation ^(c)	185,593	185,593	-
Expenses not requiring appropriation in the Budget year ^(d)	7,218	7,218	-
Total expenses for Outcome 4	43,831,356	44,578,544	747,188
	2018-19 Budget	2018-19 Revised	
Average staffing level (number)	990	990	

^(a) Appropriation Bill (No. 1 & 3) 2018-19.

^(b) The difference between cash payments from the Medicare Guarantee Fund special account and accrual expenses.

^(c) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) 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) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2018-19 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2018-19 Mid-Year Economic Fiscal Outlook*.

Table 2.4.2: Variations Table – Outcome 4

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 4.1: Medical Benefits				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Medical Treatment Overseas - variation to reflect demand	9,923	5,150	-	-
Price parameter adjustments ^(a)	-	-	2	5
	9,923	5,150	2	5
Program 4.2: Hearing Services				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Community Service Obligations - variation to reflect demand	-	576	(71)	236
Hearing Services Voucher Program - variation to reflect demand	3,850	4,395	1,054	8,574
Enhanced Residency Requirement for Pensioners - impact on hearing services	(8)	(61)	(114)	(157)
	3,842	4,910	869	8,653

Table 2.4.2: Variations Table – Outcome 4 (continued)

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 4.3: Pharmaceutical Benefits				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Guaranteeing Medicare - strengthening primary care	(4,838)	(4,420)	(133)	-
Measure - Improving Access to Medicines - Life Saving Drugs Program - new listing	385	815	812	676
Measure - Improving Access to Medicines - streamlined listings	817	3,493	3,840	3,655
Measure - Improving Access to Medicines - Pharmaceutical Benefits Scheme Payment Arrangements - implementation funding	17,000	4,829	2,614	2,679
Electronic Recording and reporting of controlled drugs - reprofile of funding	9,340	-	-	-
e-prescribing - reprofile of funding	3,698	-	-	-
Pharmacy Trial Program - reprofile of funding	21,084	-	-	-
Pharmacy Programs - reprofile of funding	65,856	-	-	-
Life Saving Dugs Program - variation to reflect demand	7,721	-	-	-
Strengthening Compliance - reallocation to Program 4.7	(3,710)	-	-	-
Price parameter adjustments ^(a)	-	(1,711)	(1,350)	(1,404)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Improving Access to Medicines - streamlined listings	-	6,513	10,867	11,149
	117,353	9,519	16,650	16,755

Table 2.4.2: Variations Table – Outcome 4 (continued)

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 4.4: Private Health Insurance				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Private Health Insurance Reforms - information campaign	4,510	490	-	-
Private Health Insurance Complaints Levy - variation to reflect demand	120	13	8	(13)
	4,630	503	8	(13)
Program 4.5: Medical Indemnity				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Guaranteeing Medicare - strengthening primary care	700	482	240	240
	700	482	240	240
Program 4.7: Health Benefit Compliance				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Strengthening Compliance - reallocation from Program 4.3	3,710	-	-	-
	3,710	-	-	-
Program 4.8: Targeted Assistance - Aids and Appliances				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Changes to the National Diabetes Services Scheme and the Continuous Glucose Monitoring Program	(11,914)	(13,080)	(14,296)	(14,296)
	(11,914)	(13,080)	(14,296)	(14,296)

^(a) See explanation in Portfolio Glossary.

Table 2.4.3: Program Expenses Table – Outcome 4

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 4.1: Medical Benefits					
Administered expenses					
Ordinary annual services	100,301	117,635	111,073	103,222	100,215
Special account					
Medicare Guarantee Fund - medical benefits	22,807,734	24,064,785	25,453,585	26,883,971	28,233,999
accrual adjustment ^(a)	395,410	(45,022)	3,057	4,173	4,410
Program support	32,920	32,724	31,376	25,085	24,421
Total for Program 4.1	23,336,365	24,170,122	25,599,091	27,016,451	28,363,045
Program 4.2: Hearing Services					
Administered expenses					
Ordinary annual services	518,467	542,504	574,544	596,260	611,688
Program support	9,062	9,437	9,239	9,265	9,419
Total for Program 4.2	527,529	551,941	583,783	605,525	621,107
Program 4.3: Pharmaceutical Benefits					
Administered expenses					
Ordinary annual services	719,268	931,582	814,539	596,285	596,862
Special account					
Medicare Guarantee Fund - pharmaceutical benefits ^(b)	11,434,595	11,787,211	11,242,039	9,504,537	9,392,910
accrual adjustment ^(a)	255,629	(11,271)	56,409	(5,956)	5,651
Program support	59,642	54,595	54,016	56,519	57,076
Total for Program 4.3	12,469,134	12,762,117	12,167,003	10,151,385	10,052,499

Table 2.4.3: Program Expenses Table – Outcome 4 (continued)

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 4.4: Private Health Insurance					
Administered expenses					
Ordinary annual services	2,315	8,224	3,145	2,652	2,625
Special appropriations					
<i>Private Health Insurance Act 2007</i> - incentive payments and rebate	6,010,185	6,170,602	6,312,805	6,426,062	6,604,132
Program support	11,903	13,828	13,704	13,679	13,842
Total for Program 4.4	6,024,403	6,192,654	6,329,654	6,442,393	6,620,599
Program 4.5: Medical Indemnity					
Administered expenses					
Ordinary annual services	221	842	624	382	382
Special appropriations					
<i>Medical Indemnity Act 2002</i>	79,306	78,800	81,527	83,003	87,191
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	-	2,406	2,942	3,557	4,251
Program support	2,009	1,926	1,906	1,902	1,928
Total for Program 4.5	81,536	83,974	86,999	88,844	93,752
Program 4.6: Dental Services					
Administered expenses					
Ordinary annual services	-	-	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	333,927	345,112	346,292	340,908	345,202
Program support	1,912	2,738	2,718	2,712	2,744
Total for Program 4.6	335,839	347,850	349,010	343,620	347,946

Table 2.4.3: Program Expenses Table – Outcome 4 (continued)

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 4.7: Health Benefit Compliance					
Administered expenses					
Ordinary annual services	15,416	15,800	12,000	12,000	12,000
Program support	62,099	72,796	72,632	71,782	68,867
Total for Program 4.7	77,515	88,596	84,632	83,782	80,867
Program 4.8: Targeted Assistance - Aids and Appliances					
Administered expenses					
Ordinary annual services	14,696	1,592	1,592	1,592	1,592
Special appropriations					
<i>National Health Act 1953</i>					
- aids and appliances	351,420	374,931	384,224	393,222	407,613
Program support	5,001	4,767	4,714	4,703	4,772
Total for Program 4.8	371,117	381,290	390,530	399,517	413,977

(a) The difference between cash payments from the Medicare Guarantee Fund special account and accrual expenses.

(b) The reduction in PBS expenditure over the forward estimates is largely due to the impact of the Government's decision to improve the payment administration for high-cost medicines. This will see a reduction in revenue rebates for high-cost medicines with special pricing arrangements, which reduces PBS revenues and expenses by a corresponding amount. There is no reduction in the Government's overall investment in the PBS as a result of these changes.

Planned Performance for Outcome 4

There have been no changes to performance information for Outcome 4 since the 2018-19 Budget that require new or modified performance criteria. Refer to the *2018-19 Health Portfolio Budget Statements* for current performance information.

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

Table 2.5.1: Resources Summary – Outcome 5

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

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 5.1: Protect the Health and Safety of the Community Through Regulation			
Administered expenses			
Ordinary annual services ^(a)	-	-	-
Departmental expenses			
Departmental appropriation ^(b) to special accounts	15,332 (10,094)	17,171 (10,094)	1,839 -
Expenses not requiring appropriation in the Budget year ^(c)	124	124	-
Special accounts			
OGTR Special Account ^(d)	7,638	7,638	-
NICNAS Special Account ^(e)	18,051	19,124	1,073
TGA Special Account ^(f)	154,601	154,601	-
Expense adjustment ^(g)	2,720	2,147	(573)
Total for Program 5.1	188,372	190,711	2,339
Program 5.2: Health Protection and Emergency Response ^(h)			
Administered expenses			
Ordinary annual services ^(a)	94,803	97,739	2,936
Non cash expenses ⁽ⁱ⁾	23,616	23,508	(108)
Special accounts			
Human Pituitary Hormones - s78 PGPA Act	170	170	-
Departmental expenses			
Departmental appropriation ^(b)	25,488	25,488	-
Expenses not requiring appropriation in the Budget year ^(c)	798	798	-
Total for Program 5.2	144,875	147,703	2,828

Table 2.5.1: Resources Summary – Outcome 5 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 5.3: Immunisation ^(h)			
Administered expenses			
Ordinary annual services ^(a)	29,826	36,169	6,343
to Australian Immunisation Register Special Account	(7,133)	(7,133)	-
Special accounts			
Australian Immunisation Register - s78 PGPA Act	9,820	9,820	-
Special appropriations			
<i>National Health Act 1943</i> - essential vaccines	380,960	392,927	11,967
Departmental expenses			
Departmental appropriation ^(b)	8,883	8,883	-
Expenses not requiring appropriation in the Budget year ^(c)	244	244	-
Total for Program 5.3	422,600	440,910	18,310
Outcome 5 totals by appropriation type			
Administered expenses			
Ordinary annual services ^(a)	124,629	133,908	9,279
to Special accounts	(7,133)	(7,133)	-
Non cash expenses ⁽ⁱ⁾	23,616	23,508	(108)
Special accounts	9,990	9,990	-
Special appropriations	380,960	392,927	11,967
Departmental expenses			
Departmental appropriation ^(b)	49,703	51,542	1,839
to special accounts	(10,094)	(10,094)	-
Expenses not requiring appropriation in the Budget year ^(c)	1,166	1,166	-
Special accounts	183,010	183,510	500
Total expenses for Outcome 5	755,847	779,324	23,477
	2018-19 Budget	2018-19 Revised	
Average staffing level (number)	937	937	
<p>^(a) Appropriation (Bill No. 1 & 3) 2018-19.</p> <p>^(b) Departmental appropriation combines 'Ordinary annual services' (Appropriation Bill No. 1 & 3) and 'Revenue from independent sources' (s74).</p> <p>^(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation, expense, makegood expense and audit fees.</p> <p>^(d) Office of the Gene Technology Regulator (OGTR) Special Account.</p> <p>^(e) National Industrial Chemicals Notification and Assessment Scheme (NICNAS) Special Account.</p> <p>^(f) Therapeutic Goods Administration (TGA) Special Account.</p> <p>^(g) Special accounts are reported on a cash basis. This adjustment reflects the differences between expense and cash.</p> <p>^(h) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the <i>2018-19 Health Portfolio Budget Statements</i> under each program, for updated estimates refer to the <i>2018-19 Mid-Year Economic Fiscal Outlook</i>.</p> <p>⁽ⁱ⁾ 'Non cash expenses' relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.</p>			

Table 2.5.2: Variations Table – Outcome 5

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 5.1: Protect the Health and Safety of the Community Through Regulation				
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Medicinal Cannabis Scheme	1,839	2,543	-	-
	1,839	2,543	-	-
Program 5.2: Health Protection and Emergency Response				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Voluntary Blood Testing Program - reprofile of funding	2,936	(529)	(223)	-
Price parameter adjustments ^(a)	-	91	174	179
	2,936	(438)	(49)	179
Program 5.3: Immunisation				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Improving Access to Medicines - National Immunisation Program - new listings	6,343	2,308	1,099	857
Measure - Improving Access to Medicines - streamlined listings	-	15	49	-
Price parameter adjustments ^(a)	-	29	51	51
	6,343	2,352	1,199	908

^(a) See explanation in Portfolio Glossary.

Table 2.5.3: Program Expenses Table – Outcome 5

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 5.1: Protect the Health and Safety of the Community through Regulation					
Administered expenses					
Ordinary annual services	109	-	-	-	-
Program support	15,383	17,295	16,133	14,010	13,318
to Special Accounts	(10,305)	(10,094)	(8,320)	(8,382)	(8,431)
Special Accounts					
OGTR Special Account	7,534	7,638	7,646	7,694	7,747
NICNAS Special Account	17,907	19,124	15,480	15,480	15,480
TGA Special Account	142,280	154,601	156,929	159,120	162,515
Expense adjustment	4,648	2,147	6,159	7,179	6,799
Total for Program 5.1	177,556	190,711	194,027	195,101	197,428
Program 5.2: Health Protection and Emergency Response					
Administered expenses					
Ordinary annual services	85,992	97,739	92,035	88,464	90,342
Non cash expenses	24,422	23,508	12,412	4,831	4,717
Special Accounts					
Human Pituitary Hormones Special Account - s78 PGPA Act	115	170	170	170	170
Program support	26,151	26,286	25,957	25,895	26,317
Total for Program 5.2	136,680	147,703	130,574	119,360	121,546
Program 5.3: Immunisation					
Administered expenses					
Ordinary annual services	34,565	36,169	29,914	27,158	27,191
to Australian Immunisation Register Special Account	(3,222)	(7,133)	(7,133)	(7,133)	(7,133)
Special Accounts					
Australian Immunisation Register Special Account s78 PGPA Act	9,895	9,820	9,820	9,820	9,820
Special appropriations					
<i>National Health Act 1953</i> - essential vaccines	344,427	392,927	392,872	386,776	386,309
Program support	9,426	9,127	9,014	8,991	9,137
Total for Program 5.3	395,091	440,910	434,487	425,612	425,324

Planned Performance for Outcome 5

There have been no changes to performance information for Outcome 5 since the 2018-19 Budget that require new or modified performance criteria. Refer to the *2018-19 Health Portfolio Budget Statements* for current performance information.

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

Table 2.6.1: Resource Summary – Outcome 6

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

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 6.1: Access and Information			
Administered expenses			
Ordinary annual services ^(a)	273,420	233,536	(39,884)
Departmental expenses			
Departmental appropriation ^(b)	44,856	80,982	36,126
Expenses not requiring appropriation in the Budget year ^(c)	1,196	1,196	-
Total for Program 6.1	319,472	315,714	(3,758)
Program 6.2: Aged Care Services ^(d)			
Administered expenses			
Ordinary annual services ^{(a)(e)}	3,213,497	3,341,647	128,150
Zero Real Interest Loans			
- appropriation	27,960	27,960	-
- expense adjustment ^(f)	(18,656)	(18,656)	-
Special appropriations			
<i>Aged Care Act 1997</i> - flexible care	493,226	493,809	583
<i>Aged Care Act 1997</i> - residential and home care	14,295,623	14,740,482	444,859
<i>National Health Act 1953</i> - continence aids payments	85,116	90,812	5,696
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	-	-	-
Departmental expenses			
Departmental appropriation ^(b)	85,069	72,771	(12,298)
Expenses not requiring appropriation in the Budget year ^(c)	2,217	2,217	-
Total for Program 6.2	18,184,052	18,751,042	566,990

Table 2.6.1: Resource Summary – Outcome 6 (continued)

	2018-19 Budget \$'000	2018-19 Revised \$'000	Variation to estimates \$'000
Program 6.3: Aged Care Quality			
Administered expenses			
Ordinary annual services ^(a)	160,475	165,131	4,656
Departmental expenses			
Departmental appropriation ^(b)	50,877	48,513	(2,364)
Expenses not requiring appropriation in the Budget year ^(c)	1,405	1,405	-
Total for Program 6.3	212,757	215,049	2,292
Outcome 6 totals by appropriation type			
Administered expenses			
Ordinary annual services ^(a)	3,675,352	3,768,274	92,922
- expense adjustment ^(f)	(18,656)	(18,656)	-
Special appropriations	14,873,965	15,325,103	451,138
Departmental expenses			
Departmental appropriation ^(b)	180,802	202,266	21,464
Expenses not requiring appropriation in the Budget year ^(c)	4,818	4,818	-
Total expenses for Outcome 6	18,716,281	19,281,805	565,524
	2018-19 Budget	2018-19 Revised	
Average staffing level (number)	1,001	794	

^(a) Appropriation (Bill No. 1 & 3) 2018-19.

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

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

^(d) Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations Framework. National Partnerships are listed in Section 2 of the *2018-19 Health Portfolio Budget Statements* under each program, for updated estimates refer to the *2018-19 Mid-Year Economic and Fiscal Outlook*.

^(e) 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.

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

Table 2.6.2: Variations Table – Outcome 6

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 6.1: Access and Information				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - More Choices for a Longer Life - healthy ageing and high quality care	197	4,108	-	-
Aged Care Systems - reallocation to departmental	(40,081)			
Price parameter adjustments ^(a)	-	237	436	442
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Aged Care Systems - reallocation from administered	40,081	-	-	-
Transfer to the Aged Care Quality and Safety Commission – compliance function ^(b)	(3,955)	(8,977)	(10,105)	(10,164)
	(3,758)	(4,632)	(9,669)	(9,722)
Program 6.2: Aged Care Services				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Strengthening Aged Care - improved access and compliance	(3,820)	(4,520)	(10,664)	(26,427)
Measure - Strengthening Aged Care - more places, lower fees, better access	700	2,504	2,530	2,555
Commonwealth Continuity of Support Program - reprofile of funding	131,270	-	-	-
Zero Real Interest Loans - reprofile of funding	-	4,870	-	-
Price parameter adjustments ^(a) and prior period corrections	-	551	828	(50,781)
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - More Choices for a Longer Life - healthy ageing and high quality care	1,279	902	-	-
Measure - Strengthening Aged Care - improved access and compliance	333	84	303	79
Transfer to Department of Social Services for grants administration ^(b)	(13,910)	(16,881)	(17,009)	(17,022)
	115,852	(12,490)	(24,012)	(91,596)

Table 2.6.2: Variations Table – Outcome 6 (continued)

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 6.3: Aged Care Quality				
Changes to administered appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - More Choices for a Longer Life - healthy ageing and high quality care	2,648	5,647	1,400	-
Measure - Strengthening Aged Care - improved access and compliance	342	250	-	-
Aged Care Infrastructure Investment - reprofile of funding	30,000	-	(15,000)	(15,000)
Aged Care Quality Fund - reprofile of funding and transfer to special appropriation ^(b)	(25,000)	(25,000)	-	-
Aged Care Systems - reallocation to departmental	(3,334)	-	-	-
Price parameter adjustments ^(a)	-	151	273	272
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - More Choices for a Longer Life - healthy ageing and high quality care	501	695	-	-
Measure - Strengthening Aged Care - improved access and compliance	1,309	1,101	-	-
Measure - Royal Commission into Aged Care Quality and Safety	6,020	2,717	-	-
Aged Care Systems - reallocation from administered	3,334	-	-	-
Transfer to the Aged Care Quality and Safety Commission – compliance function ^(b)	(7,345)	(16,669)	(18,765)	(18,873)
Transfer to the Department of Social Services - grants administration ^(b)	(6,183)	(7,502)	(7,560)	(7,565)
	2,292	(38,610)	(39,652)	(41,166)

^(a) See explanation in Portfolio Glossary.

^(b) Transfer under Section 75 of the PGPA Act.

Table 2.6.3: Program Expenses Table – Outcome 6

	2017-18 Actual ^(a)	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 6.1: Access and Information					
Administered expenses					
Ordinary annual services	206,229	233,536	244,743	221,344	224,633
Program support	45,141	82,178	36,107	34,699	35,354
Total for Program 6.1	251,370	315,714	280,850	256,043	259,987
Program 6.2: Aged Care Services					
Administered expenses					
Ordinary annual services	2,510,607	3,341,647	3,360,909	3,382,557	3,529,319
Zero Real Interest Loans					
- appropriation	29,451	27,960	22,586	-	-
- expense adjustment	(26,480)	(18,656)	(15,128)	-	-
Special appropriations					
<i>Aged Care Act 1997</i>					
- flexible care	454,371	493,809	547,776	597,879	653,964
<i>Aged Care Act 1997</i>					
- residential and home care	13,251,333	14,740,482	15,891,295	16,769,348	17,893,795
<i>National Health Act 1953</i>					
- continence aids payments	90,409	90,812	75,224	77,281	80,839
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	83	-	-	-	-
Program support	77,703	74,988	67,926	66,089	64,121
Total for Program 6.2	16,387,477	18,751,042	19,950,588	20,893,154	22,222,038
Program 6.3: Aged Care Quality					
Administered expenses					
Ordinary annual services	117,942	165,131	134,057	124,750	123,064
Program support	54,122	49,918	31,778	24,888	25,604
Total for Program 6.3	172,064	215,049	165,835	149,638	148,668

^(a) Outcome 6, Ageing and Aged Care, was subject to a program restructure effective 1 July 2018. The 2017-18 is presented on the new Program basis.

Planned Performance for Outcome 6

There have been no changes to performance information for Outcome 6 since the 2018-19 Budget that require new or modified performance criteria. Refer to the *2018-19 Health Portfolio Budget Statements* for current performance information.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of Special Accounts Flows

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

3.1.1 Estimates of Special Account Flows and Balances

		Opening balance 2018-19 <i>2017-18</i>	Other receipts 2018-19 <i>2017-18</i>	Appropriation receipts 2018-19 <i>2017-18</i>	Payments 2018-19 <i>2017-18</i>	Closing balance 2018-19 <i>2017-18</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental						
National Industrial Chemicals Notification and Assessment Scheme	5	17,398 <i>18,055</i>	16,700 <i>16,928</i>	331 <i>322</i>	19,124 <i>17,907</i>	15,305 <i>17,398</i>
Office of Gene Technology Regulator	5	8,412 <i>8,259</i>	132 <i>143</i>	7,506 <i>7,544</i>	7,638 <i>7,534</i>	8,412 <i>8,412</i>
Therapeutic Goods Administration	5	73,327 <i>62,605</i>	156,584 <i>150,563</i>	2,257 <i>2,439</i>	154,601 <i>142,280</i>	77,567 <i>73,327</i>
Total Departmental						
2018-19 estimate		99,137	173,416	10,094	181,363	101,284
<i>2017-18 actual</i>		<i>88,919</i>	<i>167,634</i>	<i>10,305</i>	<i>167,721</i>	<i>99,137</i>
Administered						
Australian Immunisation Register	5	1,957 <i>4,616</i>	3,853 <i>4,014</i>	7,133 <i>3,222</i>	9,820 <i>9,895</i>	3,123 <i>1,957</i>
Human Pituitary Hormones	5	2,256 <i>2,371</i>	- <i>-</i>	- <i>-</i>	170 <i>115</i>	2,086 <i>2,256</i>
Medical Research Future Fund	1	16,594 <i>47,916</i>	214,913 <i>-</i>	- <i>-</i>	222,383 <i>31,322</i>	9,224 <i>16,594</i>
Medicare Guarantee Fund	4	532,564 <i>-</i>	35,319,431 <i>34,774,894</i>	- <i>-</i>	35,851,995 <i>34,242,330</i>	- <i>532,564</i>
Sport and Recreation	3	517 <i>596</i>	407 <i>325</i>	- <i>-</i>	407 <i>404</i>	517 <i>517</i>
Total Administered						
2018-19 estimate		553,888	35,538,604	7,133	36,084,775	14,950
<i>2017-18 actual</i>		<i>55,499</i>	<i>34,779,233</i>	<i>3,222</i>	<i>34,284,066</i>	<i>553,888</i>
Special Public Money						
Services for Other Entities and Trust Moneys	various	17,376 <i>19,135</i>	3,634 <i>7,555</i>	1,110 <i>12,447</i>	7,054 <i>21,761</i>	15,066 <i>17,376</i>
Total Special Accounts						
2018-19 estimate		670,401	35,715,654	18,337	36,273,192	131,300
<i>2017-18 actual</i>		<i>163,553</i>	<i>34,954,422</i>	<i>25,974</i>	<i>34,473,548</i>	<i>670,401</i>

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

Departmental

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

Comprehensive Income Statement

Measures affecting the departmental appropriations are provided in Table 1.2 and other variations since the 2018-19 Budget are provided in the variation tables for each outcome.

Reductions in revenue and expenses from 2019-20 onwards reflect the full year effect of the transfer of the Health grants administration function to the Community Grants Hub in the Department of Social Services, effective from 1 September 2018.

Balance Sheet

Accumulated deficits steadily increase over the forward estimates due to the Net Cash Appropriation Arrangements, under which Government no longer funds agencies for depreciation / amortisation expenses, but provides for a separate capital budget through equity appropriations.

Cash Flow

Cash flows are consistent with projected income and expenses, appropriations from Government, and expenditure on property, plant and equipment, and intangibles.

Administered

Schedule of Budgeted Income and Expenses

Revenue estimates include levies for the 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.

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 2018-19 to provide for replenishment of the National Medical Stockpile, and \$95 million has been re-appropriated from 2015-16 to provide for investments for the Biomedical Translation Fund.

Cash Flows

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

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	511,041	508,382	493,034	492,557	503,173
Supplier expenses	294,477	351,269	282,021	265,104	255,590
Depreciation and amortisation	30,474	34,174	33,587	34,624	35,563
Write-down and impairment of assets	3,131	-	-	-	-
Other expenses	1,122	2,500	2,500	2,500	2,500
Total expenses	840,245	896,325	811,142	794,785	796,826
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	182,761	192,664	195,779	198,960	202,204
Interest	-	-	1,754	1,754	1,754
Other revenue	2,675	2,505	2,507	2,523	2,298
Total revenue	185,436	195,169	200,040	203,237	206,256
Gains					
Other	955	-	-	-	-
Total gains	955	-	-	-	-
Total own-source income	186,391	195,169	200,040	203,237	206,256
Net cost of (contribution by) services	653,854	701,156	611,102	591,548	590,570
Revenue from Government	658,441	676,863	588,324	568,153	566,656
Surplus (Deficit)	4,587	(24,293)	(22,778)	(23,395)	(23,914)
Surplus (Deficit) attributable to the Australian Government	4,587	(24,293)	(22,778)	(23,395)	(23,914)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	2,541	-	-	-	-
Total other comprehensive income (loss)	2,541	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	7,128	(24,293)	(22,778)	(23,395)	(23,914)
Note: Reconciliation of comprehensive income attributable to the entity					
	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income (loss) attributable to the Australian Government	7,128	(24,293)	(22,778)	(23,395)	(23,914)
plus non-appropriated expenses including depreciation and amortisation expenses	23,120	24,293	22,778	23,395	23,914
Total comprehensive income (loss) attributable to the agency	30,248	-	-	-	-

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	100,591	102,738	108,897	116,076	122,875
Receivables	71,763	49,292	45,652	46,656	45,816
Other	5,431	5,431	5,431	5,431	5,431
Total financial assets	177,785	157,461	159,980	168,163	174,122
Non-financial assets					
Land and buildings	55,067	51,037	46,641	42,519	38,221
Property, plant and equipment	6,210	8,796	10,043	9,304	9,378
Intangibles	117,899	130,148	131,300	121,238	112,643
Other	24,812	25,317	25,821	26,326	26,830
Total non-financial assets	203,988	215,298	213,805	199,387	187,072
Total assets	381,773	372,759	373,785	367,550	361,194
LIABILITIES					
Payables					
Suppliers	73,498	74,506	77,545	79,615	82,694
Other payables	48,536	43,798	41,200	41,359	39,724
Total payables	122,034	118,304	118,745	120,974	122,418
Provisions					
Employees	149,066	136,977	139,326	141,722	144,166
Other provisions	30,348	29,492	27,302	24,186	19,962
Total provisions	179,414	166,469	166,628	165,908	164,128
Total liabilities	301,448	284,773	285,373	286,882	286,546
Net Assets	80,325	87,986	88,412	80,668	74,648
EQUITY					
Contributed equity	271,086	303,040	326,244	341,895	359,789
Reserves	37,746	37,746	37,746	37,746	37,746
Accumulated deficits	(228,507)	(252,800)	(275,578)	(298,973)	(322,887)
Total equity	80,325	87,986	88,412	80,668	74,648

Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2018-19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(228,507)	37,746	271,086	80,325
Surplus (deficit) for the period	(24,293)	-	-	(24,293)
Equity injection - appropriations	-	-	19,246	19,246
Departmental capital budget	-	-	12,708	12,708
Changes to asset revaluation reserve	-	-	-	-
Estimated closing balance as at 30 June 2019				
	(252,800)	37,746	303,040	87,986

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	181,068	192,382	195,492	198,667	201,905
Appropriations	746,701	763,731	654,251	629,442	629,795
Interest	-	-	1,754	1,754	1,754
Net GST received	25,797	20,570	20,000	20,000	20,000
Other cash received	-	1,635	1,637	1,653	1,428
Total cash received	953,566	978,318	873,134	851,516	854,882
Cash used					
Employees	515,999	520,391	488,560	485,936	498,556
Suppliers	281,866	349,896	278,616	262,669	252,145
Net GST paid	25,529	20,570	20,000	20,000	20,000
Cash to the Official Public Account	107,463	64,192	62,000	62,000	62,000
Other	1,123	8,097	9,413	9,682	10,532
Total cash used	931,980	963,146	858,589	840,287	843,233
Net cash from (or used by) operating activities	21,586	15,172	14,545	11,229	11,649
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
Total cash received	1	-	-	-	-
Cash used					
Purchase of property, plant and equipment	30,856	44,979	31,590	19,701	22,744
Total cash used	30,856	44,979	31,590	19,701	22,744
Net cash from (or used by) investing activities	(30,855)	(44,979)	(31,590)	(19,701)	(22,744)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	3,146	31,954	23,204	15,651	17,894
Appropriations - Departmental Capital Budget	10,992	-	-	-	-
Total cash received	14,138	31,954	23,204	15,651	17,894
Net cash from (or used by) financing activities	14,138	31,954	23,204	15,651	17,894
Net increase (or decrease) in cash held	4,869	2,147	6,159	7,179	6,799
Cash and cash equivalents at the beginning of the reporting period	95,722	100,591	102,738	108,897	116,076
Cash and cash equivalents at the end of the reporting period	100,591	102,738	108,897	116,076	122,875

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	7,422	19,246	7,734	3,932	3,155
Capital budget - Bill 1 (DCB)	11,095	12,708	15,470	11,719	14,739
Total capital appropriations	18,517	31,954	23,204	15,651	17,894
Total new capital appropriations represented by:					
Purchase of non-financial assets	18,517	31,954	23,204	15,651	17,894
Total items	18,517	31,954	23,204	15,651	17,894
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	5,663	24,041	10,970	3,932	3,155
Funded by capital appropriation - DCB ^(b)	13,467	13,204	15,970	11,719	14,739
Funded internally from departmental resources	11,052	7,734	4,650	4,050	4,850
Funded by finance leases	-	-	-	-	-
Total acquisitions of non-financial assets	30,182	44,979	31,590	19,701	22,744

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

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

Table 3.2.6: Statement of Asset Movements (Budget year 2018-19)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	56,167	6,426	249,996	312,589
Accumulated depreciation/amortisation and impairment	(1,100)	(216)	(132,097)	(133,413)
Opening net book balance	55,067	6,210	117,899	179,176
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	4,350	229	23,812	24,041
By purchase - appropriation ordinary annual services	-	4,469	4,885	13,204
By purchase - other	-	1,800	5,434	7,734
Total additions	4,350	6,498	34,131	44,979
Other movements				
Depreciation/amortisation expense	(8,380)	(1,898)	(23,896)	(34,174)
Transfer due to restructuring	-	-	-	-
Total other movements	(8,380)	(1,898)	(23,896)	(34,174)
As at 30 June 2019				
Gross book value	60,517	10,910	286,141	357,568
Accumulated depreciation/amortisation and impairment	(9,480)	(2,114)	(155,993)	(167,587)
Closing net book balance	51,037	8,796	130,148	189,981

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	999,016	1,035,242	739,161	739,161	739,161
Subsidies	11,762,424	13,068,964	13,933,711	14,561,391	15,499,611
Personal benefits	44,599,704	46,045,454	47,740,118	47,838,340	49,557,288
Grants	7,721,904	9,689,493	9,629,621	9,904,297	10,113,031
Write down and impairment of assets	26,564	23,508	12,412	4,831	4,717
Corporate Commonwealth entities	510,005	644,096	522,156	278,822	278,768
Other expenses	12,592	7,133	7,133	7,133	7,133
Total expenses administered on behalf of Government	65,632,209	70,513,890	72,584,312	73,333,975	76,199,709
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation revenue					
Other taxes	20,202	21,742	22,442	23,142	23,742
Total taxation revenue	20,202	21,742	22,442	23,142	23,742
Non-taxation revenue					
Interest	13,035	12,887	14,577	14,111	12,906
Special Account transfers	34,779,233	35,534,344	37,081,997	37,167,916	38,488,181
Recoveries	2,943,418	3,158,943	2,235,086	758,558	607,381
Other revenue	181,729	78,718	98,415	104,097	108,161
Total non-taxation revenue	37,917,415	38,784,892	39,430,075	38,044,682	39,216,629
Total own-source revenue administered on behalf of Government	37,937,617	38,806,634	39,452,517	38,067,824	39,240,371
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total revenue administered on behalf of Government	37,937,617	38,806,634	39,452,517	38,067,824	39,240,371

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	559,100	20,061	14,727	8,373	9,370
Receivables	2,124,453	1,917,276	1,884,735	1,276,265	1,279,274
Investments	482,642	616,173	636,573	636,926	636,926
Total financial assets	3,166,195	2,553,510	2,536,035	1,921,564	1,925,570
Non-financial assets					
Inventories	115,765	117,257	129,845	125,014	120,297
Total non-financial assets	115,765	117,257	129,845	125,014	120,297
Total assets administered on behalf of Government	3,281,960	2,670,767	2,665,880	2,046,578	2,045,867
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	35,635	35,635	35,635	35,635	35,635
Subsidies	105,740	99,722	99,722	99,722	99,722
Personal benefits	1,027,893	978,016	1,540,046	1,612,598	1,674,562
Grants	312,088	306,989	306,841	306,841	306,841
Total payables	1,481,356	1,420,362	1,982,244	2,054,796	2,116,760
Provisions					
Personal benefits	1,074,260	1,074,260	1,075,367	1,392,810	1,395,087
Subsidies	441,000	451,602	454,925	462,513	475,016
Total payables	1,515,260	1,525,862	1,530,292	1,855,323	1,870,103
Total liabilities administered on behalf of Government	2,996,616	2,946,224	3,512,536	3,910,119	3,986,863

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

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	7,453	8,565	8,171	7,333
Taxes	-	21,742	22,442	23,142	23,742
GST received	577,889	668,915	656,550	657,405	664,892
Special account receipts	34,779,233	35,534,344	37,081,997	37,031,394	38,272,860
Other receipts	2,647,626	3,442,475	2,358,066	1,448,300	691,117
Total cash received	38,004,748	39,674,929	40,127,620	39,168,412	39,659,944
Cash used					
Grants	8,285,896	10,354,178	10,278,617	10,561,708	10,777,923
Subsidies	11,712,886	13,064,380	13,930,388	14,553,803	15,487,108
Personal benefits	44,585,662	46,095,327	47,176,975	47,311,817	49,277,726
Suppliers	1,011,194	1,067,375	771,294	724,930	728,434
Corporate entities	510,005	644,096	522,156	278,822	278,768
Total cash used	66,105,643	71,225,356	72,679,430	73,431,080	76,549,959
Net cash from (or used by) operating activities	(28,100,895)	(31,550,427)	(32,551,810)	(34,262,668)	(36,890,015)
INVESTING ACTIVITIES					
Cash received					
Repayment of advances	32,649	26,318	29,116	28,765	26,989
Total cash used	32,649	26,318	29,116	28,765	26,989
Cash used					
Advances made	29,451	27,960	22,586	-	-
Corporate entities	54,533	38,398	20,400	353	-
Purchase of investments	15,409	95,133	-	-	-
Total cash used	99,393	161,491	42,986	353	-
Net cash from (or used by) investing activities	(66,744)	(135,173)	(13,870)	28,412	26,989
Net increase (or decrease) in cash held	(28,167,639)	(31,685,600)	(32,565,680)	(34,234,256)	(36,863,026)
Cash at beginning of reporting period	146,809	559,100	20,061	14,727	8,373
Cash from the OPA for:					
- appropriations	31,153,964	35,150,673	36,081,152	36,908,830	38,534,306
- special accounts	12,524	-	-	-	-
- capital injections	44,893	120,133	25,000	-	-
- Corporate entity capital	54,533	38,398	20,400	353	-
- GST appropriations	567,504	668,915	656,550	657,405	664,892
Cash to the OPA for:					
- return of GST	(573,724)	(668,915)	(656,550)	(657,405)	(664,892)
- other	(2,679,764)	(4,162,643)	(3,566,206)	(2,681,281)	(1,670,283)
Cash at end of reporting period	559,100	20,061	14,727	8,373	9,370

OPA = Official Public Account.

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward estimate	2020-21 Forward estimate	2021-22 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Administered assets	25,000	120,133	25,000	-	-
Total capital appropriations	25,000	120,133	25,000	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	25,000	25,000	25,000	-	-
Other	-	95,133	-	-	-
Total items	25,000	120,133	25,000	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	44,893	120,133	25,000	-	-
Total acquisition of non-financial assets	44,893	120,133	25,000	-	-

Table 3.2.11: Statement of Administered Asset Movements (Budget year 2018-19)

Table 3.2.11: Statement of Administered Asset Movements (Budget year 2018-19) is not applicable to the Department of Health in 2018-19.

AGED CARE QUALITY AND SAFETY COMMISSION

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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Aged Care Quality and Safety Commission (ACQSC) was established on 1 January 2019. The ACQSC works under the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act) and the Aged Care Quality and Safety Commission Rules 2018. The ACQSC is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*.

Key functions as set out in the ACQSC Act include:

- protecting and enhancing the safety, health, wellbeing and quality of life of aged care consumers;
- promoting the provision of quality care and services;
- consumer engagement functions;
- complaints functions;
- regulatory functions; and
- education functions.

The ACQSC replaces the Australian Aged Care Quality Agency and the Aged Care Complaints Commissioner. Combining these functions into one independent agency strengthens the focus on consumers, streamlines regulation, supports better engagement with consumers and providers, and promotes transparency. From January 2020, subject to legislative amendment, the ACQSC will incorporate the Department of Health's aged care compliance responsibilities.

The role of the ACQSC is to independently accredit, assess and monitor aged care services that are subsidised by the Australian Government. ACQSC also resolves complaints about these services. Through our engagement and education work we aim to build confidence and trust in aged care, empower consumers, advise providers on compliance with quality standards, and promote best practice service provision. The ACQSC will better target aged care services providing, or at greater risk of providing, care and services that do not comply with quality standards, and will be a single, trusted point of contact for aged care recipients, their families and loved ones, and aged care providers.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the ACQSC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2018-19 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: ACQSC Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019

	2017-18 Actual available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed Additional Estimates \$'000	2018-19 Total estimate at AEs \$'000
DEPARTMENTAL				
Prior year appropriation available	-	-	-	-
Annual appropriations				
Ordinary annual services ^(a)				
Departmental appropriation ^(b)	-	23,300	8,660	31,960
s74 retained revenue receipts ^(c)	-	-	-	-
Departmental capital budget ^(d)	-	-	-	-
Other services ^(e)				
Equity injection	-	-	-	-
Total departmental annual appropriations	-	23,300	8,660	31,960
Total resourcing for ACQSC	-	23,300	8,660	31,960
	Actual 2017-18			Revised 2018-19
Average staffing level (number)	n/a			205

All figures are GST exclusive.

- (a) Appropriation Bill (No. 1 & 3) 2018-19.
- (b) ACQSC was established as at 1 January 2019. Funding in 2018-19 reflects a part year effect as part of the transfer of functions from the Department of Health and the Australian Aged Care Quality Agency under section 75 of the PGPA Act.
- (c) Estimated retained revenue receipts under section 74 of the PGPA Act.
- (d) Departmental Capital Budgets 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'.
- (e) Appropriation Bill (No. 2 & 4) 2018-19.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2018-19 Budget.

Table 1.2: ACQSC 2018-19 Measures Since Budget

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
More Choices for a Longer Life - healthy ageing and high quality care ^(a)					
Aged Care Quality and Safety Commission					
	Departmental expenses	1.1	-	-	-
Total		-	-	-	-
Strengthening Aged Care - improved access and compliance					
Aged Care Quality and Safety Commission					
	Departmental expenses	1.1	816	3,336	4,279
Total		816	3,336	4,279	4,203

Other Portfolio Measures

Royal Commission into Aged Care Quality and Safety ^(b)

Attorney General's

Aged Care Quality and Safety Commission

	Departmental expenses	1.1	5,986	2,515	-	-
Total			5,986	2,515	-	-

^(a) This measure has been announced since MYEFO and will be included in the 2019-20 Budget Paper 2. Fiscal impacts are already included in the forward estimates.

^(b) The Aged Care Quality and Safety Commission is not the lead entity for this measure. ACQSC impacts only are shown in this table.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table details the changes to the resourcing for the ACQSC at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures since the 2018-19 Budget in Appropriation Bills No. 3 and No. 4.

Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the 2018-19 Budget

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 1.1: ACQSC - Departmental - Outcome 1				
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - More Choices for a Longer Life - healthy ageing and high quality care	1,858	2,317	691	683
Measure - Royal Commission into Aged Care Quality and Safety	5,986	2,515	-	-
Measure - Strengthening Aged Care - improved access and compliance	816	3,336	4,279	4,203
Transfer from the Department of Health ^(a)	11,300	25,646	28,870	29,037
Transfer from the Australian Aged Care Quality Agency ^(a)	12,000	-	-	-
Total	31,960	33,814	33,840	33,923

^(a) Transfer under section 75 of the PGPA Act.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.4: Appropriation Bill (No. 3) 2018-19

	2017-18 Available \$'000	2018-19 Budget ^(a) \$'000	2018-19 Revised \$'000	Additional estimates ^(a) \$'000	Reduced estimates \$'000
Departmental					
Outcome 1					
Protect and enhance the safety, health, wellbeing and quality of life of aged care consumers, including through effective engagement with them, regulation and education of Commonwealth-funded aged care service providers and resolution of aged care complaints	-	24,054	32,714	8,660	-
Total Appropriation Bill No. 3 departmental	-	24,054	32,714	8,660	-

^(a) ACQSC was established as at 1 January 2019. Funding in 2018-19 reflects a part year effect as part of the transfer of functions from the Department of Health and the Australian Aged Care Quality Agency under section 75 of the PGPA Act.

Table 1.5: Appropriation Bill (No. 4) 2018-19

Table 1.5: Appropriation Bill (No.4) 2018-19 is not applicable to ACQSC in 2018-19.

Section 2: Revisions to Outcomes and Planned Performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1

Protect and enhance the safety, health, wellbeing and quality of life of aged care consumers, including through effective engagement with them, regulation and education of Commonwealth-funded aged care service providers and resolution of aged care complaints

Budgeted Expenses for the ACQSC

Table 2.1.1: Budgeted Expenses and Resources for the ACQSC

	2017-18 Actual	2018-19 Revised Budget ^(a)	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
Program 1.1: ACQSC - Departmental - Outcome 1					
Departmental expenses					
Departmental appropriation ^(b)	-	31,960	72,959	86,142	86,254
Expenses not requiring appropriation in the budget year ^(c)	-	-	1,813	1,563	1,563
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	-	31,960	74,772	87,705	87,817
Total expenses for Outcome 1	-	31,960	74,772	87,705	87,817
	Actual	Revised			
	2017-18	2018-19			
Average staffing level (number)	n/a	205			

^(a) ACQSC was established as at 1 January 2019. Funding in 2018-19 reflects a part year effect as part of the transfer of functions from the Department of Health and the Australian Aged Care Quality Agency under section 75 of the PGPA Act.

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

^(c) 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 ACQSC

Performance information is currently being developed and will be published in the *2019-20 Health Portfolio Budget Statements*.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of Special Account Flows

The ACQSC does not manage any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

An analysis of the ACQSC budgeted financial statements for 2018-19 is provided below.

3.2.1 Analysis of Budgeted Financial Statements

Departmental

ACQSC became operational on 1 January 2019 following the announcement of its creation at the 2018-19 Budget.

The functions of the Australian Aged Care Quality Agency and the Aged Care Complaints function of the Department of Health were transferred to ACQSC.

3.2.2 Budgeted Financial Statements

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

	2017-18 Actual	2018-19 Revised Budget ^(a)	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	-	21,153	50,264	63,988	64,058
Supplier expenses	-	10,807	22,717	22,176	22,218
Depreciation and amortisation	-	-	1,775	1,525	1,525
Other expenses	-	-	16	16	16
Total expenses	-	31,960	74,772	87,705	87,817
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	7,754	30,242	30,242
Other revenue	-	-	-	-	-
Total revenue	-	-	7,754	30,242	30,242
Gains					
Other	-	-	38	38	38
Total gains	-	-	38	38	38
Total own-source income	-	-	7,792	30,280	30,280
Net cost of (contribution by) services	-	31,960	66,980	57,425	57,537
Revenue from Government	-	31,960	65,205	55,900	56,012
Surplus (Deficit)	-	-	(1,775)	(1,525)	(1,525)
Surplus (Deficit) attributable to the Australian Government	-	-	(1,775)	(1,525)	(1,525)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	(1,775)	(1,525)	(1,525)

Note: Reconciliation of comprehensive income attributable to the agency

	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Total comprehensive income (loss) attributable to the Australian Government	-	-	(1,775)	(1,525)	(1,525)
plus non-appropriated expenses depreciation and amortisation expenses	-	-	1,775	1,525	1,525
Total comprehensive income (loss) attributable to the agency	-	-	-	-	-

^(a) ACQSC was established as at 1 January 2019. Expenses and Revenue in 2018-19 reflects a part year effect as part of the transfer of functions from the Department of Health and the Australian Aged Care Quality Agency under section 75 of the PGPA Act.

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	-	1,001	1,023	1,039
Receivables	-	-	21,986	26,435	26,435
Other financial assets	-	-	-	-	-
Total financial assets	-	-	22,987	27,458	27,474
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	-	2,413	3,031	2,717
Intangibles	-	754	5,640	6,206	6,842
Inventories	-	-	-	-	-
Other	-	-	439	514	514
Total non-financial assets	-	754	8,492	9,751	10,073
Total assets	-	754	31,479	37,209	37,547
LIABILITIES					
Payables					
Suppliers	-	-	2,388	3,158	3,158
Other payables	-	-	1,603	5,558	5,558
Total payables	-	-	3,991	8,716	8,716
Provisions					
Employees	-	-	8,225	9,045	9,045
Other provisions	-	-	346	362	378
Total provisions	-	-	8,571	9,407	9,423
Total liabilities	-	-	12,562	18,123	18,139
Net assets	-	754	18,917	19,086	19,408
EQUITY					
Contributed equity	-	754	22,868	24,562	26,409
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	(3,951)	(5,476)	(7,001)
Total equity	-	754	18,917	19,086	19,408

Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2018-19)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	-	-	-	-
Surplus (deficit) for the period	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	754	754
Estimated closing balance as at 30 June 2019				
	-	-	754	754

DCB = Departmental Capital Budget.

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

	2017-18 Actual	2018-19 Revised Budget ^(a)	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	-	31,960	65,246	51,469	56,012
Goods and services	-	-	8,399	34,048	30,242
Net GST received	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	-	31,960	73,645	85,517	86,254
Cash used					
Employees	-	21,153	49,482	63,021	64,058
Suppliers	-	10,807	23,785	21,974	22,180
Other cash used	-	-	-	-	-
Total cash used	-	31,960	73,267	84,995	86,238
Net cash from (or used by) operating activities	-	-	378	522	16
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	754	2,238	2,194	1,847
Total cash used	-	754	2,238	2,194	1,847
Net cash from (or used by) investing activities	-	(754)	(2,238)	(2,194)	(1,847)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	754	1,694	1,694	1,847
Cash due to restructuring	-	-	1,167	-	-
Total cash received	-	754	2,861	1,694	1,847
Cash used					
Other financing activity	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	-	754	2,861	1,694	1,847
Net increase (or decrease) in cash held	-	-	1,001	22	16
Cash and cash equivalents at the beginning of the reporting period	-	-	-	1,001	1,023
Cash and cash equivalents at the end of the reporting period	-	-	1,001	1,023	1,039

^(a) ACQSC was established as at 1 January 2019. Cash flow in 2018-19 reflects a part year effect as part of the transfer of functions from the Department of Health and the Australian Aged Care Quality Agency under section 75 of the PGPA Act.

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

	2017-18 Actual \$'000	2018-19 Revised Budget ^(a) \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	754	1,694	1,694	1,847
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	754	1,694	1,694	1,847
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	754	1,694	1,694	1,847
Other items	-	-	-	-	-
Total items	-	754	1,694	1,694	1,847
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(b)	-	-	-	-	-
Funded by capital appropriation - DCB ^(c)	-	754	1,694	1,694	1,847
Funded internally from departmental resources	-	-	544	500	-
Total acquisitions of non-financial assets	-	754	2,238	2,194	1,847
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	754	2,238	2,194	1,847
Total cash used to acquire assets	-	754	2,238	2,194	1,847

^(a) ACQSC was established as at 1 January 2019. Funding in 2018-19 reflects a part year effect as part of the transfer of functions from the Department of Health and the Australian Aged Care Quality Agency under section 75 of the PGPA Act.

^(b) Includes both current Bill 2, prior Act 2/4/6 appropriations and special capital appropriations.

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

Table 3.2.6: Statement of Asset Movements (Budget year 2018-19)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - internally funded	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	754	754
Total additions	-	-	754	754
Other movements				
Depreciation/amortisation expense	-	-	-	-
Other movements	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2019				
Gross book value	-	-	754	754
Accumulated depreciation/ amortisation and impairment	-	-	-	-
Closing net book balance	-	-	754	754

AUSTRALIAN SPORTS COMMISSION

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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Sports Commission (ASC) is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. The ASC was established in 1985 and operates under the *Australian Sports Commission Act 1989*. The ASC is the Australian Government's leading sport agency, playing a central role in the development and operation of the Australian sport sector.

For more information about the ASC's current strategy and context, refer the ASC's current corporate plan and the *2018-19 Health Portfolio Budget Statements*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the ASC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2018-19 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: ASC Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019

	2017-18 Total available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed Additional Estimates \$'000	2018-19 Total estimate at AEs \$'000
Opening balance/cash reserves at 1 July ^{(a)(b)}	76,673	82,005	-	82,005
FUNDS FROM GOVERNMENT				
Annual appropriations				
Ordinary annual services ^(c)				
Outcome 1	267,904	313,479	60,867	374,346
Other services ^(d)				
Equity injection	1,069	856	-	856
Total annual appropriations	268,973	314,335	60,867	375,202
Total funds from Government	268,973	314,335	60,867	375,202
Funds from other sources				
Interest	2,742	2,000	-	2,000
Sale of goods and services	27,795	20,651	(358)	20,293
Other	3,234	65	-	65
Total funds from other sources	33,771	22,716	(358)	22,358
Total net resourcing for ASC	379,417	419,056	60,509	479,565
	Actual 2017-18			Revised 2018-19
Average staffing level (number)	494			491

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.

(a) Includes cash and investments.

(b) The estimate at Budget has been revised to reflect the ASC's 2017-18 Annual Report.

(c) Appropriation Bill (No. 1 & 3) 2018-19.

(d) Appropriation Bill (No. 2 & 4) 2018-19.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2018-19 Budget.

Table 1.2: ASC 2018-19 Measures Since Budget

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Sport 2030 - Australian Institute of Sport - development of a detailed business case					
Australian Sports Commission					
	Departmental expenses	1.1	1,963	-	-
Total expenses			1,963	-	-
Sport 2030 - Community Sport Infrastructure Program - additional funding					
Australian Sports Commission					
	Departmental expenses	1.1	30,300	-	-
Total expenses			30,300	-	-
Sport 2030 - high performance funding ^(a)					
Australian Sports Commission					
	Departmental expenses	1.1	-	-	-
Total expenses			-	-	-
Community Education and Events Centre in Tullamarine ^(b)					
Australian Sports Commission					
	Departmental expenses	1.1	-	-	-
Total expenses			-	-	-

^(a) Funding for this measure has already been provided for by the Government.

^(b) This measure has been announced since MYEFO and will be included in the 2019-20 Budget Paper 2. Fiscal impacts are already included in the forward estimates.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table details the changes to the resourcing for the ASC at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures since the 2018-19 Budget in Appropriation Bills No. 3 and No. 4.

Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the 2018-19 Budget

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 1.1: Australian Sports Commission				
Changes to departmental appropriations				
<i>Appropriation Bill No. 3 and No. 4</i>				
Measure - Sport 2030 - Australian Institute of Sport - development of a detailed business case	1,963	-	-	-
Measure - Sport 2030 - Community Sport Infrastructure Program - additional funding	30,300	-	-	-
Measure - Sport 2030 - high performance funding	25,104	25,456	88	97
Measure - Community Education and Events Centre in Tullamarine	3,500	5,500	3,000	-
Price parameter adjustments ^(a)	-	-	-	(210)
Total	60,867	30,956	3,088	(113)

^(a) See explanation glossary.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.4: Appropriation Bill (No. 3) 2018-19

	2017-18 Available \$'000	2018-19 Budget \$'000	2018-19 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Departmental					
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	267,904	313,479	374,346	60,867	-
Total Appropriation Bill No. 3 departmental	267,904	313,479	374,346	60,867	-

Table 1.5: Appropriation Bill (No. 4) 2018-19

	2017-18 Available \$'000	2018-19 Budget \$'000	2018-19 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Departmental					
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	1,069	856	856	-	-
Total Appropriation Bill No. 4 departmental	1,069	856	856	-	-

Section 2: Revisions to Outcomes and Planned Performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted Expenses for the ASC

Table 2.1.1: Budgeted Expenses and Resources for the ASC

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.1: Australian Sports Commission					
Revenue from Government					
Ordinary annual services ^(a)	267,904	374,346	289,438	229,005	228,499
Revenues from independent sources	31,130	22,703	22,287	22,033	22,028
Expenses not requiring appropriation in the Budget year ^(b)	15,149	9,846	8,958	8,958	8,958
Total for Program 1.1	314,183	406,895	320,683	259,996	259,485
Total expenses for Outcome 1	314,183	406,895	320,683	259,996	259,485
	Actual 2017-18	Revised 2018-19			
Average staffing level (number)	494	491			

^(a) Appropriation Bill (No. 1 & 3) 2018-19.

^(b) Expenses not requiring appropriation in the Budget year mainly consists of unfunded depreciation and amortisation expenses.

Planned Performance for the ASC

Table 2.1.2 below details the performance criteria for the program associated with Outcome 1. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2018-19 Budget. Refer page 277 of the 2018-19 Health Portfolio Budget Statements for all remaining unchanged performance criteria.

Table 2.1.2: Performance Criteria for the ASC

Purpose	
The ASC will contribute to improving the health and wellbeing of Australians and making communities stronger through sport and physical activity.	
Delivery	
More Australians move more often	
<ul style="list-style-type: none"> • Embed sport, physical activity and physical literacy into early childhood environments. • Encourage parents, guardians and schools to value the impact that sport, physical literacy and physical activity have on a child's development. • Influence planning, investment and design of sport infrastructure to maximise community benefits. 	
Building the capability of sport to create a robust, connected industry	
<ul style="list-style-type: none"> • Maximise outcomes through a strategic approach to National Sporting Organisations (NSO) transformation and innovation. • Lead and influence the supply of sport, physical literacy and physical activity interventions. • Establish strong partnerships between the Commonwealth and state sectors, including State and Territory Departments of Sport and Recreation by focusing on the collective impact of sport. • Widely share ASC insights with sport. 	
Changes to performance criteria¹	
More Australians move more often	
Percentage of Australians participating in physical activity	
2018-19 Target	2019-20 (& beyond) Target
An increase of 204,000 Australians aged 15 or more meeting current physical activity guidelines for their age group when compared to the 2017-2018 baseline result.	An increase of 207,000 Australians aged 15 or more meeting current physical activity guidelines for their age group when compared to the 2018-2019 result.
Building the capability of sport to create a robust, connected industry	
Improving the organisational capability of targeted national sporting organisations	
2018-19 Target	2019-20 (& beyond) Target
Average overall score on Sport.Scan ² , for 23 targeted NSOs is at least 75%.	Average overall score on Sport.Scan, for 23 targeted NSOs, is at least 78%.

¹ The targets for the following performance criteria have been amended to be consistent with revised targets published in the ASC's Corporate Plan 2018-2022.

² Sport.Scan is the ASC's organisational capability assessment tool.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of Special Account Flows

The ASC does not manage any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

An analysis of the ASC budgeted financial statements for 2018-19 is provided below.

3.2.1 Analysis of Budgeted Financial Statements

Departmental

Since the publication of the 2018-19 Portfolio Budget Statements, there has been four new measures impacting the financial statements. Details of the changes are listed in Table 1.3 - Additional Estimates and Variations to Outcomes from Measures and Other Variations since the Budget 2018-19.

3.2.2 Budgeted Financial Statements

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	61,056	62,271	57,799	58,897	59,957
Suppliers	43,672	50,257	43,370	37,763	36,907
Grants	182,770	269,423	194,857	139,066	138,360
Depreciation and amortisation	23,260	24,944	24,657	24,270	24,261
Write-down and impairment of assets	224	-	-	-	-
Losses from sale of assets	147	-	-	-	-
Resources provided free of charge	2,700	-	-	-	-
Other expenses	354	-	-	-	-
Total expenses	314,183	406,895	320,683	259,996	259,485
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	27,852	20,651	20,491	20,491	20,491
Interest	3,053	2,052	1,796	1,542	1,537
Total revenue	30,905	22,703	22,287	22,033	22,028
Gains					
Reversals of impairment losses	225	-	-	-	-
Total gains	225	-	-	-	-
Total own-source income	31,130	22,703	22,287	22,033	22,028
Net cost of (contribution by) services	283,053	384,192	298,396	237,963	237,457
Revenue from Government	267,904	374,346	289,438	229,005	228,499
Surplus (deficit) attributable to the Australian Government	(15,149)	(9,846)	(8,958)	(8,958)	(8,958)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	1,216	-	-	-	-
Total other comprehensive income (loss)	1,216	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(13,933)	(9,846)	(8,958)	(8,958)	(8,958)

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,005	6,858	2,682	3,151	2,388
Trade and other receivables	8,588	8,610	8,610	8,610	8,610
Loans	632	619	563	508	454
Investments	75,000	55,000	40,000	35,000	38,000
Total financial assets	91,225	71,087	51,855	47,269	49,452
Non-financial assets					
Land and buildings	203,813	206,864	215,236	211,175	199,606
Property, plant and equipment	10,862	11,289	10,505	10,404	10,698
Intangibles	2,326	7,482	9,507	9,986	10,465
Inventories	690	690	690	690	690
Other	1,550	1,550	1,550	1,550	1,550
Total non-financial assets	219,241	227,875	237,488	233,805	223,009
Total assets	310,466	298,962	289,343	281,074	272,461
LIABILITIES					
Payables					
Suppliers	3,938	3,938	3,938	3,938	3,938
Grants	92	-	-	-	-
Other payables	4,271	2,600	1,611	1,611	1,611
Total payables	8,301	6,538	5,549	5,549	5,549
Provisions					
Employees	12,512	11,761	12,089	12,425	12,770
Other provisions	309	309	309	309	309
Total provisions	12,821	12,070	12,398	12,734	13,079
Total liabilities	21,122	18,608	17,947	18,283	18,628
Net assets	289,344	280,354	271,396	262,791	253,833
EQUITY					
Contributed equity	151,279	152,135	152,135	152,488	152,488
Reserves	195,052	195,052	195,052	195,052	195,052
Retained surpluses (accumulated deficits)	(56,987)	(66,833)	(75,791)	(84,749)	(93,707)
Total equity	289,344	280,354	271,396	262,791	253,833

Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2018-19)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	(56,987)	195,052	151,279	289,344
Surplus (deficit) for the period	(9,846)	-	-	(9,846)
Appropriation (equity injection)	-	-	856	856
Estimated closing balance as at 30 June 2019	(66,833)	195,052	152,135	280,354

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	24,606	19,801	20,013	20,155	20,155
Receipts from Government	267,904	374,346	289,438	229,005	228,499
Contribution from Government entities	3,189	492	142	-	-
Interest	2,742	2,000	1,750	1,500	1,500
Net GST received	17,441	-	-	-	-
Total cash received	315,882	396,639	311,343	250,660	250,154
Cash used					
Employees	59,048	64,693	58,460	58,561	59,612
Suppliers	47,244	49,921	43,034	37,427	36,571
Grants	196,658	269,515	194,857	139,066	138,360
Total cash used	302,950	384,129	296,351	235,054	234,543
Net cash from (or used by) operating activities	12,932	12,510	14,992	15,606	15,611
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	940	-	-	-	-
Repayment of advances and loans	2,294	65	102	97	91
Total cash received	3,234	65	102	97	91
Cash used					
Purchase of property, plant and equipment and intangibles	11,903	33,578	34,270	20,587	13,465
Total cash used	11,903	33,578	34,270	20,587	13,465
Net cash from (or used by) investing activities	(8,669)	(33,513)	(34,168)	(20,490)	(13,374)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,069	856	-	353	-
Total cash received	1,069	856	-	353	-
Net cash from (or used by) financing activities	1,069	856	-	353	-
Net increase (or decrease) in cash held	5,332	(20,147)	(19,176)	(4,531)	2,237
Cash and cash equivalents at the beginning of the reporting period	76,673	82,005	61,858	42,682	38,151
Cash and cash equivalents at the end of the reporting period	82,005	61,858	42,682	38,151	40,388

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

	2017-18 Actual		2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000		\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	1,069		-	353	-
Total capital appropriations	1,069		-	353	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,069		-	353	-
Total items	1,069		-	353	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	1,069		-	353	-
Funded internally from departmental resources	10,834		34,270	20,234	13,465
Total acquisitions of non-financial assets	11,903		34,270	20,587	13,465
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	11,903		34,270	20,587	13,465
Total cash used to acquire assets	11,903		34,270	20,587	13,465

^(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.2.6: Statement of Asset Movements (Budget year 2018-19)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018					
Gross book value	10,000	538,662	25,700	10,568	584,930
Accumulated depreciation/amortisation and impairment	-	(344,849)	(14,838)	(8,242)	(367,929)
Opening net book balance	10,000	193,813	10,862	2,326	217,001
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity	-	-	-	856	856
By purchase - internal resources	-	22,013	4,279	6,430	32,722
Total additions	-	22,013	4,279	7,286	33,578
Other movements					
Depreciation/amortisation expense	-	(18,962)	(3,852)	(2,130)	(24,944)
Total other movements	-	(18,962)	(3,852)	(2,130)	(24,944)
As at 30 June 2019					
Gross book value	10,000	560,675	29,979	17,854	618,508
Accumulated depreciation/amortisation and impairment	-	(363,811)	(18,690)	(10,372)	(392,873)
Closing net book balance	10,000	196,864	11,289	7,482	225,635

FOOD STANDARDS AUSTRALIA NEW ZEALAND

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Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

Food Standards Australia New Zealand (FSANZ) was established to implement an agreement with States and Territories 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.

The role and functions of FSANZ are set out in the *Food Standards Australia New Zealand Act 1991*. FSANZ is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*.

For further information about FSANZ strategic goals, refer to the Corporate Plan and *2018-19 Health Portfolio Budget Statements*.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for FSANZ at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2018-19 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: FSANZ Resource Statement – Additional Estimates for 2018-19 as at Additional Estimates February 2019

	2017-18 Actual available appropriation \$'000	2018-19 Estimate as at Budget \$'000	2018-19 Proposed Additional Estimates \$'000	2018-19 Total estimate at AEs \$'000
Opening balance/cash reserves at 1 July ^{(a)(b)}	11,496	10,184	-	10,184
FUNDS FROM GOVERNMENT				
Annual appropriations				
Ordinary annual services ^(c)				
Outcome 1	16,961	16,899	259	17,158
Other services ^(d)				
Equity injection	-	-	-	-
Total annual appropriations	16,961	16,899	259	17,158
Amounts received from related entities ^(e)				
Amounts from the Portfolio Department	-	-	-	-
Amounts from other entities	-	-	-	-
Total amounts received from related entities	-	-	-	-
Total funds from Government	16,961	16,899	259	17,158
Funds from other sources				
Interest	325	320	-	320
Sale of goods and services	1,776	100	-	100
Other	11	1,930	-	1,930
Total funds from other sources	2,112	2,350	-	2,350
Total net resourcing for FSANZ	30,569	29,433	259	29,692
	Actual 2017-18			Revised 2018-19
Average staffing level (number)	104			107

All figures are GST exclusive.

(a) Includes cash and investments.

(b) The estimate at Budget has been revised to reflect the 2017-18 Annual Report.

(c) Appropriation Bill (No. 1 & 3) 2018-19.

(d) Appropriation Bill (No. 2 & 4) 2018-19.

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

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2018-19 Budget.

Table 1.2: FSANZ 2018-19 Measures Since Budget

Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Improving Confidence in the Strawberry Supply Chain				
Food Standards Australia New Zealand				
Departmental expenses	1.1 259	-	-	-
Total	259	-	-	-

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following table details the changes to the resourcing for FSANZ at Additional Estimates, by Outcome. Table 1.3 details the Additional Estimates resulting from new measures since the 2018-19 Budget in Appropriation Bills No. 3 and No. 4.

Table 1.3: Additional Estimates and Variations to Outcomes from Measures and Other Variations Since the 2018-19 Budget

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament				
Changes to departmental appropriations				
<i>Appropriation Bill No. 3</i>				
Measure - Improving Confidence in the Strawberry Supply Chain	259	-	-	-
Total	259	-	-	-

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.4: Appropriation Bill (No. 3) 2018-19

	2017-18 Available \$'000	2018-19 Budget \$'000	2018-19 Revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
Departmental					
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	16,961	16,899	17,158	259	-
Total Appropriation Bill No. 3 departmental	16,961	16,899	17,158	259	-

Table 1.5: Appropriation Bill (No. 4) 2018-19

This table is not applicable to FSANZ in 2018-19.

Section 2: Revisions to Outcomes and Planned Performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted Expenses for FSANZ

Table 2.1.1: Budgeted Expenses and Resources for FSANZ

	2017-18 Actual \$'000	2018-19 Revised Budget \$'000	2019-20 Forward Year 1 \$'000	2020-21 Forward Year 2 \$'000	2021-22 Forward Year 3 \$'000
Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament					
Revenue from Government					
Ordinary annual services ^(a)	16,961	17,158	16,907	17,023	17,122
Revenues from independent sources	2,908	2,350	2,350	2,375	2,375
Operating deficit (surplus)	(314)	-	-	-	(200)
Total for Program 1.1	19,555	19,508	19,257	19,398	19,297
Total expenses for Outcome 1	19,555	19,508	19,257	19,398	19,297

	Actual 2017-18	Revised 2018-19
Average staffing level (number)	104	107

^(a) Appropriation Bill (No. 1 & 3) 2018-19.

Planned Performance for FSANZ

There have been no changes to performance information for FSANZ since the 2018-19 Budget which require new or modified performance criteria. Refer page 314 of the 2018-19 Health Portfolio Budget Statements for current performance information.

Section 3: Special Account Flows and Budgeted Financial Statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of Special Account Flows

FSANZ does not manage any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

An analysis of FSANZ budgeted financial statements for 2018-19 is provided below.

3.2.1 Analysis of Budgeted Financial Statements

Departmental

Comprehensive Income Statement

FSANZ has projected a break even budget in 2018-19 and the forward years.

Revenues

Revenue from government has increased in 2018-19 due to the new Government measure - *Improving confidence in the strawberry supply chain*. The \$0.259 million additional funding limited to 2018-19 reflects additional work required to be undertaken by the agency.

Revenue from other sources of \$2.4 million is received primarily from the New Zealand Government, cost recovery arrangements for the processing of paid applications to amend the Food Standards Code and bank interest.

Expenses

Expenditure in 2018-19 is anticipated to be \$19.5 million which is in line with the agency's resourcing.

3.2.2 Budgeted Financial Statements

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	13,712	14,432	14,429	14,382	14,382
Supplier	4,710	3,971	3,723	3,911	3,810
Depreciation and amortisation	1,102	1,105	1,105	1,105	1,105
Other	31	-	-	-	-
Total expenses	19,555	19,508	19,257	19,398	19,297
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	2,693	100	100	200	200
Interest	204	320	320	200	200
Other revenue	11	1,930	1,930	1,975	1,975
Total revenue	2,908	2,350	2,350	2,375	2,375
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	2,908	2,350	2,350	2,375	2,375
Net cost of (contribution by) services	16,647	17,158	16,907	17,023	16,922
Revenue from Government	16,961	17,158	16,907	17,023	17,122
Surplus (deficit)	314	-	-	-	200
Surplus (deficit) attributable to the Australian Government	314	-	-	-	200
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	314	-	-	-	200

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,184	10,684	10,684	10,684	10,684
Trade and other receivables	1,080	1,080	1,080	1,080	1,280
Total financial assets	11,264	11,764	11,764	11,764	11,964
Non-financial assets					
Land and buildings	3,044	3,064	3,064	3,064	3,064
Property, plant and equipment	1,046	996	996	996	996
Intangibles	1,882	1,412	1,412	1,412	1,412
Other	165	165	165	165	165
Total non-financial assets	6,137	5,637	5,637	5,637	5,637
Total assets	17,401	17,401	17,401	17,401	17,601
LIABILITIES					
Payables					
Suppliers	720	720	720	720	720
Other payables	2,082	2,082	2,082	2,082	2,082
Total payables	2,802	2,802	2,802	2,802	2,802
Interest bearing liabilities					
Leases	1,929	1,929	1,929	1,929	1,929
Total interest bearing liabilities	1,929	1,929	1,929	1,929	1,929
Provisions					
Employees	4,347	4,347	4,347	4,347	4,347
Other provisions	201	201	201	201	201
Total provisions	4,548	4,548	4,548	4,548	4,548
Total liabilities	9,279	9,279	9,279	9,279	9,279
Net assets	8,122	8,122	8,122	8,122	8,322
EQUITY					
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 or accumulated deficits	4,045	4,045	4,045	4,045	4,245
Total equity	8,122	8,122	8,122	8,122	8,322

Table 3.2.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2018-19)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	4,045	2,254	1,823	8,122
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2019				
	4,045	2,254	1,823	8,122

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,776	100	100	200	200
Appropriations	16,961	17,158	16,907	17,023	17,122
Interest	325	320	320	200	-
Other cash received	11	1,930	1,930	1,975	1,975
Total cash received	19,073	19,508	19,257	19,398	19,297
Cash used					
Employees	14,672	14,432	14,429	14,382	14,382
Suppliers	3,312	3,971	3,723	3,911	3,810
Total cash used	17,984	18,403	18,152	18,293	18,192
Net cash from (or used by) operating activities	1,089	1,105	1,105	1,105	1,105
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	4,259	605	1,105	1,105	1,105
Total cash used	4,259	605	1,105	1,105	1,105
Net cash from (or used by) investing activities	(4,259)	(605)	(1,105)	(1,105)	(1,105)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,861	-	-	-	-
Total cash received	1,861	-	-	-	-
Net cash from (or used by) financing activities	1,861	-	-	-	-
Net increase (or decrease) in cash held	(1,309)	500	-	-	-
Cash and cash equivalents at the beginning of the reporting period	11,496	10,184	10,684	10,684	10,684
Effect of exchange rate movements on cash and cash equivalents at the beginning of reporting period	(3)	-	-	-	-
Cash and cash equivalents at the end of the reporting period	10,184	10,684	10,684	10,684	10,684

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

	2017-18 Actual	2018-19 Revised Budget	2019-20 Forward Year 1	2020-21 Forward Year 2	2021-22 Forward Year 3
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	-	-	-	-	-
Funded internally from departmental resources	4,612	605	1,105	1,105	1,105
Total acquisitions of non-financial assets	4,612	605	1,105	1,105	1,105
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,259	605	1,105	1,105	1,105
Total cash used to acquire assets	4,259	605	1,105	1,105	1,105

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

Table 3.2.6: Statement of Asset Movements (Budget year 2018-19)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	4,172	2,634	4,972	11,778
Accumulated depreciation amortisation and impairment	(1,128)	(1,588)	(3,090)	(5,806)
Opening net book balance	3,044	1,046	1,882	5,972
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	200	100	305	605
Total additions	200	100	305	605
Other movements				
Depreciation/amortisation expense	(180)	(150)	(775)	(1,105)
Total other movements	(180)	(150)	(775)	(1,105)
As at 30 June 2019				
Gross book value	4,372	2,734	5,277	12,383
Accumulated depreciation amortisation and impairment	(1,308)	(1,738)	(3,865)	(6,911)
Closing net book balance	3,064	996	1,412	5,472

PORTFOLIO GLOSSARY

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

Available appropriation	Available appropriation is used to allow a comparison of the current year's appropriation with what was made available for use in the previous year. Available appropriation is the amount available to be drawn down, and is equal to: Budget appropriation + Additional Estimates appropriation + Advance to the Finance Minister (AFM) - Savings - Rephasings - Other Reductions +/- Section 74.
Budget measure	A decision by Cabinet or Ministers in the Budget process that has resulted in a change in expenditure in the current year and/or the forward years. <u>See also cross-Portfolio Budget measure.</u>
Capital Budget Statement	A statement of the entity's estimated capital funding, through Appropriation Act No. 1 Departmental Capital Budget funding or Appropriation Act No. 2 equity injection funding and the entity's estimated expenditures on non-financial assets.
Capital expenditure	Expenditure by an entity on non-financial assets, for example purchasing a building.
Cross-Portfolio Budget measure	This is a <u>Budget measure</u> which affects outcomes administered in a number of Portfolios.
Departmental Capital Budget (DCB)	Departmental Capital Budget funding appropriated to non-corporate PGPA Act entities through their Appropriation Act 1 Departmental appropriation, for the ongoing replacement of Departmental assets which cost less than \$10 million.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
Efficiency dividend	An annual deduction of a percentage of running costs from an entity's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an entity in the previous year.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	The value of resources consumed or lost during the reporting period.
Fair value	Fair values are prices in arm's length transactions between willing buyers and sellers in an active market.
Forward estimates	A system of rolling three year financial estimates. After the Budget is passed, the first year of the forward estimates becomes the base for next year's Budget bid, and another out year is added to the forward estimates.

Historical cost	The original cost of acquisition of an asset, including any costs associated with acquisition. Under AASB 116 <i>Property, Plant and Equipment</i> are required to be reported initially at the cost of acquisition (historical cost). The Australian Government's financial reporting requirements issued under the Finance Minister's Orders require the revaluation of noncurrent assets with sufficient regularity to ensure that the carrying amount of assets does not differ materially from fair value as at reporting date.
Liabilities	Future sacrifices of economic benefits that an entity is presently obliged to make to other entities as a result of past transactions or other past events.
MYEFO	Mid-Year Economic and Fiscal Outlook.
Operating result	Equals income less expenses.
Outcomes	Outcomes are the Government's intended results, benefits or consequences for the Australian community. The Government requires entities, such as the Department, to use outcomes as a basis for budgeting, measuring performance and reporting. Annual administered funding is appropriated on an outcome basis. The achievement of actual outcomes is assessed and reported in the Annual Report.
Performance criteria	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.
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i> An Act about the governance, performance and accountability of, and the use and management of public resources by the Commonwealth, Commonwealth entities and Commonwealth companies, and for related purposes.
Portfolio Budget Statements	Statements prepared by Portfolios to explain the Budget appropriations in terms of outcomes and programs.
Price parameter adjustment	Expenses are indexed by a price parameter for anticipated increases in costs over the estimates period. Changes in indexation are annotated to each outcome as 'Price parameter adjustment' or 'Application of indexation parameters'.
Programs	Commonwealth programs deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole, and are the primary vehicles for Government entities to achieve the intended results of their outcome statements. Commencing from the 2009-10 Budget, entities are required to report to Parliament by program.

Quality	Relates to the characteristics by which customers or stakeholders judge a product or service. Assessment of quality involves the use of information gathered from a range of sources including customers and stakeholders.
Quantity	A measure of how many, or how much, of a product or service is produced. Quantities specified in the Portfolio Budget Statements are usually estimates based on the best available evidence. Entities report on actual quantities in their annual reports.
Revenue	Total value of resources earned or received during the reporting period.
Special account	A special account is an appropriation mechanism that notionally sets aside an amount within the Consolidated Revenue Fund (CRF) to be expended for specific purposes. The amount of appropriation that may be drawn from the CRF by means of a special account is limited to the balance of each special account. Special accounts are not bank accounts. However, amounts forming the balance of a special account may be held in the Official Public Account, an entity official bank account or by an outsider authorised in a manner consistent with the PGPA Act.
Special appropriation	Special appropriations are provisions within an Act, other than the annual appropriation Acts, that authorise expenditure for particular purposes. Special appropriations may state a maximum amount that is appropriated for the particular purpose or may specify the legislative criteria that will determine the amount to be paid.
Strategic Direction Statement	The Strategic Direction Statement explains the year ahead for the entity, focussing on the items of most importance, recognising the major Budget decisions affecting the entity, the major ongoing functions, new function and significant partnership arrangements, as well as upcoming challenges in the years ahead.
PP&E	Property, Plant and Equipment.