



Budget

2016-17

Portfolio Budget Statements 2016-17
Budget Related Paper No. 1.10

Health Portfolio

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

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

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

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

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

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

Yours sincerely

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

The Hon Sussan Ley MP

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Text appearing in *italics* within performance criterion directly relates to 2016-17 Budget measures.

Enquiries

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

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

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**USER GUIDE
TO THE
PORTFOLIO BUDGET
STATEMENTS**

USER GUIDE

The purpose of the *2016-17 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government Outcomes by entities within the Portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2016-2017 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2016-2017 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general Government sector are included as part of the Commonwealth general Government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via Portfolio Departments) through the annual appropriation acts.

PORTFOLIO OVERVIEW

HEALTH PORTFOLIO OVERVIEW

Ministers and Portfolio Responsibilities

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

The Portfolio's services are delivered through the 23 Outcomes outlined in Figure 1: *Portfolio Structure and Outcomes*. Each Portfolio entity has developed performance information to determine its effectiveness in achieving entity-specific Outcomes. Outcome and Program reporting, and resource allocations for each entity are presented in the respective Entity Resources and Planned Performance sections.

Ministerial Changes

On 13 February 2016, the Prime Minister, the Hon Malcolm Turnbull MP announced changes to the Ministry. The Hon Sussan Ley MP continued in her role as Minister for Health, Minister for Aged Care and Minister for Sport. Senator the Hon Fiona Nash continued to be the Minister with responsibility for Rural Health. To reflect his existing responsibilities, the Hon Ken Wyatt AM, MP added 'Aged Care' to his title and is now Assistant Minister for Health and Aged Care.

Portfolio Structure

The Administrative Arrangements Order issued on 30 September 2015, included the following changes to Portfolio responsibilities:

- Ageing and Aged Care functions returned to the Department of Health from the Department of Social Services, including the Australian Aged Care Quality Agency;
- The statutory offices of the Aged Care Commissioner and the Aged Care Pricing Commissioner transferred to the Department of Health; and
- Medicare Provider Compliance for the Medicare Benefits Schedule, Pharmaceutical Benefits Schedule and allied health services transferred to the Department of Health from the Department of Human Services.

There were no changes to the Portfolio as a result of the Administrative Arrangements Order issued on 18 February 2016.

The Department's Outcome and Program structure has also been revised following Machinery of Government changes (refer Section 1.4: *Changes in Entity Outcomes and Programs*).

Changes to Portfolio Entities

The Australian Government is continuing to reduce the size and complexity of Government through the Smaller Government reforms. These reforms, which include further reducing the number of Government bodies in the Health Portfolio, are reducing overlap, streamlining services and improving efficiency.

Australian Digital Health Agency

The Australian Digital Health Agency (the Digital Health Agency) will commence operation on 1 July 2016. The Digital Health Agency will manage governance, operation and ongoing delivery for digital health. The Digital Health Agency will be established as a Commonwealth Corporate entity under section 87 of the *Public Governance, Performance and Accountability Act 2013, Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2015*. The Digital Health Agency will replace the National eHealth Transition Authority.

National Health Performance Authority

The National Health Performance Authority will be abolished from 30 June 2016, with its functions transferring to the Australian Institute of Health and Welfare, the Australian Commission on Safety and Quality in Health Care, and the Department of Health.

Changes to Health Entity Rationalisation

As announced in the *2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)*, the Government will transfer the operational functions of the Independent Hospital Pricing Authority to the Department of Health from 1 July 2016, with the Board, Chief Executive Officer and associated functions retained.

Following the signing of the *Heads of Agreement between the Commonwealth and the States and Territories on Public Hospital Funding* on 1 April 2016, the Government will reinstate the Administrator of the National Health Funding Pool (the Administrator) and the National Health Funding Body (NHFB). The Administrator and the NHFB had been scheduled to cease from 31 March 2018, as announced in the 2015-16 MYEFO.

As announced in the 2015-16 MYEFO, the Government is no longer proceeding with the merger of the National Blood Authority (NBA) and the Organ and Tissue Authority (OTA). Some savings and efficiencies will be achieved by merging the corporate services of these entities.

Private Health Insurance Administration Council

The functions of the Private Health Insurance Administration Council were transferred to the Australian Prudential Regulation Authority and the Department of Health with effect from 1 July 2015.

Private Health Insurance Ombudsman

The responsibilities of the Private Health Insurance Ombudsman were transferred to the Office of the Commonwealth Ombudsman with effect from 1 July 2015.

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

Figure 1: Portfolio Structure and Outcomes

<p>The Hon Sussan Ley MP Minister for Health Minister for Aged Care Minister for Sport</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 1, 2, 3, 4, 5 and 6 <i>Entities:</i> AACQA, ACSQHC, AIHW, ASADA, ASC, ASF, CA, Digital Health Agency, IHPA, NHFB, NHMRC, NMHC and PSR</p>	<p>Senator the Hon Fiona Nash Minister for Rural Health</p> <p>Minister Nash is responsible for rural health, including rural and Indigenous health, illicit drug and alcohol policy and food policy.</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcome: 2 <i>Entities:</i> FSANZ</p>	<p>The Hon Ken Wyatt AM, MP Assistant Minister for Health and Aged Care</p> <p>Assistant Minister Wyatt is responsible for aged care service delivery and implementation, as well as for dementia, multipurpose services, hearing services, NICNAS and OGTR.</p> <p><u>Portfolio Responsibilities</u> <i>Department of Health:</i> Outcomes: 1, 4, 5 and 6 <i>Entities:</i> ARPANSA, NBA and OTA</p>
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Department of Health¹ – Martin Bowles PSM, Secretary

Outcome 1. Health System Policy, Design and Innovation

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

Outcome 2. Health Access and Support Services

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

Outcome 3. Sport and Recreation

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

Outcome 4. Individual Health Benefits

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

Outcome 5. Regulation, Safety and Protection

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

Outcome 6. Ageing and Aged Care

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

¹ The Department's Outcome and Program structure has been revised (refer Section 1.4: *Changes in Entity Outcomes and Programs*).

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

Australian Aged Care Quality Agency

Nick Ryan Chief Executive Officer

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

Australian Commission on Safety and Quality in Health Care

Adjunct Professor Debora Picone AM
Chief Executive Officer

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

Australian Digital Health Agency

Vacant 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

Andrew Kettle A/g Director

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

Australian Radiation Protection and Nuclear Safety Agency

Dr Carl-Magnus Larsson Chief Executive Officer

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

Australian Sports Anti-Doping Authority

Ben McDevitt AM APM Chief Executive Officer

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

Australian Sports Commission

Simon Hollingsworth Chief Executive Officer

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

Australian Sports Foundation Limited

Patrick Walker Chief Executive Officer

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

Cancer Australia

Professor Helen Zorbas AO Chief Executive Officer

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

Food Standards Australia New Zealand

Stephen McCutcheon Chief Executive Officer

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

Independent Hospital Pricing Authority

James Downie A/g 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

Michael Stone General Manager

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

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

National Health Funding Body

Lynton Norris Chief Executive Officer

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

National Health and Medical Research Council

Professor Anne Kelso AO
Chief Executive Officer

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

National Mental Health Commission

David Butt Chief Executive Officer

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

Organ and Tissue Authority

Felicity McNeill A/g Chief Executive Officer

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

Professional Services Review

Dr Bill Coote Director

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

STATUTORY OFFICE HOLDERS:²

Aged Care Complaints Commissioner

Ms Rae Lamb

Aged Care Pricing Commissioner

Ms Kim Cull

Director, National Industrial Chemicals Notification and Assessment Scheme³

Dr Brian Richards

Gene Technology Regulator⁴

Dr Jane Cook (A/g)

For information on resourcing across the Portfolio, please refer to Part 1: *Agency Financial Resourcing in Budget Paper No. 4: Agency Resourcing 2016-17.*

² Statutory Office Holders exercise independent statutory functions and are not directly appropriated, therefore they are not separately reported in Section 2: *Outcomes and Planned Performance.*

³ Refer to Program 5.1 in Section 2: *Outcomes and Planned Performance.*

⁴ Ibid.

Portfolio Resources

Table 1 shows the total resources provided to the Portfolio in the 2016-17 Budget year by entity.

Table 1: Portfolio Resources 2016-17

	Appropriations			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
DEPARTMENTAL					
Department of Health	632,210	18,349	-	176,725	827,284
Australian Aged Care Quality Agency	29,512	-	-	6,893	36,405
Australian Commission on Safety & Quality in Health Care	-	-	-	19,354	19,354
Australian Digital Health Agency ¹	110,303	10,589	-	35,600	156,492
Australian Institute of Health and Welfare ¹	26,918	-	-	31,630	58,548
Australian Organ and Tissue Donation and Transplantation Authority	5,784	-	-	-	5,784
Australian Radiation Protection and Nuclear Safety Agency	15,173	-	-	10,046	25,219
Australian Sports Anti-Doping Authority	12,304	-	-	1,709	14,013
Australian Sports Commission ¹	250,669	-	-	22,901	273,570
Australian Sports Foundation Limited	-	-	-	35,180	35,180
Cancer Australia	11,356	-	-	130	11,486
Food Standards Australia New Zealand ¹	17,184	-	-	1,993	19,177
Independent Hospital Pricing Authority	-	-	-	16,417	16,417
National Blood Authority	6,271	-	-	3,671	9,942
National Health Funding Body	4,307	-	-	-	4,307
National Health and Medical Research Council	37,622	-	-	1,500	39,122
National Mental Health Commission	2,778	150	-	-	2,928
Professional Services Review	5,278	-	-	40	5,318
Total departmental	1,167,669	29,088	-	363,789	1,560,546

Table 1: Portfolio Resources 2016-17 (continued)

	Appropriations			Receipts	Total
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special \$'000	\$'000	\$'000
ADMINISTERED					
Department of Health	8,465,528	150,537	53,068,671	71,064	61,755,800
Australian Organ and Tissue Donation and Transplantation Authority	43,766	-	-	-	43,766
Cancer Australia	17,150	-	-	-	17,150
National Blood Authority	5,190	-	-	1,135,009	1,140,199
National Health and Medical Research Council	852,458	-	-	8,000	860,458
National Mental Health Commission	3,685	-	-	-	3,685
Total administered	9,387,777	150,537	53,068,671	1,214,073	63,821,058
less non-appropriation funding transfers to Corporate entities	-	-	-	(740,942)	(740,942)
Total Portfolio	10,555,446	179,625	53,068,671	836,920	64,640,662

All figures are GST exclusive.

¹ These entities are not directly appropriated as they are corporate entities under the *Public Governance, Performance and Accountability Act 2013*.

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DEPARTMENT OF HEALTH

Entity Resources and Planned Performance

DEPARTMENT OF HEALTH

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DEPARTMENT OF HEALTH

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

By world standards, Australia's health system provides high quality healthcare that is both accessible and affordable. To ensure this level of care is sustained into the future, the Government is committed to continuing the significant work needed to reform the health and aged care system, as it faces the challenges and pressures of the 21st century, including an ageing population, increased chronic disease, the cost of new technologies, and rising consumer expectations.

The 2016-17 Budget brings together necessary reforms, to better integrate the delivery of health services, while reducing inequality and improving patient outcomes. It funds measures to advance health and aged care reform, including ensuring that consumers have more choice, control and better value for money in accessing the services they need. It includes measures to secure hospital funding, introduce a new national approach to public sector dental care, and deliver on the Government's 'Healthier Medicare' package by funding a new way of delivering care for the increasing number of Australians with chronic and complex conditions, through the Health Care Homes initiative. The Budget foreshadows further reforms to private health insurance arrangements, which will reduce pressure on increases in premiums for consumers – an important first step in reform in this area.

The Government is committed to bringing the health system into the digital age, through open sourcing the Government's Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) data, for consumers to choose whom they give it to; and through realising the enormous potential of *My Health Record* as a shared source of information about an individual's health. As well, the Budget improves access to medicines and medical devices by providing additional market approval pathways, and provides ongoing support to public health initiatives.

Sport is an integral part of Australia's social and economic well-being as well as contributing to Australian's health and well-being. The Government will continue to support initiatives that ensure this ongoing role.

Encouraging innovation and digital health

Digital innovation will make it easier for people to interact with the health system. In line with the nation's wider innovation agenda, the Government will invest in a range of digital health innovations, alongside ongoing enhancements to *My Health Record*.

The Government will increase competitiveness and innovation in the Australian medicines and medical devices market. Life-saving medicines and medical devices will come onto the Australian market faster, through removing or streamlining unnecessary or inefficient processes identified through the Review of Medicines

and Medical Devices Regulation. This will save around \$75 million per annum, and will reduce red tape and regulation on the pharmaceutical and medical device industries. Further demonstrating the Government's commitment to reforming the health system through the uptake of digital health, an additional \$29.9 million is set aside in the Budget to deliver a single National Cancer Screening Register, linking to *My Health Record* and other systems.

More and better coordinated services for people with mental illness

The Government is committed to supporting Australians with, or at risk of, mental illness and improving service integration in order to develop a more effective mental health system. In 2016-17, the Government will commence implementing its reform agenda, with an immediate focus on establishing and rolling out the expanded Primary Health Network (PHN) role, child and youth integration, the digital mental health gateway and the new community-based approach to suicide prevention.

The Government will also fund the development of a new online perinatal depression support tool and smart phone application, to help women who are affected by, or at risk of, perinatal depression.

Securing hospitals funding

The Government will invest an additional \$2.9 billion over three years through a collaborative agreement with States and Territories. In return, States and Territories will be required to improve health outcomes and ease demand for hospital services through better coordinated care, particularly for patients with complex and chronic disease, and incorporate quality and safety into hospital pricing and funding. Funding will be activity-based, with the Independent Hospital Pricing Authority setting the efficient price for each procedure carried out by the hospital. The Government will continue to work with States and Territories towards a more sustainable hospitals funding model beyond 2020.

Supporting sport

The Government will continue to prepare for the 2018 Gold Coast Commonwealth Games, and will spend \$1.5 million to deliver an effective pre-Games anti-doping program that complies with the World Anti-Doping Code to ensure a clean Games.

In 2016-17, the Government will continue to support the development and implementation of strategies and policies to increase participation in sport and physical activity from community to elite level, reduce injury risks and improve health outcomes for people involved in sport, through the provision of information to the community and sport sector.

This year the Government launched the landmark Girls Make Your Move campaign to encourage more girls and young women to be physically active. This campaign has resonated strongly with the community, with more than 2.5 million hits on social media to date.

Building a Healthier Medicare

The Government is introducing a new way to care for people with chronic and complex conditions, while continuing to strengthen and protect Medicare.

The approach, a key recommendation of the Primary Health Care Advisory Group, will enable these patients to enrol with a participating GP or medical practice, known as their Health Care Home. This will be the 'home base' for their condition to be managed through a tailored care plan to be implemented by an integrated team of health care providers.

To support Health Care Homes, funding arrangements will change, with participating practices paid a bundled quarterly payment related to a patient's chronic and complex health condition, instead of a fee for each face-to-face service a GP provides.

Following the first recommendations from the MBS Review Taskforce, the Government will remove 24 obsolete services and procedures of little or no benefit to the patient. For example, gastric hypothermia to treat gastrointestinal haemorrhage, introduced in the 1970s, has since been superseded by other techniques. Under this clinician-led review, doctors themselves are making the case for change, working with consumer representatives and health economists.

In addition, the Government will list two new items on the MBS to cover the testing of diabetic retinopathy with a non-mydratic retinal camera, which offers a quick, minimally-invasive way of taking images of the patient's eye. This will particularly help Aboriginal and Torres Strait Islander people who are at risk of the chronic sight-threatening disease.

The Government will also introduce an item for magnetic resonance imaging (MRI) of the breast for patients presenting with occult breast cancer where conventional imaging and examination fails to show the source of the tumour, and an item for a MRI-guided biopsy of the breast for patients with suspected breast cancer where the lesion is only identifiable by MRI.

Listing cost-effective, innovative, clinically effective medicines on the Pharmaceutical Benefits Scheme

The Pharmaceutical Benefits Scheme (PBS) is the primary means through which the Government ensures Australians have timely and affordable access to medicines. In 2016-17, approximately 300 million PBS prescriptions are expected to be dispensed.

From 1 March 2016, the Government invested more than \$1 billion to ensure all adult Australians with chronic hepatitis C are able to access a range of breakthrough medicines on the PBS – a change that could see the disease all but eradicated as a public health threat in Australia within a generation.

The Government will also provide \$63.8 million in new and amended PBS listings, including for treatment of conditions such breast cancer and melanoma.

Private health insurance

In response to significant consultations with the sector and community, the Government will establish a Private Health Sector Committee to implement reforms to reduce pressure on premium rises, and improve transparency and understanding of health insurance for consumers. The Government will also establish a new Prostheses List Advisory Committee to further develop and advise on the implementation of the recommendations of the Industry Working Group on Private Health Insurance Prostheses Reform.

A national approach to dental care

The Government will invest \$1.7 billion over four years, to better target dental programs, by introducing a new Child and Adult Public Dental Scheme. This new approach will introduce national efficient pricing in dental services, along similar lines as activity-based hospitals funding. This will ensure we target those with the greatest dental need – adult concession card holders, as well as children. It will also provide greater long term funding certainty for States and Territories, as well as an increase from an estimated \$200 million in 2015-16 to \$416 million in 2016-17 in Commonwealth funding for well targeted public dental programs run by the States and Territories.

Continuing investment in aged care

Overall, aged care funding continues to grow. The Government will improve the current aged care funding model by redesigning certain aspects of the Aged Care Funding Instrument (ACFI) to stabilise higher than expected growth. This aims to bring the ACFI back into the budgeted growth trend so that funding grows at a responsible and sustainable rate. This follows the Government's announcement at the *2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)* that the ACFI would continue to be monitored and further changes made if needed. The Government will work with the sector to examine options to separate ACFI assessment from service provision to provide greater certainty of funding.

Rural and remote providers will be supported by an extra \$102.3 million over five years. The Viability Supplement will be better targeted by applying a classification system for remote communities, already used for the new GP location incentives. To ensure no-one is disadvantaged as a result of the shift to the new model, grandfathering arrangements will apply.

The Government has allocated \$136.6 million over four years to support My Aged Care operations to meet rapidly growing demand and provide timely support to older people and their carers.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: Department of Health Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	109,489	129,332
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	594,955	625,722
s74 retained revenue receipts ²	22,009	22,332
Departmental capital budget ³	7,621	6,488
Other services ⁴		
Equity injection	32,290	18,349
Total departmental annual appropriations	656,875	672,891
Special Accounts^{5,6}		
Opening balance	79,147	82,505
Appropriation receipts ⁷	16,146	14,783
Non-appropriation receipts	152,502	154,393
Total special account	247,795	251,681
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations ⁸	(16,146)	(14,783)
Total departmental resourcing for Health	998,013	1,039,121

Table 1.1: Department of Health Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
ADMINISTERED		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1: Health System Policy, Design and Innovation	207,962	81,951
Outcome 2: Health Access and Support Services	3,842,223	4,000,883
Outcome 3: Sport and Recreation	21,948	15,975
Outcome 4: Individual Health Benefits	1,272,552	1,355,933
Outcome 5: Regulation, Safety and Protection	133,647	182,201
Outcome 6: Ageing and Aged Care	1,431,630	2,828,585
Payments to corporate entities ⁹	346,502	405,074
Other services ⁴		
Administered assets and liabilities	156,741	150,537
Total administered annual appropriations	7,413,205	9,021,139
Special appropriations limited by criteria/entitlement		
<i>National Health Act 1953 - blood fractionation, products and blood related products to to National Blood Authority</i>	645,262	711,578
<i>Public Governance, Performance and Accountability Act 2013 s77 - repayments</i>	2,000	2,000
<i>Health Insurance Act 1973 - payments relating to the former Health and Hospitals Fund</i>	33,197	51,770
<i>Health Insurance Act 1973 - medical benefits</i>	21,080,530	21,850,644
<i>National Health Act 1953 - pharmaceutical benefits</i>	9,735,781	10,109,505
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	5,953,427	6,249,233
<i>Medical Indemnity Act 2002</i>	88,700	93,400
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	3,904	2,949
<i>Dental Benefits Act 2008</i>	313,741	415,616
<i>National Health Act 1953 - aids and appliances</i>	336,427	292,219
<i>National Health Act 1953 - essential vaccines</i>	240,150	279,548
<i>Aged Care Act 1997 - home care packages</i>	1,103,461	1,725,382

Table 1.1: Department of Health Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Special appropriations limited by criteria/entitlement (continued)		
<i>National Health Act 1953</i>		
- continence aids payments	35,815	86,661
<i>Aged Care Act 1997</i>		
- residential care	7,643,190	10,774,303
<i>Aged Care Act 1997</i>		
- flexible care	329,144	423,863
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	718	-
Total administered special appropriations	47,545,447	53,068,671
Special Accounts^{5,6}		
Opening balance	10,523	10,508
Appropriation receipts ⁷	5,858	5,913
Non-appropriation receipts	70,886	71,064
Total Special Accounts	87,267	87,485
Total administered resourcing	55,045,919	62,177,295
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts and/or payments to corporate entities through annual appropriations ⁸	(352,360)	(410,987)
Total administered resourcing for Health	54,693,559	61,766,308
Total resourcing for Health	55,691,572	62,805,429
	2015-16	2016-17
Average staffing level (number)	4,000	4,483

All figures are GST exclusive.

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

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

⁵ For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

⁶ Excludes Services for Other Entities and Trust Moneys Special Account as this account is not considered resourcing for the Department of Health.

⁷ Amounts credited to the special account(s) from entity Department of Health's annual and special appropriations.

⁸ Appropriation receipts from Health annual and special appropriations included above.

⁹ 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.

1.3 Budget Measures

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

Table 1.2: Department of Health 2016-17 Budget Measures

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Outcome 1: Health System Policy, Design and Innovation						
Hepatitis C Settlement Fund - continuation						
Department of the Treasury						
Administered expenses	1.1	-	154	157	159	161
Total expenses		-	154	157	159	161
Operational Costs for Cardiac and Breast Device Registries						
Department of Health						
Administered expenses	1.1	-	2,183	-	-	-
Departmental revenue		-	8	8	8	9
Total		-	2,191	8	8	9
Organ and Tissue Donation Review - implementation of recommendations¹						
Department of Health						
Administered expenses	1.1	-	-	-	-	-
Australian Organ and Tissue Donation and Transplantation Authority						
Administered expenses		-	-	-	-	-
Total expenses		-	-	-	-	-
Rural General Practice Grants Program						
Department of Health						
Administered expenses	1.3	(2,572)	(5,229)	7,801	-	-
Total expenses		(2,572)	(5,229)	7,801	-	-
Outcome 2: Health Access and Support Services						
Health Star Rating System - continuation						
Department of Health						
Administered expenses	2.4	-	1,813	1,892	1,619	-
Total expenses		-	1,813	1,892	1,619	-
Healthier Medicare - trial of health care homes						
Department of Health						
Administered expenses	2.5	93	5,367	40,447	63,029	-
	4.1	-	-	(41,008)	(52,325)	-
Departmental expenses		42	489	119	121	-
Department of Human Services						
Departmental expenses		280	3,471	732	405	-
Total expenses		415	9,327	290	11,230	-

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Medicare Benefits Schedule - support for rural and remote registrars						
Department of Health						
Administered expenses	2.3	-	(1,416)	(2,159)	(2,196)	(2,233)
	4.1	-	1,416	2,159	2,196	2,233
Total expenses		-	-	-	-	-
National Cancer Screening Register						
Department of Health						
Administered expenses	2.4	-	-	8,382	9,611	11,875
Total expenses		-	-	8,382	9,611	11,875
National Coronial Information System - continuation						
Department of Health						
Administered expenses	2.4	(400)	(400)	(400)	(400)	(400)
Department of the Treasury						
Administered expenses		400	400	400	400	400
Total expenses		-	-	-	-	-
National Partnership Agreement on Rheumatic Fever Strategy - extension						
Department of Health						
Administered expenses	2.2	-	(395)	-	-	-
Department of the Treasury						
Administered expenses		-	395	-	-	-
Total expenses		-	-	-	-	-
Perinatal Depression Online Support¹						
Department of Health						
Administered expenses	2.1	-	-	-	-	-
Total expenses		-	-	-	-	-
Public Hospitals - new funding arrangements						
Department of the Treasury						
Administered expenses	2.7	-	-	477,517	932,360	1,441,421
National Health Funding Body						
Departmental expenses		-	-	(258)	4,376	4,376
Total expenses		-	-	477,259	936,736	1,445,797
Quality Improvement in General Practice - simplification of the Practice Incentives Program						
Department of Health						
Administered expenses	2.6	(283)	(7,582)	(29,411)	3,703	4,346
Department of Human Services						
Departmental expenses		66	6,973	407	284	277
Total expenses		(217)	(609)	(29,004)	3,987	4,623
Taking More Action to Prevent Fetal Alcohol Spectrum Disorders						
Department of Health						
Administered expenses	2.4	-	2,612	2,613	2,581	2,666
Total expenses		-	2,612	2,613	2,581	2,666

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

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Tobacco Plain Packaging Litigation					
Department of Health					
Administered expenses	2.4	-	nfp	-	-
Total expenses		-	nfp	-	-
Outcome 4: Individual Health Benefits					
Child and Adult Public Dental Scheme					
Department of Health					
Administered expenses	4.6	-	(46,125)	(35,904)	(18,016)
Departmental expenses		-	(30)	(28)	(34)
Department of Human Services					
Departmental expenses		4,137	(14,442)	(14,552)	(14,753)
Departmental capital			(46)	(46)	(46)
Total		4,137	(60,643)	(50,530)	(32,748)
Extend the Alternative Arrangement Transfer to the Pharmaceutical Benefits Scheme					
Department of Health					
Administered expenses	4.3	(18)	-	-	-
Total expenses		(18)	-	-	-
Healthier Medicare - enhanced Medicare compliance program					
Department of Health					
Administered expenses	4.1	-	-	(8,762)	(10,515)
	4.3	-	-	(4,215)	(5,900)
	4.7	-	12,000	12,000	12,000
Administered revenue	4.1	-	(12,977)	(15,572)	(18,167)
Total		-	(977)	(16,549)	(21,739)
Healthier Medicare - removing obsolete services from the Medicare Benefits Schedule					
Department of Health					
Administered expenses	4.1	-	(1,047)	(1,159)	(1,291)
Department of Human Services					
Departmental expenses		-	(7)	(8)	(9)
Department of Veterans' Affairs					
Administered expenses		-	(41)	(41)	(43)
Total expenses		-	(1,095)	(1,208)	(1,343)
Healthier Medicare - trial of health care homes					
Department of Health					
Administered expenses	2.5	93	5,367	40,447	63,029
	4.1	-	-	(41,008)	(52,325)
Departmental expenses		42	489	119	121
Department of Human Services					
Departmental expenses		280	3,471	732	405
Total expenses		415	9,327	290	11,230

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Life Saving Drugs Program - new and amended listings						
Department of Health						
Administered expenses	4.3	510	2,307	2,732	3,083	3,713
Total expenses		510	2,307	2,732	3,083	3,713
Medicare Benefits Schedule - listing of photography with non-mydriatric retinal cameras						
Department of Health						
Administered expenses	4.1	-	2,899	7,524	10,769	11,802
Department of Human Services						
Departmental expenses		-	41	110	152	164
Department of Veterans' Affairs						
Administered expenses		-	29	73	97	103
Total expenses		-	2,969	7,707	11,018	12,069
Medicare Benefits Schedule - Magnetic Resonance Imaging of the breast						
Department of Health						
Administered expenses	4.1	-	538	798	819	833
Department of Human Services						
Departmental expenses		-	1	2	2	2
Department of Veterans' Affairs						
Administered expenses		-	1	1	1	1
Total expenses		-	540	801	822	836
Medicare Benefits Schedule - new and amended listings						
Department of Health						
Administered expenses	4.1	-	(8,169)	(12,293)	(12,971)	(14,145)
Department of Human Services						
Departmental expenses		-	(26)	(43)	(45)	(48)
Department of Veterans' Affairs						
Administered expenses		-	(717)	(1,020)	(983)	(943)
Total expenses		-	(8,912)	(13,356)	(13,999)	(15,136)
Medicare Benefits Schedule - pause indexation						
Department of Health						
Administered expenses	4.1	-	-	-	(292,159)	(605,623)
Department of Human Services						
Departmental expenses		-	-	-	-	28
Department of Veterans' Affairs						
Administered expenses		-	-	-	(9,328)	(18,231)
Total expenses		-	-	-	(301,487)	(623,826)

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Medicare Benefits Schedule - support for rural and remote registrars						
Department of Health						
Administered expenses	2.3	-	(1,416)	(2,159)	(2,196)	(2,233)
	4.1	-	1,416	2,159	2,196	2,233
Total expenses		-	-	-	-	-
Medicare Benefits Schedule and Pharmaceutical Benefits Scheme Data - efficiencies						
Department of Health						
Administered revenue	4.1	-	(15)	(15)	(15)	(15)
	4.3	-	(39)	(39)	(39)	(39)
Department of Human Services						
Departmental revenue		44	-	-	-	-
Total		44	(54)	(54)	(54)	(54)
Pausing Indexation of the Medicare Levy Surcharge and Private Health Insurance Rebate Thresholds - extension						
Department of Health						
Administered expenses	4.4	-	-	-	-	-
Total expenses		-	-	-	-	-
Pharmaceutical Benefits Scheme - continued funding for legal action						
Department of Health						
Administered expenses	4.3	nfp	nfp	nfp	nfp	nfp
Total expenses		nfp	nfp	nfp	nfp	nfp
Pharmaceutical Benefits Scheme - new and amended listings						
Department of Health						
Administered expenses	4.1	(144)	(624)	(676)	(758)	(839)
	4.3	2,699	4,623	9,482	13,632	17,045
Administered revenue	4.3	nfp	nfp	nfp	nfp	nfp
Department of Human Services						
Departmental expenses		314	151	52	16	18
Department of Veterans' Affairs						
Administered expenses		22	1	48	76	88
Total		2,891	4,151	8,906	12,966	16,312
Pharmaceutical Benefits Scheme - price amendments						
Department of Health						
Administered expenses	4.3	321	1,321	1,380	1,439	1,500
Department of Veterans' Affairs						
Administered expenses		13	52	52	54	56
Total expenses		334	1,373	1,432	1,493	1,556
Pharmaceutical Benefits Scheme - supply of medicines following damage to pharmacy premises						
Department of Health						
Administered expenses	4.3	-	243	223	227	231
Total expenses		-	243	223	227	231

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Private Health Insurance and Protheses Committees						
Department of Health						
Administered expenses	4.4	-	1,400	700	100	-
Total expenses		-	1,400	700	100	-
Stoma Appliance Scheme - new and amended listings						
Department of Health						
Administered expenses	4.8	-	23	32	43	55
Total expenses		-	23	32	43	55
Outcome 5: Regulation, Safety and Protection						
Improving the Regulation of Therapeutic Goods in Australia						
Department of Health						
Departmental expenses	5.1	-	7,177	5,329	3,697	3,665
Departmental capital		-	6,223	2,976	277	-
Departmental revenue		-	126	(1,725)	(3,697)	(3,665)
Total		-	13,526	6,580	277	-
Mosquito Control and Cross Border Liaison in the Torres Strait Protected Zone - continuation						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-
National Partnership Agreement - Management of Torres Strait-Papua New Guinea Cross-Border Health Issues - extension						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-
National Partnership Agreement on Specified Projects - Addressing Blood Borne Viruses and Sexually Transmissible Infections						
Department of Health						
Administered expenses	5.2	-	(1,120)	(1,120)	(1,120)	(1,120)
Department of the Treasury						
Administered expenses		-	1,120	1,120	1,120	1,120
Total expenses		-	-	-	-	-
National Immunisation Program - new and amended listings						
Department of Health						
Administered expenses	5.3	-	-	-	-	-
Total expenses		-	-	-	-	-
OzFoodNet Program - continuation						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-

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

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Protecting Australians from Antimicrobial Resistance						
Department of Health						
Administered expenses	5.2	-	2,797	2,187	2,187	2,187
Total expenses		-	2,797	2,187	2,187	2,187
Regulation of Medicinal Cannabis - charging arrangements¹						
Department of Health						
Departmental expenses	5.1	-	-	-	-	-
Total expenses		-	-	-	-	-
Vaccine Preventable Diseases Surveillance Program						
Department of the Treasury						
Administered expenses	5.2	-	-	-	-	-
Total expenses		-	-	-	-	-
Outcome 6: Ageing and Aged Care						
Aged Care Provider Funding - further revision of the Aged Care Funding Instrument						
Department of Health						
Administered expenses	6.3	-	(114,303)	(220,445)	(322,913)	(441,559)
	6.4	-	7,752	14,626	15,035	16,406
Department of Human Services						
Departmental expenses		163	1,099	102	95	87
Department of Veterans' Affairs						
Administered expenses		-	(13,539)	(23,842)	(31,703)	(38,762)
Total expenses		163	(118,991)	(229,559)	(339,486)	(463,828)
Aged Care Provider Funding - improving the targeting of the viability supplement for regional aged care facilities						
Department of Health						
Administered expenses	6.2	-	3,094	6,112	6,221	6,648
	6.3	-	9,487	20,016	21,204	22,678
Department of Human Services						
Departmental expenses		9	1,752	180	180	181
Department of Veterans' Affairs						
Administered expenses		-	700	1,338	1,283	1,239
Total expenses		9	15,033	27,646	28,888	30,746
Home and Community Care Services in Western Australia - continuation						
Department of the Treasury						
Administered expenses	6.2	-	-	-	-	-
Total expenses		-	-	-	-	-
My Aged Care - consumer access						
Department of Health						
Administered expenses	6.1	-	29,624	30,869	35,535	40,548
Total expenses		-	29,624	30,869	35,535	40,548

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

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Cross Outcome Measures					
Health Flexible Funds - pausing indexation and achieving efficiencies					
Department of Health					
Administered expenses	1.1	-	(183)	(258)	(355)
	1.4	-	(227)	(341)	(470)
	2.3	-	(24,013)	(41,390)	(65,780)
	2.4	-	(2,594)	(4,442)	(6,436)
	2.5	-	(1,405)	(2,288)	(3,151)
	2.6	-	-	(6,304)	(12,822)
	4.3	-	(1,308)	(1,268)	(1,268)
	5.2	-	(2,187)	(1,552)	(2,137)
Total expenses		-	(31,917)	(57,843)	(92,419)
Whole of Government Measures					
Public Sector Savings - shared and common services program²					
Department of Health		-	-	-	-
Australian Aged Care Quality Agency		(9)	(17)	(17)	(43)
Australian Organ and Tissue Donation and Transplantation Authority		(9)	(18)	(18)	(44)
Australian Radiation Protection and Nuclear Safety Agency		(34)	(68)	(68)	(170)
Australian Sports Anti-Doping Authority		(19)	(39)	(39)	(97)
Cancer Australia		(20)	(40)	(40)	(99)
National Blood Authority		(9)	(18)	(18)	(44)
National Health and Medical Research Council		(43)	(86)	(86)	(216)
National Health Funding Body		(6)	(13)	(13)	(32)
National Mental Health Commission		(4)	(8)	(8)	(21)
Professional Services Review		(15)	(30)	(30)	(76)
Total expenses		(168)	(337)	(337)	(843)
Other Portfolio Measures³					
A Streamlined Pathway to Permanent Residence for New Zealand Citizens					
<i>Department of Immigration and Border Protection</i>					
Department of Health					
Administered expenses	4.3	-	163	402	554
Total expenses		-	163	402	554

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

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
International Trade Agreements - government procurement reforms					
<i>Department of Foreign Affairs and Trade</i>					
<i>Department of Health</i>					
Departmental capital	-	300	-	-	-
<i>Australian Radiation Protection and Nuclear Safety Agency</i>					
Departmental capital	-	150	-	-	-
<i>National Mental Health Commission</i>					
Departmental capital	-	150	-	-	-
Total	-	600	-	-	-
Mental Health Treatment for Current and Former Members of the Australian Defence Force - improved access					
<i>Department of Veterans' Affairs</i>					
<i>Department of Health</i>					
Administered expenses	4.1	(878)	(888)	(907)	(923)
	4.3	(285)	(881)	(1,534)	(2,161)
Total expenses	-	(1,163)	(1,769)	(2,441)	(3,084)
National Disability Insurance Scheme Savings Fund					
<i>Department of Social Services</i>					
<i>Department of Health</i>					
Administered expenses	2.1	(19)	(26)	(28)	(46,980)
	4.3	(6)	(16)	(24)	(31)
	6.2	(7,564)	(13,828)	(11,417)	(12,575)
	6.3	4,912	16,123	14,012	-
Administered revenue	6.2	12,687	10,732	229,809	435,076
	6.3	(428,883)	(16,138)	(13,647)	-
Total		(416,196)	(3,153)	218,705	375,490
Simplifying Student Payments					
<i>Department of Social Services</i>					
<i>Department of Health</i>					
Administered expenses	4.1	-	-	44	97
	4.3	-	-	215	450
Total expenses	-	-	-	259	547

¹ The cost of this measure will be met from within existing resources.

² This measure was announced in the 2015-16 *Mid-Year Economic and Fiscal Outlook*.

³ The Department of Health is not the lead entity for these measures. Only Department of Health impacts are shown in this table.

1.4 Changes in Entity Outcomes and Programs

Figure 1.4.1: Comparison of 2015-16 and 2016-17 Outcome Structures

<u>2015-16</u>	<u>2016-17</u>
<p>Outcome 1: Population Health A reduction in the incidence of preventable mortality and morbidity, including through national public health initiatives, promotion of healthy lifestyles, and approaches covering disease prevention, health screening and immunisation.</p>	<p>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.</p>
<p>Outcome 2: Access to Pharmaceutical Services Access to cost-effective medicines, including through the Pharmaceutical Benefits Scheme and related subsidies, and assistance for medication management through industry partnerships.</p>	<p>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.</p>
<p>Outcome 3: Access to Medical and Dental Services Access to cost-effective medical, dental, allied health and hearing services, including through implementing targeted medical assistance strategies, and providing Medicare subsidies for clinically relevant services and hearing devices to eligible people.</p>	<p>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.</p>
<p>Outcome 4: Acute Care Improved access to, and efficiency of, public hospitals, acute and subacute care services, including through payments to state and territory governments.</p>	<p>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.</p>
<p>Outcome 5: Primary Health Care Access to comprehensive primary and mental health care services, and health care services for Aboriginal and Torres Strait Islander peoples and rural and remote populations, including through first point of call services for the prevention, diagnosis and treatment of ill-health and ongoing services for managing chronic disease.</p>	<p>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.</p>
<p>Outcome 6: Private Health Improved choice in health services by supporting affordable quality private health care, including through private health insurance rebates and a regulatory framework.</p>	

Figure 1.4.1: Comparison of 2015-16 and 2016-17 Outcome Structures (continued)

<u>2015-16</u>	<u>2016-17</u>
<p>Outcome 7: Health Infrastructure, Regulation, Safety and Quality Improved capacity, quality and safety of Australia’s health care system to meet current and future health needs including through investment in health infrastructure, regulation, international health policy engagement, research into health care, and support for blood and organ donation services.</p> <p>Outcome 8: Health Workforce Capacity Improved capacity, quality and mix of the health workforce to meet the requirements of health services, including through training, registration, accreditation and distribution strategies.</p> <p>Outcome 9: Biosecurity and Emergency Response Preparedness to respond to national health emergencies and risks, including through surveillance, regulation, prevention, detection and leadership in national health coordination.</p> <p>Outcome 10: Sport and Recreation Improved opportunities for community participation in sport and recreation, and excellence in high-performance athletes, through initiatives to help protect the integrity of sport, investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues.</p> <p>Outcome 11: Ageing and Aged Care Improved wellbeing for older Australians through targeted support, access to quality care and related information services.</p>	<p>Outcome 6: Ageing and Aged Care Improved wellbeing for older Australians through targeted support, access to quality care and related information services.</p>

(In accordance with the Administrative Arrangement Order issued on 30 September 2015, ageing and aged care functions transferred to the Department of Health from the Department of Social Services.)

Figure 1.4.2: Mapping 2015-16 and 2016-17 Outcome and Program Structure

2015-16 ¹	2016-17 ²
<p>Outcome 1: Population Health (1, 2, 5) <i>Programs:</i></p> <p>1.1 Public Health, Chronic Disease and Palliative Care (1.1, 1.4, 2.4, 2.5, 5.2) 1.2 Drug Strategy (1.4, 2.4) 1.3 Immunisation (5.3)</p>	<p>Outcome 1: Health System Policy, Design and Innovation (1, 7) <i>Programs:</i></p> <p>1.1 Health Policy Research and Analysis (1.1, 7.2, 7.4, 7.6) 1.2 Health Innovation and Technology (7.1) 1.3 Health Infrastructure (7.5) 1.4 Health Peak and Advisory Bodies (1.1, 1.2, 7.2, 7.7) 1.5 International Policy (7.3)</p>
<p>Outcome 2: Access to Pharmaceutical Services (4) <i>Programs:</i></p> <p>2.1 Community Pharmacy and Pharmaceutical Awareness (4.3) 2.2 Pharmaceuticals and Pharmaceutical Services (4.3) 2.3 Targeted Assistance – Pharmaceuticals (4.3) 2.4 Targeted Assistance – Aids and Appliances (4.8)</p>	<p>Outcome 2: Health Access and Support Services (1, 4, 5, 7, 8) <i>Programs:</i></p> <p>2.1 Mental Health (5.4) 2.2 Aboriginal and Torres Strait Islander Health (5.3) 2.3 Health Workforce (5.5, 8.1, 8.2) 2.4 Preventive Health and Chronic Disease Support (1.1, 1.2, 7.2, 7.4, 7.7) 2.5 Primary Health Care Quality and Coordination (1.1, 5.1) 2.6 Primary Care Practice Incentives (5.2) 2.7 Hospital Services (4.1, 7.4)</p>
<p>Outcome 3: Access to Medical and Dental Services (4) <i>Programs:</i></p> <p>3.1 Medicare Services (4.1, 4.7) 3.2 Targeted Assistance – Medical (4.1) 3.3 Pathology and Diagnostic Imaging Services and Radiation Oncology (4.1) 3.4 Medical Indemnity (4.5) 3.5 Hearing Services (4.2) 3.6 Dental Services (4.6)</p>	<p>Outcome 3: Sport and Recreation (10) <i>Program:</i></p> <p>3.1 Sport and Recreation (10.1)</p>

Figure 1.4.2: Mapping 2015-16 and 2016-17 Outcome and Program Structure (continued)

2015-16 ¹	2016-17 ²
<p>Outcome 4: Acute Care (2) <i>Program:</i> 4.1 Public Hospitals and Information (2.7)</p>	<p>Outcome 4: Individual Health Benefits (2, 3, 6, 7) <i>Programs:</i> 4.1 Medical Benefits (3.1, 3.2, 3.3) 4.2 Hearing Services (3.5) 4.3 Pharmaceutical Benefits (2.1, 2.2, 2.3, 7.4) 4.4 Private Health Insurance (6.1) 4.5 Medical Indemnity (3.4) 4.6 Dental Services (3.6) 4.7 Health Benefit Compliance³ (3.1) 4.8 Targeted Assistance – Aids and Appliances (2.4)</p>
<p>Outcome 5: Primary Health Care (2) <i>Programs:</i> 5.1 Primary Care Financing, Quality and Access (2.5) 5.2 Primary Care Practice Incentives (2.6) 5.3 Aboriginal and Torres Strait Islander Health (2.2) 5.4 Mental Health (2.1) 5.5 Rural Health Services (2.3)</p>	<p>Outcome 5: Regulation, Safety and Protection (1, 7, 9) <i>Programs:</i> 5.1 Protect the Health and Safety of the Community Through Regulation (7.7) 5.2 Health Protection and Emergency Response (1.1, 7.4, 9.1) 5.3 Immunisation (1.3)</p>
<p>Outcome 6: Private Health (4) <i>Program:</i> 6.1 Private Health Insurance (4.4)</p>	<p>Outcome 6: Ageing and Aged Care⁴ (11) <i>Programs:</i> 6.1 Access and Information (11.1, 11.5) 6.2 Home Support and Care (11.2, 11.3, 11.6) 6.3 Residential and Flexible Care (11.4, 11.5) 6.4 Aged Care Quality (11.2, 11.4, 11.5, 11.6)</p>
<p>Outcome 7: Health Infrastructure, Regulation, Safety and Quality (1, 2, 4, 5) <i>Programs:</i> 7.1 eHealth (1.2) 7.2 Health Information (1.1, 1.4, 2.4) 7.3 International Policy Engagement (1.5) 7.4 Research Capacity and Quality (1.1, 2.4, 2.7, 4.3, 5.2) 7.5 Health Infrastructure (1.3) 7.6 Blood and Organ Donation (1.1) 7.7 Regulatory Policy (1.4, 2.4, 5.1)</p>	

Figure 1.4.2: Mapping 2015-16 and 2016-17 Outcome and Program Structure (continued)

2015-16¹
<p>Outcome 8: Health Workforce Capacity (2) <i>Programs:</i> 8.1 Workforce and Rural Distribution (2.3) 8.2 Workforce Development and Innovation (2.3)</p>
<p>Outcome 9: Biosecurity and Emergency Response (5) <i>Program:</i> 9.1 Health Emergency Planning and Response (5.2)</p>
<p>Outcome 10: Sport and Recreation (3) <i>Program:</i> 10.1 Sport and Recreation (3.1)</p>
<p>Outcome 11: Ageing and Aged Care⁴ (6) <i>Programs:</i> 11.1 Access and Information (6.1) 11.2 Home Support (6.2, 6.4) 11.3 Home Care (6.2) 11.4 Residential and Flexible Care (6.3, 6.4) 11.5 Workforce and Quality (6.1, 6.3, 6.4) 11.6 Ageing and Service Improvement (6.2, 6.4)</p>

¹ Bracketed numbers indicate where Outcome and Program(s) have **moved to** in 2016-17 structure.

² Bracketed numbers indicate where Outcome and Program(s) have **moved from** 2015-16 structure.

³ In accordance with the Administrative Arrangement Order issued on 30 September 2015, responsibility for health benefit compliance transferred to the Department of Health from the Department of Human Services.

⁴ In accordance with the Administrative Arrangement Order issued on 30 September 2015, ageing and aged care functions transferred to the Department of Health from the Department of Social Services.

Section 2: Outcomes and Planned Performance

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

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

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE

OUTCOME 1 – HEALTH SYSTEM POLICY, DESIGN AND INNOVATION

Outcome 1

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

Programs Contributing to Outcome 1

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

Outcome 1 is the responsibility of Digital Health Division, Health Services Division, Health Systems Policy Division, and Research, Data and Evaluation Division.

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Australian Commission on Safety and Quality in Health Care Program 1.1: Safety and Quality in Health Care	The Australian Commission on Safety and Quality in Health Care contributes to the achievement of this Outcome by working to strengthen safety and quality across Australia’s health care system in order to reduce patient risks and generate efficiencies (1.1).
Australian Digital Health Agency Program 1.1: Digital Health	The Australian Digital Health Agency will contribute to the achievement of this Outcome by managing and governing the national digital health strategy, and the design, delivery and operations of the national digital healthcare system (1.2).
Australian Institute of Health and Welfare Program 1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community	The Australian Institute of Health and Welfare contributes to the achievement of this Outcome by providing high quality national health related data and analysis (1.1).

<p>Department of Foreign Affairs and Trade Program 1.5: Payments to International Organisations</p>	<p>The Department of Foreign Affairs and Trade contributes to the achievement of this Outcome by working with the Department of Health in promoting regional and global strategic interests as they relate to health (1.5).</p>
<p>Department of Human Services Program 1.2: Services to the Community – Health</p>	<p>The Department of Human Services contributes to ensuring that Australia’s health system is better equipped to meet current and future health needs by administering the Australian Organ Donor Register (1.1) and supporting the operation of the My Health Record (1.2).</p>
<p>Department of Industry, Innovation and Science Program 2.2: Business and Market Development</p>	<p>The Department of Industry, Innovation and Science contributes to the achievement of this Outcome by working with the Department of Health to implement the Biomedical Translation Fund and strategies aimed at making Australia more competitive in relation to clinical trials (1.1).</p>
<p>National Blood Authority Program 1.1: National Blood Agreement Management</p>	<p>The National Blood Authority works to save and improve Australian lives through a world-class blood supply that is safe, secure, affordable and well-managed (1.1).</p>
<p>National Health and Medical Research Council Program 1.1: Health and Medical Research</p>	<p>The National Health and Medical Research Council contributes to the achievement of this Outcome by developing evidence-based health advice for the Australian community, health professionals and Governments, and providing advice on ethical practice in health care and in the conduct of health and medical research (including clinical trials) (1.1).</p>
<p>Organ and Tissue Authority Program 1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation</p>	<p>The Organ and Tissue Authority works to maximise organ and tissue donation for transplantation by increasing the capacity within the health system, and raising community awareness and stakeholder engagement in support of donation (1.1).</p>
<p>The Treasury Program 1.9: National Partnership Payments to the States</p>	<p>The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.¹ Activities funded through the following National Partnership Agreements contribute to the achievement of the Government’s objectives identified within this Outcome:</p> <ul style="list-style-type: none"> - Hepatitis C settlement fund (1.1) - Health infrastructure projects (1.3) - Construction of Palmerston Hospital (1.3) - Upgrade of Ballina Hospital (1.3) - Albury-Wodonga Cardiac Catheterisation Laboratory (1.3).

¹ For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury’s Portfolio Budget Statements.

Table 2.1.1: Budgeted Expenses for Outcome 1

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.

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Health Policy Research and Analysis¹					
Administered expenses					
Ordinary annual services ²	45,980	42,189	39,255	39,195	37,611
Special Accounts					
Medical Research Future Fund	-	60,876	121,565	214,913	386,373
Special appropriations					
<i>National Health Act 1953 - blood fractionation, products and blood related products to National Blood Authority</i>	645,262	711,578	760,645	811,434	864,451
<i>Public Governance, Performance and Accountability Act 2013 s77 - repayments</i>	2,000	2,000	2,000	2,000	2,000
Departmental expenses					
Departmental appropriation ³	10,919	10,311	10,306	10,367	10,372
Expenses not requiring appropriation in the budget year ⁴	287	246	248	264	223
Total for Program 1.1	704,448	827,200	934,019	1,078,173	1,301,030
Program 1.2: Health Innovation and Technology					
Administered expenses					
Ordinary annual services ²	129,182	11,642	634	635	4,880
Non cash expenses ⁵	21,662	-	-	-	-
Departmental expenses					
Departmental appropriation ³	17,488	4,128	3,033	3,047	3,049
Expenses not requiring appropriation in the budget year ⁴	289	59	59	63	54
Total for Program 1.2	168,621	15,829	3,726	3,745	7,983

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.3: Health Infrastructure¹					
Administered expenses					
Ordinary annual services ²	11,380	5,797	8,712	911	911
Special appropriations					
<i>Health Insurance Act 1973</i>					
- payments relating to the former Health and Hospitals Fund ⁶	33,197	51,770	17,005	16,048	-
Special Accounts					
Health and Hospitals Fund					
Health Portfolio ^{6,7}	54,984	-	-	-	-
Departmental expenses					
Departmental appropriation ³	5,261	4,861	4,858	4,885	4,888
Expenses not requiring appropriation in the budget year ⁴	133	112	113	120	102
Total for Program 1.3	104,955	62,540	30,688	21,964	5,901
Program 1.4: Health Peak and Advisory Bodies					
Administered expenses					
Ordinary annual services ²	7,008	7,983	7,573	7,479	7,350
Departmental expenses					
Departmental appropriation ³	5,517	5,058	5,056	5,086	5,089
Expenses not requiring appropriation in the budget year ⁴	145	121	122	130	110
Total for Program 1.4	12,670	13,162	12,751	12,695	12,549
Program 1.5: International Policy					
Administered expenses					
Ordinary annual services ²	14,412	14,340	13,691	13,691	13,691
Departmental expenses					
Departmental appropriation ³	6,021	5,453	5,450	5,481	5,484
Expenses not requiring appropriation in the budget year ⁴	151	126	127	135	114
Total for Program 1.5	20,584	19,919	19,268	19,307	19,289

Table 2.1.1: Budgeted Expenses for Outcome 1 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Outcome 1 totals by appropriation type					
Administered expenses					
Ordinary annual services ²	207,962	81,951	69,865	61,911	64,443
Non cash expenses ⁵	21,662	-	-	-	-
Special Accounts	54,984	60,876	121,565	214,913	386,373
Special appropriations	680,459	765,348	779,650	829,482	866,451
Departmental expenses					
Departmental appropriation ³ to Special accounts	45,206	29,811	28,703	28,866	28,882
Expenses not requiring appropriation in the budget year ⁴	1,005	664	669	712	603
Total expenses for Outcome 1	1,011,278	938,650	1,000,452	1,135,884	1,346,752
	2015-16	2016-17			
Average staffing level (number)	245	185			

¹ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

² Appropriation (Bill No. 1) 2016-17.

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

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

⁵ "Non cash expenses" relates to the amortisation of computer software.

⁶ The Health and Hospitals Fund Special Account ceased in October 2015 and replaced with a Special Appropriation under the *Health Insurance Act 1973*.

⁷ Health and Hospitals Fund Special Account payments to the States and Territories, included in this program, are paid by the Treasury.

Movement of Funds

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Movement of Administered funds between years for Outcome 1					
Program 1.1: Health Policy Research and Analysis					
Medical Research Future Fund	(10,000)	10,000	-	-	-
Total movement of funds	(10,000)	10,000	-	-	-

Planned Performance for Outcome 1

Tables 2.1.2 - 2.1.6 below detail the performance criteria for each program associated with Outcome 1.² These tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Table 2.1.2 – Performance Criteria for Program 1.1

Outcome	1: Australia’s health system is better equipped to meet current and future health needs by applying research, evaluation, innovation, and use of data to develop and implement integrated, evidence-based health policies, and through support for sustainable funding for health infrastructure
Program	1.1: Health Policy Research and Analysis The Australian Government will invest in medical research, and work to strengthen safety and quality across the health system to reduce patient risks and generate efficiencies. This includes working with States and Territories to ensure a nationally consistent approach to achieving better health outcomes for all Australians. The Government also aims to provide Australians with access to an adequate, safe, secure, and affordable blood supply and access to organ and tissue transplants.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives: A. Providing support to Council of Australian Governments (COAG) Health Council and the Australian Health Ministers’ Advisory Council (AHMAC) B. Improving research capacity C. Improving safety and quality in health care D. Improving Australians’ access to organ and tissue transplants E. Supporting access to blood and blood products
Program objective	
A. Providing support to Council of Australian Governments (COAG) Health Council and the Australian Health Ministers’ Advisory Council (AHMAC)	
To ensure a nationally consistent focus on achieving better health outcomes, the Australian Government facilitates collaborative policy development with States and Territories through the COAG Health Council, AHMAC and its Principal Committees. The Department will work to ensure that relevant Australian Government priorities are reflected in the activities of the COAG Health Council.	

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Annual Report.

Qualitative performance criteria	2016-17 Reference point or target
Work with States and Territories to facilitate a nationally consistent focus on achieving better health outcomes for all Australians. ³	Australian Government health priorities are progressed through the COAG Health Council.
Program objective	
B. Improving research capacity	
<p>Medical research is vital for the future of the Australian health system, and the Australian economy and it can be life changing for patients. Discoveries in medical research and important medical innovations will continue to contribute to improving the health and wellbeing of Australians.</p> <p>The Medical Research Future Fund (MRFF) may lead to the discovery and development of new medicines and technologies. It will encourage innovation in research and business. The capital-preserved MRFF will provide a sustainable source of funding for important medical research over the medium to longer term, support the sustainability of the health system into the future, and drive further medical innovation. The Australian Medical Research Advisory Board, announced on 4 April 2016, will develop the Australian Medical Research and Innovation Strategy and associated Priorities that will be taken into consideration by Government in making decisions on MRFF disbursements.</p> <p>MRFF disbursements will mature beyond 2020-21 when the capital base is due to reach \$20 billion. Over time, the annual disbursements will reach a billion dollars per annum. This expenditure will add to the research funding already allocated by the National Health and Medical Research Council and new expenditure under the Biomedical Translation Fund (BTF), as a part of the National Innovation and Science Agenda.</p> <p>The BTF will provide a further boost to health and medical research industry by effectively making \$500 million (\$250 million of Commonwealth funds matched by the private sector) available over two years to invest in promising biomedical discoveries. The BTF will complement the MRFF and provide important stimulus to commercialise late stage medical research discoveries with potential. It is intended that the BTF will operate as a for-profit venture fund with an independent governing body selecting private sector fund managers through a competitive process.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Investment in medical research supports sustainability for the health system and drives innovation.	Strategic investment of total available funding in 2016-17.
<i>The Biomedical Translation Fund is established to support commercialisation of Australian health and medical research.</i>	<i>Fund established in 2016.</i>
<i>The disbursement of funds from the MRFF is guided by the Australian Medical Research and Innovation Strategy, and the Australian Medical Research and Innovation Priorities.</i>	<i>The Australian Medical Research and Innovation Strategy, and Medical Research and Innovation Priorities delivered to Government in 2016.</i>

³ This performance criterion and 2016-17 target have been revised to more effectively measure the program objective.

Program objective	
C. Improving safety and quality in health care	
<p>In 2016-17, the Australian Government, in partnership with States, Territories and the Australian Commission on Safety and Quality in Health Care (ACSQHC),⁴ will respond to the first <i>Atlas of Healthcare Variation</i>.</p> <p>The Department, with States and Territories, will also provide policy direction and funding to the ACSQHC to continue its work strengthening safety and quality across the health system to reduce patient risks and generate efficiencies.</p> <p>In 2016-17, the Australian Government, through the Department, will continue its support of clinical registries for high-risk implantable breast and cardiac devices. The initial investment to establish these registries will be extended with a further one year of operational funding.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Relevant evidence-based resources are available to help reduce unwarranted health care variation by changing clinical practice.	Information is available to consumers, clinicians and health services to promote adoption of clinical best practice.
Potential unwarranted health care variation has been identified. ⁵	Agreement with relevant stakeholders on unwarranted health care variation for further investigation.
Program objective	
D. Improving Australians' access to organ and tissue transplants	
<p>The Australian Government, through the Department, will continue to support the Organ and Tissue Authority (OTA)⁶ in implementing, coordination and monitoring a national approach to organ and tissue donation for transplantation with the aim of increasing Australians' access to life-saving and life-transforming transplants.</p> <p>The Department also supports the Department of Human Services in administering the Australian Organ Donor Register whereby Australians are enabled to register their decision about becoming an organ and/or tissue donor for transplantation after death.</p> <p>On 1 July 2015, the Department assumed the administration of the national Supporting Leave for Living Organ Donors Program. The Program provides financial contribution, via the donor's employer, to alleviate the financial burden for leave taken during the donation process and recovery period.</p> <p>In 2016-17, the Government will formally respond to recommendations following the review of the implementation of the national reform program on organ and tissue donation and transplantation.</p> <p>To provide patients in need of life-saving stem cell transplants with the best possible chance of finding a stem cell match, the Government will support the Australian Bone Marrow Donor Registry and the National Cord Blood Collection Network (Network). In 2016-17, the Government will consider the findings of a review of the Network which is aimed at improving efficiencies and access to cord blood units.</p> <p>In 2016-17, the Government will also continue to provide funding for approved applicants</p>	

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

⁵ The performance criterion has been reworded for clarity, the target remains unchanged.

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

to search for an international match when a domestic one is unavailable, and to access internationally sourced matched donors and stem cells for transplants through the consolidated program known as the Haemopoietic Progenitor Cell Program.					
Qualitative performance criteria		2016-17 Reference point or target			
Support the Australian Bone Marrow Donor Registry and the National Cord Blood Collection Network to identify matched donors and stem cells for transplant.		Increased diversity of tissue types of donors and cord blood units available for transplant.			
Support provided to the Australian Bone Marrow Donor Registry to search for (and transport) matched donors and stem cells internationally, when a domestic match is unavailable for transplant, to meet the needs of eligible Australian patients. ⁷		Funding is provided to meet the Commonwealth's agreement with the Australian Bone Marrow Donor Registry, and through that, meet the needs of patients requiring a stem cell transplant.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target⁸	2018-19 Target⁹	2019-20 Target¹⁰
Number of searchable Indigenous cord blood units.	N/A ¹¹	70	N/A	N/A	N/A
Percentage of searchable cord blood units where one or both parents claim ancestry that is not North-West European.	N/A ¹²	50%	N/A	N/A	N/A
Number of banked cord blood units					
• Total	1,600	1,600	N/A	N/A	N/A
• Indigenous	50	50	N/A	N/A	N/A
Program objective					
E. Supporting access to blood and blood products					
<p>Under the National Blood Agreement, the Australian Government and States and Territories fund, in the ratio of 63 per cent for the Commonwealth and 37 per cent for the States and Territories, the supply of blood and a range of essential blood products to meet Australia's clinical need, as well as ensuring that their use is efficient, effective, and evidence based. The Government will also work with States and Territories to further reduce avoidable inventory wastage and variations in transfusion practice, and support the strengthening of clinical access arrangements for a range of funded products, particularly immunoglobulins. The Australian Government also provides funding to the Haemophilia Foundation Australia (HFA) to support people with bleeding disorders.</p> <p>Program 1.1 includes continuation of National Partnership Payments for the Hepatitis C settlement fund.</p>					

⁷ The performance criterion and reference point have been revised to specify the target group.

⁸ Targets for forward years to be determined by Health Ministers following a review scheduled for completion mid-2016.

⁹ Ibid.

¹⁰ Ibid.

¹¹ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹² Ibid.

Qualitative performance criteria	2016-17 Reference point or target
Effective planning of the annual blood supply through the National Supply Plan and Budget.	Implementation of the 2016-17 National Supply Plan and Budget that was agreed by all Health Ministers in 2015-16. ¹³
The supply of blood and essential blood products are effectively supported in order to meet Australia’s clinical need.	Funding is provided to meet the Commonwealth’s contribution under the National Blood Agreement.
Material changes to Program 1.1 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i> 	

Table 2.1.3 – Performance Criteria for Program 1.2

Program	1.2: Health Innovation and Technology The Australian Government will lead the way with an electronic health system that aims to meet Australia’s current and future needs.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit the Australian community, will be delivered under the following program objective: A. Providing national digital health leadership
Program objective	
A. Providing national digital health leadership	
<p>The Australian Government is committed to a national shared electronic health record system. The Australian Digital Health Agency¹⁴ will commence operations on 1 July 2016 and consolidate the operations of the <i>My Health Record</i> into one organisation.</p> <p>Through program 1.2, the Australian Government will continue trials of <i>My Health Record</i> participation arrangements, including opt-out, which is the automatic creation of records where individuals have a <i>My Health Record</i> created for them, unless they choose not to have one (that is, they ‘opt-out’). This is being trialled in Northern Queensland and the Nepean Blue Mountains region of New South Wales. Trials are also being conducted of innovative approaches to increasing participation and use of the <i>My Health Record</i> by individuals and health care providers under the current opt-in system in Ballarat in Western Victoria and Western Australia. The relative effectiveness of these participation arrangements will be compared against the rest of Australia and inform a Government decision expected in 2016-17 about future strategies for bringing forward the benefits of the <i>My Health Record</i> nationally. An independent evaluator has been engaged by the Department to evaluate the outcomes of the trials.</p>	

¹³ This performance criterion has been revised. Target reported in the *2015-16 Portfolio Budget Statements* has been achieved.

¹⁴ For further information on the work of the Australian Digital Health Agency, refer to the Digital Health chapter in these Portfolio Budget Statements.

Qualitative performance criteria	2016-17 Reference point or target
Trials of new participation arrangements are undertaken, including for an opt-out system. ¹⁵	Trials to be completed by 31 October 2016.
Material changes to Program 1.2 resulting from the following measures:	
There are no material changes to Program 1.2 resulting from measures.	

Table 2.1.4 – Performance Criteria for Program 1.3

Program	<p>1.3: Health Infrastructure</p> <p>The Australian Government supports the improvement to the health system through strategic investments in health infrastructure.</p> <p>The Australian Government will provide Rural General Practice Grants for existing general practices to strengthen the rural health workforce through additional infrastructure. This will enable general practices to deliver increased health services and increased opportunities to provide teaching and training for health practitioners.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit the Australian community and assist primary health care practitioners, will be delivered under the following program objectives:</p> <p>A. Improving primary health care infrastructure</p> <p>B. Investing in other major health infrastructure</p>
Program objective	
A. Improving primary health care infrastructure	
<p>The objectives of the program are:</p> <ul style="list-style-type: none"> To provide additional infrastructure and appropriate space to enable rural and regional health practitioners to maintain and increase the level of services locally; To enable existing rural and regional general practices to provide teaching and training opportunities for a range of health professionals within the practice; and To enable existing rural and regional general practices to provide an environment to increase health literacy within the community. <p>In 2016-17, the Government will better support rural general practices to teach and train the next generation of health workers for country Australia, by redesigning the Rural and Regional Teaching Infrastructure Grants Program to create a more streamlined Rural General Practice Grants Program. Grants will help deliver improved rural health services through additional infrastructure, increased levels of teaching and training, and more opportunities to inform rural communities about healthy living.</p>	

¹⁵ This performance criterion has been revised. Target reported in the 2015-16 Portfolio Budget Statements has been achieved.

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
<i>Number of Rural General Practice Grants supporting additional infrastructure to enable increased levels of teaching and training for health practitioners.</i>	N/A ¹⁶	30	13	N/A ¹⁷	N/A ¹⁸
Program objective					
B. Investing in other major health infrastructure					
The Department continues to monitor compliance against key project milestones of existing health infrastructure projects, including projects under the former Health and Hospitals Fund.					
Qualitative performance criteria			2016-17 Reference point or target		
Effective monitoring of health infrastructure projects for compliance with agreed outputs. ¹⁹			Reports are received for all projects in the required timeframe and remedial action taken as required.		
Material changes to Program 1.3 resulting from the following measures:					
<ul style="list-style-type: none"> Rural General Practice Grants Program 					

Table 2.1.5 – Performance Criteria for Program 1.4

Program	1.4: Health Peak and Advisory Bodies The Australian Government aims to actively engage with national and peak advisory bodies to inform the development of policies and programs that contribute to the Government's health agenda.
Purpose	Lead and shape Australia's health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit the Australian community through the support of the health sector, will be delivered under the following program objective: A. Supporting the Australian Government with informed policy advice and facilitating engagement with the health sector
Program objective	
A. Supporting the Australian Government with informed policy advice and facilitating engagement with the health sector	
The Australian Government, through the Department of Health, provides an integrated, system-wide policy framework to inform the ongoing policy agenda on health matters and enhance the Department's strategic policy capability.	

¹⁶ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹⁷ Grants will be awarded in 2016-17 and 2017-18 only.

¹⁸ Ibid.

¹⁹ This performance criterion has been revised, as the Health and Hospitals Fund ceased on 29 October 2015.

Qualitative performance criteria	2016-17 Reference point or target
Advice obtained from national peak and advisory bodies informs policy and program development.	Funding agreements with a range of national peak and advisory bodies commencing from 1 July 2016. ²⁰
Material changes to Program 1.4 resulting from the following measures:	
<ul style="list-style-type: none"> <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i> 	

Table 2.1.6 – Performance Criteria for Program 1.5

Program	1.5: International Policy The Australian Government will pursue Australia’s health interests through multilateral engagements, country-to-country partnerships and analysis of international best practice.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit Australia’s health interests, will be delivered under the following program objective: A. Facilitating international engagement on health issues
Program objective	
A. Facilitating international engagement on health issues	
<p>The Australian Government, through the Department, will continue to monitor international health policy trends and actively engage in international dialogue on health policy challenges.</p> <p>The Health Portfolio maintains the lead responsibility in Australia’s relationship with the World Health Organization (WHO). In 2016-17, together with fellow Member States, Australia will focus on: strengthening the WHO’s ability to respond to health security threats (including through preparedness and surveillance activities); continuing the process to reform the WHO; supporting WHO to assist developing countries build resilient health systems; and supporting non-communicable disease prevention and control efforts (including tobacco control).</p> <p>Preparations are under way for Australia to host the sixty-eighth WHO Western Pacific Regional Committee Meeting in late 2017, providing an important opportunity to pursue regional and global health outcomes. Through this forum and others, the Department will continue to promote and protect Australia’s priority health interests. This effort will be reinforced by active participation in the development of regional health architecture, and engagement on regional health priorities with the East Asia Summit and the Asia-Pacific Economic Cooperation (APEC) Health Working Group.</p> <p>The Department will look to further strengthen the Organisation for Economic Co-operation and Development’s (OECD) health stream of work in 2016-17, particularly in regard to comparative data, digital health and information on health systems. Areas of focus include: quality of care; measuring outcomes; health system financing; and promoting innovation and value for money in health spending.</p> <p>Additionally, the Department will influence international regulatory policy in relation to</p>	

²⁰ This performance criterion has been revised. Target reported in the 2015-16 Portfolio Budget Statements has been achieved.

therapeutic goods through continued participation in fora such as the International Coalition of Medicines Regulatory Authorities, the International Medical Devices Regulators' Forum and the International Generic Drug Regulators Program, as well as bilateral initiatives such as the Regulatory Cooperation Initiative with Health Canada. ²¹					
Qualitative performance criteria		2016-17 Reference point or target			
Reform of the WHO continues to improve global and regional capacity to prevent and respond to health emergencies.		Australia contributes to debate on WHO reform in regional and global governing bodies.			
Australia's interests secured at relevant meetings of key international health bodies and organisations.		Departmental representatives will have actively engaged in meetings of the WHO governing bodies, OECD Health Committee, APEC Health Working Group and other international fora.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of international health delegation visits facilitated by the Department.	15-20	15-20	15-20	15-20	15-20
Material changes to Program 1.5 resulting from the following measures:					
There are no material changes to Program 1.5 resulting from measures.					

²¹ Refer to Program 5.1: *Protect the Health and Safety of the Community Through Regulation* for more information about the work of the Therapeutic Goods Administration.

2.2 BUDGETED EXPENSES AND PERFORMANCE

OUTCOME 2 – HEALTH ACCESS AND SUPPORT SERVICES

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

Outcome 1 2

Programs Contributing to Outcome 2

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

Outcome 2 is the responsibility of Health Services Division, Health Systems Policy Division, Health Workforce Division, Indigenous Health Division, People Capability and Communication Division, Population Health and Sport Division, and Research, Data and Evaluation Division.

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 2 made by linked programs
Cancer Australia Program 1.1: Improved Cancer Control	Cancer Australia provides national leadership in cancer control and works with the Department of Health to improve the detection, treatment and survival outcomes for people with cancer (2.4).
Food Standards Australia New Zealand Program 1.1: Food regulatory activity and services to the Minister and Parliament	Food Standards Australia New Zealand (FSANZ) contributes to the protection of public health and safety by developing food standards for implementation by the States and Territories. FSANZ also coordinates national food surveillance and recall activities, to minimise the risk of adverse health events from food (2.4).

<p>Department of Human Services Program 1.2: Services to the Community - Health</p>	<p>The Department of Human Services administers payments and services to eligible recipients under the following programs/ initiatives administered by the Department of Health, to contribute to achievement of the Government’s objectives within this Outcome:</p> <ul style="list-style-type: none"> - Indigenous access to the Pharmaceutical Benefits Scheme (2.2) - General Practice Rural Incentives Program (2.3) - Practice Nurse Incentive Program (2.3) - Rural Procedural Grants Program (2.3) - Rural Locum Education Assistance Program (2.3) - Scaling of Rural Workforce Program (2.3) - Support cervical cancer screening (2.4) - Health Care Homes Program (2.5 and 2.6) - Incentive payments to general practices, GPs and Indigenous health services (2.6). <p>In addition, the Department of Human Services administers the National Bowel Cancer Screening Register (2.4).</p>
<p>Department of Immigration and Border Protection Program 2.4: Refugee and Humanitarian Assistance</p>	<p>The Department of Immigration and Border Protection contributes to the achievement of this Outcome by determining annual client numbers for the Program of Assistance for Survivors of Torture and Trauma (2.1).</p>
<p>Department of Industry, Innovation and Science Program 3: Program Support</p>	<p>Through the National Measurement Institute, the Department of Industry, Innovation and Science contributes to reducing smoking prevalence in Australia by conducting tobacco plain packaging compliance and enforcement activities (2.4).</p>
<p>Independent Hospital Pricing Authority Program 1.1: Public hospital price determinations</p>	<p>The Independent Hospital Pricing Authority determines the National Efficient Price for public hospital services, as the basis for Activity Based Funding and the National Efficient Cost for those public hospital services under block funding arrangements (2.7).</p>
<p>National Health Funding Body Program 1.1: National Health Funding Pool Administration</p>	<p>The National Health Funding Body is responsible for the transparent and efficient administration of Commonwealth, State and Territory funding of public hospital services. This includes the administration of payments to and from the National Health Funding Pool to Local Hospital Networks and other parties in accordance with the National Health Reform Agreement. Commonwealth funding is provided by the Treasury (2.7).</p>
<p>National Mental Health Commission Program 1.1: National Mental Health Commission</p>	<p>The National Mental Health Commission (NMHC) provides insight, advice and evidence on ways to improve Australia’s mental health and suicide prevention systems. The NMHC also acts as a catalyst for change to achieve these improvements (2.1).</p>

Section 2 – Department Outcomes – 2: Health Access and Support Services

Outcome 1.2

<p>Department of the Prime Minister and Cabinet Program 2.3: Indigenous Advancement - Safety and Wellbeing</p>	<p>The Department of the Prime Minister and Cabinet works closely with the Department of Health to ensure the effectiveness of Indigenous health funding, and that mainstream policy, programs and services deliver benefits to Indigenous Australians (2.2).</p>
<p>Department of Social Services Program 3.2: National Disability Insurance Scheme</p>	<p>The Department of Social Services contributes to improving access to services and supports for people with psychosocial disability through implementation of the National Disability Insurance Scheme (2.1).</p>
<p>Department of Veterans' Affairs Program 2.1: General Medical Consultations and Services</p>	<p>The Department of Veterans' Affairs (DVA) contributes to the Government's objectives for the Practice Nurse Incentive Program. Practices eligible for this program that provide GP services to the DVA gold card holders are eligible for an annual payment for each veteran. These practices are identified by Department of Human Services (2.3).</p>
<p>The Treasury Program 1.9: National Partnership Payments to the States</p>	<p>The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework.¹ Activities funded through the following National Partnership Agreements contribute to the achievement of the Government's objectives within this Outcome:</p> <ul style="list-style-type: none"> - Improving trachoma control services for Indigenous Australians (2.2) - Rheumatic Fever Strategy (2.2) - Northern Territory remote Aboriginal investment (2.2) - Accommodation and infrastructure related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory (2.2) - Expansion of the BreastScreen Australia Program (2.4) - National Bowel Cancer Screening Program – participant follow-up function (2.4) - Victorian Cytology Service (2.4) - Hummingbird House (2.4) - National Coronial Information System (2.4) - Additional assistance for public hospitals (2.7) - Reducing elective surgery waiting lists in Tasmania (2.7) - Improving patient pathways through clinical and system redesign (2.7) - Subacute and acute projects (2.7).

¹ For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.2.1: Budgeted Expenses for Outcome 2

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.

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 2.1: Mental Health¹					
Administered expenses					
Ordinary annual services ²	663,578	679,453	697,108	709,898	528,823
Departmental expenses					
Departmental appropriation ³	21,407	19,429	19,342	19,121	19,130
Expenses not requiring appropriation in the budget year ⁴	779	748	754	803	679
Total for Program 2.1	685,764	699,630	717,204	729,822	548,632
Program 2.2: Aboriginal and Torres Strait Islander Health¹					
Administered expenses					
Ordinary annual services ²	729,135	780,207	849,147	884,028	921,580
Departmental expenses					
Departmental appropriation ³	44,581	40,925	40,934	41,228	41,308
Expenses not requiring appropriation in the budget year ⁴	1,153	964	971	1,035	876
Total for Program 2.2	774,869	822,096	891,052	926,291	963,764
Program 2.3: Health Workforce					
Administered expenses					
Ordinary annual services ²	1,288,282	1,291,530	1,305,728	1,274,986	1,266,940
Departmental expenses					
Departmental appropriation ³	45,328	41,915	41,076	41,327	41,352
Expenses not requiring appropriation in the budget year ⁴	1,191	1,008	1,016	1,082	916
Total for Program 2.3	1,334,801	1,334,453	1,347,820	1,317,395	1,309,208
Program 2.4: Preventive Health and Chronic Disease Support¹					
Administered expenses					
Ordinary annual services ²	278,015	378,306	345,089	357,647	358,541
Departmental expenses					
Departmental appropriation ³	41,470	38,089	37,568	37,789	37,809
Expenses not requiring appropriation in the budget year ⁴	1,076	903	910	970	820
Total for Program 2.4	320,561	417,298	383,567	396,406	397,170

Table 2.2.1: Budgeted Expenses for Outcome 2 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 2.5: Primary Health Care Quality and Coordination					
Administered expenses					
Ordinary annual services ²	432,603	405,876	357,794	374,989	317,649
Departmental expenses					
Departmental appropriation ³	25,427	23,514	23,420	23,584	23,596
Expenses not requiring appropriation in the budget year ⁴	648	548	552	588	498
Total for Program 2.5	458,678	429,938	381,766	399,161	341,743
Program 2.6: Primary Care Practice Incentives					
Administered expenses					
Ordinary annual services ²	357,971	372,977	353,802	368,200	368,628
Departmental expenses					
Departmental appropriation ³	2,250	1,966	1,965	1,976	1,977
Expenses not requiring appropriation in the budget year ⁴	58	47	47	50	43
Total for Program 2.6	360,279	374,990	355,814	370,226	370,648
Program 2.7: Hospital Services¹					
Administered expenses					
Ordinary annual services ²	92,639	92,534	77,286	77,722	77,936
Non cash expenses ⁵	963	963	963	963	963
Departmental expenses					
Departmental appropriation ³	29,615	40,928	41,816	40,915	38,951
Expenses not requiring appropriation in the budget year ⁴	4,028	4,164	4,196	4,471	3,782
Total for Program 2.7	127,245	138,589	124,261	124,071	121,632

Outcome 1 2

Table 2.2.1: Budgeted Expenses for Outcome 2 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Outcome 2 totals by appropriation type					
Administered expenses					
Ordinary annual services ²	3,842,223	4,000,883	3,985,954	4,047,470	3,840,097
Non cash expenses ⁵	963	963	963	963	963
Departmental expenses					
Departmental appropriation ³	210,078	206,766	206,121	205,940	204,123
Expenses not requiring appropriation in the budget year ⁴	8,933	8,382	8,446	8,999	7,614
Total expenses for Outcome 2	4,062,197	4,216,994	4,201,484	4,263,372	4,052,797
	2015-16	2016-17			
Average staffing level (number)	1,132	1,118			

¹ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

² Appropriation (Bill No. 1) 2016-17.

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

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

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

Movement of Funds

There were no movements of Administered funds between years for Outcome 2.

Planned Performance for Outcome 2

Tables 2.2.2 - 2.2.8 below detail the performance criteria for each program associated with Outcome 2.² These tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Table 2.2.2 – Performance Criteria for Program 2.1

Outcome	2: Support for sustainable funding for public hospital services and improved access to high quality, comprehensive and coordinated preventive, primary and mental health care for all Australians, with a focus on those with complex health care needs and those living in regional, rural and remote areas, including through access to a skilled health workforce
Program	2.1: Mental Health The Australian Government is committed to supporting Australians with, or at risk of, mental illness and improving service integration in order to develop a more effective mental health system. In response to the National Mental Health Commission’s review of Australia’s mental health system, <i>Contributing Lives, Thriving Communities – Review of Mental Health Programs and Services</i> , the Government will transform Commonwealth mental health funding and leadership to achieve a more efficient, integrated and sustainable mental health system.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit Australians with, or at risk of, mental illness and their families, will be delivered under the following program objective: A. Investing in more and better coordinated services for people with mental illness
Program objective	
A. Investing in more and better coordinated services for people with mental illness	
Central to the Government’s mental health reforms will be a regional approach to service planning and integration, and better matching of services to individual needs. The Government’s response takes a whole of system perspective, enabling Commonwealth services to complement the role of State and Territories in mental health care. In 2016-17, the Government will commence implementing its reform agenda, with an immediate focus on establishing and rolling out the expanded Primary Health Network (PHN) role, child and youth integration, the digital mental health gateway and the new community-based approach to suicide prevention. From July 2016, through a newly established flexible primary mental health care funding pool, PHNs will plan and commission regionally delivered primary mental health services in partnership with relevant services. PHNs will play a key role in leading the development	

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Annual Report.

<p>of regional mental health and suicide prevention plans.</p> <p>A new digital mental health gateway will be established which will streamline access to existing evidence-based information, advice and digital mental health treatment, and will connect people to the services they need through a centralised telephone and web portal.</p> <p>In 2016-17, the Government will fund the development of a new online perinatal depression support tool and smart phone application, to help women who are affected by, or at risk of, perinatal depression.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Support PHNs to effectively implement reform activities and maximise use of the flexible funding pool.	Transition of regionally delivered mental health and suicide prevention programs to the PHNs funding pool, to enable service commissioning to commence from July 2016.
Support better coordination and integration of mental health and suicide prevention services at a national and regional level to improve consumer outcomes. ³	Development of PHNs regional mental health and suicide prevention plans commenced by 30 June 2017.
Establish a new digital mental health gateway that promotes access to information, advice and digital mental health treatment.	Early consultation with the digital mental health sector in the design, development and delivery of the gateway to be completed by 31 August 2016.
Material changes to Program 2.1 resulting from the following measures:	
<ul style="list-style-type: none"> National Disability Insurance Scheme Savings Fund (Department of Social Services) 	

Table 2.2.3 – Performance Criteria for Program 2.2

Program	<p>2.2: Aboriginal and Torres Strait Islander Health</p> <p>The Australian Government will continue delivery of high quality essential health services to Aboriginal and Torres Strait Islander people, and respond to new and emerging health needs.</p> <p>In 2016-17, the Department will continue to focus on activities which support the Aboriginal and Torres Strait Islander Health Plan (2013-2023) and associated Implementation Plan.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit Aboriginal and Torres Strait Islander people, will be delivered under the following program objectives:</p> <p>A. Improving access to comprehensive and culturally appropriate health care in areas of need</p> <p>B. Reducing chronic disease</p> <p>C. Improving child and maternal health</p>

³ This performance criterion has been revised. The target reported in the 2015-16 Portfolio Budget Statements has been achieved.

Program objective					
A. Improving access to comprehensive and culturally appropriate health care in areas of need					
<p>Through the Indigenous Australians' Health Programme, Aboriginal and Torres Strait Islander people have access to effective health services in urban, regional, rural and remote areas. Services are provided through Aboriginal and Torres Strait Islander Community Controlled Health Organisations as well as other primary health care services, to deliver comprehensive, culturally appropriate primary health care. Funding is also provided for system-level support to the Indigenous primary health care sector to improve the effectiveness and efficacy of these services. From 2016-17, Aboriginal and Torres Strait Islander people will be provided with better access to coordinated and culturally appropriate mental health care, as part of the Government's refocus of mental health programs. In 2016-17, the Department will continue to develop a new funding approach to ensure that program funds are targeted at areas of health need and population growth.</p>					
Qualitative performance criteria			2016-17 Reference point or target		
Continue to implement actions in the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (the plan) 2013-2023. ⁴			Monitor and review progress against the plan in consultation with the Indigenous health sector.		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of Indigenous adult and child health checks completed. ⁵	164,476	189,394	198,864	208,807	219,247
Program objective					
B. Reducing chronic disease					
<p>The Government is committed to reducing the high rates of chronic disease experienced by Aboriginal and Torres Strait Islander people. This includes improving access to quality care including through disease management plans, better care coordination and follow up, and assistance with medicines. In 2016-17, the Department will continue to focus on improving the prevention, detection and management of chronic disease, particularly through the continued implementation of the redesigned Tackling Indigenous Smoking program, and better alignment of services through the Integrated Team Care activity (previously the Care Coordination and Supplementary Services and Improving Indigenous Access to Primary Care programs).</p> <p>The Government will continue the rheumatic fever strategy working with relevant State and Territory Governments to protect Aboriginal and Torres Strait Islander children at risk of acute rheumatic fever and rheumatic heart disease.</p>					

⁴ This performance criterion has been revised. The target reported in the 2015-16 Portfolio Budget Statements has been achieved.

⁵ Targets for 2016-17 and forward years have been revised to reflect an increase in the uptake of health checks.

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of regular Aboriginal and/or Torres Strait Islander clients with type 2 diabetes that have had a blood pressure measurement result recorded at the primary health care service within the previous 6 months.	60-65%	60-65%	60-65%	60-65%	65-70%
Quantitative performance criteria	2014 Actual	2015 Target	2016 Forward Year 1	2017 Forward Year 2	2018 Forward Year 3
Chronic disease related mortality rate per 100,000: ⁶					
• Aboriginal and Torres Strait Islander	757	614-650	593-628	572-606	551-584
• Non-Aboriginal and Torres Strait Islander	447	426-431	417-424	409-414	400-405
• Rate difference	309	185-222	173-209	161-195	148-182
Child 0-4 mortality rate per 100,000: ⁷					
• Aboriginal and Torres Strait Islander	159	107-158	101-151	95-143	89-135
• Non-Aboriginal and Torres Strait Islander	73	78-89	76-86	74-84	72-82
• Rate difference	86	23-76	19-70	16-65	12-59
Program objective					
C. Improving child and maternal health					
The Government is committed to improving health, education and employment outcomes to help overcome Indigenous disadvantage. To support this, in 2016-17, the Department will continue to implement the Better Start to Life approach which includes the continued expansions of the Australian Nurse Family Partnership Program and New Directions: Mothers and Babies Services.					

⁶ Note that this data is reported on a calendar year basis. The targets are amended each year as new mortality data becomes available. The targets are based on a trajectory required to close the gap between Indigenous and non-Indigenous Australians by 2031. Source: AIHW National Mortality Database, calendar years 1998-2013 (which is the most up-to-date data available) and includes jurisdictions for which data are available and of sufficient quality to publish (NSW, Qld, WA, SA and NT combined).

⁷ Note that this data is reported on a calendar year basis. The targets are amended each year as new mortality data becomes available. The 2015 target and forward years are based on a trajectory required to halve the gap between Indigenous and non-Indigenous Australians by 2018. Source: AIHW National Mortality Database, calendar years 1998-2014 (which is the most up-to-date data available) and includes jurisdictions for which data are available and of sufficient quality to publish (NSW, Qld, WA, SA and NT combined).

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of services funded to provide New Directions: Mothers and Babies Services.	110	124	136	136	136
Number of organisations funded to provide Australian Nurse Family Partnership Program Services.	5	9	13	13	13
Material changes to Program 2.2 resulting from the following measures:					
There are no material changes to Program 2.2 resulting from measures.					

Table 2.2.4 – Performance Criteria for Program 2.3

Program	<p>2.3: Health Workforce</p> <p>The Australian Government aims to ensure that Australia has the workforce necessary to meet the needs of a sustainable health system. The Government is continuing to address workforce distribution by better targeting and refocussing investment in workforce support and training.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit the Australian community, including health professionals, medical students and people living in regional, rural and remote areas, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Increasing the capacity and effectiveness of training and education for the future health workforce B. Redesigning the supply of, and support for, health professionals in rural, regional and remote Australia C. Improving access to health services for rural Australians
Program objective	
A. Increasing the capacity and effectiveness of training and education for the future health workforce	
<p>The Australian Government recognises that investment in medical training and education underpins the delivery of sustainable health care services for all Australians.</p> <p>In 2016-17, the Government will continue to ensure high quality training is provided for GP registrars under the Australian General Practice Training (AGPT) Program, and support 1,500 commencing GP registrars each year as well as ongoing participants. At least 50 per cent of all GP training is undertaken in rural and regional areas. The Government will continue to work closely with GP training and accreditation organisations to reduce costs, further streamline administration and ensure appropriate engagement of the profession in the delivery of training. The Government will seek to grow the AGPT Program in partnership with business and the medical profession.</p> <p>To further support appropriate clinical training and broader registrar expenses, the Specialist Training Program (STP) enables medical specialist trainees to rotate through an expanded range of settings beyond traditional public teaching hospitals, including the</p>	

private sector and in rural areas. Following a comprehensive review undertaken in 2015-16, the program will be continued and will be more closely aligned with workforce planning data to ensure STP places are allocated according to the needs of communities.

In 2016-17, the Australian Government will continue to ensure that an appropriately skilled and well-qualified workforce is available to care for older people who need aged care in their own homes or in residential care. The Department will continue to consult with the sector on future aged care workforce needs, provide targeted training for Aboriginal and Torres Strait Islander people, respond to emerging issues and support innovative practice in the health and aged care workforces.

Qualitative performance criteria	2016-17 Reference point or target
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Establish a grants program for professional entry nursing, midwifery and allied health students to undertake clinical placements in the private and non-government sectors.	Implement a grants program for professional entry nursing, midwifery and allied health students to undertake clinical placements in the private and non-government sectors commencing in semester one 2017.
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Quantitative performance criteria ⁸	Academic Year 2015 Target	Academic Year 2016 Target	Academic Year 2017 Target	Academic Year 2018 Target	Academic Year 2019 Target
Number of commencing GP trainees funded through the Australian General Practice Training Program.	1,500	1,500	1,500	1,500	1,500
Number of medical internship positions funded through the Commonwealth Medical Internships Program.	84	≤100	≤100	≤100	≤100
Number of training positions funded through the Specialist Training Program. ⁹	900	900	950	1,000	1,000

Program objective

B. Redesigning the supply of, and support for, health professionals in rural, regional and remote Australia

The Department will implement the Integrated Rural Training Pipeline initiative, which was announced as part of the *2015-16 Mid-Year Economic and Fiscal Outlook*. The initiative will help to retain medical graduates in rural areas by better coordinating the different stages of training within regions and funding new places to help meet student demand.

The Department will expand support for the Rural Health Multidisciplinary Training (RHMT) Program, including establishing an additional three University Departments of Rural Health (UDRH) to increase clinical training capacity for nursing, midwifery and allied health students in rural areas. The Department will also establish a competitive funding

⁸ Placements are allocated on an academic year basis.

⁹ Targets for 2017, 2018 and 2019 have been revised to reflect the impact of the Integrated Rural Training Pipeline initiative.

<p>round to support clinical training for professional entry students of nursing, midwifery and allied health in the private and non-government sectors. In 2016-17, the Department will continue to deliver a range of programs to support health professionals in rural, regional and remote Australia, including the Practice Nurse Incentive Program.</p> <p>In 2016-17, the Government will help boost Australia’s rural health workforce by better supporting general practice registrars training to be GPs in rural areas. This will give all GP registrars the same access to GP-related Medicare benefits for the services they provide while training. These registrars train through the Australian College of Rural and Remote Medicine (ACRRM).</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Implementation of the <i>Integrated Rural Training Pipeline for Medicine</i> measure.		Regional training hubs selected through a competitive process by 1 January 2017.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of medical students participating in the Rural Health Multidisciplinary Training Program – 1 year rural clinical placement. ¹⁰	>25%	>25%	>25%	>25%	>25%
Number of weeks of rural multidisciplinary placements supported through the Rural Health Multidisciplinary Training Program.	18,113	20,384 ¹¹	21,294	21,294	21,294
Number of practices supported through the Practice Nurse Incentive Program.	4,100	4,100	4,100	4,100	4,100
Program objective					
C. Improving access to health services for rural Australians					
<p>People living in regional, rural and remote areas face greater health care challenges than Australians based in metropolitan areas.</p> <p>The Australian Government provides significant investment through a range of measures to encourage the right health professional to work in the right place, at the right time. This includes training scholarships for health professionals; incentives for doctors, nurses and allied health professionals working in small regional, rural and remote locations; funding the delivery of outreach services; and support for Rural Workforce Agencies to deliver recruitment and retention activities to the rural health workforce.</p>					

¹⁰ This performance criterion has been revised to reflect the change in the name of the RHMT.

¹¹ Targets for 2016-17 and forward years have been revised based on agreed targets in the RHMT university agreements. Targets may be further revised following the implementation of the RHMT expansion announced at *2015-16 Mid-Year Economic and Fiscal Outlook*.

Qualitative performance criteria		2016-17 Reference point or target				
Strengthen the quality, capacity and training opportunities of the health workforce.		Implement a grants program for professional entry nursing, midwifery and allied health students to undertake clinical placements in the private and non-government sectors commencing in semester one 2017.				
Establishment of the Health Workforce Program to strengthen the capacity of the health workforce.		Implementation of the new Health Workforce Program by 30 June 2016 with funding agreements to commence in 2016-17.				
Improve access to training scholarships for health professionals.		Through the delivery of scholarships by a single agency to the health workforce for the 2017 academic year.				
Medical specialist, GP, allied and other health services provided through the Rural Health Outreach Fund meet the needs of regional, rural and remote communities.		Organisations funded to support rural outreach will be guided by existing advisory forums and Indigenous Health Partnership forums, to identify community needs and better meet the needs of regional, rural and remote communities. ¹²				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Number of communities receiving outreach services through the Rural Health Outreach Fund. ¹³	350	375	375	375	375	
Number of patient contacts delivered ¹⁴ through the Rural Health Outreach Fund. ¹⁵	165,000	163,000	163,000	163,000	163,000	
Number of patient consultations at Royal Flying Doctor Service primary health clinics. ¹⁶	40,000	36,000	36,000	36,000	36,000	
Material changes to Program 2.3 resulting from the following measures:						
<ul style="list-style-type: none"> Health Flexible Funds – pausing indexation and achieving efficiencies 						

¹² Target has been revised to provide a clear focus on regional, rural and remote communities.

¹³ Targets for 2017-18 and 2018-19 have been revised to reflect the 2015-16 Budget measure *Rationalising and Streamlining Health Programs*.

¹⁴ This number represents the number of patient contacts, not the number of individual patients.

¹⁵ This performance criterion has been revised to reflect the 2015-16 Budget measure *Rationalising and Streamlining Health Programs*.

¹⁶ This performance criterion and targets for 2016-17 and forward years have been revised to 36,000 to reflect improved reporting of services by the Royal Flying Doctor Service.

Table 2.2.5 – Performance Criteria for Program 2.4

Program	<p>2.4: Preventive Health and Chronic Disease Support</p> <p>The Australian Government aims to improve the health and wellbeing of Australians and to reduce preventable mortality and morbidity caused by chronic disease and substance misuse. This will be achieved through evidence-based promotion of healthy lifestyles and good nutrition, early detection of cancer and other lifestyle limiting conditions, a range of tobacco control measures, and through the implementation of strategies to reduce illegal drug use, legal drug misuse and harmful levels of alcohol consumption.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Reducing the incidence of chronic disease and complications, and promoting healthier lifestyles B. Supporting the development and implementation of evidence-based food regulatory policy C. Improving early detection, treatment and survival outcomes for people with cancer D. Improving access to high quality palliative care services for all Australians E. Reducing harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs F. Reducing the harmful effects of tobacco use
Program objective	
A. Reducing the incidence of chronic disease and complications, and promoting healthier lifestyles	
<p>The Australian Government aims to reduce the Australian population’s incidence and complications of chronic disease and promote healthier lifestyles. This includes activities and programs encouraging Australians to make healthy eating choices by promoting and following the <i>Australian Dietary Guidelines</i> and the <i>Australian Guide to Healthy Eating</i>; being physically active and maintaining a healthy weight.</p> <p>In 2016-17, the Australian Government will work with industry and public health groups to successfully implement actions of the Healthy Food Partnership. This will include supporting industry food reformulation efforts and encouraging, supporting and enabling consumers to consume appropriate levels of energy and core foods.</p>	

Outcome 12

Qualitative performance criteria	2016-17 Reference point or target
Implementation Plan for the <i>Australian National Diabetes Strategy 2016-2020</i> developed in negotiation with jurisdictions. ¹⁷	<i>Australian National Diabetes Strategy 2016-2020</i> Implementation Plan finalised by the end of 2016.
Australian Government nutrition policy is informed by evidence-based advice.	Ongoing promotion and implementation of <i>Australian Dietary Guidelines</i> and <i>Australian Guide to Healthy Eating</i> .
A National Strategic Framework for Chronic Conditions is developed in partnership with jurisdictions to guide chronic conditions policy and strategies into the future.	The National Strategic Framework for Chronic Conditions is submitted for approval through the AHMAC process by the end of 2016.
Program objective	
B. Supporting the development and implementation of evidence-based food regulatory policy	
<p>The Australian Government administers a strong, evidence-based food regulatory system to ensure that food sold in Australia is safe. The Department will ensure that all food regulatory policy is considered in the context of the Government's deregulation agenda and will promote the reduction of unnecessary regulatory burden and red tape. The Department collaborates with the Department of Agriculture and Water Resources, States and Territories and New Zealand to develop robust policy to assist Food Standards Australia New Zealand¹⁸ to develop, and the States and Territories to implement, the food standards necessary to ensure a safe food supply for Australia.</p> <p>Food labelling plays an integral role in assisting consumers to make informed healthy food purchasing decisions. The Australian Government will continue to undertake promotional activities in partnership with the States and Territories during 2016-17, to raise awareness of the Health Star Rating system and support industry's adoption of the system.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Develop advice and policy for the Australian Government on food regulatory issues.	Relevant, evidence-based advice is produced for Government in a timely manner.
Promote a nationally consistent, evidence-based approach to food policy and regulation.	Consistent regulatory approach across Australia is achieved through nationally agreed evidence-based policies and standards. ¹⁹

¹⁷ This performance criterion has been revised. Target reported in the *2015-16 Portfolio Budget Statements* has been achieved.

¹⁸ For further information on the work of Food Standards Australia New Zealand (FSANZ), refer to the FSANZ chapter in these Portfolio Budget Statements.

¹⁹ This performance criterion has been revised. The target reported in the *2015-16 Portfolio Budget Statements* has been achieved.

Program objective	
C. Improving early detection, treatment and survival outcomes for people with cancer	
<p>The Australian Government recognises the importance of cancer screening in the early detection and treatment of cancer. In 2016-17, the Australian Government will continue to expand the National Bowel Cancer Screening Program to a biennial screening interval for Australians 50-74 years of age by 2020. Free bowel cancer screening using an immuno-chemical faecal occult blood test will be offered to people turning 54, 58 and 68 years old in 2017. This will build on the program which currently invites people turning 50, 55, 60, 64, 65, 70, 72 and 74 years of age to participate. The remaining cohorts will be included from 2018 to 2020.</p> <p>Breast cancer is the most common cancer in Australian women. In 2016-17, the Australian Government will continue to work with State and Territory Governments to provide breast and cervical cancer screening for women in the eligible age cohorts. Breast care nurses funded through the McGrath Foundation will provide vital information, care and support to women diagnosed with breast cancer and their families.</p> <p>The Australian Government will continue to work with State and Territory Governments to implement the Medical Services Advisory Committee's recommendation to replace the current two yearly Pap test with a five yearly Human Papillomavirus test. Items will be available on the Medicare Benefits Schedule from 1 May 2017.</p> <p>In 2016-17, the Australian Government will implement a single National Cancer Screening Register that will be a fundamental enabler to support the renewal of the National Cervical Screening Program and the expansion of the National Bowel Cancer Screening Program. The transition to a National Cancer Screening Register will be a key step towards connecting the health system and deliver capability that can be reused for future screening programs.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Continue to implement the accelerated expansion of the National Bowel Cancer Screening Program to a biennial screening interval (by 2020). ²⁰	Commencement of invitations to 54, 58 and 68 year olds in 2017 and the continued delivery of communication and program enhancement activities.
<i>Support the renewal of the National Cervical Screening Program and expansion of the National Bowel Cancer Screening Program.</i>	<i>Implementation of the National Cancer Screening Register to commence on 1 May 2017.</i>
Support the expansion of the BreastScreen Australia Program to extend the invitation to Australian women 70-74 years of age through the implementation of a nationally consistent communication strategy. ²¹	Continue delivery of communication activities such as print, radio and online promotion.

²⁰ This performance criterion has been revised to reflect the additional ages being added to the eligible age cohorts.

²¹ This performance criterion has been revised to reflect continuing delivery of the program.

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of breast care nurses employed through the McGrath Foundation.	57	57	N/A ²²	N/A	N/A
Percentage of people invited to take part in the National Bowel Cancer Screening Program who participated. ²³	41%	41%	41%	41%	41%
Percentage of women 50-69 years of age participating in BreastScreen Australia. ²⁴	55%	55%	55%	55%	54%
Percentage of women 70-74 years of age participating in BreastScreen Australia. ²⁵	53%	54%	54%	54%	54%
Percentage of women in the target age group participating in the National Cervical Screening Program. ²⁶	57%	57%	57%	57%	58%

²² The current funding agreement for this program terminates in June 2017.

²³ Australian Institute of Health and Welfare 2015, *National Bowel Cancer Screening Program: monitoring report 2012-2013*, Cancer series no. 94, Cat. no. CAN 92, AIHW, Canberra. Targets for 2016-17 and forward years have been revised based on the most recent data (2013-2014) on participation in the National Bowel Cancer Screening Program.

²⁴ Australian Institute of Health and Welfare 2015, *BreastScreen Australia monitoring report 2012-2013*, Cancer series no. 95, cat. no. CAN 93, AIHW, Canberra. Targets for 2016-17 and forward years have been revised based on the most recent data (2012-2013) on participation in BreastScreen Australia Program. Small changes in these figures are unlikely to be statistically significant. Participation data for the program cannot be projected into the future.

²⁵ From 2013-14, the program started actively inviting women 70-74 years of age to participate in BreastScreen Australia. Estimated participation rates are expected to reach 54 per cent by 2016-17. Targets for 2016-17 and forward years have been revised based on the most recent data (2012-2013) on participation in BreastScreen Australia Program.

²⁶ Australian Institute of Health and Welfare 2015, *Cervical screening in Australia 2012-13*, Cancer series no. 93, cat. no. CAN 79, AIHW, Canberra. Targets for 2016-17 and forward years have been revised based on the most recent data (2012-2013) on participation in the National Cervical Screening Program. Small changes in these figures are unlikely to be statistically significant. Participation data for the program cannot be projected into the future.

Program objective	
D. Improving access to high quality palliative care services for all Australians	
<p>The Australian Government funds a range of national palliative care activities that contribute to building and enhancing the capacity of health services to provide quality palliative care. These activities focus on education, training, quality improvement and advance care planning. In collaboration with State and Territory Governments and key providers of end of life care, the Government will commence a review of the National Palliative Care Strategy. The Government will continue to support State and Territory Governments to implement palliative care services with a specific allocation under the Federal Financial Relations Framework to increase access to hospice services for children and their families in Queensland.</p>	
Qualitative performance criteria	2016-17 Reference point or target
<p>Implementation of the National Palliative Care Projects and other activities consistent with the National Palliative Care Strategy 2010.²⁷</p>	<p>Continue to implement national projects that support quality improvement in palliative care priority areas including education, training, quality standards and advance care planning. Full implementation of the National Palliative Care Projects by 30 June 2017. Following June 2017, evaluation of these projects will inform future palliative and end of life care funding and activities.</p>

²⁷ This performance criterion has been revised to reflect continuing delivery of the initiative.

Program objective	
E. Reducing harm to individuals and communities from misuse of alcohol, pharmaceuticals and use of illicit drugs	
<p>The Australian Government will continue to work with States and Territories, experts and communities to minimise the harms associated with alcohol, tobacco and other drug use. This will include continuing to defend tobacco plain packaging against disputes, finalisation of the next iteration of the National Drug Strategy, the National Alcohol Strategy and establishment of the new Ministerial Forum on Alcohol and Drugs which will report directly to the Council of Australian Governments.</p> <p>Another key focus is the implementation of measures announced in late 2015 through the Government's response to the report of the National Ice Taskforce and the National Ice Action Strategy, which will seek to improve nationally coordinated approaches to reducing harms associated with illicit drug use, improve access to treatment services and information across the community.</p> <p>The Government will also continue to support service delivery and education initiatives promoting responsible alcohol consumption including to reduce the prevalence and impact of Fetal Alcohol Spectrum Disorders.</p> <p>The next Australian National Drug Strategy Household Survey will be conducted during 2016-17.</p> <p>The Government will continue to fund the National Coronial Information System (NCIS). The NCIS contains data on deaths reported to an Australian coroner from July 2000, and to a New Zealand coroner from July 2007. It enables coroners, their staff, public sector agencies, researchers and other agencies to access coronial data to inform death and injury prevention activities.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Establish a new Centre for Clinical Excellence for Emerging Drugs of Concern, which will provide timely and relevant data and research that informs the development of alcohol and other drug information, early intervention, prevention, and treatment activities.	Clinical Centre of Excellence will be established during 2016-17.
Provide up-to-date information to young people on the risks and harms of illicit drug use.	Continue dissemination of materials and delivery of the National Drugs Campaign including provision of resources for parents, teachers and students.
Provide funding to drug and alcohol organisations to support early intervention, prevention, information, and treatment activities.	Implementation of the new Drug and Alcohol Program commencing in 2016-17.
Availability of prevention and early intervention substance misuse resources for teachers, parents and students.	Increasing access to new material through the National Drugs Campaign website as measured by an increase in site visits. ²⁸

²⁸ Available at: www.drugs.health.gov.au

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of population 14 years of age and older recently (in the last 12 months) using an illicit drug. ²⁹	<13.4%	<13.4%	<13.4%	<13.4%	<13.4%
Program objective					
F. Reducing the harmful effects of tobacco use					
<p>Smoking continues to be one of the leading causes of preventable disease and premature death in Australia.</p> <p>To reduce the harmful effects of tobacco use, the Australian Government continues to work with States and Territories to implement the National Tobacco Strategy 2012-2018. The strategy aims to improve the health of all Australians by reducing the prevalence of smoking and its associated health, social and economic costs and the inequalities it causes. In 2016-17, the Government will also support the next phase of the National Tobacco Campaign.</p>					
Qualitative performance criteria			2016-17 Reference point or target		
Implement social marketing campaigns to raise awareness of the dangers of smoking and encourage and support attempts to quit.			Deliver a campaign within the agreed timeframes focussing on groups with high smoking prevalence, which will raise awareness of the dangers of smoking. ³⁰		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of population 18 years of age and over who are daily smokers.	12.6%	11.3%	10%	<10%	<10%
Material changes to Program 2.4 resulting from the following measures:					
<ul style="list-style-type: none"> Health Flexible Funds – pausing indexation and achieving efficiencies National Cancer Screening Register 					

²⁹ Data on this target is currently taken from the 2013 National Drug Strategy Household Survey, which is published every three years. Data from the 2016 survey will be available in late 2017.

³⁰ Target has been revised to include a focus on groups with high smoking prevalence.

Table 2.2.6 – Performance Criteria for Program 2.5

Program	<p>2.5: Primary Health Care Quality and Coordination</p> <p>The Australian Government aims to strengthen primary care by focussing funding to frontline health services and improving the delivery, quality and coordination of primary care services. This will help improve health outcomes for patients, focussing on those who are most in need, including those with chronic conditions or mental illness. It will also assist in reducing unnecessary visits or admissions to hospitals.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, intended to benefit the Australian community, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Focussing investment in frontline medical services for patients through Primary Health Networks B. Improving models of primary care C. Establishing the Primary Health Care Development Program
Program objective	
A. Focussing investment in frontline medical services for patients through Primary Health Networks	
<p>Through Primary Health Networks (PHNs), the Australian Government will continue to increase the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes, and to improve coordination of care to ensure that patients receive the right care, in the right place, at the right time.</p> <p>PHNs will work directly with general practice, other primary health care providers, secondary care providers, hospitals, and private providers to ensure better coordination of care across the local health system and improve outcomes for patients.</p> <p>From July 2016, PHNs will commence their commissioning activities to address the priorities identified through their baseline regional needs assessments, and in their activity work plans, prepared in 2015-16. Later in 2016-17, PHNs will review and update their needs assessments and activity work plans to determine their commissioning activities for 2017-18.</p> <p>As announced by the Government in its response to the National Mental Health Commission’s Review of Mental Health Programs and Services, PHNs will take on a much larger role in the commissioning of primary mental health services from 2016-17. As part of the Government’s response to the National Ice Taskforce’s final report, PHNs will also commission more drug and alcohol treatment services.</p>	

Qualitative performance criteria	2016-17 Reference point or target
Primary Health Networks move to a commissioning role. ³¹	All Primary Health Networks commence commissioning activities within the first six months of 2016-17.
Percentage of Primary Health Networks with updated baseline needs assessments and strategies for responding to identified service gaps. ³²	Completed by 100% of Primary Health Networks by 30 June 2017.
Program objective	
B. Improving models of primary care	
The Government recognises the challenge posed by increasing rates of chronic and complex disease in the Australian community and is committed to investigating new, innovative models of primary health care delivery that will deliver high quality and sustainable care to patients. In 2016-17, the Government will begin implementation of Health Care Homes, which will provide patients with continuity of care and coordinated services using a team based approach according to the needs and wishes of the patient.	
Qualitative performance criteria	2016-17 Reference point or target
<i>Establishment of a governance structure to facilitate stage 1 of a new Health Care Home model.</i>	<i>The governance structure will be established by November 2016.</i>
<i>Number of Primary Health Network regions which have begun patient enrolment into Health Care Homes.</i>	<i>Patient enrolment has commenced in up to seven Primary Health Network regions by 30 June 2017.</i>
Program objective	
C. Establishing the Primary Health Care Development Program	
The Program will fund measures that seek to provide better access to innovative and cost effective health, and medical care, accurate advice and information about health, illness and service availability, so that people are better able to care for themselves and their families.	
Qualitative performance criteria	2016-17 Reference point or target
Improved delivery of health services through current and emerging interactive communication channels.	Increased use of the National Health Services Directory and first point of call services by the Australian population and health professionals.
Material changes to Program 2.5 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i> • <i>Healthier Medicare – trial of Health Care Homes</i> 	

³¹ This performance criterion has been revised. Target reported in the 2015-16 Portfolio Budget Statements has been achieved.

³² Ibid.

Table 2.2.7 – Performance Criteria for Program 2.6

Program	2.6: Primary Care Practice Incentives The Australian Government provides incentive payments to general practices and general practitioners (GPs) through the Practice Incentives Program (PIP) to support activities that encourage continuing improvements, increase quality of care, enhance capacity and improve access and health outcomes for patients.				
Purpose	Lead and shape Australia's health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.				
Delivery	Program activities, which are intended to benefit GPs and the Australian community, will be delivered under the following program objectives: A. Providing general practice incentive payments				
Program objective					
A. Providing general practice incentive payments					
In 2016-17, the Government will implement changes to the Digital Health Incentive to encourage practices to use and realise the benefits of the <i>My Health Record</i> system. The Government will continue to provide PIP teaching payments to support general practices to provide teaching sessions to medical students and will continue to support general practices to provide after-hours service provision to ensure that all Australians have access to high quality after hours care, integrated with their usual general practice. The rural loading incentive which recognises the difficulties of providing care in rural and remote regions will also continue. In 2016-17, the Government will work towards introducing changes to the Practice Incentives Program (PIP) to include a new quality improvement incentive payment that will streamline and simplify current PIP payments to help general practice achieve high quality health care and improved patient outcomes.					
Qualitative performance criteria			2016-17 Reference point or target		
Revise the Digital Health PIP Incentive.			Provide general practices with access to the revised Digital Health Incentive from 1 August 2016.		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of GP patient care services provided by PIP practices. ³³	84.1%	84.2%	84.2%	84.2%	84.2%
Number of general practices participating in the PIP After Hours Incentive.	4,600	4,650	4,700	4,750	4,800
Material changes to Program 2.6 resulting from the following measures:					
<ul style="list-style-type: none"> <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i> <i>Quality Improvement in General Practice – simplification of the Practice Incentives Program</i> 					

³³ This is calculated as the proportion of total Medicare Benefit Schedule (MBS) schedule fees for non-referred attendances provided by PIP practices, standardised for age and sex.

Table 2.2.8 – Performance Criteria for Program 2.7

Program	2.7: Hospital Services The Australian Government aims to improve access to, and the efficiency of, public hospitals through the provision of funding to States and Territories.	
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.	
Delivery	Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives: A. Supporting the States and Territories to deliver efficient public hospital services B. Improving health services in Tasmania C. Supporting the Mersey Community Hospital	
Program objective		
A. Supporting the States and Territories to deliver efficient public hospital services		
States and Territories are responsible for the delivery of efficient public hospital services. To assist States and Territories in fulfilling this responsibility, the Commonwealth will increase its funding contribution to public hospital services from \$17.2 billion in 2015-16 to \$17.9 billion in 2016-17. The Council of Australian Governments has agreed a Heads of Agreement for public hospital funding from 1 July 2017 to 30 June 2020 ahead of consideration of longer term arrangements. Commonwealth funding to States and Territories for this period includes an estimated additional \$2.9 billion in funding for public hospital services. The Department will continue to work with States and Territories and relevant Commonwealth entities to support the efficient pricing, funding, delivery, performance, and reform of public hospital services.		
Qualitative performance criteria	2016-17 Reference point or target	
Provide accurate advice to the Minister on public hospital funding policy.	Relevant advice produced in a timely manner.	
Program objective		
B. Improving health services in Tasmania		
The Australian and Tasmanian Governments will work together to improve the effectiveness, efficiency and sustainability of the State’s health services through the National Partnership Agreement (NPA) on Improving Health Services in Tasmania. The NPA will contribute to an increase in Tasmania’s ability to provide cost-effective and sustainable elective surgery, alleviate pressure on emergency departments, avoid unnecessary hospitalisation and reduce re-admission.		
Qualitative performance criteria	2016-17 Reference point or target	
Implementation of elective surgery reform activities across Tasmania.	Reform activities, including the purchase of elective surgery procedures from public and private providers, are undertaken in accordance with the NPA requirements.	

Outcome 1.2

Program objective	
C. Supporting the Mersey Community Hospital	
<p>The Australian Government currently funds the Tasmanian Government to operate and manage the Mersey Community Hospital at Latrobe, to provide a range of public hospital services for the community in the north-west region of Tasmania. A new Heads of Agreement between the Commonwealth and the Tasmanian Government commenced on 1 September 2015 and is due to expire on 30 June 2017. The Australian Government will work with the Tasmanian Government to determine future arrangements for the management, administration and operation of the Mersey Community Hospital once the current Heads of Agreement expires on 30 June 2017.</p>	
Qualitative performance criteria	2016-17 Reference point or target
<p>Ensure that residents of north-west Tasmania have ongoing access to hospital services.</p>	<p>The Australian Government will work with the Tasmanian Government to determine future arrangements for the management, administration and operation of the Mersey Community Hospital once the current Heads of Agreement expires on 30 June 2017.</p>
Material changes to Program 2.7 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Public Hospitals – new funding arrangements</i> 	

2.3 BUDGETED EXPENSES AND PERFORMANCE

OUTCOME 3 – SPORT AND RECREATION

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

Program Contributing to Outcome 3

Program 3.1: Sport and Recreation

Outcome 3 is the responsibility of Population Health and Sport Division.

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 3 made by linked programs
Australian Sports Anti-Doping Authority Program 1.1: Deterrence, Detection and Enforcement	The Australian Sports Anti-Doping Authority (ASADA) contributes to the protection of the health of athletes, and the integrity of sport, by conducting World Anti-Doping Code compliant activities domestically. ASADA also contributes to international efforts to combat doping in sport (3.1).
Australian Sports Commission Program 1.1: Australian Sports Commission	The Australian Sports Commission works with the Department of Health to increase participation in sport (as well as improve population health outcomes through involvement in sport), by implementing initiatives including the <i>Play.Sport.Australia</i> participation strategy (3.1).
The Treasury Program 1.9: National Partnership Payments to the States	The Treasury makes National Partnership Payments to the State and Territory Governments for the Heffron Park Centre of Excellence as part of the Federal Financial Relations Framework (3.1). ¹

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¹ For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.3.1: Budgeted Expenses for Outcome 3

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.

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 3.1: Sport and Recreation¹					
Administered expenses					
Ordinary annual services ²	21,948	15,975	17,061	12,749	12,778
Special Accounts					
Sport and Recreation	378	407	407	407	407
Departmental expenses					
Departmental appropriation ³	9,906	9,135	9,152	9,121	10,193
Expenses not requiring appropriation in the budget year ⁴	275	243	245	261	221
Total for Program 3.1	32,507	25,760	26,865	22,538	23,599
Outcome 3 totals by appropriation type					
Administered expenses					
Ordinary annual services ²	21,948	15,975	17,061	12,749	12,778
Special accounts	378	407	407	407	407
Departmental expenses					
Departmental appropriation ³	9,906	9,135	9,152	9,121	10,193
Expenses not requiring appropriation in the budget year ⁴	275	243	245	261	221
Total expenses for Outcome 3	32,507	25,760	26,865	22,538	23,599
	2015-16	2016-17			
Average staffing level (number)	59	54			

¹ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

² Appropriation (Bill No. 1) 2016-17.

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

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

Movement of Funds

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

Planned Performance for Outcome 3

Table 2.3.2 below details the performance criteria for each program associated with Outcome 3.² It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Table 2.3.2 – Performance Criteria for Program 3.1³

Outcome	3: Improved opportunities for community participation in sport and recreation, excellence in high-performance athletes, and protecting the integrity of sport through investment in sport infrastructure, coordination of Commonwealth involvement in major sporting events, and research and international cooperation on sport issues
Program	<p>3.1: Sport and Recreation</p> <p>The Australian Government, through Outcome 3, aims to increase participation in sport and recreation activities by all Australians, foster excellence in Australia’s high performance athletes and protect the integrity of Australian sport.</p> <p>In 2016-17, the Department will continue preparations for the Government’s involvement in the staging of upcoming major international sporting events to be held in Australia, as well as work with key stakeholders to address existing and emerging sport integrity issues, and deliver a range of water safety programs and activities aimed at reducing drowning injuries and deaths around Australia.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit the Australian community – including those participating in sport, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Increasing participation in sport and recreation B. Supporting upcoming major sporting events C. Improving water and snow safety D. Protecting the integrity of sport

Outcome | 3

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Annual Report.

³ Performance criteria for Program 3.1 have been reviewed and updated for 2016-17.

Program objective	
A. Increasing participation in sport and recreation	
<p>The Australian Government recognises the benefits associated with participation in sport and physical recreation, including the contribution of sport to assist all Australians to live active and healthy lives.</p> <p>Participation in sport and physical activity continues to slowly decline both in overall numbers of participants and level of intensity, with women participating at lower levels than men. In 2016-17, the Department will work with the Australian Sports Commission (ASC),⁴ other Australian Government entities, the States and Territories, academia and other stakeholders, to further develop and promote policies and strategies that encourage and support increased participation in sport and physical activity for all Australians.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Coordinate across Government to support the development and implementation of strategies and policies to increase participation in sport and physical activity from community to elite level, reduce injury risks and improve health outcomes for people involved in sport, through the provision of information to the community and sport sector, and advice to Government entities.	Strategies and policies developed during 2016-17 encompass sport and population health outcomes, deliver whole-of-government objectives, and are implemented in consultation with stakeholders in a timely manner.
Program objective	
B. Supporting upcoming major sporting events	
<p>The Department will coordinate support for the hosting of selected major international sporting events in Australia, including the 2017 Rugby League International Federation (RLIF) Rugby League World Cup (co-hosted with New Zealand, and featuring games in Papua New Guinea); the 2018 Gold Coast Commonwealth Games; and the 2020 ICC World Twenty20 (T20) for men and women. This will include critical operational support for detailed planning across Government to ensure the delivery of safe and successful international sporting events, with the aim of leaving a lasting legacy that maintains and enhances Australia's reputation as a host of world class major events.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Well-coordinated preparation across Government entities to facilitate the implementation of strategies and policies, which support the hosting of major international sporting events and achieving legacy benefits in Australia.	Strategies and policies are implemented during 2016-17, in consultation with key stakeholders, which contribute to the Australian Government's delivery of a safe and secure event for participants and spectators.

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

Program objective	
C. Improving water and snow safety	
<p>The Australian Government remains committed to reducing the number of water and snow injuries and deaths in Australia. In 2016-17, the Department will provide policy support to leading water and snow safety organisations to improve water and snow safety in Australia, including through implementation of the Government’s commitment to reduce drowning injuries and deaths.⁵ The Department will continue to work with key water safety organisations to deliver a range of initiatives to improve water safety among community groups known to miss out on safety education programs, and to tackle the incidence of drowning in identified high risks areas. The Department will also continue to provide funding to surf lifesaving clubs to purchase rescue equipment, first aid and medical supplies to enhance safety outcomes. In addition, the Department will work with key stakeholders to investigate new innovative options that may contribute to water safety outcomes in Australia.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Develop and implement water and snow safety strategies, programs and projects to support a 50% reduction in drowning deaths by 2020.	Water and snow safety programs result in increased water and snow safety awareness – as reported by water and snow safety organisations.
Program objective	
D. Protecting the integrity of sport	
<p>The Australian Government is committed to protecting the integrity of Australian and international sport. The Department works closely with the Australian Sports Anti-Doping Authority (ASADA),⁶ State and Territory Governments, sports and other relevant organisations to increase capacity to address a range of sports integrity issues including match-fixing, doping and other forms of corruption in sport.</p> <p>In 2016-17, the Department will support Australia’s participation on the World Anti-Doping Agency Executive Committee and Foundation Board, and continue to deliver initiatives to address high priority sports integrity issues through the Sports Integrity Program.</p>	

⁵ The Australian Government is committed to the Australian Water Safety Council’s goal of reducing drowning deaths by 50 per cent by 2020, i.e. a 50 per cent reduction against the three year average of 306 drowning deaths per annum (2008-09 to 2010-11).

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

Qualitative performance criteria	2016-17 Reference point or target
Implement initiatives and facilitate stakeholder interaction with Government entities to build resilience of sporting organisations and their capacity to deliver integrity measures.	Sports integrity education platforms are developed and supported, including through regular meetings with sporting organisations, State and Territory Governments, industry stakeholders and relevant entities both nationally and internationally.
Increased capacity of Australian sporting organisations to address sports integrity issues.	Ongoing assessment of integrity vulnerabilities of priority national sporting organisations and delivery of support for relevant sports integrity initiatives.
Delivery of internationally compliant Australian anti-doping arrangements.	Australian anti-doping arrangements are compliant with the World Anti-Doping Code, and address doping in the contemporary sports environment.
Material changes to Program 3.1 resulting from the following measures:	
There are no material changes to Program 3.1 resulting from measures.	

2.4 BUDGETED EXPENSES AND PERFORMANCE

OUTCOME 4 – INDIVIDUAL HEALTH BENEFITS

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

Programs Contributing to Outcome 4

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

Outcome 4 is the responsibility of Health Provider Compliance Division, Health Services Division, Health Systems Policy Division, Medical Benefits Division, Pharmaceutical Benefits Division, and Population Health and Sport Division.

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 4 made by linked programs
Department of Human Services Program 1.2: Services to the Community - Health	The Department of Human Services administers payments to eligible recipients, under the following programs administered by the Department of Health, to contribute to the achievement of the Government’s objectives within this Outcome: <ul style="list-style-type: none"> - Medicare services and benefit payments, and related Medicare Benefits Schedule (MBS) items (4.1) - External breast prostheses reimbursements (4.1) - Ex-gratia payments for the Disaster Health Care Assistance Scheme (4.1) - Radiation Oncology Health Program Grants Scheme (4.1) - Health Care Homes Program (4.1) - Payments to hearing services providers against services provided under the Program’s vouchers (4.2) - The Pharmaceutical Benefits Scheme (PBS), including payment of script benefits, authority approvals, and new and other PBS items (4.3) - Lifetime Health Cover mail out and the private health insurance rebate (4.4) - Medical indemnity activities including indemnity for eligible midwives (4.5) - The Medicare Public Compliance Program (4.7) - Payment of claims from Stoma Associations for stoma related appliances (4.8).

Outcome 4

Commonwealth entity and linked program	Contribution to Outcome 4 made by linked programs
Department of Social Services Program 3.1: Disability, Mental Health and Carers	The Department of Social Services contributes to the achievement of this Outcome by providing access to items under the MBS in relation to disability and mental health care (4.1).
Department of Veterans' Affairs Program 2.3: Veterans' Pharmaceuticals Benefits	The Department of Veterans' Affairs contributes to the achievement of this Outcome by providing entitled beneficiaries to a comprehensive array of pharmaceuticals and wound dressings for the treatment of their health care needs (4.3).
Professional Services Review Program 1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme	The Professional Services Review contributes to the integrity of the Medicare Program and the PBS by investigating health practitioners suspected of inappropriate practice on request from the Chief Executive Medicare and determining any sanctions to be applied (4.1).
The Treasury (Australian Taxation Office) Program 1.1: Australian Taxation Office	The Australian Taxation Office contributes to the achievement of this Outcome through: <ul style="list-style-type: none"> - Collaborating with the Department of Health to construct an enduring linked data set as part of the Multi-Agency Data Integration Project (4.1 and 4.4). - The administrative arrangements for the Government's rebate on the Private Health Insurance Rebate (4.4).
The Treasury Program 1.9: National Partnership Payments to the States	The Treasury makes National Partnership Payments to the State and Territory Governments for child and adult public dental services as part of the Federal Financial Relations Framework (4.6). ¹

¹ For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.4.1: Budgeted Expenses for 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.

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 4.1: Medical Benefits					
Administered expenses					
Ordinary annual services ¹	97,714	93,206	77,265	77,381	77,381
Special appropriations					
<i>Health Insurance Act 1973</i>					
- medical benefits	21,080,530	21,850,644	22,572,887	23,579,689	25,025,956
Departmental expenses					
Departmental appropriation ²	29,990	25,312	22,893	22,990	23,002
Expenses not requiring appropriation in the budget year ³	761	563	567	604	511
Total for Program 4.1	21,208,995	21,969,725	22,673,612	23,680,664	25,126,850
Program 4.2: Hearing Services					
Administered expenses					
Ordinary annual services ¹	498,892	555,768	564,370	575,200	584,651
Departmental expenses					
Departmental appropriation ²	10,078	8,547	8,544	8,585	8,589
Expenses not requiring appropriation in the budget year ³	229	167	168	179	152
Total for Program 4.2	509,199	564,482	573,082	583,964	593,392
Program 4.3: Pharmaceutical Benefits					
Administered expenses					
Ordinary annual services ¹	672,875	690,449	698,302	691,528	700,170
Special appropriations					
<i>National Health Act 1953</i>					
- pharmaceutical benefits	9,735,781	10,109,505	10,290,243	10,630,109	11,021,927
Departmental expenses					
Departmental appropriation ²	64,220	57,303	56,086	48,274	44,240
Expenses not requiring appropriation in the budget year ³	2,676	2,896	2,919	3,111	2,630
Total for Program 4.3	10,475,552	10,860,153	11,047,550	11,373,022	11,768,967

Outcome 4

Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 4.4: Private Health Insurance					
Administered expenses					
Ordinary annual services ¹	2,328	3,768	3,114	2,561	2,461
Special appropriations					
<i>Private Health Insurance Act 2007 - incentive payments and rebate</i>	5,953,427	6,249,233	6,492,696	6,812,673	6,812,746
Departmental expenses					
Departmental appropriation ²	9,069	7,767	7,764	7,796	7,799
Expenses not requiring appropriation in the budget year ³	181	132	133	142	120
Total for Program 4.4	5,965,005	6,260,900	6,503,707	6,823,172	6,823,126
Program 4.5: Medical Indemnity					
Administered expenses					
Ordinary annual services ¹	150	150	142	142	142
Special appropriations					
<i>Medical Indemnity Act 2002</i>	88,700	93,400	98,600	104,200	110,100
<i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	3,904	2,949	4,073	4,719	5,462
Departmental expenses					
Departmental appropriation ²	1,813	1,528	1,528	1,536	1,536
Expenses not requiring appropriation in the budget year ³	44	32	32	34	29
Total for Program 4.5	94,611	98,059	104,375	110,631	117,269
Program 4.6: Dental Services⁴					
Administered expenses					
Ordinary annual services ¹	-	-	-	-	-
Special appropriations					
<i>Dental Benefits Act 2008</i>	313,741	415,616	415,632	420,224	437,512
Departmental expenses					
Departmental appropriation ²	1,757	1,502	1,500	2,248	2,249
Expenses not requiring appropriation in the budget year ³	44	36	36	39	33
Total for Program 4.6	315,542	417,154	417,168	422,511	439,794

Table 2.4.1: Budgeted Expenses for Outcome 4 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 4.7: Health Benefit Compliance					
Administered expenses					
Ordinary annual services ¹	-	12,000	12,000	12,000	12,000
Departmental expenses					
Departmental appropriation ²	48,984	65,902	65,945	65,721	65,754
Expenses not requiring appropriation in the budget year ³	1,358	1,475	1,486	1,584	1,340
Total for Program 4.7	50,342	79,377	79,431	79,305	79,094
Program 4.8: Targeted Assistance - Aids and Appliance					
Administered expenses					
Ordinary annual services ¹	593	592	566	566	566
Special appropriations <i>National Health Act 1953</i> - aids and appliances	336,427	292,219	304,265	315,260	324,111
Departmental expenses					
Departmental appropriation ²	3,162	2,784	2,783	2,799	2,800
Expenses not requiring appropriation in the budget year ³	77	63	63	68	57
Total for Program 4.8	340,259	295,658	307,677	318,693	327,534
Outcome 4 totals by appropriation type					
Administered expenses					
Ordinary annual services ¹	1,272,552	1,355,933	1,355,759	1,359,378	1,377,371
Special appropriations	37,512,510	39,013,566	40,178,396	41,866,874	43,737,814
Departmental expenses					
Departmental appropriation ²	169,073	170,645	167,043	159,949	155,969
Expenses not requiring appropriation in the budget year ³	5,370	5,364	5,404	5,761	4,872
Total expenses for Outcome 4	38,959,505	40,545,508	41,706,602	43,391,962	45,276,026
	2015-16	2016-17			
Average staffing level (number)	850	909			

¹ Appropriation Bill (No. 1) 2016-17.

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

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

⁴ The 2015-16 Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements. From 1 July 2016, a new *Child and Adult Public Dental Scheme* will be introduced with Budget estimates for payments to State and Territory Governments provided in this expense table. For further details of this measure, refer to Table 1.2 of this Chapter and Budget Paper 2.

Movement of Funds

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

Planned Performance for Outcome 4

Tables 2.4.2 - 2.4.9 below detail the performance criteria for each program associated with Outcome 4.² These tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Table 2.4.2 – Performance Criteria for Program 4.1

Outcome	4: Access to cost-effective medicines, medical, dental and hearing services, and improved choice in health services, including through the Pharmaceutical Benefits Scheme, Medicare, targeted assistance strategies and private health insurance
Program	<p>4.1: Medical Benefits</p> <p>To deliver a modern Medicare program that is sustainable and supports all Australians to access high quality and cost-effective professional services, the Australian Government will continue to work with clinicians and other health professionals and consumers to progress the Medicare reform agenda.</p> <p>The Government will continue to support quality and effective use of diagnostic imaging, pathology and radiation oncology services, and deliver the national External Breast Prostheses Reimbursement Program.</p> <p>Targeted assistance strategies will also continue access to health services for Australians who travel to countries where there is a Reciprocal Health Care Agreement, and the provision of financial assistance to eligible Australians following specific overseas disasters.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, intended to benefit all Australians through affordable medical care, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Supporting a Medicare System that is modern, sustainable and in line with current clinical evidence B. Facilitating access to health services for Australians who travel to countries with a Reciprocal Health Care Agreement C. Supporting access to clinically necessary medical services, which are not available in Australia D. Providing financial assistance to eligible persons for out-of-pocket costs for ill health or injury arising from specific overseas disasters E. Supporting safe and effective diagnostic imaging services F. Supporting quality pathology services G. Improving access to prostheses for women who have had a mastectomy as a result of breast cancer H. Supporting the delivery of high quality radiation oncology services

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Annual Report.

Program objective	
A. Supporting a Medicare System that is modern, sustainable and in line with current clinical evidence	
<p>In 2016-17, the Government will continue to modernise and improve Medicare arrangements through the Medicare Benefits Schedule (MBS) Review. The clinician-led MBS Review Taskforce will continue its review of over 5,700 MBS items, most of which have never been reviewed, to ensure services are aligned with contemporary clinical evidence and improve health outcomes for patients, while identifying waste and efficiencies.</p> <p>In parallel, the ongoing evaluation of clinical-effectiveness and cost-effectiveness for new and existing items on the MBS by the Medical Services Advisory Committee (MSAC) will continue.</p> <p>The Government will continue the pause of indexation for all MBS fees for a further two years. The pause on indexation aligns with the Government’s objective of maintaining expenditure growth at a fiscally sustainable level.</p> <p>In 2016-17, the Government will list two new items on the MBS to cover the testing of diabetic retinopathy with a non-mydratic retinal camera, which offers a quick, minimally-invasive way of taking images of the patient’s eye. This will particularly help Aboriginal and Torres Strait Islander people who are at risk of the chronic sight-threatening disease.</p>	
Qualitative performance criteria	2016-17 Reference point or target
<i>Continued review of MBS items to ensure they are safe, effective and cost-effective.³</i>	<i>The majority of MBS items have been reviewed by June 2017.</i>
<i>The MBS Review Taskforce, clinical committees (including in diagnostic imaging and pathology), and working groups are supported in their work by the Department.</i>	<i>The Department supports public consultation and stakeholder engagement processes as agreed by the MBS Taskforce.</i>
Program objective	
B. Facilitating access to health services for Australians who travel to countries with a Reciprocal Health Care Agreement	
<p>Australia has Reciprocal Health Care Arrangements with 11 countries, which enable Australian residents visiting those countries to access local public health services: United Kingdom, New Zealand, Ireland, the Netherlands, Sweden, Norway, Finland, Italy, Malta, Belgium and Slovenia. The agreements also provide access to public health services in Australia for visitors from these countries.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Australians visiting the 11 Reciprocal Health Care Agreement countries receive necessary treatment, and visitors from those countries are able to access public health care in Australia.	Timely resolution of issues related to access to health services encountered by Australians visiting a country with a Reciprocal Health Care Agreement, and for visitors to Australia accessing the Australian health care system.

³ This performance criterion has been revised. The target reported in the 2015-16 Portfolio Budget Statements has been achieved.

Program objective	
C. Supporting access to clinically necessary medical services, which are not available in Australia	
<p>The Australian Government provides financial assistance, through the Medical Treatment Overseas Program, for Australians with life-threatening medical conditions who meet the following mandatory eligibility criteria:</p> <ul style="list-style-type: none"> • that the life-saving treatment or an effective alternative treatment is not available in Australia in time to benefit the applicant; • that the treatment is significantly life extending and potentially curative; • that there is a real prospect of success for the applicant; and • that the treatment is accepted by the Australian medical profession as a standard form of treatment. <p>The Department will assess applications for eligibility for financial assistance as they arise during 2016-17.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Financial assistance is provided to eligible applicants through the Medical Treatment Overseas Program.	Assessments of applications for medical treatment are managed in accordance with program guidelines.
Program objective	
D. Providing financial assistance to eligible persons for out-of-pocket costs for ill health or injury arising from specific overseas disasters	
<p>Through the Disaster Health Care Assistance Scheme, the Australian Government provides assistance for out-of-pocket health care costs for ill health or injury arising from a specific act of international terrorism, civil disturbance, or natural disaster.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Financial assistance to eligible Australians for out-of-pocket health care costs incurred as a result of specific overseas disasters is provided.	Appropriate assistance is provided through timely policy advice to the Department of Human Services.
Program objective	
E. Supporting safe and effective diagnostic imaging services	
<p>A recently established Diagnostic Imaging Accreditation Scheme Advisory Committee, comprising a range of experts in diagnostic imaging policy and practice, will oversight a review of the Diagnostic Imaging Accreditation Scheme.</p> <p>In 2016-17, the Government will introduce an item for magnetic resonance imaging (MRI) of the breast for patients presenting with occult breast cancer where conventional imaging and examination fails to show the source of the tumor, and an item for a MRI-guided biopsy of the breast for patients with suspected breast cancer where the lesion is only identifiable by MRI.</p>	

Qualitative performance criteria		2016-17 Reference point or target				
Commence a review of the Diagnostic Imaging Accreditation Scheme to strengthen the standards and streamline processes. ⁴		The Diagnostic Imaging Accreditation Scheme Advisory Committee agrees and commences their forward work plan by January 2017.				
Program objective						
F. Supporting quality pathology services						
<p>The Department will continue to work with the pathology sector and other health care providers on improving transparency and strengthening the regulatory framework for approved collection centre arrangements.</p> <p>Through the National Pathology Accreditation Program, the Australian Government ensures that Medicare eligible pathology services are underpinned by an accreditation framework that comprises a comprehensive suite of quality standards.</p>						
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Number of new and/or revised national accreditation standards produced for pathology laboratories.	4	4	4	4	4	
Percentage of Medicare-eligible pathology laboratories meeting accreditation standards.	100%	100%	100%	100%	100%	
Program objective						
G. Improving access to prostheses for women who have had a mastectomy as a result of breast cancer						
The Australian Government's national External Breast Prostheses Reimbursement Program improves the quality of life of women who have undergone mastectomy as a result of breast cancer, by providing reimbursement of up to \$400 per prosthesis for new and replacement prostheses.						
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of claims by eligible women under the national External Breast Prostheses Reimbursement Program processed within ten days of lodgement.	90%	90%	90%	90%	90%	

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⁴ This performance criterion has been revised to reflect continuing work of the Committee.

Program objective					
H. Supporting the delivery of high quality radiation oncology services					
<p>The Australian Government aims to support high quality radiation oncology services by funding approved equipment, quality programs and initiatives to support the radiotherapy workforce. The Department continues to administer the Radiation Oncology Health Program Grants Scheme, which gradually reimburses service providers a contribution to the cost of approved equipment used to provide radiation oncology treatment services. The Scheme complements the Medicare benefits payable for radiation oncology services.</p> <p>The Department will continue to work with key stakeholders, including the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA)⁵ and professional bodies to reduce unnecessary regulation while ensuring the safety of Medicare funded radiation oncology services.</p> <p>The Government also funds approved workforce activities to increase training capacity, improve the efficiency of the existing workforce and attract staff to areas of need.⁶</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Undertake a review of the Radiation Oncology Health Program Grants Scheme.		Review of the Radiation Oncology Health Program Grants Scheme to be completed by the first quarter of 2016-17. The review also provides an opportunity to respond to the 2015-16 Australian National Audit Office audit.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
The number of sites delivering radiation oncology.	71	82 ⁷	85	85	85
Material changes to Program 4.1 resulting from the following measures:					
<ul style="list-style-type: none"> • <i>Healthier Medicare – enhanced Medicare compliance program</i> • <i>Healthier Medicare – removing obsolete services from the Medicare Benefits Schedule</i> • <i>Medicare Benefits Schedule – pause indexation</i> 					

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

⁶ For further information on the Government's workforce initiatives, refer to Program 2.3: *Health Workforce* in these Portfolio Budget Statements.

⁷ The target for 2016-17 has been revised. The Radiation Oncology Health Program Grants Scheme has not been formally reviewed since 1999. This review will take into consideration other activities underway in respect of radiation oncology, such as the Medicare Benefits Schedule Review and ensure any proposed outcomes can be considered in the context of broader reform.

Table 2.4.3 – Performance Criteria for Program 4.2

Program	4.2: Hearing Services The Australian Government will continue to work towards reducing the incidence and consequences of avoidable hearing loss in the Australian community by providing access to high quality hearing services and devices.				
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.				
Delivery	Program activities, intended to benefit the Australian community through increased access to hearing services, will be delivered under the following program objectives: A. Supporting access for eligible clients to quality hearing services B. Supporting research into hearing loss prevention and management				
Program objective					
A. Supporting access for eligible clients to quality hearing services					
The Australian Government, through the Hearing Services Program, provides access to free and subsidised hearing services for eligible people with a measurable hearing loss above a specified threshold. In 2016-17, the Department will continue working with the hearing sector to develop a proposed Service Delivery Framework, including National Practice Standards to support improved safety, quality and continuous improvement of hearing services delivery. Progression of arrangements for the transition of eligible clients to the National Disability Insurance Scheme (NDIS) by mid-2019 will also continue.					
Qualitative performance criteria			2016-17 Reference point or target		
Quality service provision and client outcomes are better supported through a proposed hearing sector endorsed Service Delivery Framework.			Hearing sector endorsement of the proposed Service Delivery Framework is achieved by December 2016.		
Policies and program improvements are developed and implemented in consultation with consumers and service providers.			Stakeholders have adequate opportunities to participate in consultations, including consultation on NDIS transition arrangements. ⁸		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of people who receive voucher services nationally.	774,000	723,319 ⁹	734,790	763,956	787,923

Outcome 1 4

⁸ The 2016-17 target has been revised to incorporate stakeholder engagement in relation to NDIS transition arrangements.

⁹ The targets for 2016-17 and subsequent years have been revised to reflect the impact of an extension to the voucher eligibility period, which has reduced the anticipated number of return applications that will be lodged.

Program objective	
B. Supporting research into hearing loss prevention and management	
Research aimed at reducing the incidence of avoidable hearing loss in the community will continue to be supported through the National Health and Medical Research Council (NHMRC) ¹⁰ and the National Acoustic Laboratories.	
Qualitative performance criteria	2016-17 Reference point or target
Funding of hearing health research projects is in accordance with Hearing Services Program objectives.	Research activities are consistent with, and support, the Hearing Services Program.
Material changes to Program 4.2 resulting from the following measures:	
There are no material changes to Program 4.2 resulting from measures.	

Table 2.4.4 – Performance Criteria for Program 4.3

Program	4.3: Pharmaceutical Benefits The Australian Government provides reliable, timely and affordable access to cost-effective, high quality medicines and sustainable pharmaceutical services by subsidising the cost of medicines through the Pharmaceutical Benefits Scheme (PBS) and Life Saving Drugs Program (LSDP), community pharmacy programs, and by supporting the provision of aids and appliances.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, intended to benefit the Australian community through affordable access to cost-effective medicines, will be delivered under the following program objectives: A. Supporting timely access to medicines and pharmacy services B. Listing cost-effective, innovative, clinically effective medicines on the PBS C. Increasing the sustainability of the PBS D. Providing access to new and existing medicines for patients with life threatening conditions E. Undertaking post-market surveillance F. Monitoring the use of diagnostics, therapeutics and pathology

¹⁰ For further information on the work of the NHMRC, refer to the NHMRC chapter in these Portfolio Budget Statements.

Program objective					
A. Supporting timely access to medicines and pharmacy services					
<p>In 2016-17, the Australian Government will continue to support the longer-term access to, and sustainability of, the PBS through implementing the measures included in the PBS Access and Sustainability Package. These measures have been designed to bring new and innovative medicines on to the PBS in a timely way, ensure efficiency in the pharmaceutical supply chain, and reduce the cost of medicines for taxpayers and consumers.</p> <p>The Sixth Community Pharmacy Agreement (6CPA) recognises the important role that community pharmacists and pharmacies play in our health system.</p> <p>The 6CPA includes three key funding elements, namely:</p> <ul style="list-style-type: none"> • stable community pharmacy remuneration arrangements; • ongoing funding of the Community Services Obligation – which ensures that all Australians have timely access to the PBS medicines they require regardless of the cost of the medicine or where they live; and • increased funding for community pharmacy programs – with a focus on assisting patients better manage their medications; reducing medication misadventure; and delivering better primary health care services. <p>In 2016-17, the Pharmacy Trial Program (PTP) will provide opportunities to trial new approaches to providing primary care services to Australians through pharmacies. The involvement of independent experts in trial design, implementation, evaluation and health technology assessment will ensure funding is directed to those programs and services that will most benefit patients.</p>					
Qualitative performance criteria			2016-17 Reference point or target		
Maintenance of pharmCIS and delivery of an increased suite of reporting and data related to pharmacy and PBS funded medicine access and cost made available to Parliament, consumers and business.			Periodically increase the volume and nature of data on the Department of Health website during the course of 2016-17. ¹¹		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of urban centres/localities in Australia with a population in excess of 1,000 people with a resident community pharmacy or approved supplier of PBS medicines.	>90%	>90%	>90%	>90%	>90%
Percentage of urban centres/localities in Australia with a population in excess of 1,000 people with a resident service provider of, or recipient of, Medscheck, Home Medicines Review, Residential Medication Management Review or Clinical Intervention.	>80%	>80%	>80%	>80%	>80%

¹¹ This target has been revised to reflect updated financial year.

Percentage of subsidised PBS units delivered to community pharmacy within agreed requirements of the Community Service Obligation.	>95%	>95%	>95%	>95%	>95%
Average cost per subsidised script funded by the PBS. ¹²	\$30.04	\$28.17	\$27.73	\$27.55	\$26.79
Average cost per script paid by consumers for subsidised medicines. ¹³	\$9.76	\$10.15	\$10.31	\$10.58	\$10.84
Program objective					
B. Listing cost-effective, innovative, clinically effective medicines on the PBS					
<p>The PBS is the primary means through which the Australian Government ensures Australians have timely and affordable access to pharmaceuticals. The PBS is expected to cost \$10.1 billion in 2016-17. Approximately 300 million PBS prescriptions are expected to be dispensed in 2016-17.¹⁴</p> <p>The listing of medicines on the PBS is based on the advice of the Pharmaceutical Benefits Advisory Committee (PBAC); an independent, expert advisory body comprising doctors, other health professionals and a consumer representative. The PBAC assesses the safety, therapeutic benefits and cost-effectiveness of the medicine for the intended use, in comparison with other available treatments.</p> <p>At its March 2016 meeting, the PBAC recommended a further \$310.99 million in new listings for Government consideration in 2016-17. The PBAC will meet three times in 2016-17 to provide Government advice on requests for new listings on the PBS and the National Immunisation Program.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of submissions for new medicines for listing that are considered by PBAC within 17 weeks of lodgement.	100%	100%	100%	100%	100%
Percentage of submissions for new medicines that are recommended for listing by PBAC, that are listed on the PBS within six months of agreement of budget impact and price.	80%	80%	80%	80%	80%
Program objective					
C. Increasing the sustainability of the PBS					
<p>The Australian Government will continue to improve the long-term sustainability of the PBS, and improve timely access for consumers to cost-effective PBS medicines, by facilitating an independent expert Review of Pharmacy Remuneration and Regulation.</p>					

¹² This is the average across all PBS prescriptions, including under co-payment prescriptions.

¹³ Ibid.

¹⁴ This includes subsidised prescriptions and those below the general co-payment.

<p>The Review is consulting widely with consumers and the pharmacy industry about the remuneration provided to the pharmacy sector for dispensing medicines, the regulation of the pharmacy sector, the pharmaceutical supply chain arrangements and the experience of consumers. The review will deliver its final report with recommendations to Government by March 2017.</p> <p>Price disclosure arrangements support sustainability of the PBS by ensuring the Government and community share in the benefits of competition in pricing. It requires suppliers of medicines listed on the F2¹⁵ formulary to disclose information on sales revenue and incentives. This information is used to work out the price at which PBS brands are supplied, allowing reimbursement under the PBS to reflect the weighted average market price. Price disclosure now applies to approximately 350 drugs. Price disclosure reductions occur on 1 April and 1 October each year.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Estimated savings to Government from price disclosure.	\$2,648.4m	\$3,268.3m	\$4,046.4m	\$4,878.2m	5,759.6m
Program objective					
D. Providing access to new and existing medicines for patients with life threatening conditions					
<p>The Australian Government provides fully subsidised access for eligible patients to expensive and 'lifesaving' drugs for rare and life-threatening medical conditions through the Life Saving Drug Program (LSDP).</p> <p>On 9 April 2014, the Government announced a post-market review of the LSDP to ensure the program continues to be fit for purpose and continues to provide Australians with access to these very expensive but necessary medicines. The independent Reference Group has presented its final report of the review which will be published in 2016.</p>					
Qualitative performance criteria	2016-17 Reference point or target				
Eligible patients have timely access to the Life Saving Drugs Program (LSDP).	Patient applications are processed within 30 calendar days of receipt of the complete data package to support the application.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of patients assisted through the LSDP.	287	302	317	332	404
Percentage of Government-accepted recommendations from LSDP post-market reviews that are implemented.	100%	100%	100%	100%	100%
Percentage of eligible patients with access to fully subsidised medicines through the LSDP.	100%	100%	100%	100%	100%

Outcome 1 4

¹⁵ The National Health Act 1953 provides that listed drugs be assigned to formularies identified as F1 or F2. Generally, F1 is intended for single brand drugs and F2 for drugs that have multiple brands, or are in a therapeutic group with other drugs with multiple brands.

Program objective					
E. Undertaking post-market surveillance					
<p>The Australian Government will finalise two existing reviews in 2016. The Report of the Review of PBS Authority Required Medicines (the Review) is expected to be completed in 2016. Undertaken in three tranches, the Review has made recommendations to change PBS listings resulting in a reduction in red tape and regulatory burden for prescribers and consumers by over \$7 million per year. Review recommendations that do not require major IT system changes have been implemented through core PBS listing processes. Implementation will be substantially completed in 2016.</p> <p>Another review, the review of the PBAC Guidelines, was announced on 25 April 2015 and is expected to be completed later in 2016. The PBAC Guidelines are used by the pharmaceutical industry to prepare submissions to the PBAC. The review will ensure the PBAC assessment methods are consistent, transparent, and continue to address contemporary best practice in methodological issues associated with applications for listing on the PBS. The revised PBAC Guidelines will be published on the PBS website.¹⁶</p> <p>In 2016-17, the Government will continue reviews including: Ezetimibe (a medicine for treating high cholesterol); and medicines in use to treat Chronic Obstructive Pulmonary Diseases – to maintain a continuing focus on improved health outcomes and continued delivery of value for money to taxpayers through post-market surveillance.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Post-market reviews deliver relevant and high quality advice to the PBAC and Government.		Reference Groups established, and engage constructively with professional and community stakeholders in the conduct of the reviews.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of post-market reviews completed within scheduled timeframes.	90%	90%	90%	90%	90%
Percentage of Government-accepted recommendations from post-market reviews that have been implemented within six months.	80%	80%	80%	80%	80%
Program objective					
F. Monitoring the use of diagnostics, therapeutics and pathology					
<p>Through the Quality Use of Diagnostics, Therapeutics and Pathology Fund (the Fund), the Australian Government supports the National Prescribing Service to provide information to consumers and health professionals on the quality use of medicines and medical testing. The Fund aims to improve health outcomes and assist the ongoing sustainability of the PBS and the Medicare Benefits Schedule¹⁷ (MBS). The Fund also supports the National Return and Disposal of Unwanted Medicines Program to collect consumers' expired and unwanted medicines, and to help avoid accidental childhood poisoning and medication misuse.</p>					

¹⁶ Available at: www.pbs.gov.au/pbs/home

¹⁷ For further information on the MBS, refer to Program 4.1: *Medical Benefits* located earlier in this Outcome 4 chapter.

Qualitative performance criteria	2016-17 Reference point or target
Information regarding quality use of medicines is provided to health professionals and consumers to support use of therapeutics wisely, judiciously and safely to achieve better health and economic outcomes. ¹⁸	The Department will provide funding for the provision of quality use of medicines information to be available in a variety of formats throughout the year, designed to support health professionals and consumers.
Material changes to Program 4.3 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i> • <i>Healthier Medicare – enhanced Medicare compliance program</i> 	

Table 2.4.5 – Performance Criteria for Program 4.4

Program	4.4: Private Health Insurance The Australian Government promotes affordable quality private health insurance, to provide greater choice for consumers. This will improve the sustainability of the health system as a whole.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Supporting the affordability of private health insurance through the private health insurance rebate B. Ensuring access to safe and effective medical devices through the Protheseses List C. Promoting a viable, sustainable and cost-effective private health insurance sector
Program objective	
A. Supporting the affordability of private health insurance through the private health insurance rebate	
The Australian Government encourages insurers to provide quality coverage whilst supporting individuals and families to purchase private health insurance with the private health insurance rebate (the Rebate). The Government will continue to pause the income thresholds at which people qualify for the Rebate, from 1 July 2018 until 30 June 2021. The Rebate helps make private health insurance more affordable, providing greater choice and accessibility for Australians to access private health care options, and reducing pressure on the public hospital system. In line with this objective, the Government remains committed to supporting consumers to take up private health insurance.	

Outcome 1 4

¹⁸ This performance criterion has been updated to reflect that the quality use of medicines is provided for a range of medicines, not just for medicines newly on the PBS.

Qualitative performance criteria		2016-17 Reference point or target				
Consultation with stakeholders on ways to ensure that the private health insurance rebate is communicated to policy holders and delivered through private health insurance products.		Ongoing stakeholder discussions (a minimum of two stakeholder consultation forums) ¹⁹ to assist in the timeliness and streamlining of processes to enable consistent advice to consumers.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of insurers' average premium increases publicly released in a timely manner.	100%	100%	100%	100%	100%	
The number of people covered by private health insurance hospital treatment cover.	10.7m	10.9m	11.1m	11.3m	11.5m	
Program objective						
B. Ensuring access to safe and effective medical devices through the Prostheses List						
The Australian Government will continue to ensure private health insurance expenditure is directed to clinically appropriate prostheses. The evidence-based processes for listing new prostheses and for reviewing listed prostheses continue to be refined and monitored, to improve outcomes and increase public confidence in the process. The Prostheses List Advisory Committee will be reconstituted to include additional expertise, and will further develop and advise on the implementation of changes to the prostheses listing process recommended by the Industry Working Group on Private Health Insurance Prostheses Reform. The Government will also continue to support the National Joint Replacement Registry.						
Qualitative performance criteria		2016-17 Reference point or target				
Ensure consumers have access to safe and effective surgically implanted prostheses under the Prostheses List.		Consumers have access to clinically appropriate and cost-effective surgically implanted prostheses.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of applications to list devices on the Prostheses List completed within 22 weeks.	86%	87%	88%	90%	90%	

¹⁹ Consultation forums are in addition to those which may be convened by the Private Health Sector Committee (refer Program Objective C: *Promoting a viable, sustainable and cost-effective private health insurance sector*).

Program objective	
C. Promoting a viable, sustainable and cost-effective private health insurance sector	
<p>The Australian Government is committed to ensuring that Australians can access private health insurance through a viable, efficient and cost effective private health industry that supports consumer choice. This will be achieved through the Government’s commitment to consult with key stakeholders on the reforms to improve the affordability and value for money of private health insurance for consumers.</p> <p>In 2016- 17, the Government will establish an expert group – the Private Health Sector Committee – to provide technical and specialist advice on designing and implementing the Government’s private health insurance reforms.</p> <p>The Department will continue to inform consumers about changes in premiums.</p>	
Qualitative performance criteria	2016-17 Reference point or target
<i>Establish and work with the Private Health Sector Committee to develop and implement private health insurance reforms.</i>	<i>Meet at least nine times during 2016-17 to provide technical and specialist advice on a range of reform activities.</i>
Ensure that all Health funds complete due diligence when assessing the increase in annual premiums.	Premium round applications demonstrate sufficient capital adequacy, solvency and prudential viability.
Material changes to Program 4.4 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Pausing Indexation of the Medicare Levy Surcharge and Private Health Insurance Rebate Thresholds – extension</i> • <i>Private Health Insurance and Protheses Committees</i> 	

Outcome 1 4

Table 2.4.6 – Performance Criteria for Program 4.5

Program	4.5: Medical Indemnity The Australian Government seeks to ensure the stability of the medical insurance industry, and that medical indemnity insurance products are available and affordable.	
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.	
Delivery	Program activities, intended to benefit the Australian community through support for eligible medical practitioners, will be delivered under the following program objectives: A. Ensuring that insurance products are available and affordable B. Ensuring the stability of the medical indemnity insurance industry	
Program objective		
A. Ensuring that insurance products are available and affordable		
<p>To assist eligible doctors meet the cost of their medical indemnity insurance, the Australian Government funds the Premium Support Scheme (PSS). PSS assists eligible doctors through a subsidy, paid via their medical indemnity insurer, by reducing their medical indemnity costs when a doctor’s gross indemnity premium exceeds 7.5 per cent of their income.</p> <p>The Government aims to ensure that the medical indemnity industry remains stable and secure by subsidising claims resulting in insurance payouts over \$300,000 (High Cost Claims Scheme) and by providing a guarantee to cover claims above the limit of doctors’ medical indemnity contracts of insurance, so doctors are not personally liable for very high claims (Exceptional Claims Scheme).</p> <p>Government-supported, affordable professional indemnity insurance is also available for qualified and experienced privately practising midwives. For eligible claims, the Government contributes 80 per cent to the costs of claims above \$100,000 and 100 per cent of costs above \$2 million.</p>		
Qualitative performance criteria	2016-17 Reference point or target	
The continued availability of professional indemnity insurance for eligible midwives. ²⁰	Maintain a contract with a medical indemnity provider to provide professional indemnity insurance to eligible midwives.	

²⁰ In 2014-15, a limited tender process was conducted to continue the provision of professional indemnity insurance for eligible midwives. The outcome is being finalised.

Section 2 – Department Outcomes – 4: Individual Health Benefits

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of eligible applicants receiving a premium subsidy through the Premium Support Scheme.	100%	100%	100%	100%	100%
Percentage of eligible midwife applicants covered by the Midwife Professional Indemnity Scheme.	100%	100%	100%	100%	100%
Number of doctors that receive a premium subsidy support through the Premium Support Scheme. ²¹	2,000	1,500	1,500	1,500	1,500
Program objective					
B. Ensuring the stability of the medical indemnity insurance industry					
<p>Medical indemnity insurance provides surety to medical practitioners and their patients in the event of an adverse incident resulting from negligence. Affordable and stable medical indemnity insurance allows the medical workforce to focus on the delivery of high quality medical services.</p> <p>The Australian Government continues to support the provision of a professional indemnity insurance product to eligible midwives to ensure the availability of affordable insurance. This commitment will assist eligible midwives to comply with national registration requirements.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of medical indemnity insurers who have a Premium Support Scheme contract with the Australian Government that meets the Australian Prudential Regulation Authority's Minimum Capital Requirement.	100%	100%	100%	100%	100%
Material changes to Program 4.5 resulting from the following measures:					
There are no material changes to Program 4.5 resulting from measures.					

Outcome 1 4

²¹ Premium support is demand driven, with subsidies paid in response to applications from eligible doctors. Therefore, actual funding may vary from estimates over the forward years. However, a decrease in the number of doctors requiring premium support would indicate that medical indemnity premiums are becoming more affordable.

Table 2.4.7 – Performance Criteria for Program 4.6

Program	4.6: Dental Services The Government will fund services to child and adult public dental patients through the new Child and Adult Public Dental Scheme.	
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.	
Delivery	Program activities, intended to benefit eligible Australians, will be delivered under the following program objectives: A. Improving access to public dental services for children and adults	
Program objective		
A. Improving access to public dental services for children and adults		
In 2016-17, the Government will invest \$1.7 billion until 2019-20, to better target dental programs, by introducing a new Child and Adult Public Dental Scheme. This will provide funding to States and Territories through a National Partnership Agreement with payments based in legislation, to deliver public dental services to children and concession cardholder adults. This new approach will introduce efficient pricing in dental services, along similar lines as activity-based hospitals funding. This will ensure that eligible children and adults will receive improved access to public dental services.		
Qualitative performance criteria	2016-17 Reference point or target	
<i>Improved access to public dental services for eligible patients.</i>	<i>Increase in the volume of public dental services adjusted for complexity.</i>	
Material changes to Program 4.6 resulting from the following measures:		
<ul style="list-style-type: none"> • <i>Child and Adult Public Dental Scheme</i> 		

Table 2.4.8 – Performance Criteria for Program 4.7

Program	<p>4.7: Health Benefit Compliance</p> <p>The Australian Government is committed to supporting the integrity of health provider claims through early intervention and identification, as well as detecting and investigating instances of fraud. This will be achieved through the Government’s commitment to assist health providers meet their compliance obligations when claiming Medicare benefits, intervening and correcting claims when honest mistakes occur, and detecting and investigating fraud associated with Medicare provider claiming.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, intended to benefit the Australian community, will be delivered under the following program objective:</p> <p>A. Supporting the integrity of health provider claiming</p>
Program objective	
A. Supporting the integrity of health provider claiming	
<p>In 2016-17, the Department will maintain a robust health compliance framework to support the integrity of health providers claiming Medicare benefits, and provide assurance to the Department’s Secretary that fraud and non-compliance risk is effectively managed.</p> <p>Through the health compliance operating framework, the Department will establish new techniques to assist health providers better manage appropriate practices and provide more efficient, effective and transparent ways to improve health provider payment integrity.</p> <p>Systems and data continue to impact on the Department’s ability to deliver outcomes to the Australian Government. A number of initiatives have been designed to understand the value of the data held, provide opportunities for different uses of the data and seek efficiencies from current systems processes. As a result of these initiatives, the compliance operating framework will:</p> <ul style="list-style-type: none"> • implement clearer health provider compliance rules for claiming Medicare benefits; • implement the use of data analytics to improve detection capability and the overall audit process; • undertake behaviour economics and research as an alternative treatment to traditional audits; • build workflow efficiencies to enhance health program policy; • undertake ongoing evaluation of the health compliance program; • implement more effective compliance risk identification; and • reform the current health provider compliance debt recovery process. <p>During 2016-17, the Department will proactively build and maintain relationships with key stakeholders including peak bodies, to better identify key risks and develop effective compliance strategies.</p>	

Outcome 1 4

Qualitative performance criteria		2016-17 Reference point or target				
<i>Implement a contemporary compliance program that utilises advanced analytics, effectual tools and behavioural economics to support the integrity of health provider claiming.</i>		<i>Enhanced activities are delivered by 30 June 2017 that contribute to an agreed contemporary compliance program that results in a change in provider claiming practices.</i>				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Complete audits and reviews of health providers including general audits, practitioner reviews and criminal investigations.	N/A ²²	2,500	2,500	2,500	2,500	
Complete audits and reviews of health providers focussed on high risk/ complex compliance issues.	N/A ²³	500	500	500	500	
Material changes to Program 4.7 resulting from the following measures:						
<ul style="list-style-type: none"> • <i>Healthier Medicare – enhanced Medicare compliance program</i> 						

Table 2.4.9 – Performance Criteria for Program 4.8

Program	4.8: Targeted Assistance – Aids and Appliances The Australian Government is committed to improving health outcomes for the Australian community through the provision of targeted assistance for aids and appliances.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, intended to benefit eligible Australians, will be delivered under the following program objectives: A. Improving health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services B. Assisting people with a stoma by providing stoma related products C. Improving the quality of life for people with Epidermolysis Bullosa

²² This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

²³ Ibid.

Program objective					
A. Improving health outcomes for people with diabetes across Australia through the provision of subsidised products and self-management services					
<p>The Australian Government, through the National Diabetes Services Scheme (NDSS), aims to ensure that people with diabetes have timely, reliable and affordable access to products and services that help them effectively self-manage their condition.</p> <p>From 1 July 2016, NDSS product supply and delivery will be transferred from Diabetes Australia to the Community Service Obligation distribution network, so that diabetes management products are available through the same supply arrangements as PBS listed medicines, such as insulin.</p> <p>The Government has announced it will introduce market competition and achieve cost efficiencies for the taxpayer and consumers through an open tender process to buy specific NDSS products. The new arrangements will ensure continued access to products required for the self-management of diabetes. These changes will be implemented from 1 July 2018, but work will commence in 2016-17 to support this change.</p> <p>The Government will continue to support the families of children with type 1 diabetes through the Insulin Pump Program (IPP). The IPP aims to increase the affordability of insulin pump therapy for families who have children under the age of 18 with type 1 diabetes but do not have access to other means of reimbursement, such as private health insurance.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
The NDSS meets the needs of stakeholders.		Annual survey of registrants demonstrates that the needs of stakeholders are being met.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of people under 18 years of age, with type 1 diabetes receiving subsidised insulin pumps and associated consumables (under the IPP). ²⁴	68	68	68	68	68
Number of people with diabetes receiving benefit from the NDSS.	1,326,000 ²⁵	1,397,803	1,473,494	1,553,284	1,637,394

²⁴ This performance criterion has been reworded to clarify that it relates to the Insulin Pump Program and that eligible people are provided with insulin pump consumables as well as pumps.

²⁵ The 2015-16 target has been revised. The target of 1,526,000 published in the 2015-16 Portfolio Additional Estimates Statement was incorrect.

Program objective					
B. Assisting people with a stoma by providing stoma related products					
<p>The Australian Government assists over 40,000 people each year by providing them with stoma related appliances (such as pouches, products to assist irrigation, protective films and seals) through the Stoma Appliance Scheme. There are over 400 products available on the scheme.</p> <p>In 2016-17, the Government will add four new products, delete three superseded products and make changes to two existing product listings, to ensure that people requiring stoma appliances will have access to additional and improved treatment options.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of people receiving stoma related products.	43,250	44,000	44,750	45,500	46,250
Average cost per aid and appliance delivered to eligible persons.	Increase at a rate less than CPI	Increase at a rate less than CPI	Increase at a rate less than CPI	Increase at a rate less than CPI	Increase at a rate less than CPI
Program objective					
C. Improving the quality of life for people with Epidermolysis Bullosa					
<p>The National Epidermolysis Bullosa (EB) Dressing Scheme aims to improve the quality of life of patients with EB²⁶ by improving the affordability of, and access to, clinically necessary dressings and other products for EB wounds.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target²⁷	2017-18 Target	2018-19 Target	2019-20 Target
Number of people with Epidermolysis Bullosa receiving subsidised dressings.	135	180	185	190	195
Average time from receipt of an approved claim to delivery of aids and appliances.	No increase on prior year	No increase on prior year	No increase on prior year	No increase on prior year	No increase on prior year
Material changes to Program 4.8 resulting from the following measures:					
There are no material changes to Program 4.8 resulting from measures.					

²⁶ A genetic disease characterised by extremely fragile and blister prone skin.

²⁷ The targets for 2016-17 and subsequent years have been revised to reflect current number of people receiving subsidised dressings.

2.5 BUDGETED EXPENSES AND PERFORMANCE

OUTCOME 5 – REGULATION, SAFETY AND PROTECTION

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

Programs Contributing to Outcome 5

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

Outcome 5 is the responsibility of Health Systems Policy Division, Medical Devices and Product Quality Division, Medicines Regulation Division, National Industrial Chemicals Notification and Assessment Scheme, Office of the Gene Technology Regulator, Office of Drug Control, Office of Health Protection, and Regulatory Practice and Support Division.

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 5 made by linked programs
Australian Radiation Protection and Nuclear Safety Agency Program 1.1: Radiation Protection and Nuclear Safety	The Australian Radiation Protection and Nuclear Safety Agency contributes to the health and safety of the community by protecting the Australian people and environment from the harmful effects of radiation (5.1).
Department of Agriculture and Water Resources Program 2.1: Biosecurity and Export Services	The Department of Agriculture and Water Resources contributes to the protection of the health and safety of the Australian community, including through: <ul style="list-style-type: none"> - Looking for opportunities to harmonise regulatory requirements for Genetically Modified Organisms containment facilities (5.1) - Implementation of activities under the <i>Biosecurity Act 2015</i>, such as the ongoing monitoring of mosquito vectors at ports and airports (5.2).
Department of Education and Training Program 1.7: Child Care Benefit	The Department of Education and Training contributes to increasing immunisation coverage rates by including childhood immunisation requirements as part of the eligibility criteria for the Child Care Benefit. Eligibility for benefits is linked to satisfying the requirements for immunisation (5.3).

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<p>Employment Portfolio (Safe Work Australia) Program 1: Reform of and improvements to Australian work health and safety and workers' compensation arrangements</p>	<p>The Department of Employment contributes to the protection of the health and safety of the Australian community through effective management of risks arising from industrial chemicals through Australian work health and safety and workers' compensation arrangements (5.1).</p>
<p>Department of the Environment Program 1.6: Management of Hazardous Wastes, Substances and Pollutants</p>	<p>The Department of the Environment contributes to the achievement of this Outcome through the effective management of risks associated with industrial chemicals by undertaking environmental risk assessment for the National Industrial Chemicals Notification and Assessment Scheme (5.1).</p>
<p>Department of Immigration and Border Protection Program 1.2: Border Management</p>	<p>The Department of Immigration and Border Protection contributes to the protection of the health and safety of the Australian community through effective:</p> <ul style="list-style-type: none"> - Management of the risks associated with industrial chemicals by maintaining records on the importation of these products (5.1) - Regulation of controlled drugs by enforcement at the border of the regulations for the import and export of controlled substances (5.1).
<p>Department of Industry, Innovation and Science Program 3: Program Support</p>	<p>The Department of Industry, Innovation and Science contributes to the achievement of this Outcome through the effective management of the risks associated with industrial chemicals by reviewing the regulation of chemicals and plastics in Australia, which currently involves multiple entities across all levels of Government (5.1).</p>
<p>Department of Human Services Program 1.2: Services to the Community</p>	<p>The Department of Human Services contributes to increasing immunisation coverage rates, which protect the health and safety of the Australian community, by administering the Australian Childhood Immunisation Register on behalf of the Department of Health (5.3).</p>
<p>Department of Social Services Program 1.1: Family Tax Benefit</p>	<p>The Department of Social Services contributes to increasing immunisation coverage rates, which protect the health and safety of the Australian community, by administering the Family Tax Benefit A supplements to eligible parents. Eligibility for benefits is linked to satisfying the requirements of age-related immunisation (5.3).</p>
<p>The Treasury (Australian Competition and Consumer Commission) Program 1.1: Australian Competition and Consumer Commission</p>	<p>The Australian Competition and Consumer Commission contributes to the protection of the health and safety of the Australian community through management of risks arising from industrial chemicals by regulating consumer goods containing industrial chemicals (5.1).</p>

The Treasury Program 1.9: National Partnership Payments to the States	The Treasury makes National Partnership Payments to the State and Territory Governments as part of the Federal Financial Relations Framework. ¹ Activities funded through the following National Partnership Agreements contribute to the achievement of the Government's objectives within this Outcome: <ul style="list-style-type: none"> - Royal Darwin Hospital - equipped, prepared and ready (5.2) - OzFoodNet Program (5.2) - Addressing blood borne viruses and sexually transmissible infections in the Torres Strait (5.2) - Torres Strait Islander health protection strategy – mosquito control (5.2) - Health care grants for the Torres Strait/Papua New Guinea cross border health issues (5.2) - Vaccine preventable diseases surveillance (5.2) - Essential vaccines (5.3).
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Table 2.5.1: Budgeted Expenses for 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.

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 5.1: Protect the Health and Safety of the Community through Regulation					
Administered expenses					
Ordinary annual services ¹	-	-	-	-	-
Departmental expenses					
Departmental appropriation ²	11,612	11,328	9,354	9,398	9,465
to Special Accounts	(11,612)	(11,328)	(9,354)	(9,398)	(9,465)
Expenses not requiring appropriation in the budget year ³	-	-	-	-	-
Special Accounts					
OGTR Special Accounts ⁴	7,882	7,996	7,849	7,898	7,954
NICNAS Special Accounts ⁵	18,532	19,676	15,337	14,456	14,356
TGA Special Accounts ⁶	138,876	155,119	149,598	146,529	147,184
Expense adjustment ⁷	(5,215)	(9,258)	(528)	6,251	5,836
Total for Program 5.1	160,075	173,533	172,256	175,134	175,330

¹ For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.5.1: Budgeted Expenses for Outcome 5 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 5.2: Health Protection and Emergency Response⁸					
Administered expenses					
Ordinary annual services ¹	79,951	86,016	80,131	42,363	42,410
Non cash expenses ⁹	105,379	17,577	28,276	20,796	20,796
Special Accounts					
Human Pituitary Hormones Special Account - s78 PGPA Act	160	160	170	170	170
Departmental expenses					
Departmental appropriation ²	22,110	19,827	19,818	19,936	19,947
Expenses not requiring appropriation in the budget year ³	694	615	620	660	559
Total for Program 5.2	208,294	124,195	129,015	83,925	83,882
Program 5.3: Immunisation⁸					
Administered expenses					
Ordinary annual services ¹ to Australian Childhood Immunisation Special Account	53,696 (5,858)	96,185 (5,913)	33,086 (5,966)	24,693 (5,966)	24,720 (5,966)
Special Accounts					
Australian Childhood Immunisation Register Special Account - s78 PGPA Act	9,563	9,650	9,820	9,820	9,820
Special appropriations National Health Act 1943 - essential vaccines	240,150	279,548	279,823	279,821	279,748
Departmental expenses					
Departmental appropriation ²	9,960	8,688	8,441	8,433	8,438
Expenses not requiring appropriation in the budget year ³	257	204	206	219	185
Total for Program 5.3	307,768	388,362	325,410	317,020	316,945

Table 2.5.1: Budgeted Expenses for Outcome 5 (continued)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Outcome 5 totals by appropriation type					
Administered expenses					
Ordinary annual services ¹	133,647	182,201	113,217	67,056	67,130
to Special accounts	(5,858)	(5,913)	(5,966)	(5,966)	(5,966)
Non cash expenses ⁹	105,379	17,577	28,276	20,796	20,796
Special Accounts	9,723	9,810	9,990	9,990	9,990
Special appropriations	240,150	279,548	279,823	279,821	279,748
Departmental expenses					
Departmental appropriation ²	43,682	39,843	37,613	37,767	37,850
Expenses not requiring appropriation in the budget year ³	951	819	826	879	744
Special Accounts	160,075	173,533	172,256	175,134	175,330
Total expenses for Outcome 5	687,749	697,418	636,035	585,477	585,622

	2015-16	2016-17
Average staffing level (number)	938	1,010

- ¹ Appropriation (Bill No. 1) 2016-17.
- ² Departmental appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s74)".
- ³ Expenses not requiring appropriation in the Budget year are made up of depreciation expense, amortisation expense, makegood expense and audit fees.
- ⁴ Office of the Gene Technology Regulator Special Account.
- ⁵ National Industrial Chemicals Notification and Assessment Scheme Special Account.
- ⁶ Therapeutic Goods Administration (TGA) Special Account.
- ⁷ Special accounts are reported on a cash basis. This adjustment reflects the differences between expense and cash, and eliminates inter-entity transactions between the Core department and TGA.
- ⁸ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.
- ⁹ "Non cash expenses" relate to the write down of drug stockpile inventory due to expiration, consumption and distribution.

Movement of Funds

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Movement of Administered funds between years for Outcome 5					
Programme 5.3: Immunisation					
No Jab No Pay	9,969	(9,969)			
Total movement of Funds	9,969	(9,969)	-	-	-

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Planned Performance for Outcome 5

Tables 2.5.2 - 2.5.4 below detail the performance criteria for each program associated with Outcome 5.² These tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Table 2.5.2 – Performance Criteria for Program 5.1

Outcome	5: Protection of the health and safety of the Australian community and preparedness to respond to national health emergencies and risks, including through immunisation, initiatives, and regulation of therapeutic goods, chemicals, gene technology, and blood and organ products
Program	<p>5.1: Protect the Health and Safety of the Community Through Regulation</p> <p>The Government aims to provide a world class, efficient and timely regulatory system for therapeutic goods. In 2016-17, the Therapeutic Goods Administration (TGA) will continue to promote best practice regulation through business improvement and regulatory reform, while abiding by the Australian Government’s expectations under the Regulator Performance Framework.</p> <p>Through the newly established Office of Drug Control (ODC), the Department will continue to regulate and provide advice on the import, export, and manufacture of controlled drugs to support Australia’s obligations under the International Narcotic Drugs Conventions, and implement the new regulatory framework for the cultivation and manufacture of medicinal cannabis in Australia.</p> <p>The Government aims to protect the health and safety of people and the environment by identifying and managing risks through regulating work with genetically modified organisms (GMOs).</p> <p>The Government also aims to protect human health and the environment by assessing the risks posed by the use of industrial chemicals. Consistent with the Government’s regulatory reform agenda, regulation by the Department will be proportionate to risk, and safeguard the health and wellbeing of the community and the environment.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Annual Report.

Delivery	<p>Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives:</p> <p>Therapeutic Goods:</p> <p>A. Regulating therapeutic goods for safety, effectiveness/performance and quality</p> <p>B. Participating in international regulatory convergence and work sharing activities</p> <p>C. Promoting best practice regulation of therapeutic goods</p> <p>Drug Regulation:</p> <p>D. Regulating the import, export, and manufacture of controlled drugs</p> <p>E. Regulating the cultivation and manufacture of medicinal cannabis</p> <p>Chemical Safety:</p> <p>F. Aiding the protection of the Australian people and the environment by assessing the risks of chemicals and providing information to promote their safe use</p> <p>Gene Technology Regulation:</p> <p>G. Protecting the health and safety of people and the environment by regulating work with genetically modified organisms (GMOs)</p>	
Program objective		
A. Regulating therapeutic goods for safety, effectiveness/performance and quality		
<p>The TGA will continue to provide a world class, efficient and timely regulatory system for therapeutic goods, which involves and engages stakeholders to ensure the safe use of medicines, medical devices, cell and tissue products, blood and blood products.³</p>		
Qualitative performance criteria	2016-17 Reference point or target	
<p>Continue to regulate therapeutic goods for safety, effectiveness/performance and quality.</p>	<p>Effective premarket evaluation and postmarket monitoring and assessment of therapeutic goods, as required under the <i>Therapeutic Goods Act 1989</i> and associated regulations.</p>	
<p>Update and maintain the Standard for the Uniform Scheduling of Medicines and Poisons (SUSMP).</p>	<p>SUSMP is amended as soon as practicable after the Secretary's delegate's final decision under the <i>Therapeutic Goods Regulations 1990</i>.</p>	

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³ For further information on access to blood and blood products and organ and tissue transplants, please refer to Program 1.1: *Health Policy Research and Analysis* of these Portfolio Budget Statements.

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of evaluations/assessments completed within legislated timeframes: a) Applications lodged under prescription medicines registration (Category 1 applications) processed within 255 working days b) Quality related evaluations of prescription medicines (Category 3 applications) processed within 45 working days c) Conformity assessments for medical devices processed within 255 working days.	100%	100%	100%	100%	100%
Percentage of alleged breaches of the <i>Therapeutic Goods Act 1989</i> received that are assessed within 10 working days and an appropriate response initiated.	100%	100%	100%	100%	100%
Percentage of licensing and surveillance inspections closed out within target timeframes.	85%	85%	85%	85%	85%
Program objective					
B. Participating in international regulatory convergence and work sharing activities					
<p>The TGA participates in international harmonisation and collaborative activities with many international agencies and overseas regulators. These ongoing activities help to reduce effort in pre- and postmarket evaluation of therapeutic goods, while enabling more informed and consistent regulatory decisions about the safety, quality and effectiveness of therapeutic goods available in Australia.</p> <p>This work also includes identifying opportunities for Australia to respond effectively to global trends in the development, manufacture, marketing and regulation of therapeutic goods.</p>					
Qualitative performance criteria	2016-17 Reference point or target				
Implement international harmonisation and work sharing activities with comparable international regulators.	Enhanced cooperation and work sharing, including increased reliance on medicines evaluation and facilities inspection information from international regulators, as outlined in TGA's <i>International Engagement Strategy 2016-2018</i> . ⁴				

⁴ The target for this performance criterion has been updated to include reference to the TGA's most recent International Engagement Strategy.

Section 2 – Department Outcomes – 5: Regulation, Safety and Protection

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of good manufacturing practice clearances of overseas manufacturers that take into account approvals by equivalent international regulators.	85%	85%	85%	85%	85%
Program objective					
C. Promoting best practice regulation of therapeutic goods					
<p>In 2016-17, the TGA will continue implementation of a comprehensive reform agenda that will optimise a range of regulatory processes and improve the way the TGA communicates with the public about the benefits and risks of therapeutic goods.</p> <p>The TGA will continue to identify opportunities and implement action to reduce regulatory burden on industry, consistent with the Government's regulatory reform agenda, while continuing to meet the objectives of safeguarding and enhancing the health of the Australian community.</p> <p>Based on the Government's response to the Expert Panel Review of Medicines and Medical Devices Regulation, the Department will begin design and implementation of the agreed reforms.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
<i>Implement reforms that enhance TGA's current regulatory processes and are consistent with the Government's regulatory reform agenda.⁵</i>		<i>Begin implementation of the Government's response to the Review of Medicines and Medical Devices Regulation.</i>			
Program objective					
D. Regulating the import, export, and manufacture of controlled drugs					
<p>The Office of Drug Control (ODC) will administer a licensing and permit regime for import, export and manufacture of controlled drugs in line with Australian legislation and international conventions, to ensure access to essential medications while supporting Government policy on harm minimisation and harm reduction.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Provide timely and quality advice to meet Australia's reporting obligations under the International Narcotic Drugs Conventions.		Timely response to requests for data and completion of quarterly and annual reports.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of applications for the import, export, and manufacture of controlled substances that are assessed and processed within agreed timeframes. ⁶	95%	95%	95%	95%	95%

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⁵ The wording of this performance criterion has been revised to provide greater clarity.

⁶ Previously reported under Therapeutic Goods.

Program objective					
E. Regulating the cultivation and manufacture of medicinal cannabis					
<p>In 2016-17, the ODC will develop and implement regulations that will permit the legal cultivation of cannabis for medicinal and related scientific purposes. The legislation, the <i>Narcotic Drugs Amendment Act 2016</i>, was passed through Parliament in February 2016 and it is expected by 1 November 2016, at the latest, that enabling regulations and public guidance material will be enacted or made available. The ODC will then administer the legislation, including making decisions on applications to cultivate and manufacture medicinal cannabis products.</p>					
Qualitative performance criteria			2016-17 Reference point or target		
<p><i>Implement amendments to the Narcotic Drugs Act 1967 to regulate and provide access to medicinal cannabis, in accordance with the International Narcotic Drugs Conventions.</i></p>			<p><i>Development of supporting regulations, a cost recovery model, licensing and permit procedures, a compliance and enforcement plan and a communications strategy by November 2016.</i></p>		
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
<p><i>Percentage of applications for the production of medicinal cannabis processed within agreed timeframes.</i></p>	N/A ⁷	90%	90%	90%	90%
Program objective					
F. Aiding the protection of the Australian people and the environment by assessing the risks of chemicals and providing information to promote their safe use					
<p>The Department manages the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), which registers introducers of industrial chemicals, assesses industrial chemicals for their risks to human health and the environment, and makes recommendations to applicable regulatory authorities regarding risk mitigation.</p> <p>Consistent with the Government's Industry Innovation and Competitiveness Agenda, the Department will continue implementation of reforms announced in the 2015-16 Budget to improve the efficiency and effectiveness of the regulation of industrial chemicals, including the increased use of trusted international assessment materials. Consistent with the Government's broader regulatory reform agenda, the reforms will remove unnecessary regulatory burden while maintaining the protection of public health, worker safety and the environment. These reforms will make a contribution to the Government's red tape reduction target of \$1 billion per annum.</p>					

⁷ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Section 2 – Department Outcomes – 5: Regulation, Safety and Protection

Qualitative performance criteria	2016-17 Reference point or target				
Scientifically robust assessments of new and existing industrial chemicals.	Peer review and stakeholder feedback support assessment outcomes.				
Contribution to the international harmonisation of regulatory approaches and methodologies for assessing industrial chemicals by reviewing Australian processes.	Regulatory approaches and methodologies developed by the OECD Chemicals Committee and its key sub-committees are reviewed for their application to NICNAS assessments of industrial chemicals. ⁸				
All introducers of industrial chemicals are aware of their legal obligations.	Identified introducers are registered and provided with regular information updates.				
The costs associated with the regulation of industrial chemicals are adequately balanced against the benefits to worker health and safety, public health and the environment.	Reforms to NICNAS more efficiently and effectively achieve the objects of the <i>Industrial Chemicals (Notification and Assessment) Act 1989</i> .				
Effective use of international information.	Criteria approved by the Health Minister for accepting international standards and risk assessment materials will be applied by NICNAS. ⁹				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of new industrial chemical assessments completed within legislated timeframes.	96%	96%	96%	96%	96%
Percentage of Level C and D introducers ¹⁰ of industrial chemicals assessed for compliance with their new chemicals obligations under the <i>Industrial Chemicals (Notification and Assessment) Act 1989</i> .	45%	45%	45%	45%	45%
Program objective					
G. Protecting the health and safety of people and the environment by regulating work with genetically modified organisms (GMOs)					
<p>The Australian Government, through the Gene Technology Regulator, administers the national scheme for the regulation of gene technology to protect the health and safety of people and the environment.</p> <p>In 2016-17, the Office of the Gene Technology Regulator (OGTR) will continue to ensure that all risk assessments of GMOs are based on current scientific evidence and represent international best practice by consulting with experts and key stakeholders, and by keeping pace with advances in scientific knowledge and regulatory practice. OGTR will continue to engage with other Australian Government regulators to enhance the reciprocal provision of</p>					

Outcome 15

⁸ The wording of the target for this performance criterion has been revised to provide greater clarity.

⁹ Ibid.

¹⁰ Level C and Level D introducers are those NICNAS registrants introducing at least \$500,000 worth of relevant industrial chemicals annually.

<p>advice on applications to support timely, scientifically robust assessment of GMOs and genetically modified products.</p> <p>OGTR will continue to work with the Department of Agriculture and Water Resources to improve harmonisation of regulatory requirements for containment facilities, including closer alignment of guidelines where practical. OGTR will also engage in international harmonisation activities including collaborations in the region and provision of technical advice to other Australian Government entities to support engagement in international fora.</p> <p>During 2016-17, OGTR will progress the technical review of the <i>Gene Technology Regulations 2001</i>. Consistent with the Government’s regulatory reform agenda, the review will focus on ensuring that the regulation of GMOs to protect human health and the environment is commensurate with risk according to current science.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Progress technical review of the <i>Gene Technology Regulations 2001</i> .	Draft amendment regulations, informed by stakeholder submissions, will be prepared in 2016. Consultation on proposed amendments will be undertaken in 2016-17. ¹¹
Provide open, effective and transparent regulation of GMOs.	Risk assessments and risk management plans prepared for 100% of applications for licensed dealings. Stakeholders, including the public, consulted on all assessments for proposed release of GMOs into the environment. ¹²
Protect people and environment through identification and management of risks from GMOs.	Scientifically robust risk assessment and effective risk management of GMOs. ¹³ High level of compliance with the gene technology legislation and no adverse effect on human health or environment from authorised GMOs.
Facilitate cooperation and provision of advice between relevant regulatory agencies with responsibilities for GMOs and /or genetically modified products.	High degree of cooperation with relevant regulatory agencies and timely provision of advice, including supporting engagement in international fora. ¹⁴

¹¹ The target for this performance criterion has been revised to identify activities to be undertaken in 2016-17. Finalisation of amendment regulations will require agreement of the States and Territories.

¹² The target for this performance criterion has been revised to indicate openness and transparency of the regulation. Consultation documents, including all assessments for proposed release of GMOs into the environment, are available on the OGTR website: www.ogtr.gov.au

¹³ The wording of the target for this performance criterion has been revised to provide greater clarity.

¹⁴ The wording of the target for this performance criterion has been revised to include reference to engagement with international fora.

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of field trial sites and higher level containment facilities inspected.	≥20%	≥20%	≥20%	≥20%	≥20%
Percentage of licence decisions made within statutory timeframes.	100%	100%	100%	100%	100%
Material changes to Program 5.1 resulting from the following measures:					
<ul style="list-style-type: none"> Improving the Regulation of Therapeutic Goods in Australia Regulation of Medicinal Cannabis – charging arrangements 					

Table 2.5.3 – Performance Criteria for Program 5.2

Program	<p>5.2: Health Protection and Emergency Response</p> <p>The Government aims to protect the health of the Australian community through effective national leadership and coordination and building of appropriate capacity and capability to detect, prevent and respond to threats to public health and safety arising from communicable diseases, natural disasters, acts of terrorism, and other incidents that may lead to mass casualties.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives:</p> <ol style="list-style-type: none"> Reducing the incidence of blood borne viruses and sexually transmissible infections Providing a comprehensive and effective response to national health emergencies Improving biosecurity and minimising the risks posed by communicable diseases Supporting the development of policies and implementation activities relating to health protection issues of national significance
Program objective	
A. Reducing the incidence of blood borne viruses and sexually transmissible infections	
<p>The Australian Government is committed to preventing the spread of blood borne viruses (BBV) and sexually transmissible infections (STI).</p> <p>In 2016-17, the Australian Government will continue to implement its contribution to the National Strategies 2014-2017 for HIV, hepatitis B, hepatitis C, STI, and Aboriginal and Torres Strait Islander BBV and STI. The National Strategies guide policies and programs related to the prevention, testing, management and treatment of BBV and STI. The Australian Government will continue to work with States and Territories to encourage increased testing and uptake of treatment for STI and BBV among priority populations.</p> <p>In 2016-17, the Department will also continue to support quality assurance programs for medical laboratories using in-vitro diagnostic devices, and the Australian Red Cross for the screening of fresh blood donations.</p>	

Qualitative performance criteria	2016-17 Reference point or target
Support programs which are effective in reducing the spread of communicable disease and work towards the targets contained in the National BBV and STI Strategies 2014-2017. ¹⁵	Reporting on progress of programs that support the National BBV and STI Strategies 2014-2017 is undertaken according to the evaluation framework in the Implementation and Evaluation Plan.
Program objective	
B. Providing a comprehensive and effective response to national health emergencies	
<p>The Department will continue to work with the relevant Commonwealth entities and States and Territories to plan, prepare for, and provide, a coordinated, comprehensive and effective response to public health or mass casualty incidents of national significance. Response arrangements include the maintenance of a deployable medical capability, coordinated through the National Critical Care and Trauma Response Centre in Darwin, which is supported by Commonwealth funding of \$15.7 million in 2016-17. Australian Medical Assistance Teams (AUSMATs) can be deployed to respond to both domestic and international crises.</p> <p>The Australian Government will continue to ensure that the National Medical Stockpile holds a contingency reserve of essential pharmaceuticals and protective equipment to maintain Australia's capacity to respond to health emergencies. Funding of \$25.5 million in 2016-17 will support the replenishment of expired or expiring stock.</p> <p>Reform activities to improve the efficiency and effectiveness of the operation and management of the National Medical Stockpile will continue. Engagement of a Prime Vendor, negotiation of a National Stockpiling Agreement with the States and Territories, and pre-deployment of inventory will continue in 2016-17.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Develop, exercise and refine national health emergency policy under the National Health Emergency Response Arrangements.	National Health Emergency Response Arrangements will be exercised and revised and an emergency response plan for communicable disease incidents of national significance will be developed. ¹⁶
Containment of national health emergencies through the timely engagement of national health coordination mechanisms and response plans.	National responses to health emergencies are successfully managed.
Program objective	
C. Improving biosecurity and minimising the risks posed by communicable diseases	
<p>In 2016-17, the Australian Government will continue to administer the Security Sensitive Biological Agent Regulatory Scheme to minimise the risk of access to biological agents that could be used in acts of terrorism or biocrime.</p> <p>The Government will continue to strengthen national laboratory capacity through funding support of \$6 million over 2016-17 to the WHO Collaborating Centre for Reference and Research on Influenza, the National High Security Quarantine and Smallpox Laboratory,</p>	

¹⁵ The wording of this performance criterion has been revised to provide greater clarity.

¹⁶ The target for this performance criterion has been revised to reflect a priority focus on finalising the emergency response plan for communicable disease incidents of national significance.

<p>and the Proficiency Testing Program for biological agents for security concern by the Royal College of Pathology Australia.</p> <p>The Australian Government is committed to strengthening Australia’s defences against communicable diseases, including the spread of mosquito-borne diseases such as dengue fever. In 2016-17, this will include working closely with the Department of Agriculture and Water Resources on vector monitoring at ports and airports, and on the continuing implementation of the <i>Biosecurity Act 2015</i>.</p> <p>The Government will continue to provide funding for an exotic mosquito detection, control and elimination program and support cross border communications between Queensland and Papua New Guinea to reduce communicable disease risk in the Torres Strait.</p> <p>In addition, the Department will continue to maintain the National Notifiable Diseases Surveillance System. Under this scheme, notifications of more than 50 communicable diseases are made to State and Territory health authorities to ensure effective surveillance of communicable diseases.</p> <p>The Department will also continue the OzFoodNet Program, a national system of enhanced foodborne disease surveillance, to provide comprehensive information on foodborne disease in Australia and the capacity to rapidly identify and respond to outbreaks, particularly those that cross state, territory and country borders.</p> <p>The Government is providing national and international leadership to help prevent and contain the spread of antimicrobial resistance (AMR). In 2016-17, the Department will implement activities to respond to AMR under the <i>National Antimicrobial Resistance Strategy 2015-2019</i>, and coordinate Australia’s efforts across human and animal health to reduce, monitor and respond to AMR.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Collect and disseminate data in the National Notifiable Diseases Surveillance System and monitor data quality in accordance with the <i>National Health Security Act 2007</i> .		Data is collected and available for regular reporting by the Commonwealth and ad hoc requests by stakeholders, including publishing in the Department's journal <i>Communicable Diseases Intelligence</i> .			
Manage and control exotic mosquito populations to reduce the risk of disease transmission in the Torres Strait and mainland Australia.		Regular mosquito surveillance to indicate whether the mosquito population has reduced in the target areas in the Torres Strait and not spread to the mainland.			
The development and spread of antimicrobial resistance (AMR) is minimised as a result of the <i>National Antimicrobial Resistance (AMR) Strategy 2015-2019</i> . ¹⁷		Progress reports indicate that actions to minimise the development and spread of AMR are being implemented in accordance with the National AMR Implementation Plan.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of designated points of entry into Australia capable of responding to public health events, as defined in the <i>International Health Regulations (2005)</i> .	100%	100%	100%	100%	100%

Outcome 15

¹⁷ This performance criterion has been revised to reflect a combination of the two previous AMR criteria.

Program objective	
D. Supporting the development of policies and implementation activities relating to health protection issues of national significance	
The Health Protection Program funds prevention, preparedness and response activities that protect the health of all Australians from threats posed by communicable disease outbreaks, natural disasters, environmental hazards, acts of terrorism and other incidents that may lead to mass casualties.	
Qualitative performance criteria	2016-17 Reference point or target
Establishment of the Health Protection Program to support the development of policies and activities relating to health issues of national significance comprising: <ul style="list-style-type: none"> • Prevention; • Preparedness; and • Response. 	Implementation of the new Health Protection Program from 1 July 2016.
Material changes to Program 5.2 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Health Flexible Funds – pausing indexation and achieving efficiencies</i> 	

Table 2.5.4 – Performance Criteria for Program 5.3

Program	5.3: Immunisation The Australian Government aims to protect the health of the community through immunisation initiatives. The Government recognises that immunisation is an effective way of protecting individuals and the Australian community, by reducing the spread of vaccine preventable disease. The Department implements the National Immunisation Program (NIP) which provides free vaccination programs in partnership with States and Territories.
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit the Australian Community, will be delivered under the following program objective: A. Increasing national immunisation coverage rates and improving the effectiveness of the National Immunisation Program

Program objective	
A. Increasing national immunisation coverage rates and improving the effectiveness of the National Immunisation Program	
<p>In 2016-17, the Department will work with States and Territories to develop a new National Partnership Agreement on Essential Vaccines (NPEV), to continue, and expand on, collaborative efforts to further improve immunisation coverage rates in Australia. The new agreement is expected to commence on 1 July 2017.</p> <p>The Department will also continue to monitor implementation of the strategic priorities of the National Immunisation Strategy 2013-2018 (NIS), which underpin the NIP. Improving immunisation data capture is a key NIS action being progressed in 2016-17 to increase vaccination coverage rates, especially in adolescents and adults.</p> <p>From September 2016, the Australian Childhood Immunisation Register will expand to become the Australian Immunisation Register, and will enable the reporting of coverage data for additional population groups such as older Australians. From January 2017, the new Australian School Vaccination Register will allow better follow-up of adolescents who have missed vaccine doses under the school based programs.</p> <p>The Department, in conjunction with States and Territories, will continue transitioning to a centralised procurement process for the supply of vaccines under the NIP. Centralised purchasing aims to streamline national purchasing arrangements and achieve administrative and financial efficiency.</p> <p>In addition, in 2016-17, the Department will undertake the procurement of vaccines for new cohorts, including a vaccine to protect against shingles which will be provided to 70 year olds, with a five year catch up program for people aged 71-79 years old.</p> <p>In 2016-17, the Government will continue to work closely with other Commonwealth entities, State and Territory Governments, academic institutions and non-government organisations on activities to improve vaccination rates. A key focus in 2016-17 will be enhancing communication efforts to ensure they best address parents' concerns and support uptake of vaccination.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Key actions of the National Immunisation Strategy 2013-2018 (NIS) are implemented.	NIS actions to improve vaccination coverage rates are undertaken in accordance with the NIS Implementation Plan.
New National Partnership Agreement on Essential Vaccines (NPEV) for 2017 onwards in place by 30 June 2017.	New NPEV agreed by First Ministers by 30 June 2017.

Outcome 15

Budget Statements – Department of Health

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of completed tenders under the NPEV (Essential Vaccines Procurement Strategy).	2	3 ¹⁸	1	1	1
Increase the immunisation coverage rates among children 12-15 months of age.	91.5%	92.0%	92.5%	93.0%	93.5%
Increase the immunisation coverage rates among children 24-27 months of age.	91.5%	92.0%	92.5%	93.0%	93.5%
Increase the immunisation coverage rates among children 60-63 months of age.	92.0%	92.5%	93.0%	93.5%	93.5%
Increase the immunisation coverage rates among 12-15 months of age Aboriginal and Torres Strait Islander children.	87.0%	88.5%	89.0%	90.0%	90.5%
Material changes to Program 5.3 resulting from the following measures:					
There are no material changes to Program 5.3 resulting from measures.					

¹⁸ Number of procurements has increased to reflect new vaccines being added to the schedule and the transition of existing vaccines to Commonwealth Own Purpose Expenses.

2.6 BUDGETED EXPENSES AND PERFORMANCE

OUTCOME 6 – AGEING AND AGED CARE

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

Programs Contributing to Outcome 6

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

Outcome 6 is the responsibility of Access, Quality and Compliance Division, Aged Care Reform Taskforce, Ageing and Aged Care Services Division, and Aged Care Policy and Reform Division.

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 6 made by linked programs
Australian Aged Care Quality Agency Program 1.1: Accrediting, Monitoring and Promoting High Quality Care Through Information, Education and Training for Australian Government Funded Aged Care Homes and Community Care Providers	The Australian Aged Care Quality Agency contributes to the achievement of this Outcome through accrediting aged care services and monitoring compliance with the quality accreditation standards (6.4).
Department of Human Services Program 1.2: Services to the Community - Health	The Department of Human Services contributes to the achievement of ageing and aged care programs administered by the Department of Health by: <ul style="list-style-type: none"> - Undertaking income testing for care recipients (6.2) - Making payments under the Continence Aids Payment Scheme (6.2) - Administering payments to aged care providers (6.2 and 6.3) - Means testing residents (6.3).

Outcome 6

<p>Department of Social Services Program 3.1: Disability Mental Health and Carers Program Program 3.2: National Disability Insurance Scheme</p>	<p>The Department of Social Services contributes to the achievement of ageing and aged care programs administered by the Department of Health by providing assistance, support and services for people with a disability and their carers (all Outcome 6 programs).</p>
<p>Department of Veterans' Affairs Program 2.4: Veterans' Community Care and Support</p>	<p>Alongside the ageing and aged care programs administered by the Department of Health for the broader community, the Department of Veterans' Affairs contributes to the delivery of aged and community care for Australian veterans (6.3).</p>
<p>The Treasury Program 1.9: National Partnership Payments to the States</p>	<p>The Treasury makes National Partnership Payments to the State and Territory Governments for Home and Community Care as part of the Federal Financial Relations Framework (6.2).¹</p>

¹ For Budget estimates relating to the National Partnership component of the program, refer to *Budget Paper No. 3* or Program 1.9 of the Treasury's Portfolio Budget Statements.

Table 2.6.1: Budgeted Expenses for Outcome 6

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.

	2015-16 Estimated actual ¹ \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 6.1: Access and Information					
Administered expenses					
Ordinary annual services ²	89,024	195,875	202,574	208,076	215,851
Departmental expenses					
Departmental appropriation ³	28,360	45,385	46,029	46,923	50,434
Expenses not requiring appropriation in the budget year ⁴	919	1,106	1,114	1,187	1,005
Total for Program 6.1	118,303	242,366	249,717	256,186	267,290
Program 6.2: Home Support and Care^{5,6}					
Administered expenses					
Ordinary annual services ²	1,092,037	2,324,521	2,577,984	2,835,457	2,968,990
Special appropriations					
<i>Aged Care Act 1997</i>					
- Home Care Packages	1,103,461	1,725,382	1,968,980	2,298,189	2,665,127
<i>National Health Act 1953</i>					
- continence aids payments	35,815	86,661	92,050	95,266	92,238
Departmental expenses					
Departmental appropriation ³	49,466	59,863	60,087	64,106	67,338
Expenses not requiring appropriation in the budget year ⁴	1,263	1,414	1,425	1,518	1,284
Total for Program 6.2	2,282,042	4,197,841	4,700,526	5,294,536	5,794,977

Table 2.6.1: Budgeted Expenses for Outcome 6 (continued)

	2015-16 Estimated actual ¹ \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 6.3: Residential and Flexible Care					
Administered expenses					
Ordinary annual services ^{2,7}	88,333	107,546	101,005	101,317	103,511
Zero Real Interest Loans					
- appropriation	68,451	67,040	14,252	-	-
- expense adjustment ⁸	(63,749)	(53,727)	(11,669)	-	-
Special appropriations					
<i>Aged Care Act 1997</i>					
- residential care	7,643,190	10,774,303	11,361,899	12,012,700	12,838,110
<i>Aged Care Act 1997</i>					
- flexible care	329,144	423,863	453,596	486,161	527,061
<i>Aged Care (Accommodation Payment Security) Act 2006</i>	718	-	-	-	-
Departmental expenses					
Departmental appropriation ³	26,781	27,840	25,737	26,436	26,491
Expenses not requiring appropriation in the budget year ⁴	688	675	680	725	613
Total for Program 6.3	8,093,556	11,347,540	11,945,500	12,627,339	13,495,786
Program 6.4: Aged Care Quality					
Administered expenses					
Ordinary annual services ²	93,785	133,603	125,692	127,070	130,678
Departmental expenses					
Departmental appropriation ³	34,474	58,745	57,971	58,825	52,574
Expenses not requiring appropriation in the budget year ⁴	1,136	1,436	1,447	1,542	1,304
Total for Program 6.4	129,395	193,784	185,110	187,437	184,556

Table 2.6.1: Budgeted Expenses for Outcome 6 (continued)

	2015-16 Estimated actual ¹ \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Outcome 6 totals by appropriation type					
Administered expenses					
Ordinary annual services ²	1,431,630	2,828,585	3,021,507	3,271,920	3,419,030
- expense adjustment ⁷	(63,749)	(53,727)	(11,669)	-	-
Special appropriations	9,112,328	13,010,209	13,876,525	14,892,316	16,122,536
Departmental expenses					
Departmental appropriation ³	139,081	191,833	189,824	196,290	196,837
Expenses not requiring appropriation in the budget year ⁴	4,006	4,631	4,666	4,972	4,206
Total expenses for Outcome 6	10,623,296	15,981,531	17,080,853	18,365,498	19,742,609
	2015-16	2016-17			
Average staffing level (number)	776	1,207			

¹ The Ageing and Aged Care functions transferred from the Department of Social Services under the revised Administrative Arrangements Order of 30 September 2015.

² Appropriation (Bill No. 1) 2016-17.

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

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

⁵ Budget estimates for this program exclude Home and Community Care National Partnership funding paid to state and territory governments by the Treasury as part of the Federal Financial Relations (FFR) framework.

⁶ Budget estimates for this program exclude National Partnership funding paid to State and Territory Governments by the Treasury as part of the Federal Financial Relations (FFR) Framework. National Partnerships are listed in this chapter under each program. For Budget estimates relating to the National Partnership component of this program, please refer to Budget Paper 3 or Program 1.9 of the Treasury's Portfolio Budget Statements.

⁷ 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.

⁸ Payments under the zero real interest loans program are a loan to aged care providers and not accounted for as an expense. The concessional loan discount is the expense and represents the difference between an estimate of the market rate of interest, and that recovered under the loan agreement, over the life of the loan. This adjustment recognises the difference between the appropriation and the concessional loan discount expense.

Movement of Funds

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

Planned Performance for Outcome 6

Tables 2.6.2 - 2.6.5 below detail the performance criteria for each program associated with Outcome 6.² These tables also summarise how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Table 2.6.2 – Performance Criteria for Program 6.1

Outcome	6: Improved wellbeing for older Australians through targeted support, access to quality care and related information services
Program	6.1: Access and Information The Australian Government is committed to improving the ability of older Australians, their families and carers to access aged care information and services, and to make informed and timely choices that best suit their individual needs.
Purpose	Lead and shape Australia's health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	Program activities, which are intended to benefit older Australians, their families and carers, will be delivered under the following program objective: A. Providing equitable and timely access to aged care assessments and making it easier for older people to find aged care services and information
Program objective	
A. Providing equitable and timely access to aged care assessments and making it easier for older people to find aged care services and information	
<p>The Australian Government will continue to enhance My Aged Care, as a single point of entry for accessing aged care information and services, in order to make it easier for older Australians, their carers and families to connect with appropriate services.</p> <p>My Aged Care provides consistent information on aged care to older people, their family and carers. It assists people needing service to locate and access appropriate assessment and service options in a timely manner.</p> <p>The Australian Government will also ensure the provision of equitable and timely access to aged care assessments. As part of My Aged Care, Regional Assessment Service organisations assess the ongoing aged care needs of people requiring less complex services available under the Commonwealth Home Support Program. Aged Care Assessment Teams (ACATs) provide comprehensive assessments and approval for people requiring more complex aged care services under the <i>Aged Care Act 1997</i>.</p> <p>Consumers will be empowered by the provision of advocacy services for older Australians that promote their rights within the aged care sector through the national Aged Care Advocacy Program.</p> <p>Volunteer visitors to care recipients of residential aged care and home care will be supported through the Community Visitors Scheme with a focus on addressing special needs groups.</p>	

² Progress against the performance criteria published in the 2015-16 Portfolio Additional Estimates Statements will be reported in the 2015-16 Annual Report.

Section 2 – Department Outcomes – 6: Ageing and Aged Care

Qualitative performance criteria		2016-17 Reference point or target				
Aged Care Assessment Program (ACAP) and Regional Assessment Service organisations' training resources reflect current program operation and enable consistent decision making.		All ACAP training reflects the current program operation model, with six monthly reviews of all training resources to ensure currency is maintained.				
My Aged Care assessment workforce (Contact Centre, Regional Assessment Service organisations and Aged Care Assessment Teams (ACATs)) to complete mandatory training prior to undertaking screening and assessment through My Aged Care.		100% of the My Aged Care assessment workforce completes the mandatory training for their screening, assessment or delegate roles.				
Continuing uptake of new models of Community Visitors Scheme.		Increase uptake of new models of Community Visitors Scheme.				
Older Australians have access to advocacy services to promote their rights in the aged care sector.		Government funded advocacy services delivered include access for rural and remote communities and special needs groups.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of calls made to the My Aged Care Contact Centre answered within 20 seconds. ³	N/A	80%	80%	80%	80%	
Average number of unique visitors per month to the My Aged Care website.	121,000	131,000	146,400	161,000	N/A ⁴	
Percentage of surveyed consumers that are satisfied with the service provided by My Aged Care Contact Centre. ^{5,6}	>90%	>90%	>90%	>90%	>90%	
Percentage of referrals issued via My Aged Care systems that assist clients to access appropriate assessment and services, and are accepted by assessors and providers.	N/A ⁷	75%	80%	85%	85%	

³ This performance criterion and targets have been revised to ensure it is more meaningful and measurable. As the measurement scale has changed from number to percentage, there is no comparable target for 2015-16.

⁴ The target for 2019-20 will not be available until mid-2016. The 2019-20 target will be published in the 2016-17 Health Portfolio Additional Estimates Statements.

⁵ As reported in the HealthDirect Australia Contact Centre and Website Customer Satisfaction Survey Report.

⁶ This has been changed from a qualitative to a quantitative performance criterion.

⁷ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Outcome 16

Percentage of high priority ACAT assessments completed within 48 hours of referral. ⁸	85%	90%	90%	90%	90%
Number of new client registrations.	183,800	202,200	222,400	244,700	N/A ⁹
Number of assessments completed on My Aged Care.	459,300	505,300	555,800	611,400	N/A ¹⁰
Material changes to Program 6.1 resulting from the following measures:					
<ul style="list-style-type: none"> • <i>My Aged Care – consumer access</i> 					

Table 2.6.3 – Performance Criteria for Program 6.2

Program	<p>6.2: Home Support and Care</p> <p>The Australian Government aims to provide choice through a range of flexible options to support older people to remain living at home and connected to their communities for longer.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit older Australians, their carers and families, will be delivered under the following program objective:</p> <p>A. Providing entry level, support and care services through the Commonwealth Home Support Program (CHSP) and providing coordinated Home Care Packages tailored to meet individuals’ specific care needs</p>
Program objective	
A. Providing entry level, support and care services through the Commonwealth Home Support Program (CHSP) and providing coordinated Home Care Packages tailored to meet individuals’ specific care needs	
<p>The Australian Government is committed to providing a range of services and programs to help older people stay independent and in their homes and communities for longer.</p> <p>The Commonwealth Home Support Program (CHSP) will provide entry-level home support for older people who need assistance to keep living independently.</p> <p>From 1 July 2016, the Australian Government will assume full funding, policy and operational responsibility for home support services for older Victorians from the Commonwealth-State Victorian HACC Program.</p> <p>To meet the Commonwealth’s commitment to provide continuity of support arrangements to achieve similar outcomes to older people with a disability who are 65 years and over, and Aboriginal and Torres Strait Islander people over 50 accessing state administered specialist</p>	

⁸ The Commonwealth is negotiating the targets for 2016-17 with the States and Territories and forward years figures have been revised to 90%. The compliance level of 90% has been introduced due to the high performance against previous targets and to align ACAP service levels with the Regional Assessment Service.

⁹ The target for 2019-20 will not be available until mid-2016. The 2019-20 target will be published in the 2016-17 Health Portfolio Additional Estimates Statements.

¹⁰ Ibid.

<p>disability services who are ineligible for the National Disability Insurance Scheme, the Commonwealth will utilise existing aged care programs as well as create a new Program – Commonwealth Continuity of Support (CoS).</p> <p>Coordinated packages of services will also be provided through the Home Care Packages Program, tailored to meet individuals’ specific care needs including care services, support services, clinical services and other services to support older people to remain living at home and connected to their communities.</p> <p>From February 2017, funding for a home care package will follow the consumer, allowing eligible consumers to choose their approved provider. Packages will also be portable, allowing consumers to change their provider, including where the consumer moves to another location.</p> <p>Once these changes come into effect, providers will no longer have to apply for home care places through the Aged Care Approval Round, significantly reducing red tape. The changes will also increase competition in the home care sector, allowing more consumer focussed and innovative providers to expand their business to meet local demand and consumer expectations.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Continuity of services delivering the Commonwealth Home Support Program (CHSP) including Home and Community Care (HACC) services transitioned from Victoria. ^{11,12}	Services continue to be provided during 2016-17 through the CHSP.
Establishment of the Commonwealth Continuity of Support (COS) Program.	COS Program established, and implemented from 1 July 2016, in line with National Disability Insurance Scheme (NDIS) roll out.
Stage 1 of Increasing Choice in Home Care will be implemented from February 2017.	Systems changes will be made that accommodate the implementation of Stage 1 of the Increasing Choice in Home Care service.

¹¹ This performance criterion has been revised. Target reported in the 2015-16 *Portfolio Additional Estimates Statements* has been achieved.

¹² From 1 July 2016, the Commonwealth will assume full funding, policy and operational responsibility for home support services for older Victorians from the Commonwealth-State Victorian HACC Program. Victorian HACC services for older people (65 years and over or 50 years and over for Aboriginal and Torres Strait Islander people) now included in the National CHSP data.

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of older people receiving a service through the Commonwealth Home Support Program. ¹³	556,136	896,979	928,236	961,197	995,010
Number of older people receiving support through the Commonwealth Continuity of Support (COS) Program.	N/A ¹⁴	1,875	7,097	8,618	8,618 ¹⁵
Number of allocated Home Care Packages at end of financial year.	N/A ¹⁶	90,763	100,436	112,733	124,443
Number of Commonwealth Home Support Program providers. ¹⁷	N/A ¹⁸	1,480	1,480	1,480	1,480
Material changes to Program 6.2 resulting from the following measures:					
<ul style="list-style-type: none"> • <i>Aged Care Provider Funding – improving the targeting of the viability supplement for regional aged care facilities</i> • <i>National Disability Insurance Scheme Savings Fund (Department of Social Services)</i> 					

¹³ This performance criterion has been revised. The 2016-17 target and forward year figures have been updated to include Victorian HACC services for older people (65 years and over or 50 years and over for Aboriginal and Torres Strait Islander people).

¹⁴ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹⁵ The figures above are estimates based on bilateral agreements signed between the Commonwealth and New South Wales, Victoria, South Australia, Tasmania and Queensland. These figures will be amended to reflect NDIS bilateral agreements for transition to full scheme being signed with other participating states and to reflect client exits from the program.

¹⁶ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹⁷ Victorian HACC services for older people (65 years and over or 50 years and over for Aboriginal and Torres Strait Islander people) now included in the National CHSP data.

¹⁸ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Table 2.6.4 – Performance Criteria for Program 6.3

Program	<p>6.3: Residential and Flexible Care</p> <p>The Australian Government provides a range of high quality and sustainable aged care options and accommodation, for older people who are unable to continue living independently in their own homes, on both a permanent and short term basis.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities, which are intended to benefit older Australians and their families and carers, will be delivered under the following program objectives:</p> <p>A. Providing a range of residential and flexible care options and accommodation for older people who are unable to continue living independently in their own homes</p> <p>B. Administering the Accommodation Payment Guarantee Scheme</p>
Program objective	
A. Providing a range of residential and flexible care options and accommodation for older people who are unable to continue living independently in their own homes	
<p>The Australian Government is committed to providing high quality and sustainable residential aged care on both a permanent and respite basis to older people who are unable to remain living at home. Care ranges from personal care to assist with activities of daily living through to nursing care on a 24 hour basis.</p> <p>It is also committed to improving the wellbeing of older people through the delivery of time-limited, goal oriented, multi-disciplinary and coordinated package of services to reverse or slow functional decline.</p> <p>To assist older people to return home after a hospital stay, rather than enter residential aged care prematurely, funding of 4,000 flexible care places will be made available through the Transition Care Program.</p> <p>Short-Term Restorative Care is a new form of care to help older people live longer in their own homes. Unlike transition care, this program will be available to people without requiring a hospital stay. From 1 January 2017, Short-Term Restorative Care places will progressively become available with at least 2,000 places available from 2021.</p> <p>Flexible care places test new approaches to provide care for specific target groups. Pilot projects have been approved under the Innovative Pool Project, with clear client eligibility criteria, and controlled methods of delivery. There are currently nine operational disability/aged care interface pilots in the home care sector in New South Wales, South Australia, Tasmania, Victoria and Western Australia.</p> <p>The Australian Government will support the delivery of culturally appropriate aged care services to older Aboriginal and Torres Strait Islander people through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program. In 2016-17, the Australian Government will continue to improve access to aged care services for Aboriginal and Torres Strait Islander people by establishing a service in Nhulunbuy.¹⁹</p> <p>Small regional and remote communities will be supported to deliver flexible and integrated</p>	

Outcome 16

¹⁹ It is anticipated that the Nhulunbuy aged care service in the Northern Territory will be available by 2018.

<p>health and aged care services through the Multi-Purpose Services Program. This is a joint initiative of the Australian Government and State and Territory Governments. In 2016-17, the Australian Government will establish a Multi-Purpose Service on Norfolk Island.</p> <p>Approved providers will be monitored to ensure appropriate care is provided to care recipients, and that they meet their financial obligations and submit claims consistent with the Aged Care Funding Instrument (ACFI) requirements.</p> <p>This includes the implementation of the <i>Aged Care Provider Funding – improved compliance</i> measure, announced in the 2015-16 Mid-Year Economic and Fiscal Outlook, to support voluntary compliance and target high risk providers.</p> <p>In 2016-17, changes will be made to the Aged Care Funding Instrument (ACFI) to improve integrity. This will be achieved through redesigning the Complex Health Care (CHC) domain of the instrument, and applying a 50 per cent indexation pause of the CHC domain in 2016-17.</p> <p>The Aged Care Financing Authority report, <i>Financial Issues Affecting Rural and Remote Providers</i>, identified greater cost pressures in rural and remote areas, and noted that the geographical classification system of the viability supplement in aged care was out-dated and may not be best targeting funding. In response to this report, the Australian Government will be progressing changes to the viability supplement, which in 2016-17 includes updating the remoteness classification system with the more contemporary Modified Monash Model.</p> <p>In addition, the viability supplement rates payable for mainstream residential aged care services scoring 80 points or above (services score points on the basis of geographical location, number of occupied places, and catering to special needs groups) will be increased.</p>	
Qualitative performance criteria	2016-17 Reference point or target
<p>Establish the Short-Term Restorative Care (STRC) Program and undertake a competitive Aged Care Approvals Round (which would include STRC).</p>	<p>Competitive Aged Care Approvals Rounds undertaken, including new Short-Term Restorative Care places with outcomes to be announced in late 2016.</p>
<p>Expand the National Aboriginal and Torres Strait Islander Flexible Aged Care Program and the Multi-Purpose Service Program.²⁰</p>	<p>Conduct a funding round to expand existing services funded under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program, with places allocated in 2016; and conduct a Multi-Purpose Service approvals round with places allocated in 2016.</p>

²⁰ This performance criterion and 2016-17 reference point have been revised to include the Multi-Purpose Service Program.

Section 2 – Department Outcomes – 6: Ageing and Aged Care

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of flexible places available for Aboriginal and Torres Strait Islander people through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.	820	850 ²¹	850	850	850
Number of operational Residential Aged care places available by 30 June each year. ²²	191,695	TBA	TBA	TBA	TBA
Number of operational transition care places available by 30 June each year. ²³	4,000	4,000	4,000	4,000	4,000
Number of operational Short-Term Restorative Care places available by 30 June each year.	N/A ²⁴	400	475	825	1,250
Number of operational Multi-purpose Services places available by 30 June each year.	3,695	3,845	3,945	4,045	4,045
Number of Innovative Pool places available by 30 June each year.	84	84	84	84	84
Number of annual reviews of Aged Care Funding Instrument funding claims to ensure residents are correctly funded.	20,000	20,000	20,000	20,000	20,000

²¹ This target has been revised to reflect the expansion of existing services (NATFACP and MPS).

²² The total number of Residential Aged care places each year is determined following the previous year's stocktake of places. Forward year targets will be published in the 2016-17 Health Portfolio Additional Estimates Statements.

²³ This performance criterion has been revised to remove 2016-17 and forward year figures for Short-Term Restorative Care places which will now be separately reported.

²⁴ This is a new performance criterion for 2016-17, the Short-Term Restorative Care Program will commence on 1 January 2017, therefore there is no target for 2015-16.

Program objective					
B. Administering the Accommodation Payment Guarantee Scheme					
<p>The Accommodation Payment Guarantee Scheme (the Guarantee scheme) is established under the <i>Aged Care (Accommodation Payment Security) Act 2006 (Accommodation Payment Security Act)</i>. The Department administers the scheme under Program 6.3 to guarantee that residents will not be out-of-pocket if their Commonwealth-subsidised residential aged care service provider is deemed insolvent in accordance with the Accommodation Payment Security Act; and is unable to refund their refundable lump sum. Under the scheme, residents will be repaid an amount equivalent to their refundable lump sum balance, plus any interest owing.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
All lump sums are refunded once a refund declaration has been issued.	N/A ²⁵	100%	100%	100%	100%
All refunds are made within 14 days following the Secretary's refund declaration.	N/A ²⁶	100%	100%	100%	100%
Material changes to Program 6.3 resulting from the following measures:					
<ul style="list-style-type: none"> • <i>Aged Care Provider Funding – further revision of the Aged Care Funding Instrument</i> • <i>Aged Care Provider Funding – improving the targeting of the viability supplement for regional aged care facilities</i> • <i>National Disability Insurance Scheme Savings Fund (Department of Social Services)</i> 					

²⁵ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16. The administering of the Accommodation Payment Guarantee Scheme is a demand driven process, therefore no target will need to be met in the event there is no trigger of the scheme. Where a trigger of the scheme does occur and residents are owed a refundable lump sum balance, the Department will make 100 per cent of payments under the scheme in accordance with the *Aged Care (Accommodation Payment Security) Act 2006*. The Commonwealth has discretion to levy all approved residential aged care providers to recover the cost of each trigger of the scheme.

²⁶ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Table 2.6.5 – Performance Criteria for Program 6.4

Program	<p>6.4: Aged Care Quality</p> <p>The Government aims to provide high quality care for older Australians. The Department is working with the aged care sector to develop a single aged care quality framework that will give older people more and easier access to information about the quality of care, and more choice about the services they need. To ensure quality care is provided to people with dementia the Department provides funding to strengthen the capacity of the aged care sector to deliver quality care and services to support people with dementia, their carers and their families. To better meet the needs of those from diverse backgrounds, the Department has also implemented a National Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Ageing and Aged Care Strategy, and the National Ageing and Aged Care Strategy for People from Culturally and Linguistically Diverse (CALD) backgrounds.</p> <p>The Department applies the regulatory framework through a proportional risk based approach when taking action to protect the health, welfare and interests of care recipients.</p>
Purpose	Lead and shape Australia’s health and aged care systems and sporting outcomes through evidence-based policy, well targeted programs, and best practice regulation.
Delivery	<p>Program activities which are intended to benefit older Australians, their families and carers, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Promoting quality B. Caring for and supporting people with dementia C. Supporting the needs of people with dementia through the Dementia and Aged Care Services Fund D. Supporting a diverse community
Program objective	
A. Promoting quality	
<p>The Australian Government is committed to ensuring quality within the aged care sector. Development of quality indicators can assist with continuous improvement within the aged care sector and inform decision-making for consumers regarding choice of aged care services.</p> <p>Voluntary quality indicators commenced in residential care from January 2016. Quality indicators for home care and consumer experience and quality of life tools in residential and home care will be progressed during 2016-17.</p>	

Outcome 16

Qualitative performance criteria		2016-17 Reference point or target				
More information about the quality of aged care services is available to consumers on My Aged Care. ²⁷		Links from My Aged Care to the Australian Aged Care Quality website ²⁸ are established in 2017 to enable consumers to access information about the performance of aged care services against quality standards.				
Extent to which the Department has taken appropriate action to identify and respond to provider financial risk where those risks have been assessed as being at the highest level.		Action taken by the Department is proportionate to the level of risk and in accordance with the <i>Aged Care Act 1997</i> .				
Extent to which the Department has taken appropriate action against approved providers to address serious non-compliance that threatens the health, welfare or interests of care recipients.		Action taken by the Department is proportionate to the level of risk and in accordance with the <i>Aged Care Act 1997</i> .				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of occasions where the Department has taken appropriate action against approved providers to address serious non-compliance that threatens the health, welfare or interests of care recipients.	100%	100%	100%	100%	100%	
Percentage of General Purpose Financial Reports submitted by approved providers reviewed to assess financial risk.	N/A	100%	100%	100%	100%	
Percentage of detailed risk assessments completed for residential aged care approved providers assessed as having a financial risk at the highest level.	N/A	100%	100%	100%	100%	

²⁷ Available at: www.myagedcare.gov.au

²⁸ Available at: www.aacqa.gov.au

Program objective					
B. Caring for and supporting people with dementia					
<p>The Australian Government is committed to making dementia care core business within aged care. To ensure quality care is provided with dementia, the Australian Government funds a range of dementia related programs. Following the 2015 Analysis of Dementia Programs, the Government announced the next phase in a new national approach to programs and services supporting people with dementia and their carers, their families, and aged care services which provide them with care. The redesign of the dementia programs will result in a nationally streamlined approach to the design, development and outcomes for dementia programs and services.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of service episodes delivered by Dementia Behaviour Management Advisory Services clinicians that support aged care staff, healthcare professionals and family carers to improve their care of people with behavioural and psychological symptoms of dementia.	6,800	7,100	7,500	7,900	8,300
Number of service episodes delivered by Severe Behaviour Response Teams.	550	610	640	660	680
Program objective					
C. Supporting the needs of people with dementia through the Dementia and Aged Care Services Fund					
<p>The Australian Government, funds a range of programs that support the needs of people with dementia, their carers and aged care services which provide them with care. The Dementia and Aged Care Services Fund supports activities that target sick and frail older people, including those experiencing dementia or who have diverse social and cultural needs. It also enables better support services targeting Aboriginal and Torres Strait Islander people. This funding will also strengthen the capacity of the aged care sector to deliver quality care and services.</p> <p>Following the Analysis of Dementia Programs, the Department expects to be able to improve the national coordination, alignment and effectiveness of these programs. Complementing this, the new Severe Behaviour Response Teams provide assistance to aged care residents exhibiting extreme behaviours.</p>					

Qualitative performance criteria	2016-17 Reference point or target
Funding will be available under the Dementia and Aged Care Services (DACS) Fund.	An open grant funding round is advertised in 2016.
Activities and projects that improve the lives of people with dementia are delivered, including as part of Severe Behaviour Response Teams.	Continued Government funding of a number of programs which provide additional support for people with dementia.
Projects to support older Aboriginal and Torres Strait Islander people and services that provide care to this group are delivered, including grants of capital assistance.	The 2016 Grant funding round is advertised in 2016 and will include a focus on Aboriginal and Torres Strait Islander people and services. ²⁹
Program objective	
D. Supporting a diverse community	
In 2016-17, the Department will work with stakeholders to continue to implement the strategic goals of the National Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Ageing and Aged Care Strategy, and the National Ageing and Ageing Care Strategy for People from Culturally and Linguistically Diverse (CALD) backgrounds.	
Qualitative performance criteria	2016-17 Reference point or target
Continued implementation of the National Ageing & Aged Care Strategy (for people from CALD backgrounds) and the National Ageing and Ageing Care LGBTI Strategy.	Continued Government funding of Partners In Culturally Appropriate Care to support and promote an understanding of cultural issues impacting upon CALD people accessing aged care services including issues and accessibility of services through My Aged Care. ³⁰ Continued Government funding of LGBTI and CALD projects under DACS. Continued support for the CALD and LGBTI Ageing & Aged Care Working Groups.
Material changes to Program 6.4 resulting from the following measures:	
<ul style="list-style-type: none"> <i>Aged Care Provider Funding – further revision of the Aged Care Funding Instrument</i> 	

²⁹ The 2016-17 target has been revised to include a focus on Aboriginal and Torres Strait Islander services.

³⁰ This performance criterion has been revised to include specific reference to LGBTI and CALD populations accessing aged care services.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

**Financial
Statements**

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the Department of Health.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental

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

Comprehensive Income Statement

The Department is anticipating a break-even position net of unfunded expenses including depreciation, in the current and forward years.

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

An increase in expenses and revenues from 2016-17 onwards with a part year effect in 2015-16, are a result of the transfer of the Ageing and Aged Care and the Medicare provider compliance functions from the Department of Social Services (DSS) and the Department of Human Services (DHS) respectively, under the Administrative Arrangement Order (AAO) made on 30 September 2015.

Balance Sheet

An increase in non-financial assets and provisions from 2015-16 reflects the AAO on 30 September 2015, with the transfer of leasehold improvements, plant and equipment and employee provision balances for employees transferred to the Department.

In addition, non-financial assets increased due to the fair value increment for land and buildings at the end of the 2014-15 year. Assets and liabilities are anticipated to remain relatively stable across the forward years.

Cash Flow

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

Administered

Major Estimate Changes

The Ageing and Aged Care functions were transferred from the Department of Social Services as a result of revised Administrative Arrangements Orders of 30 September 2015. The 2015-16 estimates therefore reflect a part year effect and 2016-17 and forward years provide the full year revenue and expense estimates of this function transfer.

The Health and Hospitals Fund Special Account ceased in October 2015 and was replaced by a Special Appropriation under the *Health Insurance Act 1973*. Payments to State and Territory Governments are now paid through the COAG Reform Fund by the Department of Treasury.

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 and the concessional loan discount relates to the recognition of the expenses up-front when making concessional interest loans to aged care providers.

Schedule of Budgeted Assets and Liabilities

The administered Schedule of Budgeted Assets and Liabilities primarily reports movements in liabilities, including estimates for accrued liabilities for unpaid amounts relating to medical benefits, pharmaceutical benefits, and the private health insurance rebate.

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

Control of My Health Record will be transferred to the newly created Australian Digital Health Agency effective 1 July 2016.

Schedule of Administered Capital Budget

Capital funding of \$150.5 million has been provided in 2016-17 to provide for further investment in the Biomedical Translation Fund and replenishment of the National Medical Stockpile.

Cash Flows

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

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	520,497	583,308	580,788	591,110	586,428
Supplier expenses	238,010	204,951	205,093	195,366	195,940
Depreciation and amortisation	21,851	28,817	30,368	33,412	30,246
Write-down and impairment of assets	252	-	-	-	-
Other expenses	4,054	11,900	4,000	4,000	4,000
Total expenses	784,664	828,976	820,249	823,888	816,614
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	171,211	173,153	176,061	182,862	183,359
Interest	-	-	2,154	2,154	2,154
Other revenue	2,407	2,428	2,450	2,473	2,498
Total revenue	173,618	175,581	180,665	187,489	188,011
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	173,618	175,581	180,665	187,489	188,011
Net cost of (contribution by) services	611,046	653,395	639,584	636,399	628,603
Revenue from Government	594,997	625,680	615,724	614,815	610,343
Surplus (deficit)	(16,049)	(27,715)	(23,860)	(21,584)	(18,260)
Surplus (deficit) attributable to the Australian Government	(16,049)	(27,715)	(23,860)	(21,584)	(18,260)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(16,049)	(27,715)	(23,860)	(21,584)	(18,260)

Table 3.1: Comprehensive Income Statement (showing net cost of services for the period ended 30 June) (continued)**Note: Reconciliation of comprehensive income attributable to the entity**

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(16,049)	(27,715)	(23,860)	(21,584)	(18,260)
plus non-appropriated expenses including depreciation and amortisation expenses	16,049	27,715	23,860	21,584	18,260
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	82,989	69,374	65,042	71,093	76,729
Receivables	139,713	148,920	146,484	146,484	146,484
Other	5,257	5,257	5,257	5,257	5,257
Total financial assets	227,959	223,551	216,783	222,834	228,470
Non-financial assets					
Land and buildings	58,139	52,628	50,684	43,201	36,535
Property, plant and equipment	9,058	10,062	11,026	11,442	11,766
Intangibles	121,664	151,860	148,979	139,458	137,780
Other	5,288	4,788	4,788	4,788	4,788
Total non-financial assets	194,149	219,338	215,477	198,889	190,869
Total assets	422,108	442,889	432,260	421,723	419,339
LIABILITIES					
Payables					
Suppliers	75,737	85,930	91,818	91,387	101,068
Other payables	46,611	45,100	41,775	38,452	35,187
Total payables	122,348	131,030	133,593	129,839	136,255
Provisions					
Employees	146,963	162,835	160,646	161,538	158,622
Other provisions	28,244	27,349	26,975	29,837	26,337
Total provisions	175,207	190,184	187,621	191,375	184,959
Total liabilities	297,555	321,214	321,214	321,214	321,214
Net Assets	124,553	121,675	111,046	100,509	98,125
EQUITY					
Contributed equity	263,746	288,583	301,814	312,861	328,737
Reserves	30,507	30,507	30,507	30,507	30,507
Accumulated deficits	(169,700)	(197,415)	(221,275)	(242,859)	(261,119)
Total equity	124,553	121,675	111,046	100,509	98,125

**Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(169,700)	30,507	263,746	124,553
Surplus (deficit) for the period	(27,715)	-	-	(27,715)
Equity injection - appropriations	-	-	18,349	18,349
Departmental capital budget	-	-	6,488	6,488
Restructuring			-	-
Estimated closing balance as at 30 June 2017	(197,415)	30,507	288,583	121,675

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	210,972	217,839	218,061	223,862	223,359
Appropriations	609,225	627,735	616,171	613,426	609,142
Interest	-	-	2,154	2,154	2,154
Net GST received	24,946	24,810	24,010	20,570	20,000
Other cash received	1,085	1,782	1,380	1,403	1,428
Total cash received	846,228	872,166	861,776	861,415	856,083
Cash used					
Employees	463,516	467,646	495,333	510,454	497,063
Suppliers	305,461	311,040	286,298	274,498	279,897
Net GST paid	4,349	4,347	4,355	-	-
Cash to the Official Public Account	63,558	65,147	64,980	64,192	62,000
Other	1,095	7,932	1,866	452	5,151
Total cash used	837,979	856,112	852,832	849,596	844,111
Net cash from (or used by) operating activities	8,249	16,054	8,944	11,819	11,972
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	9,200	-	-	-	-
Total cash received	9,200	-	-	-	-
Cash used					
Purchase of property, plant and equipment	54,002	54,506	26,507	16,824	22,226
Total cash used	54,002	54,506	26,507	16,824	22,226
Net cash from (or used by) investing activities	(44,802)	(54,506)	(26,507)	(16,824)	(22,226)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	39,911	24,837	13,231	11,056	15,890
Total cash received	39,911	24,837	13,231	11,056	15,890
Net cash from (or used by) financing activities	39,911	24,837	13,231	11,056	15,890
Net increase (or decrease) in cash held	3,358	(13,615)	(4,332)	6,051	5,636
Cash and cash equivalents at the beginning of the reporting period	79,631	82,989	69,374	65,042	71,093
Cash and cash equivalents at the end of the reporting period	82,989	69,374	65,042	71,093	76,729

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	32,290	18,349	1,866	1,866	1,866
Capital budget - Bill 1 (DCB)	7,621	6,488	11,365	9,181	14,010
Total capital appropriations	39,911	24,837	13,231	11,047	15,876
Total new capital appropriations represented by:					
Purchase of non-financial assets	39,911	24,837	13,231	11,047	15,876
Total items	39,911	24,837	13,231	11,047	15,876
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	25,170	29,364	3,670	1,866	1,866
Funded by capital appropriation - DCB ²	12,086	7,944	11,365	9,181	14,010
Funded internally from departmental resources	16,746	17,198	11,472	5,777	6,350
Funded by finance leases	-	-	-	-	-
Total acquisitions of non-financial assets	54,002	54,506	26,507	16,824	22,226
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	54,002	54,506	26,507	16,824	22,226
less additions by finance lease	-	-	-	-	-
Total cash used to acquire assets	54,002	54,506	26,507	16,824	22,226

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

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	65,263	11,024	240,789	317,076
Accumulated depreciation/amortisation and impairment	(7,124)	(1,966)	(119,125)	(128,215)
Opening net book balance	58,139	9,058	121,664	188,861
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	29,364	29,364
By purchase - appropriation ordinary annual services	2,195	539	5,210	7,944
By purchase - other	750	3,160	13,288	17,198
Sub-total	2,945	3,699	47,862	54,506
Other movements				
Depreciation/amortisation expense	(8,456)	(2,695)	(17,666)	(28,817)
Transfer due to restructuring	-	-	-	-
Total other movements	(8,456)	(2,695)	(17,666)	(28,817)
As at 30 June 2017				
Gross book value	68,208	14,723	288,651	371,582
Accumulated depreciation/amortisation and impairment	(15,580)	(4,661)	(136,791)	(157,032)
Closing net book balance	52,628	10,062	151,860	214,550

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Suppliers	506,481	539,636	530,647	509,370	512,469
Subsidies	9,189,162	13,042,844	13,910,460	14,925,310	16,165,364
Personal benefits	38,582,700	39,790,370	40,954,727	42,653,127	44,505,382
Grants	6,163,976	8,155,592	8,389,643	8,816,490	8,990,963
Depreciation and amortisation	22,625	963	963	963	963
Write down and impairment of assets	105,379	17,577	28,276	20,796	20,796
Payments to corporate entities	346,502	405,074	371,659	263,390	260,985
Other expenses	4,702	13,313	2,583	-	-
Total expenses administered on behalf of Government	54,921,527	61,965,369	64,188,958	67,189,446	70,456,922
INCOME					
Revenue					
Taxation revenue					
Other taxes	15,000	15,300	15,600	15,900	16,300
Total taxation revenue	15,000	15,300	15,600	15,900	16,300
Non-taxation revenue					
Interest	5,839	8,847	10,161	9,902	8,920
Health and Hospitals Fund ¹	54,984	-	-	-	-
Medical Research Future Fund	-	60,876	121,565	214,913	386,373
Other revenue	1,619,107	2,141,483	2,208,510	2,046,988	1,922,627
Total non-taxation revenue	1,679,930	2,211,206	2,340,236	2,271,803	2,317,920
Total own-source revenue administered on behalf of Government	1,694,930	2,226,506	2,355,836	2,287,703	2,334,220
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total revenue administered on behalf of Government	1,694,930	2,226,506	2,355,836	2,287,703	2,334,220

¹ The Health and Hospitals Fund Special Account ceased in October 2015 and was replaced by a Special Appropriation under the *Health Insurance Act 1973*.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	336,648	336,648	336,648	336,648	336,648
Receivables	1,039,738	1,165,754	1,178,310	1,205,084	1,230,319
Investments	512,249	596,242	596,242	596,242	596,242
Total financial assets	1,888,635	2,098,644	2,111,200	2,137,974	2,163,209
Non-financial assets					
Land and buildings	23,505	22,542	21,579	20,616	19,653
Intangibles	39,772	-	-	-	-
Inventories	111,550	119,510	91,234	70,438	49,642
Total non-financial assets	174,827	142,052	112,813	91,054	69,295
Total assets administered on behalf of Government	2,063,462	2,240,696	2,224,013	2,229,028	2,232,504
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	7,110	7,110	7,110	7,110	7,110
Subsidies	154,334	153,048	151,762	150,476	150,476
Personal benefits payable	942,069	984,261	1,018,112	1,067,333	1,077,927
Grants	370,716	409,473	409,275	409,451	410,679
Total payables	1,474,229	1,553,892	1,586,259	1,634,370	1,646,192
Provisions					
Personal benefits	1,011,494	1,011,494	1,011,494	1,011,494	1,011,494
Subsidies	406,975	430,718	459,932	492,531	525,565
Total payables	1,418,469	1,442,212	1,471,426	1,504,025	1,537,059
Total liabilities administered on behalf of Government	2,892,698	2,996,104	3,057,685	3,138,395	3,183,251

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	5,839	8,847	10,161	9,902	8,920
Taxes	15,000	15,300	15,600	15,900	16,300
GST received	418,981	419,578	443,575	457,373	471,171
Special Account receipts	54,984	60,876	121,565	214,913	386,373
Other	1,264,679	1,923,383	2,175,214	1,982,672	1,881,381
Total cash received	1,759,483	2,427,984	2,766,115	2,680,760	2,764,145
Cash used					
Grants	6,172,986	8,105,548	8,399,932	8,826,403	8,989,735
Subsidies	9,188,759	13,008,934	13,868,914	14,880,135	16,132,330
Personal benefits	38,555,722	39,742,768	40,920,587	42,603,906	44,494,788
Suppliers	513,405	558,066	530,647	509,370	512,469
Payments to corporate entities	346,502	405,074	371,659	263,390	260,985
GST paid	418,981	419,578	443,575	457,373	471,171
Total cash used	55,196,355	62,239,968	64,535,314	67,540,577	70,861,478
Net cash from (or used by) operating activities	(53,436,872)	(59,811,984)	(61,769,199)	(64,859,817)	(68,097,333)
INVESTING ACTIVITIES					
Cash received					
Repayment of advances	18,953	26,318	32,409	37,547	16,011
Total cash received	18,953	26,318	32,409	37,547	16,011
Cash used					
Advances made	68,451	67,040	14,252	-	-
Purchase of PP&E	24,817	-	-	-	-
Purchase of investment	125,000	125,000	-	-	-
Total cash used	218,268	192,040	14,252	-	-
Net cash from (or used by) investing activities	(199,315)	(165,722)	18,157	37,547	16,011
Net increase (or decrease) in cash held	(53,636,187)	(59,977,706)	(61,751,042)	(64,822,270)	(68,081,322)
Cash at beginning of reporting period	336,619	336,648	336,648	336,648	336,648
Cash from Official Public Account for:					
- appropriations	54,783,401	61,919,965	63,983,881	66,867,746	70,003,527
- capital injections	156,741	150,537	-	-	-
- GST appropriations	418,981	419,578	443,575	457,373	471,171
Cash to the Official Public Account for:					
- return of GST	(418,981)	(419,578)	(443,575)	(457,373)	(471,171)
- other	(1,303,926)	(2,092,796)	(2,232,839)	(2,045,476)	(1,922,205)
Cash at end of reporting period	336,648	336,648	336,648	336,648	336,648

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Administered assets	156,741	150,537	-	-	-
Total capital appropriations	156,741	150,537	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	156,741	150,537	-	-	-
Total items	156,741	150,537	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	156,741	150,537	-	-	-
Total acquisition of non-financial assets	156,741	150,537	-	-	-

Table 3.11: Statement of Administered Asset Movements (Budget year 2016-17)

	Land \$'000	Buildings \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	1,895	23,536	116,361	141,792
Accumulated depreciation/amortisation and impairment	-	(1,926)	(72,236)	(74,162)
Opening net book balance	1,895	21,610	44,125	67,630
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	-	-	-	-
Sub-total	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	(963)	-	(963)
Restructuring	-	-	(44,125)	(44,125)
As at 30 June 2017				
Gross book value	1,895	23,536	-	185,917
Accumulated depreciation/amortisation and impairment	-	(2,889)	-	(2,889)
Closing net book balance	1,895	20,647	-	183,028

AUSTRALIAN AGED CARE QUALITY AGENCY

Entity Resources and Planned Performance

Australian Aged Care Quality Agency

Health Portfolio Entity

AACQA

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Aged Care Quality Agency (AACQA) is a statutory agency established under the *Australian Aged Care Quality Agency Act 2013*. AACQA was established in January 2014, as the accreditation body for residential aged care and for the quality review of care in the home services.¹

AACQA manages the accreditation and ongoing supervision, including compliance monitoring, of Australian Government subsidised aged care facilities.² AACQA also promotes high quality care to care recipients through providing information, education and training services to aged care providers; and promoting innovation in quality management and continuous improvement in the aged care sector.

AACQA recognises the expectations and experiences of older people drive consumer choices and will contribute to effective implementation of Consumer Directed Care. Older people look for the assurance of safety and compliance against the standards when choosing care options. AACQA will promote public confidence in accreditation and the quality review systems for aged care, through consistent and meaningful assessments and reporting of standards.

AACQA will continue to work with the Department of Health on the aged care reform initiatives announced in the 2015-16 Budget, including expansion of cost recovery arrangements for accreditation services; and development of a private market for provision of accreditation audits of residential aged care services.

AACQA will actively support the Government's agenda, including: contributing to policy work around consumer focussed information; engaging consumer feedback; and streamlining regulatory activities for aged care providers with multiple service types.

AACQA will also support the Government's commitment to Consumer Directed Care in its dealings with industry, and promote the importance of consumers and their carers having greater control of their own lives by allowing them to choose the types of care and services they access and the delivery of those services, including who will deliver the services and when.

AACQA is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The functions of AACQA are set out in the *Aged Care Quality Agency Act 2013* (the Quality Agency Act) and the *Aged Care Act 1997* (the Act). Operational details are contained in the Corporate Plan, which is available on the AACQA website.

¹ Care in the home includes Home Care, Commonwealth Home Support and National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) Program services.

² Residential aged care is regulated by the Australian Government, which provides subsidies to approved providers, whose care and services have been accredited.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: AACQA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	32,388	30,409
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	27,842	28,317
s74 retained revenue receipts ²	13,641	6,893
Departmental capital budget ³	1,085	1,195
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	42,568	36,405
Total departmental resourcing	74,956	66,814
Total resourcing for AACQA	74,956	66,814
	2015-16	2016-17
Average staffing level (number)	243	248

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

1.3 Budget Measures

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

Table 1.2: AACQA 2016-17 Budget Measures

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Aged Care - extending funding for unannounced compliance site visits to aged care providers					
Australian Aged Care Quality Agency					
Departmental revenues	1.1	-	10,103	-	-
Total		-	10,103	-	-

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 6.4: Aged Care Quality	The Department of Health has policy responsibility for ageing and aged care, including managing the regulatory framework for quality standards. This is independently supported by the Australian Aged Care Quality Agency in accrediting aged care services and monitoring compliance with the quality standards.

Budgeted Expenses for AACQA

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.

Table 2.1.1: Budgeted Expenses for AACQA

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Develop and deliver information publications and education services that promote high quality aged care					
Departmental expenses					
Departmental appropriation ¹	41,483	35,210	46,176	42,209	42,737
Expenses not requiring appropriation in the Budget year ²	1,085	1,196	1,195	1,193	1,198
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	42,568	36,406	47,371	43,402	43,935
Total expenses for Outcome 1	42,568	36,406	47,371	43,402	43,935
	2015-16	2016-17			
Average staffing level (number)	243	248			

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

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

Table 2.1.2: Performance Criteria for AACQA

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.³ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector
Program	<p>1.1: Accrediting, Monitoring and Promoting High Quality Care Through Information, Education and Training for Australian Government Funded Aged Care Homes and Community Care Providers</p> <p>AACQA contributes to high quality aged care through the residential aged care accreditation process and quality review of Home Care services, Commonwealth Home Support Program (CHSP) services and National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) services. The accreditation and quality review process assesses the performance of a service against the applicable standards. The Australian Government, through AACQA, supervises and monitors performance against the relevant standards to ensure care recipients receive a high standard of care.</p>
Purpose	To ensure high-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.
Delivery	<p>Program activities, which are intended to benefit Australians receiving Australian Government subsidised residential aged care, and aged care in the community, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Managing accreditation of residential aged care services B. Managing review of the quality of care in the home services C. Monitoring compliance with applicable standards D. Providing information, education and training to promote quality, innovation and continuous improvement of aged care services

³ Progress against the performance criteria published in the 2015-16 Department of Social Services (DSS) Portfolio Budget Statements will be reported in the 2015-16 AACQA Annual Report.

Program objective					
A. Managing accreditation of residential aged care services					
AACQA manages the accreditation of all Australian Government subsidised aged care homes to protect the health, safety and wellbeing of care recipients and promote high quality care. In 2016-17, AACQA will conduct re-accreditation audits of approximately 443 aged care homes whose accreditation is due for review. This involves the assessment of compliance against the 44 expected outcomes of the Accreditation Standards set out in the <i>Quality of Care Principles 2014</i> .					
Qualitative performance criteria		2016-17 Reference point or target			
A report capturing the audit findings of the experience of care for consumers is published on AACQA's website ⁴ to support consumer choice about residential aged care homes.		Publication of a consumer focussed report for each accreditation audit by 1 January 2017.			
Development and implementation of a computer assisted audit tool enabling the capture of residential aged care accreditation audit information to enhance reporting, case management and regulatory intelligence.		Implementation of the computer assisted audit tool by 1 January 2017.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of residential aged care homes audited for re-accreditation. ⁵	829	443	1,354	821	490
Percentage of site audits completed within statutory timeframes. ⁶	100%	100%	100%	100%	100%
Percentage of residential aged care homes that complied with all 44 of the expected outcomes of the Accreditation Standards at the last accreditation audit. ⁷	>92%	>97%	>97%	>98%	>98%

⁴ Available at: www.aacqa.gov.au

⁵ This performance criterion has been revised as the projected number of audits has varied from the previously supplied numbers due to homes closing or merging, commencing services, decisions for shorter periods of accreditation and decisions for longer periods of accreditation that were provided in the SA Innovation Hub arrangements. The target published in the *2015-16 DSS Portfolio Budget Statements* has been achieved.

⁶ This performance criterion has been revised for clarity, the targets remain unchanged.

⁷ This performance criterion and target have been revised for consistency with regulatory performance data. The target published in the *2015-16 DSS Portfolio Budget Statements* has been achieved.

Percentage of residential aged care homes that received the maximum term of accreditation. ⁸	N/A ⁹	>97%	>97%	>98%	>98%
Program objective					
B. Managing review of the quality of care in the home services					
AACQA aims to ensure the high quality of all Australian Government subsidised aged care services provided in the community. This is undertaken through quality reviews of aged care services against the Home Care Standards also set out in the <i>Quality of Care Principles 2014</i> and the NATSIFAC Standards. In 2016-17, AACQA will conduct approximately 854 quality reviews of organisations that are providing care and services to people in their homes or in community settings.					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of home care ¹⁰ services receiving a quality review within the three year cycle.	N/A ¹¹	870 ¹²	783	784	784
Percentage of quality reviews of home care ¹³ services completed within statutory timeframes.	N/A ¹⁴	100%	100%	100%	100%
Percentage of home care services that complied with all the Home Care Standards at the quality review.	N/A ¹⁵	>80%	>83%	>85%	>87%
Program objective					
C. Monitoring compliance with applicable standards					
AACQA monitors the performance of aged care service providers (residential and home care) against the applicable aged care standards using assessment contacts. A case management approach is used to promote compliance improvements and plan interventions such as further assessments or education activities. Residential aged care homes receive at least one unannounced assessment contact annually.					

⁸ The maximum period of accreditation is one year for a commencing service, three years for re-accreditation of an existing service, or five years for re-accreditation of an existing service that was part of a small group of providers in South Australia who agreed to participate in a pilot program for the Innovation Hub. The pilot was conducted during the 2015 calendar year.

⁹ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹⁰ This includes CHSP and NATSIFAC services.

¹¹ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹² Target is higher in forward years because this reflects the balance of the quality review activities to the end of the current three year cycle.

¹³ This includes CHSP and NATSIFAC services.

¹⁴ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹⁵ Ibid

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of unannounced visits per aged care home per year.	≥1	≥1	≥1	≥1	≥1
Percentage of residential aged care homes achieving compliance by the end of the 'timetable for improvement' period. ¹⁶	≥90%	≥96%	≥96%	≥97%	≥97%
Percentage of home care services achieving compliance by the end of the 'timetable for improvement' period.	N/A ¹⁷	≥80%	≥83%	≥85%	≥87%
Program objective					
D. Providing information, education and training to promote quality, innovation and continuous improvement of aged care services					
<p>AACQA provides residential and home care providers with education, information and resources on the applicable aged care standards. Education includes QUEST, Qhome and a range of targeted courses and workshops. AACQA's monthly online journal, the Quality Standard, also provides information for the aged care sector that promotes better practice and assists continuous improvement.</p> <p>AACQA conducts National Better Practice Awards and holds Better Practice conferences to promote quality innovation and continuous improvement. During 2016-17, Better Practice conferences will be conducted nationally.</p> <p>In 2016-17, AACQA's program will include a strong focus on resources and support for home care services. AACQA will further develop its website to support home care services.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of education sessions delivered to approved providers on the applicable standards for aged care services.	N/A ¹⁸	540	540	540	540
Material changes to Program 1.1 resulting from the following measures:					
<ul style="list-style-type: none"> <i>Aged Care – extending funding for unannounced compliance site visits to aged care providers</i> 					

¹⁶ This performance criterion has been revised to reflect the current and projected compliance performance of residential aged care homes. The target published in the 2015-16 DSS Portfolio Budget Statements has been achieved.

¹⁷ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

¹⁸ Ibid.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to AACQA.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental

Income and expenses

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

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

Total expenses for 2016-17 are expected to be \$36.4 million, compared to \$42.6 million for 2015-2016.

Balance sheet

AACQA has a budgeted net asset position of \$16.7 million in 2016-17. This is a result of the assets and liabilities of Aged Care Standards and Accreditation Agency Ltd becoming the assets and liabilities of the Commonwealth, through AACQA, on 1 January 2014 and surplus of financial year 2013-14 and 2014-15.

Total assets for 2016-17 are estimated to be \$35.8 million, comprising \$33.2 million of financial assets and \$2.6 million in non-financial assets.

Total liabilities for 2016-17 are estimated to be \$15.7 million made up of accrued employee entitlements \$10.1 million, suppliers payables \$1.5 million, other payables \$3.8 million and other provisions of \$0.3 million.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	33,133	24,747	36,073	33,854	36,349
Supplier expenses	8,350	10,463	10,103	8,355	6,388
Depreciation and amortisation	1,085	1,196	1,195	1,193	1,198
Other expenses	-	-	-	-	-
Total expenses	42,568	36,406	47,371	43,402	43,935
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	13,641	6,893	29,372	23,510	23,887
Other revenue	-	-	-	-	-
Total revenue	13,641	6,893	29,372	23,510	23,887
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	13,641	6,893	29,372	23,510	23,887
Net cost of (contribution by) services	28,927	29,513	17,999	19,892	20,048
Revenue from Government	27,842	28,317	16,804	18,699	18,850
Surplus (Deficit)	(1,085)	(1,196)	(1,195)	(1,193)	(1,198)
Surplus (Deficit) attributable to the Australian Government	(1,085)	(1,196)	(1,195)	(1,193)	(1,198)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(1,085)	(1,196)	(1,195)	(1,193)	(1,198)

Note: Reconciliation of comprehensive income attributable to the agency

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(1,085)	(1,196)	(1,195)	(1,193)	(1,198)
plus non-appropriated expenses depreciation and amortisation expenses	1,085	1,196	1,195	1,193	1,198
Total comprehensive income (loss) attributable to the agency	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	19,244	18,868	18,805	18,805	18,805
Receivables	12,371	13,509	14,647	14,647	14,647
Other financial assets	787	787	787	787	787
Total financial assets	32,402	33,164	34,239	34,239	34,239
Non-financial assets					
Land and buildings	165	165	165	165	165
Property, plant and equipment	1,901	1,936	1,972	2,246	2,244
Intangibles	494	521	547	971	980
Inventories	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	2,560	2,622	2,684	3,382	3,389
Total assets	34,962	35,786	36,923	37,621	37,628
LIABILITIES					
Payables					
Suppliers	1,532	1,532	1,532	2,232	2,232
Other payables	4,118	3,805	3,805	3,805	3,805
Total payables	5,650	5,337	5,337	6,037	6,037
Provisions					
Employees	10,041	10,041	10,041	10,041	10,041
Other provisions	306	306	306	306	306
Total provisions	10,347	10,347	10,347	10,347	10,347
Total liabilities	15,997	15,684	15,684	16,384	16,384
Net assets	18,965	20,102	21,239	21,237	21,244
EQUITY					
Contributed equity	2,185	3,380	4,574	5,765	6,970
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	16,780	16,722	16,665	15,472	14,274
Total equity	18,965	20,102	21,239	21,237	21,244

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	16,780	-	2,185	18,965
Surplus (deficit) for the period	(1,196)	-	-	(1,196)
Capital budget - Bill 1 (DCB)	-	-	1,195	1,195
Restructuring	1,138	-	-	1,138
Estimated closing balance as at 30 June 2017	16,722	-	3,380	20,102

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	26,817	27,179	15,666	18,699	18,850
Goods and services	11,939	6,580	29,372	23,510	23,887
Net GST received	80	80	75	62	55
Other cash received	-	-	-	-	-
Total cash received	38,836	33,839	45,113	42,271	42,792
Cash used					
Employees	33,133	24,747	36,073	33,854	36,349
Suppliers	7,325	9,325	8,967	7,663	6,388
Net GST paid	80	80	75	62	55
Other cash used	-	-	-	-	-
Total cash used	40,538	34,152	45,115	41,579	42,792
Net cash from (or used by) operating activities	(1,702)	(313)	(2)	692	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,362	1,258	1,257	1,891	1,207
Total cash used	1,362	1,258	1,257	1,891	1,207
Net cash from (or used by) investing activities	(1,362)	(1,258)	(1,257)	(1,891)	(1,207)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	1,085	1,195	1,196	1,199	1,207
Total cash received	1,085	1,195	1,196	1,199	1,207
Net cash from (or used by) financing activities	1,085	1,195	1,196	1,199	1,207
Net increase (or decrease) in cash held	(1,979)	(376)	(63)	-	-
Cash and cash equivalents at the beginning of the reporting period	21,223	19,244	18,868	18,805	18,805
Cash and cash equivalents at the end of the reporting period	19,244	18,868	18,805	18,805	18,805

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,085	1,195	1,196	1,199	1,207
Total capital appropriations	1,085	1,195	1,196	1,199	1,207
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,085	1,195	1,196	1,199	1,207
Total items	1,085	1,195	1,196	1,199	1,207
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	1,085	1,195	1,196	1,199	1,207
Funded internally from departmental resources	277	63	61	692	-
Total acquisitions of non-financial assets	1,362	1,258	1,257	1,891	1,207
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,362	1,258	1,257	1,891	1,207
Total cash used to acquire assets	1,362	1,258	1,257	1,891	1,207

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	165	4,752	3,857	8,774
Accumulated depreciation amortisation and impairment	-	(2,851)	(3,363)	(6,214)
Opening net book balance	165	1,901	494	2,560
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	457	801	1,258
Total additions	-	457	801	1,258
Other movements				
Depreciation/amortisation expense	-	(422)	(774)	(1,196)
Total other movements	-	(422)	(774)	(1,196)
As at 30 June 2017				
Gross book value	165	5,209	4,658	10,032
Accumulated depreciation amortisation and impairment	-	(3,273)	(4,137)	(7,410)
Closing net book balance	165	1,936	521	2,622

AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE

Entity Resources and Planned Performance

Australian Commission on Safety and Quality in Health Care

Health Portfolio Entity

ACSQHC

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government aims to improve the long-term capacity and the quality and safety of Australia's health care system. This will be achieved in part through the work of the Australian Commission on Safety and Quality in Health Care (ACSQHC).

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

The ACSQHC was established by the Council of Australian Governments to lead and coordinate national improvements in safety and quality in health care based on best available evidence. This includes providing strategic advice to Health Ministers on best practice to drive safety and quality improvements. The ACSQHC works in partnership with patients, consumers, clinicians, managers, policy makers and health care organisations to achieve a sustainable, safe and high quality health system.

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

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

From 1 July 2016, the ACSQHC will assume some of the functions previously undertaken by the National Health Performance Authority (the Performance Authority), which will be abolished. Other functions of the Performance Authority

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

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

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

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

will be transferred to the Australian Institute of Health and Welfare, and the Department of Health.

The *National Health Reform Act 2011* specifies the roles and responsibilities of the ACSQHC. ACSQHC is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the ACSQHC website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: ACSQHC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	14,254	11,089
Funds from Government		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	-	-
Other services ²		
Equity injection	-	-
Total annual appropriations	-	-
Amounts received from related entities³		
Amounts from the Portfolio Department	7,190	10,930
Amounts from other entities	-	-
Total amounts received from related entities	7,190	10,930
Total funds from Government	7,190	10,930
Funds from other sources		
Goods and services	10,072	818
State Government contributions	7,190	7,406
Interest	250	200
Total funds from other sources	17,512	8,424
Total net resourcing for ACSQHC	38,956	30,443
	2015-16	2016-17
Average staffing level (number)	89	86

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Appropriation Bill (No. 2) 2016-17.

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

1.3 Budget Measures

This section is not applicable to ACSQHC.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 1.1: Health Policy Research and Analysis	The Department of Health has policy responsibility for the improvement of the long-term capacity, quality and safety of Australia's health care system.
Independent Hospital Pricing Authority Program 1.1: Public Health Pricing Determinations	The Independent Hospital Pricing Authority works with the ACSQHC to ensure that pricing and performance measures for public hospitals are complementary and facilitate a strong national framework for the delivery of public hospital services.
National Blood Authority Program 1.1: National Blood Agreement Management	The National Blood Authority (NBA) works closely with the ACSQHC in relation to: <ul style="list-style-type: none"> - <i>National Safety and Quality Health Service Standard 7: Blood and Blood Products</i> - The National Patient Blood Management Collaborative - Developments of tools and resources for Patient Blood Management implementation.

Budgeted Expenses for ACSQHC

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.

Table 2.1.1: Budgeted Expenses for ACSQHC

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Safety and quality in health care					
Revenue from Government Amounts from the Portfolio Department	21,599	13,826	11,326	11,578	11,803
Amounts from other Government entities	9,243	7,406	7,628	7,857	8,093
Revenues from independent sources	250	200	200	200	200
Operating deficit (surplus)	(146)	-	-	-	-
Total expenses for Program 1.1	30,946	21,432	19,154	19,635	20,096
Total expenses for Outcome 1	30,946	21,432	19,154	19,635	20,096
	2015-16	2016-17			
Average staffing level (number)	89	86			

Table 2.1.2: Performance Criteria for ACSQHC

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.⁵ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Improved safety and quality in health care across the health system, including through the development, support for implementation, and monitoring of national clinical safety and quality guidelines and standards
Program	1.1: Safety and Quality in Health Care The ACSQHC is examining health care variation in Australia and developing solutions to reduce variation that is unwarranted. These tools include standards that describe the clinical care that a patient should be offered for a specific clinical condition. The ACSQHC provides guidance and tools to health professionals and health care organisations that support safe clinical practice and local improvement in the safety and quality of health care.
Purpose	To contribute to better health outcomes and experiences for patients and improved productivity and sustainability of the health system by leading and coordinating national improvements in safety and quality in health care. ⁶
Delivery	Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives: A. Improving patient safety B. Partnering with patients, consumers and the community C. Monitoring quality, cost and value D. Supporting health professionals to provide safe and high quality care
Program objective	
A. Improving patient safety	
In 2016-17, the ACSQHC will continue to drive the uptake and monitor the effectiveness of the National Safety and Quality Health Service (NSQHS) Standards with the States, Territories and private hospital sector. The ACSQHC will administer the Australian Health Service Safety and Quality Accreditation Scheme that provides the arrangements for accreditation of health services. The ACSQHC will continue to support health services to implement the NSQHS Standards. The review of the NSQHS Standards will continue during 2016-17 when further consultation will be conducted and compliance with regulatory impact statement requirements will be completed.	

⁵ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 ACSQHC Annual Report.

⁶ This purpose text will be reflected in the 2016-17 ACSQHC Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
Successful implementation of the NSQHS Standards and ongoing monitoring of safety and quality performance of hospitals and day procedure services. ⁷		Use of performance data to identify safety and quality lapses by health services and negotiations with States and Territories to implement remedial actions.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of hospitals and day procedure services assessed to the NSQHS Standards.	100%	100%	100%	100%	100%	
Percentage of public hospitals meeting the benchmark for hand hygiene compliance. ⁸	≥70%	≥75%	≥80%	≥80%	≥80%	
Number of clinicians completing the health care associated infection online education modules.	≥12,000	≥13,000	≥14,000	≥15,000	≥16,000	
Program objective						
B. Partnering with patients, consumers and the community						
The ACSQHC will work towards a health system where patients and consumers participate with health professionals as partners in all aspects of health care. The ACSQHC will support health services to meet the requirements of the NSQHS Standards that relate to partnerships, and further embed partnerships in the next version of the NSQHS Standards. The ACSQHC will continue to provide information about safety and quality that is relevant to the general public, as well as health professionals.						
Qualitative performance criteria		2016-17 Reference point or target				
Provide safety and quality information to the general public.		Reporting in the Annual Report on the state of safety and quality in health care, and in the report for the general public, <i>Vital Signs 2016</i> . Reporting to the general public through regular ACSQHC newsletters and website publications.				

⁷ This performance criterion has been revised to include the ongoing monitoring of safety and quality performance of hospitals and day procedure services. The target published in the *2015-16 Portfolio Budget Statements* has been achieved.

⁸ The targets for 2016-17 and 2017-18 have been revised to reflect new benchmarks endorsed by the Australian Health Ministers' Advisory Council on 2 October 2015.

Program objective	
C. Monitoring quality, cost and value	
<p>In 2016-17, the ACSQHC will release the second <i>Australian Atlas of Healthcare Variation</i> that will include a range of clinical topics agreed with the Department of Health and the States and Territories. The ACSQHC will examine and work to reduce health care variation where it is unwarranted through the development of tools such as patient decision aids and clinical care standards. In 2016-17, the ACSQHC will continue to work with expert clinicians, clinical and consumer groups to develop clinical care standards and other tools focussing on areas of high volume, high cost where there is known variation from well-established models of care.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Production of a second <i>Australian Atlas of Healthcare Variation</i> covering clinical topic areas agreed by Commonwealth, States and Territories.	Produce and disseminate new and updated maps of health care variations in Australia for a set of topic areas agreed by the Commonwealth, States and Territories by 30 June 2017. ⁹
Develop Clinical Care Standards for consultation, informed by outcomes from the work on health care variation.	Clinical standards focussing on high impact, high burden and high variation areas of clinical care are developed by 30 June 2017.
Program objective	
D. Supporting health professionals to provide safe and high quality care	
<p>In 2016-17, the ACSQHC will continue to identify and specify clinical measures and safety and quality indicators to assist health professionals to improve the safety and quality of health care at a local level. This work is undertaken in partnership with health professionals, health services and technical experts.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Provide safety and quality information and resources to health professionals.	Development and distribution of new/updated sector-specific implementation tools and resources for the public and private acute sector and primary care.

⁹ The 2016-17 target for this performance criterion has been revised to include the production and dissemination of new maps. The target published in the *2015-16 Portfolio Budget Statements* has been achieved.

ACSQHC – Entity Budget Statements – Outcomes and Planned Performance

Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Condition specific clinical indicator sets developed. ¹⁰	2	2	2	3	3
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

¹⁰ Targets for 2016-17 and 2017-18 for this performance criterion have been revised to reflect changes in the ACSQHC's workplan, redirected in keeping with findings of the *Australian Atlas of Variation* completed December 2015. The complexity of these clinical standards around these indicators will only allow for the completion of two in 2016-17 and 2017-18.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to ACSQHC.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of ACSQHC's budgeted financial statements is provided below.

Departmental Resources

Comprehensive Income Statement

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

ACSQHC's total resourcing available for 2016-17 is estimated at \$30.4 million, including Commonwealth and State Workplan funding of \$14.8 million¹¹ and other carry forward and funding receipts of \$15.6 million. The 2016-17 estimated resourcing includes the full year of funding for the delivery of ACSQHC's programs and projects, as well as the associated agency management costs. This is consistent into the forward year estimates.

Balance Sheet

ACSQHC's total asset and liabilities are expected to remain stable over the forward years. The assets are budgeted to comprise predominantly of cash and non-financial assets. The liabilities are budgeted to comprise of suppliers payable, employee entitlements and deferred revenue.

¹¹ The total level of funding to be delivered to the ACSQHC is contingent on the States and Territories collectively matching the Commonwealth's funding contribution.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	12,653	13,705	11,040	11,241	11,438
Supplier expenses	18,293	7,727	8,114	8,394	8,658
Total expenses	30,946	21,432	19,154	19,635	20,096
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	250	200	200	200	200
Grants received	21,599	13,826	11,326	11,578	11,803
Other revenue	9,243	7,406	7,628	7,857	8,093
Total own-source revenue	31,092	21,432	19,154	19,635	20,096
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	31,092	21,432	19,154	19,635	20,096
Net cost of (contribution by) services	(146)	-	-	-	-
Revenue from Government	-	-	-	-	-
Surplus (deficit)	146	-	-	-	-
Surplus (deficit) attributable to the Australian Government	146	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	146	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,089	9,089	7,089	6,089	5,089
Receivables	2,744	2,744	2,744	2,744	2,744
Other	94	94	94	94	94
Total financial assets	13,927	11,927	9,927	8,927	7,927
Non-financial assets					
Property, plant and equipment	44	44	44	44	44
Prepayments	107	107	107	107	107
Other	100	100	100	100	100
Total non-financial assets	251	251	251	251	251
Total assets	14,178	12,178	10,178	9,178	8,178
LIABILITIES					
Payables					
Suppliers	386	738	738	738	738
Other	9,574	7,565	5,536	4,506	3,506
Total payables	9,960	8,303	6,274	5,244	4,244
Provisions					
Employees	2,074	1,731	1,760	1,790	1,790
Other	250	250	250	250	250
Total provisions	2,324	1,981	2,010	2,040	2,040
Total liabilities	12,284	10,284	8,284	7,284	6,284
Net Assets	1,894	1,894	1,894	1,894	1,894
EQUITY					
Contributed equity	1,836	1,836	1,836	1,836	1,836
Reserves	5	5	5	5	5
Retained surpluses or accumulated deficits	53	53	53	53	53
Total equity	1,894	1,894	1,894	1,894	1,894

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	53	5	1,836	1,894
Surplus (deficit) for the period	-	-	-	-
Contribution by Government	-	-	-	-
Estimated closing balance as at 30 June 2017	53	5	1,836	1,894

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	10,072	818	150	150	140
Grants from the Portfolio Department	7,190	10,930	11,176	11,428	11,664
State Government contributions	7,190	7,406	7,628	7,857	8,093
Interest	250	200	200	200	200
Net GST received	500	500	500	500	500
Other cash received	-	-	-	-	-
Total cash received	25,202	19,854	19,654	20,135	20,597
Cash used					
Employees	12,653	13,705	12,040	12,241	12,360
Suppliers	15,214	7,649	9,114	8,394	8,737
Net GST paid	500	500	500	500	500
Total cash used	28,367	21,854	21,654	21,135	21,597
Net cash from (or used by) operating activities	(3,165)	(2,000)	(2,000)	(1,000)	(1,000)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(3,165)	(2,000)	(2,000)	(1,000)	(1,000)
Cash and cash equivalents at the beginning of the reporting period	14,254	11,089	9,089	7,089	6,089
Cash and cash equivalents at the end of the reporting period	11,089	9,089	7,089	6,089	5,089

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	-	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	-	-	-	-
Total cash used to acquire assets	-	-	-	-	-

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



Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	334	-	334
Accumulated depreciation amortisation and impairment	-	(290)	-	(290)
Opening net book balance	-	44	-	44
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - funded internally	-	-	-	-
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2017				
Gross book value	-	334	-	334
Accumulated depreciation amortisation and impairment	-	(290)	-	(290)
Closing net book balance	-	44	-	44

AUSTRALIAN DIGITAL HEALTH AGENCY

Entity Resources and Planned Performance

Australian Digital Health Agency

Health Portfolio Entity

Section 1: Entity Overview and Resources

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government is committed to the delivery of a national shared digital health record system to deliver safer, more efficient and effective quality health care.

In the 2015-16 Budget, \$485 million was announced for the redevelopment and operation of the national digital healthcare system in Australia and delivery of the *My Health Record* program. A significant part of the program is the establishment of the Australian Digital Health Agency (Digital Health Agency) for the ongoing development and operation of the national digital healthcare systems. The Digital Health Agency will become operational from 1 July 2016.

The Digital Health Agency is the national body which will have responsibility for the strategic management and governance responsibilities for the national digital health strategy and the design, delivery and operations of the national digital healthcare system. The Digital Health Agency will provide the leadership, coordination and delivery of a collaborative and innovative approach to utilising technology to support and enhance a clinically safe and connected national health system to improve health service delivery and health outcomes for the Australian community.

The Digital Health Agency will perform the following functions:

- coordinate and provide input into the ongoing development of the National Digital Health Strategy;
- implement those aspects of the National Digital Health Strategy that are agreed or directed by the Council of Australian Governments (COAG) Health Council;
- develop, implement, manage, operate, continuously innovate and iteratively improve specifications, standards, systems and services in relation to digital health, consistent with the National Digital Health Work Program;
- develop, implement and operate comprehensive and effective clinical governance, using a whole of system approach, to ensure clinical safety in the delivery of the National Digital Health Work Program;
- develop, monitor and manage specifications and standards to maximise effective operation between public and private sector digital healthcare systems;
- develop and implement compliance approaches in relation to the adoption of agreed specifications and standards relating to digital health; and
- liaise and cooperate with overseas and international bodies on matters relating to digital health.

The Digital Health Agency is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. The functions of the Digital Health Agency are set out in the *Public Governance, Performance and Accountability (Establishing the Australian Digital Health Agency) Rule 2016*.

1.2 Entity Resource Statement

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

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

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

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



Table 1.1: Digital Health Agency Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	-	-
Funds from Government		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	-	110,303
Other services ²		
Equity injection	-	10,589
Total annual appropriations	-	120,892
Amounts received from related entities³		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	-	120,892
Funds from other sources		
Interest	-	1,200
Sale of goods and services	-	-
Other	-	34,400
Total funds from other sources	-	35,600
Total net resourcing for Digital Health Agency	-	156,492
	2015-16	2016-17
Average staffing level (number)	-	51

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Appropriation Bill (No. 2) 2016-17.

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

1.3 Budget Measures

This section is not applicable to the Digital Health Agency.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.



2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked programs	Contributions to Outcome 1 made by linked programs
Department of Health Program 1.2: Health Innovation and Technology	The Department of Health has policy responsibility for improving health outcomes for Australians through digital healthcare systems. This includes conducting trials of participation arrangements and an opt-out system to inform future strategies for increasing uptake and meaningful use of digital healthcare systems.
Department of Human Services Program 1.2: Services to the Community – Health	The Department of Human Services contributes to the achievement of this Outcome by supporting the operation of the <i>My Health Record</i> .

Budgeted Expenses for the Digital Health Agency

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.

Table 2.1.1: Budgeted Expenses for the Digital Health Agency

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Digital Health					
Revenue from Government					
Ordinary annual services	-	110,303	114,124	4,159	-
Amounts from related entities	-	-	-	-	-
Revenues from independent sources	-	35,600	35,600	-	-
Expenses not requiring appropriation in the Budget year ¹	-	41,183	-	-	-
Operating deficit (surplus)	-	(18,730)	-	-	-
Total for Program 1.1	-	168,356	149,724	4,159	-
Total expenses for Outcome 1	-	168,356	149,724	4,159	-
	2015-16	2016-17			
Average staffing level (number)	-	51			

¹ Expenses not requiring appropriation in the Budget year are made up of net assets received free of charge.

Table 2.1.2: Performance Criteria for the Digital Health Agency

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians	
Program	1.1: Digital Health In collaboration with consumers, health care providers and the health industry, ¹ the Digital Health Agency will deliver an effective national digital health capability that will achieve significant improvements in the quality and delivery of health care, and increased efficiency of the Australian health system.	
Purpose	To improve health outcomes for Australians through the delivery of digital healthcare systems. ²	
Delivery	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Building foundations for better health outcomes through improved governance, and management and delivery of national digital health services B. Promoting and facilitating user communication, engagement and collaboration through open innovation C. Operating an effective and secure digital healthcare system	
Program objective		
A. Building foundations for better health outcomes through improved governance, and management and delivery of national digital health services		
The Digital Health Agency will provide coordination and delivery of national digital health services and infrastructure, and consolidated and improved governance arrangements for digital health at a national level. The Digital Health Agency will also be responsible for the ongoing evolution of the National Digital Health Strategy and provide input to, and deliver on, the National Digital Health Work Program as agreed and/or directed by the Council of Australian Governments (COAG) Health Council. The Digital Health Agency's work program for 2016-17 and 2017-18 is scheduled for submission to the COAG Health Council in October 2016, for consideration.		
Qualitative performance criteria	2016-17 Reference point or target	
Development of, and delivery on, the National Digital Health Strategy.	Development of, and delivery on, the COAG Health Council agreed National Digital Health Work Program for 2016-17 and 2017-18.	



¹ Health industry includes entities such as peak health organisations, health software vendors, and consumer health organisations (including insurers).

² This purpose text will be reflected in the 2016-17 Digital Health Agency Corporate Plan.

Program objective	
B. Promoting and facilitating user communication, engagement and collaboration through open innovation	
<p>In 2016-17, the Digital Health Agency will lead the development, delivery and adoption of national digital health services and actively engage with consumers, health industry and health care providers to refine digital health delivery priorities.</p> <p>The Digital Health Agency will champion emerging technologies and foster open innovation, to enable increased interoperability and useability of digital healthcare systems with the aim of increasing active participation, useability and satisfaction of both consumers and health care providers. This will be achieved through:</p> <ul style="list-style-type: none"> • developing, implementing, managing, operating, continuously innovating and iteratively improving specifications, standards, systems and services in relation to digital health, consistent with the National Digital Health Strategy and Work Program; • using contemporary digital service development processes and engaging user experience testing in all product development; • developing a deep understanding of how the system is being used, in order to continuously improve; and • education and training for consumers and health care providers. 	
Qualitative performance criteria	2016-17 Reference point or target
Active communication, consultation, engagement and collaboration with consumers, health care providers and the health industry in relation to digital health.	Undertake an independently administered targeted survey of consumers, health care providers and the health industry by 30 June 2017 to provide baseline data for future comparison.
Acceptance and use of the national digital healthcare system by consumers, health care providers and health industry.	Undertake an independently administered targeted survey of consumers, health care providers and the health industry by 30 June 2017 to provide baseline data for future comparison.
Delivery of communication and education campaigns for consumers and health care providers about the national digital healthcare system to increase uptake and use, including information about security and privacy.	Educational program data used to establish a baseline to measure an increase in use of national digital healthcare systems.

Program objective					
C. Operating an effective and secure digital healthcare system					
<p>The Digital Health Agency will design, deliver, facilitate and operate national digital health services, which will underpin:</p> <ul style="list-style-type: none"> • continuity of care through sharing of clinical information; • improved patient safety; • preventive health measures and health maintenance; • reduced adverse events; and • reduced clinical errors. <p>The Digital Health Agency is committed to the ongoing support of digital healthcare systems and is responsible for:</p> <ul style="list-style-type: none"> • ensuring the digital healthcare systems and processes continue to protect consumers' personal privacy and maintain confidentiality and security of consumer and health care provider records; and • storing and providing health information securely, in accordance with Australian Government cyber security requirements. 					
Qualitative performance criteria		2016-17 Reference point or target			
Operation of a secure national digital healthcare system.		The national digital healthcare system complies with Australian Government cyber security policies, practices and legislation, with intelligence about cyber threats used to continually refine security approaches.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target ³	2019-20 Target
Availability of the national digital healthcare system. ⁴	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	99% of the time (excluding planned outages)	N/A	N/A
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

³ The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2018.

⁴ Previously reported under the Department's eHealth program.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the Digital Health Agency.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

The Digital Health Agency will become operational from 1 July 2016. Relevant financial statement balances have transferred from the National E-Health Transition Authority and the Department of Health. The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2018.

Departmental Resources

Comprehensive Income Statement

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

Balance Sheet

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

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	-	39,082	40,414	-	-
Supplier expenses	-	119,142	98,945	4,159	-
Depreciation and amortisation	-	10,132	10,365	-	-
Total expenses	-	168,356	149,724	4,159	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	-	-	-	-	-
Interest	-	1,200	1,200	-	-
Other revenue	-	34,400	34,400	-	-
Total own-source revenue	-	35,600	35,600	-	-
Gains					
Other	-	41,183	-	-	-
Total gains	-	41,183	-	-	-
Total own-source income	-	76,783	35,600	-	-
Net cost of (contribution by) services	-	91,573	114,124	4,159	-
Revenue from Government	-	110,303	114,124	4,159	-
Surplus (deficit)	-	18,730	-	-	-
Surplus (deficit) attributable to the Australian Government	-	18,730	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	18,730	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	-	27,531	26,987	26,987	26,987
Trade and other receivables	-	78	78	78	78
Total financial assets	-	27,609	27,065	27,065	27,065
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	940	1,647	1,647	1,647
Intangibles	-	50,361	50,361	50,361	50,361
Other	-	379	395	395	395
Total non-financial assets	-	51,680	52,403	52,403	52,403
Total assets	-	79,289	79,468	79,468	79,468
LIABILITIES					
Payables					
Suppliers	-	5,874	5,874	5,874	5,874
Other payables	-	-	-	-	-
Total payables	-	5,874	5,874	5,874	5,874
Interest bearing liabilities					
Leases	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	-	4,324	4,503	4,503	4,503
Other provisions	-	-	-	-	-
Total provisions	-	4,324	4,503	4,503	4,503
Total liabilities	-	10,198	10,377	10,377	10,377
Net assets	-	69,091	69,091	69,091	69,091
EQUITY					
Contributed equity	-	50,361	50,361	50,361	50,361
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	18,730	18,730	18,730	18,730
Total equity	-	69,091	69,091	69,091	69,091

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	-	-	-	-
Surplus (deficit) for the period	18,730	-	-	18,730
Restructure			39,772	39,772
Appropriation (equity injection)	-	-	10,589	10,589
Estimated closing balance as at 30 June 2017	18,730	-	50,361	69,091

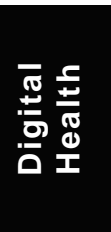


Table 3.4: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	-	-	-	-	-
Appropriations	-	110,303	114,124	-	-
Interest	-	1,285	1,200	4,159	-
Net GST received	-	11,000	9,500	-	-
Other cash received	-	84,390	34,400	-	-
Total cash received	-	206,978	159,224	4,159	-
Cash used					
Employees	-	38,976	40,235	-	-
Suppliers	-	118,399	98,961	4,159	-
Net GST paid	-	11,000	9,500	-	-
Other cash paid	-	-	-	-	-
Total cash used	-	168,375	148,696	4,159	-
Net cash from (or used by) operating activities	-	38,603	10,528	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	21,661	11,072	-	-
Total cash used	-	21,661	11,072	-	-
Net cash from (or used by) investing activities	-	(21,661)	(11,072)	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	10,589	-	-	-
Total cash received	-	10,589	-	-	-
Net cash from (or used by) financing activities	-	10,589	-	-	-
Net increase (or decrease) in cash held	-	27,531	(544)	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-	27,531	26,987	26,987
Cash and cash equivalents at the end of the reporting period	-	27,531	26,987	26,987	26,987

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	10,589	-	-	-
Total capital appropriations	-	10,589	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	10,589	-	-	-
Total items	-	10,589	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	10,589	-	-	-
Funded internally from departmental resources	-	11,072	11,072	-	-
Total acquisitions of non-financial assets	-	21,661	11,072	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	21,661	11,072	-	-
Total cash used to acquire assets	-	21,661	11,072	-	-

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



Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	-	-	-
Accumulated depreciation amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	1,000	9,589	10,589
By purchase - internal resources	-	-	11,072	11,072
Total additions	-	1,000	20,661	21,661
Other movements				
Depreciation/amortisation expense	-	(60)	(10,072)	(10,132)
Restructure - gross book value			116,361	116,361
Restructure - accumulated depreciation		-	(76,589)	(76,589)
Total other movements	-	(60)	29,700	29,640
As at 30 June 2017				
Gross book value	-	1,000	137,022	138,022
Accumulated depreciation amortisation and impairment	-	(60)	(86,661)	(86,721)
Closing net book balance	-	940	50,361	51,301

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE

AIHW

Entity Resources and Planned Performance

Australian Institute of Health and Welfare

Health Portfolio Entity

Section 1: Entity Overview and Resources

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Section 3: Budgeted Financial Statements

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The logo for the Australian Institute of Health and Welfare (AIHW) is a black vertical rectangle with the letters 'AIHW' written in white, oriented vertically.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government, through the Australian Institute of Health and Welfare (AIHW), is committed to providing high-quality national health and welfare-related data and analysis across all relevant sectors, presented in meaningful and relevant ways and delivered in a timely manner. Accurate statistical information, comprehensive data development and high-quality analyses support an increased understanding of health and welfare issues. This evidence base is critical to good policy making and effective service delivery, both of which have a direct impact on the lives of Australians.

The AIHW develops, collects, analyses and reports information drawn from the national data collections of which it has custody, and from other credible data sources. It maintains close engagement with data providers to ensure quality and integrity, to understand their information needs. The AIHW also uses their advice to help produce relevant and meaningful analyses that are useful for developing better policy and driving changes in service delivery. All of this is conducted with a view to enabling the delivery of better health and welfare outcomes for Australians.

The AIHW also provides national leadership and the necessary infrastructure for developing, maintaining and promoting information standards in health, welfare, and housing assistance, to ensure that data are nationally consistent and fit-for-purpose. The AIHW produces many public reports and actively promotes its work to Governments, other organisations and the community.

From 1 July 2016, functions from the former National Health Performance Authority (NHPA) related to Performance and Accountability Framework reporting will transfer to the AIHW. The AIHW will report on the comparable performance of local hospital networks, public hospitals, private hospitals and other bodies or organisations that provide health care services, with the aim of increasing accountability and driving continuous improvement in their delivery. This reporting will be guided by the Performance and Accountability Framework for health system delivery agreed by COAG, which includes measures of equity, effectiveness and efficiency for different parts of the health system.

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

The role and functions of the AIHW are set out in the *Australian Institute of Health and Welfare Act 1987*. The AIHW is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the AIHW website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: AIHW Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	25,562	25,990
Funds from Government		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	15,625	26,918
Other services ²		
Equity injection	-	-
Total annual appropriations	15,625	26,918
Amounts received from related entities³		
Amounts from the Portfolio Department	22,900	22,900
Amounts from other entities	-	-
Total amounts received from related entities	22,900	22,900
Total funds from Government	38,525	49,818
Funds from other sources		
Interest	600	600
Sale of goods and services	8,100	8,100
Other	30	30
Total funds from other sources	8,730	8,730
Total net resourcing for AIHW	72,817	84,538
	2015-16	2016-17
Average staffing level (number)	300	311

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Appropriation Bill (No. 2) 2016-17.

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

1.3 Budget Measures

This section is not applicable to the AIHW.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports from October 2016 – to provide an entity’s complete performance story.



2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 1.1: Health Policy, Research and Analysis	The Department of Health invests in knowledge and information to support its responsibilities in developing health policy and legislation. This includes working with the AIHW in the development and publication of health statistics and information.

Budgeted Expenses for AIHW

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.

Table 2.1.1: Budgeted Expenses for the AIHW

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Develop, collect, analyse and report high quality national health and welfare information and statistics for governments and the community					
Revenue from Government					
Ordinary annual services ¹	15,625	26,918	27,233	27,236	27,302
Amounts from related entities	22,900	22,900	22,200	22,200	22,200
Revenues from independent sources	8,730	8,730	8,430	8,430	8,430
Operating deficit (surplus)	522	445	366	-	-
Total for Program 1.1	47,777	58,993	58,229	57,866	57,932
Total expenses for Outcome 1	47,777	58,993	58,229	57,866	57,932
	2015-16	2016-17			
Average staffing level (number)	300	311			

¹ Appropriation Bill (No. 1) 2016-17.

Table 2.1.2: Performance Criteria for AIHW

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: A robust evidence-base for the health, housing and community sectors, including through developing and disseminating comparable health and welfare information and statistics
Program	<p>1.1: Develop, Collect, Analyse and Report High Quality National Health and Welfare Information and Statistics for Governments and the Community</p> <p>The AIHW publishes extensive policy-relevant health and welfare information to assist consumers, health care, housing and community service providers, researchers, and all levels of Government. The AIHW develops, maintains and promotes statistical information standards for the health, community services and housing assistance sectors, and publishes comprehensive biennial reports on <i>Australia's health</i> and <i>Australia's welfare</i>.</p> <p>Accurate statistical information, comprehensive data development and high-quality analyses support an increased understanding of health and welfare issues. This evidence base is critical for good policy making and effective service delivery, both of which have a direct impact on the lives of Australians.</p>
Purpose	To provide authoritative information and statistics to promote better health and wellbeing among Australians. ²
Delivery	<p>Program activities, which are intended to benefit the Australian community – consumers, health care, housing and community service providers, researchers, and all levels of Government – will be delivered under the following program objectives:</p> <p>A. Improving the availability of health and welfare information</p> <p>B. Improving the quality of health and welfare information</p>
Program objective	
A. Improving the availability of health and welfare information	
<p>The AIHW actively works to increase the availability and use of health and welfare information, including data that assist reporting on performance indicators and targets for national agreements. The AIHW develops and improves national health and welfare data collections, products and tools that enable the delivery of accurate, readily available and user-friendly information that is presented in diverse and innovative ways to meet the national information needs of governments and service providers in the health and welfare sectors, and the public.</p> <p>The AIHW produces data and information in areas such as population health (with one focus being on Indigenous Australians), health services (including Indigenous primary health care, expenditure, hospitals, cancer screening, palliative care and mental health services), Primary Health Networks, disability services, community services, drug and</p>	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 AIHW Annual Report.

² This purpose text will be reflected in the 2016-17 AIHW Corporate Plan.

alcohol use and services, housing and homelessness services and early childhood education. In 2016-17, the AIHW will continue to deliver information products that report on the latest data available from its data collections, 13 of which are 'Essential Statistical Assets for Australia' and relevant to key areas of Government policy. The AIHW will continue its work as an accredited Integrating Authority, subject to stringent criteria covering project governance, capability, and data management. This work, undertaken in a secure environment and in accordance with the *High level principles for data integration involving Commonwealth data for statistical and research purposes*, enables the AIHW to provide researchers with secure access to data or information about vital health and welfare topics. In 2016-17, the AIHW will: complete more than 30 requests for data linkage; release information products relating to data developments or 'first release' information, such as an investigation of participation patterns across from three national cancer screening programs using linked data; provide access to comparable and locally relevant performance information at the hospital and Primary Health Network levels and at finer levels of geography wherever possible; and release interactive maps looking at distribution of maternal and early childhood services relevant to Indigenous Australians.

Qualitative performance criteria	2016-17 Reference point or target
Release a range of information products relevant to key policy areas.	<p>Products to be released by 30 June 2017 relate to:³</p> <ul style="list-style-type: none"> • a 2016 National Social Housing Survey report; • key findings from the 2016 National Drug Strategy Household Survey; • Indigenous estimates from the Australian Burden of Disease Study 2011; • a report on the AIHW's enhanced mortality database project for estimating Indigenous life expectancy; • a mapping report on the relative spatial distributions of the clinical health workforce and Indigenous Australian populations; • a report on mothers and babies for 2014 and companion interactive perinatal data portal; • a 2014-15 health expenditure report; and • regional aged care profiles.
Operate the Data Integration Services Centre to undertake complex data integration (linkage) projects as agreed under the <i>National Collaborative Research Infrastructure Strategy 2013</i> .	Satisfy requests for data linkage relating to more than 30 projects by 30 June 2017. ⁴

³ The targets for this performance criterion reflect release of key products during 2016-17.

⁴ The target for this performance criterion has been revised. The target reported in the *2015-16 Portfolio Budget Statements* has been achieved.

<p>Collect, produce and release data and information that assists community understanding, policy purposes, or research purposes, within privacy and confidentiality constraints.</p>	<p>AIHW data collections, a number of which are 'Essential Statistical Assets for Australia', are:</p> <ul style="list-style-type: none"> • maintained securely over time and, enhanced, where relevant; • made accessible for the purposes of external research; and • used to disseminate information in diverse and accessible formats. <p>Active engagement with key stakeholders to ensure current and emerging information needs that contribute to the evidence base for policy and service delivery are met.</p>				
<p>Leadership in satisfying information-related development requested by the Australian Government and State and Territory Governments.</p>	<p>Development, coordination and supply of data for Governments, including a range of performance indicators in the COAG national agreements on health, affordable housing, disability and Indigenous reform, including those for the Performance and Accountability Framework agreed by COAG.⁵</p>				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
<p>Improved availability of information measured by the number of:</p> <ul style="list-style-type: none"> • products⁶ released;⁷ • statistical products released that include data in a manipulatable format; and • completed requests for customised data analysis.⁸ 	151	161	166	171	173
<ul style="list-style-type: none"> • statistical products released that include data in a manipulatable format; and 	45%	50%	55%	60%	65%
<ul style="list-style-type: none"> • completed requests for customised data analysis.⁸ 	230	120	120	120	120



⁵ The target for this performance criterion has been revised to more effectively measure the program objective.

⁶ A product is a public release of data or information on a discrete topic occurring on a single day, which was not previously publicly available. It may be in the form of a written report, data tables or other communication products, including interactive web products.

⁷ The inclusion of NHPA functions may require estimated targets to be revised at a later date.

⁸ Targets from 2016-17 onwards have been revised to be consistent with current demand estimates.

Provision of free, high quality information measured by the minimum number of:					
• website downloads of <i>Australia's health</i> ; ⁹	49,500	54,000	41,000	63,000	47,000
• website downloads of <i>Australia's welfare</i> ; ⁹	7,000	3,500	8,000	4,000	9,000
• sessions on the AIHW's website; ¹⁰ and	2,800,000	3,100,000	3,300,000	3,600,000	3,900,000
• references to the AIHW and its products in the media. ¹¹	7,000	4,000	4,000	4,000	4,000

Program objective

B. Improving the quality of health and welfare information

The AIHW's objective of increasing the utility and relevance of its data is largely achieved through an ongoing focus on improving data quality and producing objective measurements of performance. Related activities include: supporting the production of national data standards, datasets and metadata;¹² working with national information committees to develop and implement new data items for collection; and redeveloping data standards for collections to ensure that nationally consistent definitions are applied. The AIHW makes standards and metadata available in various forms through its Metadata Online Registry (METeOR).¹³ The AIHW's data validation processes improve the quality and timeliness of information by supporting a richer array of data edits, reducing multiple handling of data and providing a better data audit trail.

In 2016-17, the AIHW's data quality activities will include: supporting the production of national data standards, datasets and metadata, making them available online through METeOR; and reporting earlier in the annual production cycle on a number of collections.

The effectiveness of the AIHW's activities depends in part on its access to reliable supply of high quality data. However it is critical not to impose an unnecessary burden on Departments and organisations that collect and provide those data. The AIHW works with data providers to improve quality while minimising this burden.

⁹ *Australia's health* and *Australia's welfare* are produced biennially and therefore downloads are anticipated to fluctuate between years. Targets for *Australia's health* for 2017-18 onwards have been revised to account for these fluctuations.

¹⁰ Figures for website visits exclude the METeOR, Specialist Homelessness Services, MyHospitals, MyHealthyCommunities and Clearinghouse websites. Targets for 2016-17 onwards have been revised to reflect more recent estimates, however the inclusion of some NHPA functions may require further revisions to these targets in the future. The 2016-17 performance criterion has been reworded to reflect current terminology.

¹¹ Targets from 2016-17 onwards have been revised for accuracy, consistent with past media coverage sourced from media monitoring. The inclusion of some NHPA functions may require revisions to these targets in the future.

¹² Metadata is information that describes data in relation to its structure, organisation and content.

¹³ Available at: www.meteor.aihw.gov.au

Qualitative performance criteria		2016-17 Reference point or target				
Release information on performance indicators in the Performance and Accountability Framework agreed by COAG.		Performance information is readily available via the MyHospitals ¹⁴ and MyHealthyCommunities ¹⁵ websites.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Improved timeliness of statistical information products ¹⁶ measured by the percentage of annual national collections for which data are reported less than 1 year after the end of their data collection period.	60%	65%	70%	75%	77%	
Material changes to Program 1.1 resulting from the following measures:						
There are no material changes to Program 1.1 resulting from measures.						



¹⁴ Available at: www.myhospitals.gov.au

¹⁵ Available at: www.myhealthycommunities.gov.au

¹⁶ Products that fully report or publicly release an annual national data collection collated by the AIHW.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the AIHW.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental Resources

Comprehensive Income Statement

Appropriation revenue from Government will be \$11.3 million higher in 2016-17 than in 2015-16 reflecting the transfer of expenses and resources associated with the transfer, from 1 July 2016, of functions from the National Health and Performance Authority (NHPA).

Revenue from sale of goods and services in 2016-17 is expected to remain unchanged compared to 2015. The AIHW has budgeted to breakeven in 2016-17 prior to an accrual of \$0.4 million required by accounting standards in relation to the AIHW's new office lease. This accrual will have no effect on cash balances and will reverse over the lifetime of the lease.

Balance Sheet

AIHW's cash balance and equity will remain stable over the forward estimates.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	33,535	37,678	37,671	37,764	37,830
Supplier expenses	13,242	20,315	19,558	19,102	19,102
Depreciation and amortisation	1,000	1,000	1,000	1,000	1,000
Total expenses	47,777	58,993	58,229	57,866	57,932
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	31,000	31,000	30,000	30,000	30,000
Interest	600	600	600	600	600
Other revenue	30	30	30	30	30
Total own-source revenue	31,630	31,630	30,630	30,630	30,630
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	31,630	31,630	30,630	30,630	30,630
Net cost of (contribution by) services	16,147	27,363	27,599	27,236	27,302
Revenue from Government	15,625	26,918	27,233	27,236	27,302
Surplus (deficit)	(522)	(445)	(366)	-	-
Surplus (deficit) attributable to the Australian Government	(522)	(445)	(366)	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(522)	(445)	(366)	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	25,990	26,690	27,172	27,600	27,600
Trade and other receivables	6,858	6,586	6,532	6,532	6,532
Total financial assets	32,848	33,276	33,704	34,132	34,132
Non-financial assets					
Land and buildings	4,682	4,327	3,972	3,617	3,070
Property, plant and equipment	3,772	3,699	3,626	3,553	3,400
Other	817	817	817	817	817
Total non-financial assets	9,271	8,843	8,415	7,987	7,287
Total assets	42,119	42,119	42,119	42,119	41,419
LIABILITIES					
Payables					
Suppliers	2,090	2,340	2,590	2,840	2,390
Other payables	19,327	19,327	19,327	19,327	19,327
Total payables	21,417	21,667	21,917	22,167	21,717
Provisions					
Employees	12,154	12,154	12,154	12,154	12,154
Other provisions	3,772	3,967	4,083	3,833	3,583
Total provisions	15,926	16,121	16,237	15,987	15,737
Total liabilities	37,343	37,788	38,154	38,154	37,454
Net assets	4,776	4,331	3,965	3,965	3,965
EQUITY					
Contributed equity	2,756	2,756	2,756	2,756	2,756
Reserves	2,288	2,288	2,288	2,288	2,288
Retained surpluses (accumulated deficits)	(268)	(713)	(1,079)	(1,079)	(1,079)
Total equity	4,776	4,331	3,965	3,965	3,965

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(268)	2,288	2,756	4,776
Surplus (deficit) for the period	(445)	-	-	(445)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2017	(713)	2,288	2,756	4,331

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	31,000	31,000	30,000	30,000	30,000
Appropriations	15,625	26,918	27,233	27,236	27,302
Interest	600	600	600	600	600
Net GST received	1,011	1,000	1,000	1,000	1,000
Other cash received	30	30	30	30	30
Total cash received	48,266	59,548	58,863	58,866	58,932
Cash used					
Employees	33,535	37,678	37,671	37,764	37,830
Suppliers	12,720	19,598	19,138	19,102	19,530
Net GST paid	1,011	1,000	1,000	1,000	1,000
Total cash used	47,266	58,276	57,809	57,866	58,360
Net cash from (or used by) operating activities	1,000	1,272	1,054	1,000	572
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	572	572	572	572	572
Total cash used	572	572	572	572	572
Net cash from (or used by) investing activities	(572)	(572)	(572)	(572)	(572)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	428	700	482	428	-
Cash and cash equivalents at the beginning of the reporting period	25,562	25,990	26,690	27,172	27,600
Cash and cash equivalents at the end of the reporting period	25,990	26,690	27,172	27,600	27,600

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations provided for:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	572	572	572	572	572
Total acquisitions of non-financial assets	572	572	572	572	572
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	572	572	572	572	572
Total cash used to acquire assets	572	572	572	572	572

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	6,871	6,315	1,086	14,272
Accumulated depreciation amortisation and impairment	(2,189)	(2,543)	(1,086)	(5,818)
Opening net book balance	4,682	3,772	-	8,454
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	100	472	-	572
Total additions	100	472	-	572
Other movements				
Depreciation/amortisation expense	(455)	(545)	-	(1,000)
Total other movements	(455)	(545)	-	(1,000)
As at 30 June 2017				
Gross book value	6,971	6,787	1,086	14,844
Accumulated depreciation amortisation and impairment	(2,644)	(3,088)	(1,086)	(6,818)
Closing net book balance	4,327	3,699	-	8,026

AUSTRALIAN RADIATION PROTECTION AND NUCLEAR SAFETY AGENCY

Entity Resources and Planned Performance

ARPANSA

Australian Radiation Protection and Nuclear Safety Agency

Health Portfolio Entity

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ARPANSA

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), on behalf of the Australian Government, aims to protect the Australian people and environment from the harmful effects of radiation.

ARPANSA provides advice and services to the Australian community on radiation protection, nuclear safety, security, and medical exposures to radiation, including related research. It promotes national uniformity of radiation protection and nuclear safety policy and practices across the Australian Government and States and Territories. It also independently regulates the radiation sources, radiation facilities and nuclear installations of Australian Government entities and contractors.

ARPANSA's regulatory and advisory frameworks are based on evidence regarding levels of ionising and non-ionising¹ radiation in the environment and the effect on human and environmental health and wellbeing.

In 2016-17, ARPANSA will refine its risk-informed approach to the regulation of radiation and nuclear facilities and practices. ARPANSA will also assess exposure to the public, workers and the environment to ionising and non-ionising radiation from natural and man-made sources.

The role and functions of ARPANSA are set out in the *Australian Radiation Protection and Nuclear Safety Act 1998*. ARPANSA is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the ARPANSA website.

¹ Ionising radiation can produce ionisation in matter, for example, gamma rays and x-rays. They have sufficient energy to damage DNA. Non-ionising radiation does not produce ionisation in matter, for example, ultraviolet and radio frequency radiation.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: ARPANSA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	4,450	3,832
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	13,056	13,049
s74 retained revenue receipts ²	10,046	10,046
Departmental capital budget ³	1,979	2,124
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	25,081	25,219
Special Accounts⁵		
Appropriation receipts	15,889	15,173
Non-appropriation receipts	10,046	10,046
Total special account	25,935	25,219
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts ⁶	(25,935)	(25,219)
Total departmental resourcing	29,531	29,051
Total resourcing for ARPANSA	29,531	29,051
	2015-16	2016-17
Average staffing level (number)	135	131

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

⁵ For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g annual appropriations, special appropriations and special accounts.

⁶ Appropriation receipts included above.

1.3 Budget Measures

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

Table 1.2: ARPANSA 2016-17 Budget Measures

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
International Trade Agreements - government procurement reforms					
Australian Radiation Protection and Nuclear Safety Agency					
Departmental capital	1.1	-	150	-	-
Total		-	150	-	-

Only ARPANSA inputs of this measure are shown here. For all entity impacts of this measure refer Table 1.2 in the Department of Health and the National Mental Health Commission chapters of this publication.

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plans and annual performance statements – included in Annual Reports from October 2016 – to provide an entity’s complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 5.1: Protect the Health and Safety of the Community through Regulation	The Department of Health has strategic regulatory policy and national leadership responsibility for radiation protection and nuclear safety with particular regard to the regulatory framework. This includes best practice for health technologies related to radiation and nuclear safety.

Budgeted Expenses for ARPANSA

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.

Table 2.1.1: Budgeted Expenses for ARPANSA

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Radiation protection and nuclear safety					
Departmental expenses					
Ordinary annual services ¹	13,056	13,049	13,067	13,135	13,215
Special Accounts	10,046	10,046	10,046	10,046	10,046
Expenses not requiring appropriation in the budget year ²	2,171	2,171	2,171	2,171	2,171
Operating loss (surplus)	643	-	-	-	-
Total for Program 1.1	25,916	25,266	25,284	25,352	25,432
Total expenses for Outcome 1	25,916	25,266	25,284	25,352	25,432

	2015-16	2016-17
Average staffing level (number)	135	131

¹ Appropriation (Bill No. 1) 2016-17.

² 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: Performance Criteria for ARPANSA

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.² It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Protection of people and the environment through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation
Program	<p>1.1: Radiation Protection and Nuclear Safety</p> <p>The Australian Government, through ARPANSA, aims to protect the Australian people and the environment from the harmful effects of radiation. Scientific knowledge and international best practice is applied to promote awareness of the effects of radiation, and a nationally uniform approach to radiation protection of people (the public, workers and patients undergoing medical procedures using radiation) and the environment.</p> <p>ARPANSA regulates the use of radiation sources, facilities and nuclear installations controlled by the Australian Government. It provides expert support to national and regional arrangements for safety, security and response to nuclear and radiological emergencies.</p>
Purpose	To protect the Australian people and the environment from the harmful effects of radiation. ³
Delivery	<p>Program activities, intended to benefit the Australian community and the environment, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Protecting the public, workers and the environment from radiation exposure B. Promoting radiological and nuclear safety and security, and emergency preparedness C. Promoting the effective use of ionising radiation in medicine D. Ensuring effective and proportionate regulation and enforcement activities
Program objective	
A. Protecting the public, workers and the environment from radiation exposure	
<p>To protect the public from the harmful effects of radiation, ARPANSA gathers scientific knowledge to inform its regulatory activities and to provide evidence-based expert advice to the Australian Government and community. In 2016-17, these activities will continue to focus on the assessment of sources of, and exposures to, ionising radiation (naturally occurring as well as resulting from regulated and legacy activities), ultraviolet radiation (UV), electromagnetic radiation (EMR), and associated health and environmental risks.</p> <p>ARPANSA will evaluate and monitor work environments to ensure workers are adequately protected and well informed about health risks from exposure to radiation. In 2016-17, ARPANSA will expand the Australian National Radiation Dose Register to include the collection of worker dose records from the Commonwealth licence holders and from the mineral sands mining and milling sector.</p>	

² Progress against the performance criteria published in *the 2015-16 Portfolio Budget Statements* will be reported in the 2015-16 ARPANSA Annual Report.

³ This purpose text will be reflected in the 2016-17 ARPANSA Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
Develop high quality advice for the Australian Government and other stakeholders on radiation protection issues.		Relevant, evidence-based advice developed and provided in a timely manner. ⁴				
Monitor radiation doses to occupationally exposed workers including uranium mining workers.		Annual reporting of trend in radiation doses received by workers determined from quantitative dose measurement, provides evidence of optimisation of radiation protection.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Number of organisations submitting worker exposure records to the Australian National Radiation Dose Register.	N/A ⁵	8	10	12	14	
Program objective						
B. Promoting radiological and nuclear safety and security, and emergency preparedness						
<p>ARPANSA will support a national approach to the secure management of radiation sources and the management of the National Radiation Security Advisor Accreditation Scheme across all jurisdictions. Security will also be supported by the continued oversight of nuclear and radiological imports and exports across our borders and the execution of ARPANSA's safety and security monitoring and compliance regime for regulated entities.</p> <p>ARPANSA will develop its specialised radiation detection and characterisation capabilities, including training of its emergency response personnel. ARPANSA will promote a national network of radioanalytical laboratories and lead the revision of national guidance on protective measures during nuclear and radiological emergencies. It will support the Australian Government's and other entities' capabilities to deal with nuclear and radiological incidents and emergencies through the engagement in nuclear and radiological emergency response planning and exercises, both nationally and internationally.</p>						
Qualitative performance criteria		2016-17 Reference point or target				
ARPANSA is prepared for a radiological or nuclear incident or emergency.		Emergency preparedness and response systems for field, network and laboratory measurements, and information management and decision support systems are available, calibrated, tested and aligned with national planning.				



⁴ This performance criterion was revised to refer to ARPANSA's role in advising a wide range of stakeholders, with each group to be assessed by targeted surveys.

⁵ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Program objective					
C. Promoting the effective use of ionising radiation in medicine					
<p>Although medically beneficial, diagnostic imaging procedures are the largest man-made source of ionising radiation exposure to the Australian population.</p> <p>In 2016-17, ARPANSA will promote radiation protection of patients exposed to ionising radiation in diagnostic imaging. ARPANSA will conduct surveys of radiation doses from computed tomography, nuclear medicine and interventional fluoroscopy that will either establish or develop Diagnostic Reference Levels for each of these disciplines.⁶ This work will also enable ARPANSA to estimate the amount of radiation being delivered to the Australian population from medical procedures.</p> <p>The four year Australian Clinical Dosimetry Service (ACDS) pilot program has developed and delivered a national audit program for radiotherapy facilities which ensures that patients undergoing radiation therapy are receiving the correct dose in their treatment. It has been funded to continue until December 2016. In 2016-17 the ACDS will develop existing audits to incorporate measurements which reflect advances in clinical practice. Additionally, the program will engage with stakeholders and design an ongoing service incorporating a user contribution to the operational cost.</p> <p>To support the more advanced therapy machines which are now being used nationally, ARPANSA will provide traceable calibration services to ensure radiotherapy centres hold correct dose calibration standards.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of Diagnostic Reference Level surveys per annual survey period.	N/A ⁷	>1,000	>1,000	>1,000	>1,000
Percentage of Australian Radiotherapy Providers participating in the national dosimetric auditing program provided by the Australian Clinical Dosimetry Service.	>95%	>80% ⁸	>80%	>80%	>80%
Percentage of Australian Radiotherapy Providers covered by ARPANSA dose calibration services.	>70%	>70%	>70%	>70%	>70%

⁶ Diagnostic Reference Levels allow facilities to compare operating standards against their peers and international best practice.

⁷ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

⁸ From 2016-17, a user contribution to the operational cost will be required from providers. This may lead to a reduction in the number of participating providers.

Program objective					
D. Ensuring effective and proportionate regulation and enforcement activities					
<p>ARPANSA is committed to the effective and efficient regulation of radiation sources, radiation facilities and nuclear installations, as well as to the safe transport of radioactive material. ARPANSA will enhance its regulatory framework through implementation and continuous improvement of the risk-informed regulatory delivery model. It will regulate the use of radiation by Commonwealth entities through licensing, inspection, monitoring, and enforcement when necessary. ARPANSA will also enhance awareness of radiation risks and promote good practice in radiation protection and nuclear safety. ARPANSA will, in collaboration with State and Territory regulators, further develop the national regulatory framework including the National Directory for Radiation Protection, building upon international best practice to ensure effective, efficient and internationally harmonised regulation and enforcement activities. It will also maintain the Australian Radiation Incident Register as a source of important information for regulatory activities.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of scheduled inspections performed on time for licensed Commonwealth facilities and nuclear installations.	>90%	>90%	>90%	>90%	>90%
Percentage of licence applications assessed within the time agreed with licence holder.	>90%	>90%	>90%	>90%	>90%
Number of improvements to the regulatory framework, implemented by ARPANSA, identified through self-assessment or external reviews such as the Integrated Regulatory Review Service conducted by the International Atomic Energy Agency.	N/A ⁹	>3	>3	>3	>3
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					



⁹ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to ARPANSA.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of ARPANSA's budgeted financial statements for 2016-17 is provided below.

Departmental Resources

Comprehensive Income Statement

The estimated operating loss of \$0.6 million in 2015-16 after unfunded depreciation has been approved by the Minister for Finance. This deficit relates to the write-off of obsolete inventory due to the introduction of a new occupational dosimetry system within the Personal Radiation Monitoring Service

ARPANSA's own sourced income is derived from the sale of scientific services such as the Personal Radiation Monitoring Service, the Comprehensive Nuclear-Test-Ban Treaty (CTBT) Organisation contracts to operate and maintain monitoring stations, and licence application fees and annual charges associated with ARPANSA's regulatory activities.

Balance Sheet

ARPANSA's total asset and liabilities are expected to remain stable over the forward years.

Cash Flow

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

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	16,348	16,502	16,498	16,494	16,490
Supplier expenses	6,754	6,593	6,615	6,687	6,771
Depreciation and amortisation	2,171	2,171	2,171	2,171	2,171
Write-down and impairment of assets	643	-	-	-	-
Total expenses	25,916	25,266	25,284	25,352	25,432
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	5,275	5,275	5,275	5,275	5,275
Other revenue	4,771	4,771	4,771	4,771	4,771
Total revenue	10,046	10,046	10,046	10,046	10,046
Total own-source income	10,046	10,046	10,046	10,046	10,046
Net cost of (contribution by) services	15,870	15,220	15,238	15,306	15,386
Revenue from Government	13,056	13,049	13,067	13,135	13,215
Surplus (deficit)	(2,814)	(2,171)	(2,171)	(2,171)	(2,171)
Surplus (deficit) attributable to the Australian Government	(2,814)	(2,171)	(2,171)	(2,171)	(2,171)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(2,814)	(2,171)	(2,171)	(2,171)	(2,171)
Note: Reconciliation of comprehensive income attributable to the agency					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(2,814)	(2,171)	(2,171)	(2,171)	(2,171)
plus non-appropriated expenses depreciation and amortisation expenses	2,171	2,171	2,171	2,171	2,171
Total comprehensive income (loss) attributable to the agency	(643)	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,757	1,757	1,757	1,757	1,757
Receivables	3,147	3,147	3,147	3,147	3,147
Accrued revenue	48	48	48	48	48
Total financial assets	4,952	4,952	4,952	4,952	4,952
Non-financial assets					
Land and buildings	24,522	24,727	24,874	25,021	25,168
Property, plant and equipment	5,567	5,150	4,810	4,482	4,172
Inventories	1,471	1,471	1,471	1,471	1,471
Intangibles	637	802	817	832	847
Other	403	403	403	403	403
Total non-financial assets	32,600	32,553	32,375	32,209	32,061
Total assets	37,552	37,505	37,327	37,161	37,013
LIABILITIES					
Payables					
Suppliers	-	-	-	-	-
Other payables	1,705	1,705	1,705	1,705	1,705
Total payables	1,705	1,705	1,705	1,705	1,705
Provisions					
Employees	5,381	5,381	5,381	5,381	5,381
Total provisions	5,381	5,381	5,381	5,381	5,381
Total liabilities	7,086	7,086	7,086	7,086	7,086
Net Assets	30,466	30,419	30,241	30,075	29,927
EQUITY					
Contributed equity	19,482	21,606	23,599	25,604	27,627
Reserves	13,644	13,644	13,644	13,644	13,644
Retained surpluses or accumulated deficits	(2,660)	(4,831)	(7,002)	(9,173)	(11,344)
Total equity	30,466	30,419	30,241	30,075	29,927

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(2,660)	13,644	19,482	30,466
Surplus (deficit) for the period	(2,171)	-	-	(2,171)
Capital budget - Bill 1 (DCB)	-	-	2,124	2,124
Equity injection - appropriation	-	-	-	-
Estimated closing balance as at 30 June 2017	(4,831)	13,644	21,606	30,419

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	4,790	4,790	4,790	4,790	4,790
Appropriations	13,920	13,049	13,067	13,135	13,215
Net GST received	485	485	485	485	485
Other cash received	4,771	4,771	4,771	4,771	4,771
Total cash received	23,966	23,095	23,113	23,181	23,261
Cash used					
Employees	16,349	16,503	16,498	16,494	16,490
Suppliers	6,670	5,891	5,932	6,004	6,088
Net GST paid	701	701	683	683	683
Total cash used	23,720	23,095	23,113	23,181	23,261
Net cash from (or used by) operating activities	246	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,979	2,124	1,993	2,005	2,023
Total cash used	1,979	2,124	1,993	2,005	2,023
Net cash from (or used by) investing activities	(1,979)	(2,124)	(1,993)	(2,005)	(2,023)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	1,979	2,124	1,993	2,005	2,023
Total cash received	1,979	2,124	1,993	2,005	2,023
Net cash from (or used by) financing activities	1,979	2,124	1,993	2,005	2,023
Net increase (or decrease) in cash held	246	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,511	1,757	1,757	1,757	1,757
Cash and cash equivalents at the end of the reporting period	1,757	1,757	1,757	1,757	1,757

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,979	2,124	1,993	2,005	2,023
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	1,979	2,124	1,993	2,005	2,023
Total new capital appropriations represented by:					
Purchase of non-financial assets	1,979	2,124	1,993	2,005	2,023
Total items	1,979	2,124	1,993	2,005	2,023
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	1,979	2,124	1,993	2,005	2,023
Total acquisitions of non-financial assets	1,979	2,124	1,993	2,005	2,023
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,979	2,124	1,993	2,005	2,023
Total cash used to acquire assets	1,979	2,124	1,993	2,005	2,023

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016					
Gross book value	7,500	23,103	16,258	3,535	50,396
Accumulated depreciation amortisation and impairment	-	(6,081)	(10,691)	(2,898)	(19,670)
Opening net book balance	7,500	17,022	5,567	637	30,726
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	785	742	597	2,124
Total additions	-	785	742	597	2,124
Other movements					
Depreciation/amortisation expense	-	(580)	(1,159)	(432)	(2,171)
Total other movements	-	(580)	(1,159)	(432)	(2,171)
As at 30 June 2017					
Gross book value	7,500	23,888	17,000	4,132	52,520
Accumulated depreciation amortisation and impairment	-	(6,661)	(11,850)	(3,330)	(21,841)
Closing net book balance	7,500	17,227	5,150	802	30,679

AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY

Entity Resources and Planned Performance

ASADA

Australian Sports Anti-Doping Authority

Health Portfolio Entity

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The ASADA logo is a black vertical rectangle with the word "ASADA" written in white, uppercase letters, oriented vertically from bottom to top.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government, as a signatory to the United Nations Educational, Scientific and Cultural Organization (UNESCO) International Convention against Doping in Sport (the Convention), implements anti-doping arrangements that are consistent with the principles of the World Anti-Doping Code (the Code).

The Australian Sports Anti-Doping Authority (ASADA) is Australia's national anti-doping agency.

ASADA provides a comprehensive anti-doping program for the Australian sports community, encompassing engagement, deterrence, detection and enforcement activities. ASADA does this by working closely with sports, athletes, support personnel, Government entities including law enforcement agencies in:

- designing and delivering education and communication programs;
- detecting and managing anti-doping rule violations (ADRV), from athlete testing to managing and presenting ADRV cases;
- collecting and analysing anti-doping intelligence, and conducting investigations into possible ADRVs;
- monitoring and reporting on sports' compliance with anti-doping policies; and
- supporting athletes to meet their anti-doping obligations.

ASADA's anti-doping program operates in an international context requiring a strategic approach to building and maintaining global partnerships. ASADA will continue to work with the World Anti-Doping Agency (WADA) and other international partners to build effective anti-doping frameworks to strengthen the global effort against doping in sport. Ultimately, ASADA's efforts with partners will aim to assist Australian athletes to participate internationally on a level playing field.

In 2016-17, ASADA will continue to build its capability and work with partners to deliver a leading anti-doping program that addresses the current challenges faced both internationally and in Australian sport. Particular focus will be placed on continuing the incorporation of ASADA's expanded information gathering and investigative capabilities into a holistic anti-doping program. Work will also continue to focus on implementation of the Code into Australia's anti-doping framework including through the consistent application of principles in sport tribunals.

The role and functions of ASADA are set out in the *Australian Sports Anti-Doping Authority Act 2006*, the *Australian Sports Anti-Doping Authority Regulations 2006* and the National Anti-Doping scheme. ASADA is a non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the ASADA website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: ASADA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available ¹	2,743	3,993
Annual appropriations		
Ordinary annual services		
Departmental appropriation ²	12,227	11,933
s74 retained revenue receipts ³	2,872	1,709
Departmental capital budget ⁴	373	371
Other services ⁵		
Equity injection	-	-
Total departmental annual appropriations	15,472	14,013
Total departmental resourcing	18,215	18,006
Total resourcing for ASADA	18,215	18,006
	2015-16	2016-17
Average staffing level (number)	53	50

All figures are GST exclusive.

¹ Estimated adjusted balance carried forward from previous year.

² Appropriation Bill (No. 1) 2016-17.

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

⁴ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁵ Appropriation Bill (No. 2) 2016-17.

1.3 Budget Measures

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

Table 1.2: ASADA 2016-17 Budget Measures

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
2018 Gold Coast Commonwealth Games - pre-event anti-doping program					
Australian Sports Anti-Doping Authority					
Departmental expenses	1.1	-	365	1,117	12
Total expenses		-	365	1,117	12

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

1.4 Changes to Outcome Statement

Figure 1.1: Comparison of 2015-16 and 2016-17 Outcome Statement

2015-16	2016-17
Protection of the health of athletes and the integrity of Australian sport including through deterrence, detection and enforcement to eliminate doping	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

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 3.1: Sport and Recreation	The Department of Health contributes to the collaborative effort to protect the integrity of Australian and international sport. The Department provides strategic leadership, policy oversight and program support on national and international anti-doping matters, working closely with ASADA, WADA, UNESCO and other stakeholders.
Australian Sports Commission Program 1.1: Australian Sports Commission	The Australian Sports Commission (ASC) contributes to the collaborative effort to protect the integrity of Australian sport. The ASC provides targeted support and advice to sporting organisations in a range of areas, including governance and sports integrity.

Budgeted Expenses for ASADA

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.

Table 2.1.1: Budgeted Expenses for ASADA

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Engagement, Deterrence, Detection and Enforcement					
Departmental expenses					
Departmental appropriation ¹	15,099	13,642	14,617	13,666	13,788
Expenses not requiring appropriation in the budget year ²	548	477	472	374	274
Operating deficit (surplus)	(1,250)	-	-	-	-
Total for Program 1.1	14,397	14,119	15,089	14,040	14,062
Total expenses for Outcome 1	14,397	14,119	15,089	14,040	14,062
	2015-16	2016-17			
Average staffing level (number)	53	50			

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

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

Table 2.1.2: Performance Criteria for ASADA

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Protection of the health of athletes and the integrity of Australian sport including through engagement, deterrence, detection and enforcement to minimise the risk of doping
Program	1.1: Engagement, Deterrence, Detection and Enforcement The Australian Government aims to protect the health of athletes, as well as the integrity of sport. ASADA provides a comprehensive anti-doping program to the Australian sporting community.
Purpose	To protect the health of athletes and the integrity of Australian sport including through engagement, deterrence, detection and enforcement to minimise the risk of doping. ²
Delivery	Program activities, which are intended to benefit Australian athletes and support personnel, will be delivered under the following program objective: A. Conducting anti-doping activities encompassing engagement, deterrence, detection and enforcement
Program objective	
A. Conducting anti-doping activities encompassing engagement, deterrence, detection and enforcement	
<p>ASADA will conduct anti-doping activities encompassing engagement, deterrence, detection and enforcement.</p> <p>Engagement – Strengthening relationships internally and externally to build anti-doping capabilities and sharing of information.</p> <p>Deterrence – Minimising the risk of doping through education, communications and testing.</p> <p>Detection – Gathering intelligence, targeted testing, and investigation of possible breaches of the anti-doping rules.</p> <p>Enforcement – Managing possible anti-doping violations and presenting cases at hearings and appeals.</p> <p>In 2016-17, ASADA will continue to apply the tools of science, intelligence, investigations, testing, education and enforcement to deliver an effective anti-doping program in Australia. This will be supported through engagement with other entities, including law enforcement, to build upon the cooperative framework necessary to identify possible anti-doping rule violations (ADRVs).</p>	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 ASADA Annual Report.

² This purpose text will be reflected in the 2016-17 ASADA Corporate Plan.

<p>ASADA will continue to identify and pursue alleged violations and work with Government and partners to strengthen Australia’s anti-doping framework. This will be conducted in an environment of:</p> <ul style="list-style-type: none"> • increasingly sophisticated doping regimes; • greater reliance on intelligence and investigations to prove alleged violations; and • increasing legal challenges to such investigations by well-resourced athletes and support personnel. <p>For major sporting events such as the Rio 2016 Olympic and Paralympic Games and in the lead up to the Gold Coast 2018 Commonwealth Games, ASADA will contribute to protecting the integrity of Australian sporting teams. From an anti-doping perspective, this contribution will include:</p> <ul style="list-style-type: none"> • the use of intelligence gathering and investigative capability to develop a comprehensive test plan; • storage of selected samples in a long-term storage facility; and <p>the delivery of anti-doping education to athletes and support personnel to help them to meet their obligations.</p>	
Qualitative performance criteria	2016-17 and beyond reference point or target
<p>As the national anti-doping organisation for Australian sport, ASADA will engage with a range of stakeholders to develop targeted anti-doping programs to support the Australian Government’s aim to protect the health of athletes, as well as the integrity of sport.</p>	<p>ASADA’s ongoing assessment process identifies sport-specific doping risks and contributes to the development of anti-doping programs targeted to respond to the risks.</p>
<p>ASADA will collaborate with WADA, overseas anti-doping organisations and other international stakeholders to further the Australian Government’s efforts to harmonise anti-doping practices globally.</p>	<p>Engagement with international anti-doping stakeholders at forums and through information sharing opportunities demonstrates that the Government, through ASADA, is working towards strengthening global anti-doping arrangements.</p>
<p>As the national anti-doping organisation, ASADA will support the Government’s anti-doping commitment through the implementation of a leading program, based on the World Anti-Doping Code (the Code), associated International Standards, Australian Government Investigations Standards and ASADA’s legislated responsibilities.</p>	<p>Sports identified at a greater risk of doping are targeted with a legislative and Code compliant anti-doping program of integrated education, intelligence, investigations and testing activities.</p>
<p>As Australia’s anti-doping regulator, ASADA will manage possible anti-doping rule violations and present cases at hearings and appeals.</p>	<p>All possible anti-doping rule violations are considered, and if action is warranted, pursued in accordance with the Code and Australian legislation.</p>
Material changes to Program 1.1 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>2018 Gold Coast Commonwealth Games – pre-event anti-doping program</i> 	

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to ASADA.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Comprehensive income statement

ASADA is budgeting for a comprehensive income result attributable to the agency of \$1.25 million in 2015-16 after adjustment for unfunded depreciation and amortisation expenses. The comprehensive income result is primarily attributable to the outcome of recovery activities relating to Federal Court matters exceeding the estimates included in the 2014-15 financial statements.

For the 2016-17 budget year and the forward estimates ASADA is budgeting for a break-even comprehensive income result attributable to the agency after adjustment for unfunded depreciation and amortisation expenses.

Total operating revenue for 2016-17 is estimated at \$13.3 million and comprises appropriation funding for ordinary annual services of \$11.6 million and revenue from independent sources of \$1.7 million, primarily comprised of revenue from contracted testing services.

Total expenses in 2016-17 are anticipated to be \$13.8 million including \$0.4 million in unfunded depreciation and amortisation costs.

Balance sheet

No significant movements are expected in assets or liabilities over the forward estimates period.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	7,059	6,895	7,161	6,891	7,063
Supplier expenses	6,813	6,770	7,479	6,798	6,748
Depreciation and amortisation	514	443	438	340	240
Other expenses	11	11	11	11	11
Total expenses	14,397	14,119	15,089	14,040	14,062
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	1,807	1,709	1,752	1,803	1,858
Other revenue	1,065	-	-	-	-
Total revenue	2,872	1,709	1,752	1,803	1,858
Gains					
Other	34	34	34	34	34
Total gains	34	34	34	34	34
Total own-source income	2,906	1,743	1,786	1,837	1,892
Net cost of (contribution by) services	11,491	12,376	13,303	12,203	12,170
Revenue from Government	12,227	11,933	12,865	11,863	11,930
Surplus (deficit)	736	(443)	(438)	(340)	(240)
Surplus (deficit) attributable to the Australian Government	736	(443)	(438)	(340)	(240)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	736	(443)	(438)	(340)	(240)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	736	(443)	(438)	(340)	(240)
plus non-appropriated expenses depreciation and amortisation expenses	514	443	438	340	240
Total comprehensive income (loss) attributable to the entity	1,250	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	271	271	271	271	271
Receivables	6,347	6,347	6,347	6,347	6,347
Other financial assets	-	-	-	-	-
Total financial assets	6,618	6,618	6,618	6,618	6,618
Non-financial assets					
Land and buildings	304	101	180	80	80
Property, plant and equipment	511	752	628	580	636
Intangibles	182	72	59	249	339
Inventories	141	141	141	141	141
Other	88	88	88	88	88
Total non-financial assets	1,226	1,154	1,096	1,138	1,284
Total assets	7,844	7,772	7,714	7,756	7,902
LIABILITIES					
Payables					
Suppliers	655	655	655	655	655
Other payables	656	656	656	656	656
Total payables	1,311	1,311	1,311	1,311	1,311
Provisions					
Employees	2,626	2,626	2,626	2,626	2,626
Other provisions	160	160	160	160	160
Total provisions	2,786	2,786	2,786	2,786	2,786
Total liabilities	4,097	4,097	4,097	4,097	4,097
Net assets	3,747	3,675	3,617	3,659	3,805
EQUITY					
Contributed equity	3,089	3,460	3,840	4,222	4,608
Reserves	243	243	243	243	243
Retained surpluses or accumulated deficits	415	(28)	(466)	(806)	(1,046)
Total equity	3,747	3,675	3,617	3,659	3,805

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	415	243	3,089	3,747
Surplus (deficit) for the period	(443)	-	-	(443)
Capital budget - Bill 1 (DCB)	-	-	371	371
Estimated closing balance as at 30 June 2017	(28)	243	3,460	3,675

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	10,977	11,933	12,865	11,863	11,930
Goods and services	1,790	1,644	1,752	1,803	1,858
Net GST received	574	240	250	250	250
Other cash received	1,065	-	-	-	-
Total cash received	14,406	13,817	14,867	13,916	14,038
Cash used					
Employees	7,059	6,895	7,161	6,891	7,063
Suppliers	6,807	6,764	7,445	6,764	6,714
Net GST paid	540	158	250	250	250
Other cash used	-	-	11	11	11
Total cash used	14,406	13,817	14,867	13,916	14,038
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	373	371	380	382	386
Total cash used	373	371	380	382	386
Net cash from (or used by) investing activities	(373)	(371)	(380)	(382)	(386)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	373	371	380	382	386
Total cash received	373	371	380	382	386
Net cash from (or used by) financing activities	373	371	380	382	386
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	271	271	271	271	271
Cash and cash equivalents at the end of the reporting period	271	271	271	271	271

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	373	371	380	382	386
Total capital appropriations	373	371	380	382	386
Total new capital appropriations represented by:					
Purchase of non-financial assets	373	371	380	382	386
Total items	373	371	380	382	386
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	373	371	380	382	386
Total acquisitions of non-financial assets	373	371	380	382	386
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	373	371	380	382	386
Total cash used to acquire assets	373	371	380	382	386

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	2,211	2,058	2,453	6,722
Accumulated depreciation amortisation and impairment	(1,907)	(1,547)	(2,271)	(5,725)
Opening net book balance	304	511	182	997
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	371	-	371
Total additions	-	371	-	371
Other movements				
Depreciation/amortisation expense	(203)	(130)	(110)	(443)
Total other movements	(203)	(130)	(110)	(443)
As at 30 June 2017				
Gross book value	2,211	2,429	2,453	7,093
Accumulated depreciation amortisation and impairment	(2,110)	(1,677)	(2,381)	(6,168)
Closing net book balance	101	752	72	925

AUSTRALIAN SPORTS COMMISSION

Entity Resources and Planned Performance

ASC

Australian Sports Commission

Health Portfolio Entity

Section 1: Entity Overview and Resources

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The logo for the Australian Sports Commission (ASC) is a black vertical rectangle with the letters "ASC" written in white, oriented vertically.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Sports Commission (ASC) is committed to making Australian sport stronger – to get more people playing sport and to help athletes realise international success. The ASC promotes and supports the development of a cohesive and effective national sport sector that creates opportunities for all Australians to participate and excel in sport.

Two broad strategic documents, *Australia's Winning Edge 2012-2022* and *Play.Sport.Australia.*, provide the framework for our operations, and a context against which the pillars of the ASC's corporate plan is based. The pillars of win, play and thrive define the ASC's approach to delivering international success, more participation and sustainable sporting organisations.

Australia's Winning Edge 2012-2022 is the national high performance strategy which provides the blueprint for Australia's high performance success and provides the high performance sport sector with clear performance targets and a framework for collaboration.

The Australian Institute of Sport (AIS), a division of the ASC, is Australia's strategic high performance sport agency, responsible for leading the delivery of Australia's international sporting success. The AIS works in partnership with national sporting organisations, state institutes and academies of sport, and peak bodies such as the Australian Olympic Committee, Australian Paralympic Committee and the Australian Commonwealth Games Association.

Play.Sport.Australia. articulates priority action areas to address the challenges of keeping sports relevant and viable and keeping Australians active and healthy through sport.

Grass roots sport is fundamental to the Australian way of life with tens of thousands of sporting organisations across Australia and thousands of private-sector providers. The ASC aims to use its unique position of influence as well as its leadership role to inform, support and create alignment through the sport sector to achieve the collective national goal of participation growth. A key focus in 2016-17 will be the continued delivery of the Sporting Schools program.

The role and functions of the ASC are set out in the *Australian Sports Commission Act 1989*. The ASC is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the ASC website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: ASC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July¹	76,797	71,409
FUNDS FROM GOVERNMENT		
Annual appropriations		
Ordinary annual services ²		
Outcome 1	253,646	250,669
Other services ³		
Equity injection	-	-
Total annual appropriations	253,646	250,669
Amounts received from related entities⁴		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	253,646	250,669
Funds from other sources		
Interest	3,146	2,666
Sale of goods and services	21,174	20,235
Other	-	-
Total funds from other sources	24,320	22,901
Total net resourcing for ASC	354,763	344,979
	2015-16	2016-17
Average staffing level (number)	584	582

All figures are GST exclusive.

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

¹ Includes cash and investments.

² Appropriation Bill (No. 1) 2016-17.

³ Appropriation Bill (No. 2) 2016-17.

⁴ Funding provided by a Government entity that is not specified within the annual appropriation bills as a payment to the corporate entity.

1.3 Budget Measures

This section is not applicable to the ASC.

1.4 Changes to Outcome and Program Structure

Figure 1.1: Comparison of 2015-16 and 2016-17 Outcome Structures

2015-16	2016-17
<p>Outcome 1 - Improved participation in structured physical activity, particularly organised sport, at the community level, including through leadership and targeted community-based sports activity.</p>	<p>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.</p>
<p>Outcome 2 - Excellence in sports performance and continued international sporting success, by talented athletes and coaches, including through leadership in high performance athlete development, and targeted science and research.</p>	

Figure 1.2: Mapping 2015-16 to 2016-17 Outcome and Program Structure

2015-16 ¹	2016-17 ²
<p>Outcome 1 (1) <i>Program</i> 1.1 Australian Sports Commission (1.1)</p>	<p>Outcome 1 (1&2) <i>Program</i> 1.1 Australian Sports Commission (1.1 & 2.1)</p>
<p>Outcome 2 (1) <i>Program</i> 2.1 Australian Sports Commission (1.1)</p>	

¹ Bracketed numbers indicate where Outcomes and Programs have **moved to** in 2016-17 structure.

² Bracketed numbers indicate where Outcomes and Programs have **moved from** in 2015-16 structure.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth Entity and Linked Program	Contribution to Outcome 1 made by linked programs
Australian Sports Anti-Doping Authority Program 1.1: Engagement, Deterrence, Detection and Enforcement	The Australian Sports Anti-Doping Authority (ASADA) contributes to the protection of the health of athletes, and the integrity of sport, by conducting World Anti-Doping Code compliant activities domestically. ASADA also contributes to international efforts to combat doping in sport.
Department of Health Program 3.1: Sport and Recreation	The Department of Health aims to increase participation in sport and recreation activities, support major international sporting events, improve water and snow safety and protect the integrity of sport.
Department of the Prime Minister and Cabinet Program 1.1: Prime Minister and Cabinet	The Department of the Prime Minister and Cabinet contributes to improving the diversity of sporting organisations by working to increase female representation in sport leadership roles.

Budgeted Expenses for ASC

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.

Table 2.1.1: Budgeted Expenses for ASC

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Australian Sports Commission					
Revenue from Government Ordinary annual services ¹	253,646	250,669	213,001	214,564	216,137
Revenues from independent sources	24,320	22,901	22,843	22,939	23,063
Operating deficit (surplus)	14,941	6,048	6,048	-	-
Total expenses for Program 1.1	292,907	279,618	241,892	237,503	239,200
Total expenses for Outcome 1	292,907	279,618	241,892	237,503	239,200
	2015-16	2016-17			
Average staffing level (number)	584	582			

¹ Appropriation Bill (No. 1) 2016-17.

Table 2.1.2: Performance Criteria for ASC

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.³ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Increased participation in organised sport and continued international sporting success including through leadership and development of a cohesive and effective sports sector, provision of targeted financial support, and the operation of the Australian Institute of Sport
Program	1.1: Australian Sports Commission The ASC aims to increase participation in sport, improve the sustainability of sporting organisations, and deliver continued success for Australian athletes and teams on the world stage.
Purpose	To strengthen Australian sport – to enable more people to play sport and Australian athletes and teams to succeed on the world stage. ⁴
Delivery	Program activities, which are intended to benefit all Australians, including athletes, sporting organisations, sport participants and school students, will be delivered under the following program objectives: A. Delivering international sporting success B. Increasing participation in sport C. Improving the sustainability of sports
Program objective	
A. Delivering international sporting success	
The ASC, through the AIS, is focussed on delivering consistent and sustainable success by Australian athletes and teams on the world stage. To achieve this, the ASC will target its investment and support to those sports and athletes that stand the greatest chance of international success, now and into the future. The ASC will develop the high performance coaches, leaders and support staff who underpin our system, support the development of innovations in high performance to enhance Australia’s competitive advantage and operate world-class training facilities. The ASC will work with the National Institute Network to facilitate a more aligned high performance system that supports <i>Australia’s Winning Edge</i> identified athletes.	

³ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 ASC Annual Report.

⁴ This purpose text will be reflected in the 2016-17 ASC Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
A more aligned performance network that supports <i>Australia's Winning Edge</i> identified athletes and teams.		Remaining National Institute Network recommendations implemented on schedule.				
Improved capability of national sporting organisations to deliver effective high performance programs.		The 2016 Annual Sport Performance Review assessment shows improvement in the high performance capability of national sporting organisations across the six high performance drivers. ⁵				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Number of athletes that receive direct financial support to achieve their high performance outcomes.	750	750	750	750	750	
Percentage of <i>Australia's Winning Edge</i> funded sports rated by the AIS as achieving their performance targets.	80%	85%	85%	85%	85%	
Program objective						
B. Increasing participation in sport						
The ASC aims to see more Australians, particularly young Australians, participating in sport more often. To achieve this, the ASC will develop and share research and data including intelligence from the new AusPlay national participation survey, to better understand what is happening in sport, support the network that supplies sport – our sporting organisations – and help drive demand for lifelong participation in sport by implementing the Sporting Schools program.						
Qualitative performance criteria		2016-17 Reference point or target				
Increase in the percentage of Australians participating in organised sport (traditional or social) with a national sporting organisation or affiliate.		AusPlay survey results show an increase in organised sport participation compared to the baseline established in 2015-16.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of priority participation national sporting organisations growing their participation base.	80%	80%	80%	80%	80%	
Number of children participating in the Sporting Schools program.	600,000	860,000	N/A ⁶	N/A	N/A	

⁵ The six high performance drivers are: athletes; coaching; leadership; daily training environment; competition; and research and innovation.

⁶ The Sporting Schools program is funded until the end of 2016-17.

Program objective					
C. Improving the sustainability of sports					
The ASC is committed to seeing more sports with the structure, workforce and leadership capacity to develop and run successful sport programs. To achieve this, the ASC will provide targeted support and advice in the areas of governance, product development and commercial sustainability, workforce development, coaching and officiating, facilities and infrastructure, digital capability, and integrity in sport. ⁷					
Qualitative performance criteria		2016-17 Reference point or target			
Improved organisational capability of national sporting organisations.		The organisational capability assessment of national sporting organisations shows an improvement across the four components of the organisational development tool compared to the baseline established in 2015-16. ⁸			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of targeted national sporting organisations which have demonstrated satisfactory progress towards compliance with the Mandatory Sports Governance Principles. ⁹	N/A ¹⁰	90%	90%	90%	90%
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

⁷ The ASC's role in the integrity of sport complements the work of the Department of Health's National Integrity of Sport Unit and the Australian Sports Anti-Doping Authority.

⁸ The four components of the organisational development tool are: governance; culture and leadership; delivery; and research and evidence base.

⁹ Available at: www.ausport.gov.au/ais/australias_winning_edge/mandatory_sports_governance_principles

¹⁰ This is a new performance criterion for 2016-17, therefore there is no target for 2015-16.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

The entity resource statement (Table 1.1) provides a consolidated view of all the resources available in 2016-17. This includes operating appropriation, funds from other sources and cash and investments to cover payables and provisions on the balance sheet. Operating appropriation is shown as Revenue from Government in the comprehensive income statement (Table 3.1).

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Comprehensive income statement

The ASC is budgeting for an operating loss of \$14.9 million in 2015-16 mainly arising from: (i) additional and unfunded depreciation expense reflecting revaluations of assets; and (ii) timing differences across financial years as to when revenue is received and when expenditure for certain activities and externally funded programs occurs.

The ASC is budgeting for an operating loss for the 2016-17 Budget year and one forward estimates period arising from additional and unfunded depreciation expense reflecting revaluations of assets. The impact of the additional depreciation expense from revaluations has not been factored into 2018-19 and 2019-20 while the ASC undertakes a review of its options for depreciation and capital funding.

Budgeted departmental balance sheet

Total assets at 30 June 2017 are anticipated to be \$309.8 million, \$236.3 million (76 per cent) of which represents investment in non-financial assets. Liabilities are expected to remain stable over the Budget and forward estimates period and comprise mainly of supplier payables and employee entitlements.

Total equity is estimated at \$293.6 million at 30 June 2017. The reduction in equity over the forward estimates periods reflects the impact of the unfunded loss for increased depreciation expense arising from revaluations of assets.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	64,323	65,494	57,415	58,805	60,183
Suppliers	39,291	34,744	33,434	32,533	31,670
Grants	166,357	156,440	128,585	129,755	130,937
Depreciation and amortisation	22,936	22,940	22,458	16,410	16,410
Total expenses	292,907	279,618	241,892	237,503	239,200
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	21,174	20,235	20,209	20,351	20,514
Interest	3,146	2,666	2,634	2,588	2,549
Total own-source revenue	24,320	22,901	22,843	22,939	23,063
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Net cost of (contribution by) services	268,587	256,717	219,049	214,564	216,137
Revenue from Government	253,646	250,669	213,001	214,564	216,137
Surplus (deficit)	(14,941)	(6,048)	(6,048)	-	-
Surplus (deficit) attributable to the Australian Government	(14,941)	(6,048)	(6,048)	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	(14,941)	(6,048)	(6,048)	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,409	4,701	7,352	6,134	3,204
Trade and other receivables	5,120	5,129	5,114	5,099	5,088
Loans	3,799	3,646	2,650	1,656	828
Investments	60,000	60,000	60,000	50,000	35,000
Total financial assets	80,328	73,476	75,116	62,889	44,120
Non-financial assets					
Land and buildings	214,842	215,195	206,289	217,563	234,893
Property, plant and equipment	14,481	14,198	14,796	16,352	15,586
Intangibles	4,671	4,671	5,604	5,321	7,854
Inventories	467	467	467	467	467
Other	1,749	1,749	1,749	1,749	1,749
Total non-financial assets	236,210	236,280	228,905	241,452	260,549
Total assets	316,538	309,756	304,021	304,341	304,669
LIABILITIES					
Payables					
Suppliers	2,764	2,764	2,764	2,764	2,764
Grants	40	40	40	40	40
Other payables	1,482	1,482	1,482	1,482	1,482
Total payables	4,286	4,286	4,286	4,286	4,286
Provisions					
Employees	12,547	11,813	12,126	12,446	12,774
Other provisions	49	49	49	49	49
Total provisions	12,596	11,862	12,175	12,495	12,823
Total liabilities	16,882	16,148	16,461	16,781	17,109
Net assets	299,656	293,608	287,560	287,560	287,560
EQUITY					
Contributed equity	150,210	150,210	150,210	150,210	150,210
Reserves	183,904	183,904	183,904	183,904	183,904
Retained surpluses (accumulated deficits)	(34,458)	(40,506)	(46,554)	(46,554)	(46,554)
Total equity	299,656	293,608	287,560	287,560	287,560

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings (accumulated deficit)	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(34,458)	183,904	150,210	299,656
Surplus (deficit) for the period	(6,048)	-	-	(6,048)
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2017	(40,506)	183,904	150,210	293,608

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	21,174	20,235	20,209	20,351	20,514
Appropriations	253,646	250,669	213,001	214,564	216,137
Interest	3,000	2,500	2,500	2,500	2,496
Total cash received	277,820	273,404	235,710	237,415	239,147
Cash used					
Employees	63,777	66,228	57,102	58,485	59,851
Suppliers	39,291	34,744	33,434	32,533	31,670
Grants	166,357	156,440	128,585	129,755	130,937
Total cash used	269,425	257,412	219,121	220,773	222,458
Net cash from (or used by) operating activities	8,395	15,992	16,589	16,642	16,689
INVESTING ACTIVITIES					
Cash received					
Repayment of loans and interest	89	310	1,145	1,097	888
Total cash received	89	310	1,145	1,097	888
Cash used					
Purchase of property, plant and equipment and intangibles	12,822	23,010	15,083	28,957	35,507
Loan issuance	1,050	-	-	-	-
Total cash used	13,872	23,010	15,083	28,957	35,507
Net cash from (or used by) investing activities	(13,783)	(22,700)	(13,938)	(27,860)	(34,619)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(5,388)	(6,708)	2,651	(11,218)	(17,930)
Cash and cash equivalents at the beginning of the reporting period	76,797	71,409	64,701	67,352	56,134
Cash and cash equivalents at the end of the reporting period	71,409	64,701	67,352	56,134	38,204

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations provided for:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	12,822	23,010	15,083	28,957	35,507
Total acquisitions of non-financial assets	12,822	23,010	15,083	28,957	35,507
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	12,822	23,010	15,083	28,957	35,507
Total cash used to acquire assets	12,822	23,010	15,083	28,957	35,507

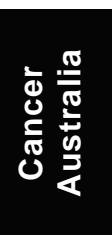
¹ Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016					
Gross book value	10,000	518,571	36,025	11,666	576,262
Accumulated depreciation amortisation and impairment	-	(313,729)	(21,544)	(6,995)	(342,268)
Opening net book balance	10,000	204,842	14,481	4,671	233,994
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - internal resources	-	17,379	4,307	1,324	23,010
Total additions	-	17,379	4,307	1,324	23,010
Other movements					
Depreciation/amortisation expense	-	(17,026)	(4,590)	(1,324)	(22,940)
Total other movements	-	(17,026)	(4,590)	(1,324)	(22,940)
As at 30 June 2017					
Gross book value	10,000	535,950	40,332	12,990	599,272
Accumulated depreciation amortisation and impairment	-	(330,755)	(26,134)	(8,319)	(365,208)
Closing net book balance	10,000	205,195	14,198	4,671	234,064

CANCER AUSTRALIA

Entity Resources and Planned Performance



Cancer Australia

Health Portfolio Entity

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government, through Cancer Australia, aims to: provide national leadership in cancer control to improve cancer outcomes; coordinate evidence-based interventions with a range of health care providers and groups across the continuum of cancer care; lead the development of sustainable and effective models of cancer care; and provide advice on appropriate cancer care. Cancer Australia also oversees a dedicated budget for cancer research and strengthening national data capacity.

As the Australian Government's national cancer control agency, Cancer Australia provides leadership in cancer control across all cancers, with reference to burden of disease, cancer incidence, survival, and mortality. Cancer Australia also has a focus on populations which experience poorer health outcomes, including Aboriginal and Torres Strait Islander peoples and people living in rural and remote Australia.

In order to minimise the impact of cancer, Cancer Australia will, in 2016-17: translate evidence to inform the development and implementation of policies and programs in cancer control; promote best practice cancer care to health professionals across Australia; lead the development of innovative, sustainable, and evidence-based models of cancer care; strengthen national data capacity; fund research in priority areas; provide information for people affected by cancer about their diagnosis and treatment; and promote cancer awareness to the community.

The role and functions of Cancer Australia are set out in the *Cancer Australia Act 2006*. Cancer Australia is subject to the *Public Service Act 1999* and the *Auditor-General Act 1997* and is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the Cancer Australia website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: Cancer Australia Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	3,823	3,683
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	12,001	11,274
s74 retained revenue receipts ²	1,576	130
Departmental capital budget ³	82	82
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	13,659	11,486
Total departmental resourcing	17,482	15,169
ADMINISTERED		
Prior year appropriation available	36	36
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	16,938	17,150
Other services ⁴		
Administered assets and liabilities	-	-
Total administered annual appropriations	16,938	17,150
Total administered resourcing	16,974	17,186
Total resourcing for CA	34,456	32,355
	2015-16	2016-17
Average staffing level (number)	62	69

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

1.3 Budget Measures

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

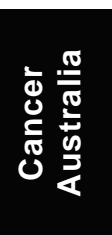
Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 2.4: Preventive Health and Chronic Disease Support	The Department of Health has policy responsibility for improving the detection, treatment and survival outcomes for people with cancer. This includes oversight of cancer screening programs, such as the National Bowel Cancer Screening Program and the National Cervical Screening Program.



Budgeted Expenses for Cancer Australia

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.

Table 2.1.1: Budgeted Expenses for Cancer Australia

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Improved cancer control					
Administered expenses					
Ordinary annual services ¹	16,938	17,150	17,406	17,669	17,951
Departmental expenses					
Departmental appropriation ²	13,577	11,404	11,461	11,568	11,647
Expenses not requiring appropriation in the budget year ³	399	443	423	451	426
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	30,914	28,997	29,290	29,688	30,024
Total expenses for Outcome 1	30,914	28,997	29,290	29,688	30,024

	2015-16	2016-17
Average staffing level (number)	62	69

¹ Appropriation (Bill No. 1) 2016-17.

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

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

Movement of Funds

There were no movements of Administered funds between years.

Table 2.1.2: Performance Criteria for Cancer Australia

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Minimised impacts of cancer, including through national leadership in cancer control with targeted research, cancer service development, education and consumer support
Program	1.1: Improved Cancer Control Cancer Australia is a specialist agency providing national leadership in cancer control across the cancer continuum of care. Cancer Australia guides scientific improvements in cancer prevention, treatment and care; coordinates and liaises between the wide range of groups and health care providers with an interest in cancer; makes recommendations to the Australian Government about cancer policies and priorities; assists with the implementation of policies and programs in cancer control; and oversees a dedicated budget for research into cancer.
Purpose	To minimise the impact of cancer, address disparities, and improve the health outcomes of people affected by cancer in Australia by providing national leadership in cancer control.
Delivery	Program activities, which are intended to benefit the Australian Community, will be delivered under the following program objectives: A. Providing leadership in national cancer control and promoting appropriate cancer care B. Funding priority research and strengthening national data capacity C. Promoting cancer awareness and providing information about cancer to the community
Program objective	
A. Providing leadership in national cancer control and promoting appropriate cancer care	
The Australian Government, through Cancer Australia, will translate evidence to inform the development and implementation of effective policies and programs in cancer control. In 2016-17, Cancer Australia will work in collaboration with health professionals and the professional colleges to influence best practice cancer care and ensure the adoption of the most appropriate oncology practices in the Australian context. Cancer Australia will improve outcomes for people with lung cancer through the evaluation of evidence-based and sustainable models of lung cancer care, to inform the adoption of optimal care pathways. Cancer Australia will continue to provide leadership in cancer control to address the priority areas of the National Aboriginal and Torres Strait Islander Cancer Framework, through the fostering of engagement and collaboration across sectors, and will lead a shared agenda for improving cancer outcomes for Aboriginal and Torres Strait Islander peoples.	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 Cancer Australia Annual Report.

Qualitative performance criteria	2016-17 Reference point or target				
Translate research into evidence-based information to inform policy and practice.	Evidence is advanced about the most appropriate interventions across the continuum of cancer care.				
Improve outcomes for Australians diagnosed with cancer.	Demonstrated improvements in the delivery of best practice cancer care for identified cancers.				
Program objective					
B. Funding priority research and strengthening national data capacity					
<p>The Australian Government, through Cancer Australia’s Priority-driven Collaborative Cancer Research Scheme, will continue to partner with non-government organisations to maximise Government investment in priority areas of cancer research. Cancer Australia will also provide funding to support the Multi-site Collaborative National Cancer Clinical Trials Groups in order to build capacity to undertake industry independent cancer clinical trials.</p> <p>In 2016-17, Cancer Australia will establish a mechanism for the regular reporting and benchmarking of national cancer control indicators to monitor cancer control efforts and inform health service policy and planning, and best practice cancer care. Cancer Australia will progress the collection, linkage and reporting of data on cancer stage, treatments, recurrence, and outcomes.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Minimum number of cancer research grants funded by Cancer Australia through the Priority-driven Collaborative Cancer Research Scheme.	7	7	7	7	7
Percentage of funding for applied research through the Priority-driven Collaborative Cancer Research Scheme. ²	≥70%	≥70%	≥70%	≥70%	≥70%

² This is dependent on the quality of the research proposals submitted, and the percentage of the total research funded by Cancer Australia.

Program objective					
C. Promoting cancer awareness and providing information about cancer to the community					
<p>In 2016-17, the Cancer Australia website³ will be further enhanced as a central source of evidence-based cancer information, resources and data for consumers, health professionals and the community.</p> <p>Cancer Australia will also provide information about cancer to the community through the continued promotion of evidence-based statements and advice. Women’s Business Workshops will be conducted to promote awareness and early detection of breast and gynaecological cancers and encourage healthy lifestyle behaviours in Indigenous communities.</p>					
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Total number of Cancer Australia resources to inform health professionals, consumers and the community.	275	280	285	290	290
Number of consumers involved in Cancer Australia advisory and project activities.	60	60	70	70	80
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

³ Available at: www.canceraustralia.gov.au

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to Cancer Australia.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental Resources

Comprehensive Income Statement

This statement details budgeted financial results for Cancer Australia in 2016-17.

Cancer Australia anticipates a break even position for the Budget year 2016-17 and all forward years.

Total expenses for 2016-17 are consistent with former years. The income statement deficit in the Budget year 2016-17 and forward years is as a result of depreciation being unfunded.

Balance Sheet

There are no significant movements expected in the assets or liabilities of Cancer Australia.

Cash flow

Cash flows are consistent with income, expenses and asset movements.

Administered Resources

Administered funding for Cancer Australia programs will continue in 2016-17. The level of administered funding across forward years represents Government expenditure on programs delivered to all Australians through Cancer Australia.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	8,731	8,546	8,834	9,314	9,387
Supplier expenses	5,040	3,054	2,826	2,457	2,463
Depreciation and amortisation	205	247	224	248	223
Total expenses	13,976	11,847	11,884	12,019	12,073
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	1,576	130	130	133	133
Total revenue	1,576	130	130	133	133
Gains					
Other	194	196	199	203	203
Total gains	194	196	199	203	203
Total own-source income	1,770	326	329	336	336
Net cost of (contribution by) services	12,206	11,521	11,555	11,683	11,737
Revenue from Government	12,001	11,274	11,331	11,435	11,514
Surplus (deficit)	(205)	(247)	(224)	(248)	(223)
Surplus (deficit) attributable to the Australian Government	(205)	(247)	(224)	(248)	(223)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(205)	(247)	(224)	(248)	(223)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(205)	(247)	(224)	(248)	(223)
plus non-appropriated expenses depreciation and amortisation expenses	205	247	224	248	223
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	389	389	389	389	389
Receivables	3,930	3,790	3,790	3,792	3,791
Total financial assets	4,319	4,179	4,179	4,181	4,180
Non-financial assets					
Buildings	-	-	-	-	-
Property, plant and equipment	503	495	488	468	466
Intangibles	31	14	20	14	18
Other	87	87	87	87	87
Total non-financial assets	621	596	595	569	571
Total assets	4,940	4,775	4,774	4,750	4,751
LIABILITIES					
Payables					
Suppliers	229	229	229	229	229
Other payables	854	854	854	854	854
Total payables	1,083	1,083	1,083	1,083	1,083
Provisions					
Employees	1,830	1,830	1,830	1,830	1,830
Other provisions	183	183	183	183	183
Total provisions	2,013	2,013	2,013	2,013	2,013
Total liabilities	3,096	3,096	3,096	3,096	3,096
Net Assets	1,844	1,679	1,678	1,654	1,655
EQUITY					
Contributed equity	297	379	602	826	1,050
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	1,547	1,300	1,076	828	605
Total equity	1,844	1,679	1,678	1,654	1,655

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	1,547	-	297	1,844
Surplus (deficit) for the period	(247)	-	-	(247)
Capital budget - Bill 1 (DCB)	-	-	82	82
Other movements	-	-	-	-
Estimated closing balance as at 30 June 2017	1,300	-	379	1,679

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,001	11,274	11,331	11,435	11,514
GST	219	221	223	238	232
Other cash received	1,576	130	130	133	133
Total cash received	13,796	11,625	11,684	11,806	11,879
Cash used					
Employees	8,543	8,346	8,834	9,314	9,387
Suppliers	4,819	2,918	2,487	2,116	2,119
GST	219	221	223	238	232
Total cash used	13,581	11,485	11,544	11,668	11,738
Net cash from (or used by) operating activities	215	140	140	138	141
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	297	222	223	222	225
Total cash used	297	222	223	222	225
Net cash from (or used by) investing activities	(297)	(222)	(223)	(222)	(225)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	82	82	83	84	84
Total cash received	82	82	83	84	84
Net cash from (or used by) financing activities	82	82	83	84	84
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	389	389	389	389	389
Cash and cash equivalents at the end of the reporting period	389	389	389	389	389

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	82	82	83	84	84
Total capital appropriations	82	82	83	84	84
Total new capital appropriations represented by:					
Purchase of non-financial assets	82	82	83	84	84
Total represented by	82	82	83	84	84
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	82	82	83	84	84
Funded internally from departmental resources	215	140	140	138	141
Total acquisitions of non-financial assets	297	222	223	222	225
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	297	222	223	222	225
Total cash used to acquire assets	297	222	223	222	225

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	1,088	514	1,602
Accumulated depreciation amortisation and impairment	-	(585)	(483)	(1,068)
Opening net book balance	-	503	31	534
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	212	10	222
Total additions	-	212	10	222
Other movements				
Depreciation/amortisation expense	-	(220)	(27)	(247)
Total other movements	-	(220)	(27)	(247)
As at 30 June 2017				
Gross book value	-	1,300	524	1,824
Accumulated depreciation amortisation and impairment	-	(805)	(510)	(1,315)
Closing net book balance	-	495	14	509

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	15,562	15,794	16,063	16,336	16,597
Suppliers	1,376	1,356	1,343	1,333	1,354
Total expenses administered on behalf of Government	16,938	17,150	17,406	17,669	17,951

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	36	36	36	36	36
Receivables	110	110	110	110	110
Total financial assets	146	146	146	146	146
Total assets administered on behalf of Government	146	146	146	146	146
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	203	203	203	203	203
Grants	1,722	1,722	1,722	1,722	1,722
Other payables	724	724	724	724	724
Total payables	2,649	2,649	2,649	2,649	2,649
Total liabilities administered on behalf of Government	2,649	2,649	2,649	2,649	2,649

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
GST	683	695	707	707	707
Total cash received	683	695	707	707	707
Cash used					
Grant payments	15,562	15,794	16,063	16,336	16,597
Suppliers	1,376	1,356	1,343	1,333	1,354
GST	683	695	707	707	707
Total cash used	17,621	17,845	18,113	18,376	18,658
Net cash from (or used by) operating activities	16,938	17,150	17,406	17,669	17,951
Net increase (or decrease) in cash held	16,938	17,150	17,406	17,669	17,951
Cash at beginning of reporting period	36	36	36	36	36
Cash from Official Public Account for: - appropriations	16,938	17,150	17,406	17,669	17,951
Cash at end of reporting period	36	36	36	36	36

FOOD STANDARDS AUSTRALIA NEW ZEALAND

Entity Resources and Planned Performance

Food Standards Australia New Zealand

Health Portfolio Entity

FSANZ

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government aims to ensure that Australia's food supply is safe and well managed in order to minimise the risk of adverse health events.

Food Standards Australia New Zealand (FSANZ) was established by the Australian Government to achieve the goals of: a high degree of confidence in the quality and safety of food that is available in Australia and New Zealand; an effective, transparent and accountable regulatory framework within which industry can work efficiently; the provision of adequate information about food to support informed food choices; and the harmonisation of food standards in Australia and New Zealand, and internationally.

Regulation is a critical component of the cooperative framework established to deliver safe food in Australia. Food standards developed by FSANZ are based on risk analysis using the best available scientific and other relevant evidence.

FSANZ supports the Australian Government to build consumer confidence in food regulation by improving communication with technical and non-technical audiences. FSANZ will expand the use of the internet and other electronic communication tools to enhance its consultation on standards development and the provision of information about food safety and food regulation.

Through the operation of treaty arrangements, some food standards developed by FSANZ are implemented as food standards in New Zealand.

Food standards are implemented through multi-jurisdictional arrangements with the Australian, New Zealand and State and Territory Governments that are overseen by the Australia and New Zealand Ministerial Forum on Food Regulation.

FSANZ also coordinates national food surveillance and food recall activities, maintains national food composition and food consumption databases, and provides advice to the Department of Agriculture and Water Resources to assist that Department to control imported foods.

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*. Operational details are contained in the Corporate Plan, which is available on the FSANZ website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: FSANZ Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	11,742	12,297
Funds from Government		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	17,257	17,184
Other services ²		
Equity injection	-	-
Total annual appropriations	17,257	17,184
Amounts received from related entities³		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	17,257	17,184
Funds from other sources		
Interest	320	320
Sale of goods and services	100	100
Other	1,573	1,573
Total funds from other sources	1,993	1,993
Total net resourcing for FSANZ	30,992	31,474
	2015-16	2016-17
Average staffing level (number)	111	108

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Appropriation Bill (No. 2) 2016-17.

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

1.3 Budget Measures

This section is not applicable to FSANZ.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity’s corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity’s complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 2.4: Preventive Health and Chronic Disease Support	The Department of Health has strategic responsibility for the development of policies that ensure Australia’s food supply is safe and that Australians have access to information to make informed choices about the food they consume.
Department of Agriculture and Water Resources Program 2.1: Biosecurity and Export Services	The Department of Agriculture and Water Resources administers the Imported Food Program, which includes managing the risks to human health and regulating imported food for compliance with Australian food standards. This program contributes to the effectiveness of the Australian food regulatory system which provides confidence to the community that the food supply is safe.

Budgeted Expenses for FSANZ

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.

Table 2.1.1: Budgeted Expenses for FSANZ

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Food regulatory activity and services to the Minister and Parliament					
Revenue from Government					
Ordinary annual services ¹	17,257	17,184	17,301	17,431	17,546
Revenues from independent sources	2,169	2,169	2,169	2,350	2,350
Operating deficit (surplus)	-	-	-	-	-
Total expenses for Program 1.1	19,426	19,353	19,470	19,781	19,896
Total expenses for Outcome 1	19,426	19,353	19,470	19,781	19,896
	2015-16	2016-17			
Average staffing level (number)	111	108			

¹ Appropriation Bill (No. 1) 2016-17.

Table 2.1.2: Performance Criteria for FSANZ

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: A safe food supply and well-informed consumers in Australia and New Zealand, including through the development of food regulatory measures and the promotion of their consistent implementation, coordination of food recall activities and the monitoring of consumer and industry food practices
Program	1.1: Food Regulatory Activity and Services to the Minister and Parliament The Australian Government aims to ensure that all Australians have access to a safe food supply and adequate, accurate information to make informed choices about the food they consume. FSANZ develops evidence-based food regulatory measures, coordinates trans-jurisdictional food regulatory activities, and provides information about food regulation in order to enhance confidence in food for sale.
Purpose	To contribute to the cooperative food regulatory system by developing evidence-based standards, providing evidence-based advice, coordinating regulatory responses and providing information about food standards. ²
Delivery	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Ensuring effective, evidence-based food standards B. Coordinating food regulation to protect public health and safety C. Providing food-related information
Program objective	
A. Ensuring effective, evidence-based food standards	
The Australian Government established FSANZ to develop effective, evidence-based food standards. FSANZ is committed to developing standards with regard to food regulation policies established by the Australia and New Zealand Ministerial Forum on Food Regulation, along the whole of the food supply chain, to help ensure that food in Australia and New Zealand is safe and suitable to eat or drink. In 2016-17, FSANZ will continue to progress reviews of several standards covering infant formula products, microbiological limits in foods and maximum residue limits for chemicals in food.	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 FSANZ Annual Report.

² This is an abbreviated version of the purpose text that will be reflected in the 2016-17 FSANZ Corporate Plan.

Qualitative performance criteria	2016-17 Reference point or target
Food regulatory measures are considered in a timely manner.	Applications are assessed within 12 months or less as required by the FSANZ Act.
Food regulatory measures developed by FSANZ are approved by the Australia and New Zealand Ministerial Forum on Food Regulation. ³	Food regulatory measures are considered by the Forum in accordance with the schedule outlined in the FSANZ Work Plan.
Program objective	
B. Coordinating food regulation to protect public health and safety	
<p>The Australian Government aims to ensure that the regulatory coordination activities of FSANZ are conducted with the primary objective of protecting public health and safety. FSANZ will continue to coordinate food recalls across all Australian States and Territories through the Food Industry Recall Protocol and Government Food Recall Protocol. FSANZ will also undertake surveillance activities.</p> <p>In the event of a major food incident, FSANZ will coordinate the national response under the National Food Incident Response Protocol.</p> <p>In 2016-17, FSANZ will continue to work with jurisdictions to implement improvements to surveillance and to the food recall protocols and enhance the effectiveness of traceability requirements.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Manage the operation of the Bi-National Food Safety Network and coordinate major food incidents under the National Food Incident Response Protocol.	Deliver efficient and effective food incident management through the Bi-National Food Safety Network and, when appropriate, the National Food Incident Response Protocol.
FSANZ makes a valuable contribution to ensuring that the food regulatory system is implemented consistently. ⁴	FSANZ's coordination role is effectively demonstrated in the annual report on recall activities (including evaluation outcomes) to States and Territories, through the Implementation Subcommittee for Food Regulation (ISFR). ⁵

³ This performance criterion has been revised to provide a criterion that more appropriately measures FSANZ's contribution in the legislated system for developing food regulatory measures.

⁴ This performance criterion has been revised to provide a criterion that more appropriately measures FSANZ's contribution and relies on established accountability mechanisms.

⁵ ISFR was set up by the Food Regulation Standing Committee to foster a consistent approach across jurisdictions to implementing and enforcing food regulation. More information about the ISFR is available at: www.health.gov.au/internet/main/publishing.nsf/Content/foodsecretariat-isc9.htm



Program objective	
C. Providing food-related information	
<p>A key element in enabling consumers and other stakeholders to make informed decisions about food is through the provision of adequate information. FSANZ maintains a website⁶ and engages social media to provide information for the community, industry, and other stakeholders about how the Australia New Zealand Food Standards Code operates.</p> <p>FSANZ's success, as a primary, trusted source of information about food and food safety, will be measured via stakeholder satisfaction surveys.</p> <p>In 2016-17, FSANZ will continue to participate in the ongoing implementation of the whole-of-government response to the <i>Labelling Logic: Review of Food Labelling Law and Policy (2011)</i>.⁷</p>	
Qualitative performance criteria	2016-17 Reference point or target
Participate in the ongoing implementation of the whole-of-government response to the <i>Labelling Logic</i> report.	Provide technical evaluation and advice to support the whole-of-government response in relation to outstanding recommendations 12 and 34.
FSANZ is recognised as the primary source of information about food standards and food regulation in Australia and New Zealand.	Stakeholders consistently report a high level of satisfaction with FSANZ and the information it provides.
Material changes to Program 1.1 resulting from the following measures:	
There are no material changes to Program 1.1 resulting from measures.	

⁶ Available at: www.foodstandards.gov.au

⁷ Available at: www.foodlabellingreview.gov.au/internet/foodlabelling/publishing.nsf/content/labelling-logic

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to FSANZ.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of FSANZ's budgeted financial statements for 2016-17 is provided below.

Departmental Resources

Income Statement

FSANZ has projected a breakeven Budget in 2016-17 and the forward years.

Revenues

Appropriation revenue in 2016-17 has decreased from 2015-16 largely reflecting the impact of previous increased efficiency dividends on the agency.

Revenue from other sources of \$2.2 million in 2016-17 is expected to remain stable next year than increase slightly over the forward years. The revenue from other sources is received primarily from the New Zealand Government, cost recovery arrangements for the processing of paid applications to amend the food standards code and interest.

Expenses

Expenditure in 2016-17 is anticipated to be \$19.4 million which is lower than the prior year and in line with the reduction in departmental appropriation.

Employee expenses are anticipated to remain in line with 2015-16 actuals with staff reductions largely offsetting salary increases. Supplier expenses will increase in line with cost recovery increases for paid applications.

Balance Sheet

Non-financial assets are reducing across future years as assets are depreciated over their useful life.

Employee provisions are expected to remain stable.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	14,337	14,437	14,434	14,432	14,429
Supplier expenses	3,984	3,811	3,931	4,244	4,362
Depreciation and amortisation	1,105	1,105	1,105	1,105	1,105
Total expenses	19,426	19,353	19,470	19,781	19,896
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	100	100	100	100	100
Interest	320	320	320	320	320
Other revenue	1,749	1,749	1,749	1,930	1,930
Total own-source revenue	2,169	2,169	2,169	2,350	2,350
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	2,169	2,169	2,169	2,350	2,350
Net cost of (contribution by) services	17,257	17,184	17,301	17,431	17,546
Revenue from Government	17,257	17,184	17,301	17,431	17,546
Surplus (deficit)	-	-	-	-	-
Surplus (deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	12,297	12,621	13,121	13,621	13,621
Trade and other receivables	440	616	616	616	616
Total financial assets	12,737	13,237	13,737	14,237	14,237
Non-financial assets					
Land and buildings	483	503	523	543	543
Property, plant and equipment	557	507	457	407	407
Intangibles	1,950	1,480	1,010	540	540
Other	123	123	123	123	123
Total non-financial assets	3,113	2,613	2,113	1,613	1,613
Total assets	15,850	15,850	15,850	15,850	15,850
LIABILITIES					
Payables					
Suppliers	754	754	754	754	754
Other payables	2,420	2,420	2,420	2,420	2,420
Total payables	3,174	3,174	3,174	3,174	3,174
Interest bearing liabilities					
Leases	327	327	327	327	327
Total interest bearing liabilities	327	327	327	327	327
Provisions					
Employees	4,433	4,433	4,433	4,433	4,433
Other provisions	326	326	326	326	326
Total provisions	4,759	4,759	4,759	4,759	4,759
Total liabilities	8,260	8,260	8,260	8,260	8,260
Net assets	7,590	7,590	7,590	7,590	7,590
EQUITY					
Contributed equity	1,823	1,823	1,823	1,823	1,823
Reserves	2,102	2,102	2,102	2,102	2,102
Retained surpluses or accumulated deficits	3,665	3,665	3,665	3,665	3,665
Total equity	7,590	7,590	7,590	7,590	7,590

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	3,665	2,102	1,823	7,590
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2017	3,665	2,102	1,823	7,590

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

	Estimated actual 2015-16 \$'000	Budget estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	100	100	100	100	100
Appropriations	17,257	17,184	17,301	17,431	17,546
Interest	320	320	320	320	320
Net GST received	519	519	519	519	519
Other cash received	1,573	1,573	1,749	1,930	1,930
Total cash received	19,769	19,696	19,989	20,300	20,415
Cash used					
Employees	14,273	14,437	14,434	14,432	14,429
Suppliers	3,872	3,811	3,931	4,244	4,362
Net GST paid	519	519	519	519	519
Total cash used	18,664	18,767	18,884	19,195	19,310
Net cash from (or used by) operating activities	1,105	929	1,105	1,105	1,105
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	550	605	605	605	1,105
Total cash used	550	605	605	605	1,105
Net cash from (or used by) investing activities	(550)	(605)	(605)	(605)	(1,105)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	555	324	500	500	-
Cash and cash equivalents at the beginning of the reporting period	11,742	12,297	12,621	13,121	13,621
Cash and cash equivalents at the end of the reporting period	12,297	12,621	13,121	13,621	13,621

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

	Estimated actual 2015-16 \$'000	Budget estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000	Forward estimate 2018-19 \$'000	Forward estimate 2019-20 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	550	605	605	605	1,105
Total acquisitions of non-financial assets	550	605	605	605	1,105
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	550	605	605	605	1,105
Total cash used to acquire assets	550	605	605	605	1,105

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	1,656	1,765	4,216	7,637
Accumulated depreciation amortisation and impairment	(1,173)	(1,208)	(2,266)	(4,647)
Opening net book balance	483	557	1,950	2,990
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 2017				
Gross book value	1,856	1,865	4,521	8,242
Accumulated depreciation amortisation and impairment	(1,353)	(1,358)	(3,041)	(5,752)
Closing net book balance	503	507	1,480	2,490

INDEPENDENT HOSPITAL PRICING AUTHORITY

Entity Resources and Planned Performance

Independent Hospital Pricing Authority

Health Portfolio Entity

IHPA

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government is working with State and Territory Governments to implement reforms to the health system to improve health outcomes for all Australians and ensure the sustainability of the health system.

The Independent Hospital Pricing Authority (IHPA), established in December 2011, is responsible for determining a National Efficient Price (NEP) for public hospital services through the analysis of data on the actual activities and costs of public hospitals. IHPA also determines a National Efficient Cost (NEC) which is used when Activity Based Funding (ABF) is not suitable for funding such as in the case of small rural public hospitals.

IHPA is responsible for developing national classifications for health care and other services delivered by public hospitals and, as required, resolving disputes on cost-shifting and cross-border issues and providing advice and reports to the Australian Government and the public.

IHPA publishes an annual *Pricing Framework for Australian Public Hospital Services* that outlines the principles, criteria and methodology used by IHPA to determine the NEP for services provided by hospitals on an activity basis and the NEC for services that are block funded.

As prescribed in the *National Health Reform Act 2011*, the Clinical Advisory Committee, the Jurisdictional Advisory Committee and other advisory committees, advise on matters relating to the functions of IHPA. These committees ensure that the underlying principles applied to setting the NEP and NEC are both clinically relevant and technically appropriate.

IHPA is independent of the Australian Government and State and Territory Governments.

IHPA is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*, and its role and functions are set out in the *National Health Reform Act 2011*. Operational details are contained in the Corporate Plan, which is available on the IHPA website.

As announced in the *2015-16 Mid-Year Economic and Fiscal Outlook*, the Government will transfer the operational functions of IHPA to the Department of Health from 1 July 2016, with the Board, Chief Executive Officer and associated functions retained.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: IHPA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
Opening balance/cash reserves at 1 July	23,162	23,161
Funds from Government		
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	25,877	-
Other services ²		
Equity injection	-	-
Total annual appropriations	25,877	-
Amounts received from related entities³		
Amounts from the Portfolio Department	-	15,538
Amounts from other entities	-	-
Total amounts received from related entities	-	15,538
Total funds from Government	25,877	15,538
Funds from other sources		
Interest	126	34
Sale of goods and services	719	845
Other	-	-
Total funds from other sources	845	879
Total net resourcing for IHPA	49,884	39,578
	2015-16	2016-17
Average staffing level (number)	59	1

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Appropriation Bill (No. 2) 2016-17.

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

1.3 Budget Measures

This section is not applicable to IHPA.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 2.7: Hospital Services	The Department of Health has policy responsibility for public and private hospital services, including the Commonwealth Government funding contribution for public hospital services. This includes policy responsibility for the implementation of Activity Based Funding under the National Health Reform Agreement.
Australian Commission on Safety and Quality in Health Care Program 1.1: Safety and Quality in Health Care	The Australian Commission on Safety and Quality in Health Care works together with IHPA, through a joint working party, to consider options for their respective governing bodies on possible approaches to ensuring safety and quality in the provision of health care services to fulfil the relevant requirements of the National Health Reform Agreement.

Budgeted Expenses for IHPA

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.

Table 2.1.1: Budgeted Expenses for IHPA

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Public hospital price determinations					
Revenue from Government					
Ordinary annual services	25,877	-	-	-	-
Amounts from related entities	-	15,538	15,460	15,859	16,085
Revenues from independent sources	845	879	884	1,289	889
Expenses not requiring appropriation in the Budget year ¹	-	6,640	6,746	6,859	6,974
Operating deficit (surplus)	(194)	-	-	-	-
Total expenses for Program 1.1	26,528	23,057	23,090	24,007	23,948
Total expenses for Outcome 1	26,528	23,057	23,090	24,007	23,948

	2015-16	2016-17
Average staffing level (number)	59	1

¹ Expenses not requiring appropriation in the Budget year are made up of staff salary and shared services received free of charge from Department of Health.

Table 2.1.2: Performance Criteria for IHPA

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Promote improved efficiency in, and access to, public hospital services primarily through setting efficient national prices and levels of block funding for hospital activities
Program	1.1: Public Hospital Price Determinations IHPA promotes improved efficiency in, and access to, public hospital services by providing independent advice to the Australian Government and State and Territory Governments regarding the efficient price of health care services, and by developing and implementing robust systems to support ABF for those services.
Purpose	To determine the NEP and NEC for public hospital services. ²
Delivery	Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives: A. Determining the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services B. Developing national classifications for Activity Based Funding (ABF) C. Determining data requirements and data standards D. Resolving disputes on cost-shifting and cross-border issues
Program objective	
A. Determining the National Efficient Price (NEP) and National Efficient Cost (NEC) for public hospital services	
IHPA is responsible for setting the NEP and NEC for public hospital services. The NEP Determination sets out the efficient price for public hospital services, while the NEC Determination represents the efficient cost of a block funded hospital. In 2016-17, IHPA will release the NEP and NEC Determinations for 2017-18 by 31 March 2017.	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 IHPA Annual Report.

² This purpose text will be reflected in the 2016-17 IHPA Corporate Plan.

Qualitative performance criteria	2016-17 Reference point or target
Develop the <i>Pricing Framework for Australian Public Hospital Services</i> for public hospital services in 2017-18. ³	Publish the 2017-18 Pricing Framework by 31 December 2016 outlining the principles, scope and methodology to be adopted in the determination of the NEP and NEC.
Publish an annual determination of the NEP and NEC for the coming financial year along with other information supporting the efficient funding of public hospital services.	Publish the NEP and NEC Determinations for 2017-18 by 31 March 2017. ⁴
Reduce the number of Local Hospital Networks that record costs per National Weighted Activity Unit (NWAU) significantly above the NEP.	Reduction in the range between the 50th and 90th percentile cost per NWAU when compared to 2013-14 data.
Program objective	
B. Developing national classifications for Activity Based Funding (ABF)	
<p>Classification systems for ABF provide the health care sector with a nationally consistent method for classifying patients, their treatment and associated costs.</p> <p>During 2016-17, IHPA will undertake further development of the admitted acute care, subacute care, non-admitted patient care, emergency care, mental health care and teaching, training and research classifications.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Develop ABF classifications for emergency care, mental health care, subacute and non-acute care, teaching, training and research, and non-admitted patient care.	<p>Continue developmental work on the new classification system for emergency care services in 2016-17.⁵</p> <p>Implementation of the Australian Mental Health Care Classification V1.0 from 30 June 2016.</p> <p>Ongoing development of the subacute care classification.</p> <p>Complete new classification for teaching, training and research by June 2017.</p> <p>Continue development work on the new classification for non-admitted care.</p>

³ This performance criterion and target have been revised. The target reported in the *2015-16 Portfolio Budget Statements* has been achieved.

⁴ The target for this performance criterion has been revised. The target reported in the *2015-16 Portfolio Budget Statements* has been achieved.

⁵ Ibid

Revise the ABF classification for admitted acute care.	Complete developmental work on <i>Australian Modification of the International Statistical Classification of Diseases 10th Edition</i> and the Australian Refined Diagnosis Related Groups V9.0 by 30 June 2017. ⁶
Increased percentage of public hospital services funded by nationally consistent ABF.	Provide a further increase in the proportion of funding for public hospital services using ABF as reported by the Administrator of the National Health Funding Pool. ⁷
Program objective	
C. Determining data requirements and data standards	
Timely, accurate and reliable public hospital data is vital to both the development of classifications for hospital services and to determine the NEP and NEC for those services. In 2016-17, IHPA will review its rolling <i>Three Year Data Plan</i> , which is used to communicate the data requirements, data standards and timelines that IHPA will use to collect data from jurisdictions over the coming three years.	
Qualitative performance criteria	2016-17 Reference point or target
Update the rolling <i>Three Year Data Plan</i> .	Updated rolling <i>Three Year Data Plan</i> published on the IHPA website by July 2016. ⁸
The Australian Government and States and Territories comply with the data requirements and data standards, as outlined in the rolling <i>Three Year Data Plan</i> .	Publication of a report on a six monthly basis outlining compliance with the data requirements and data standards specified in the rolling <i>Three Year Data Plan</i> .
Program objective	
D. Resolving disputes on cost-shifting and cross-border issues	
Where any Commonwealth, State and/or Territory Health Minister considers that costs in relation to health care services are incorrectly attributable to a jurisdiction, IHPA will investigate the dispute in accordance with its <i>Cost-Shifting and Cross-Border Dispute Resolution Framework</i> . In 2016-17, IHPA will complete its annual review of the <i>Cost-Shifting and Cross-Border Dispute Resolution Framework</i> in consultation with all jurisdictions.	

⁶ The target for this performance criterion has been revised. The target reported in the 2015-16 *Portfolio Budget Statements* has been achieved.

⁷ In 2013-14, 82 per cent of National Health Reform Agenda funding was provided on the basis of ABF.

⁸ The target for this performance criterion has been revised. The target reported in the 2015-16 *Portfolio Budget Statements* has been achieved.

IHPA – Entity Budget Statements – Outcomes and Planned Performance

Qualitative performance criteria	2016-17 Reference point or target
Review of IHPA's <i>Cost-Shifting and Cross-Border Dispute Resolution Framework</i> .	Publication of updated <i>Cost-Shifting and Cross-Border and Dispute Resolution Framework</i> by June 2017. ⁹
Timely investigation and provision of recommendations to Health Ministers to resolve cost-shifting and cross-border disputes.	IHPA investigation of cost-shifting or cross-border disputes and provision of recommendations or assessment within six months of receipt of request.
Material changes to Program 1.1 resulting from the following measures:	
There are no material changes to Program 1.1 resulting from measures.	

⁹ The target for this performance criterion has been revised. The target reported in the 2015-16 *Portfolio Budget Statements* has been achieved.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to IHPA.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental Resources

Comprehensive Income Statement

These financial plans reflect the Australian Government's MYEFO 2015-16 Smaller Government decision to transfer operational functions of the Independent Hospitals Pricing Authority (IHPA) to the Department of Health (Health) from 1 July 2016, with the Board, Chief Executive Officer and functions retained.

A consequence of this change is that post 1 July 2016 40 Health staff will be seconded to IHPA to support its functions. The cost of these staff and the shared services provided by Health is \$6.6 million in 2016-17 and will be provided as a free of charge service. To ensure the independence of IHPA's functions, staff provided under these arrangements will be under the direction of IHPA's CEO.

In addition to the free of charge resources, in 2016-17 Health will provide IHPA with \$15.5 million for its operational expenses and capital expenditure.

Own-source income of \$0.8 million is primarily derived from sales of intellectual property relating to the Australian Refined Diagnosis Related Groups (AR-DRG) classification systems.

Balance Sheet

IHPA's appropriation receivable of \$18.2 million was derived from unspent 2014-15 departmental appropriation. This amount will be extinguished by the automatic three year repeal that will occur at the end of 2016-17.

The balance of IHPA staff entitlement provision of \$0.9 million is planned to transfer in its entirety to Health at the 2015-16 year end.

Cash Flow

Cash flows are consistent with income, expenses and asset movements.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	8,172	5,975	6,081	6,194	6,309
Supplier expenses	17,604	16,282	16,435	17,251	17,077
Depreciation and amortisation	752	800	574	562	562
Total expenses	26,528	23,057	23,090	24,007	23,948
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services ¹	719	16,383	16,310	17,114	16,940
Interest	126	34	34	34	34
Total own-source revenue	845	16,417	16,344	17,148	16,974
Gains					
Other ²	-	6,640	6,746	6,859	6,974
Total gains	-	6,640	6,746	6,859	6,974
Total own-source income	845	23,057	23,090	24,007	23,948
Net cost of (contribution by) services	25,683	-	-	-	-
Revenue from Government	25,877	-	-	-	-
Surplus (deficit)	194	-	-	-	-
Surplus (deficit) attributable to the Australian Government	194	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government	194	-	-	-	-

¹ Payments from Department of Health and funds from own sources.

² Staff salary and shared services received free of charge from Department of Health.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,985	3,593	3,373	3,122	2,900
Receivables	19,726	20,287	2,235	2,776	3,143
Total financial assets	24,711	23,880	5,608	5,898	6,043
Non-financial assets					
Land and buildings	328	68	391	327	263
Property, plant and equipment	332	262	286	262	181
Intangibles	360	307	251	194	194
Prepayments	48	48	48	48	48
Total non-financial assets	1,068	685	976	831	686
Total assets	25,779	24,565	6,584	6,729	6,729
LIABILITIES					
Payables					
Suppliers	3,670	3,397	3,592	3,737	3,737
Other payables	677	677	677	677	677
Total payables	4,347	4,074	4,269	4,414	4,414
Provisions					
Employees	945	-	-	-	-
Other provisions	166	170	170	170	170
Total provisions	1,111	170	170	170	170
Total liabilities	5,458	4,244	4,439	4,584	4,584
Net Assets	20,321	20,321	2,145	2,145	2,145
EQUITY					
Contributed equity	400	400	400	400	400
Reserves	16	16	16	16	16
Retained surpluses or accumulated deficits	19,905	19,905	1,729	1,729	1,729
Total equity	20,321	20,321	2,145	2,145	2,145

IHPA

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	19,905	16	400	20,321
Surplus (deficit) for the period	-	-	-	-
Appropriation (equity injection)	-	-	-	-
Estimated closing balance as at 30 June 2017	19,905	16	400	20,321

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	624	526	726	714	488
Interest	126	34	34	34	34
Appropriations	26,014	-	-	-	-
Net GST received	632	1,628	1,644	1,725	1,708
Other	-	15,296	15,460	15,859	16,085
Total cash received	27,396	17,484	17,864	18,332	18,315
Cash used					
Employees	8,323	6,920	6,081	6,194	6,309
Suppliers	17,868	11,374	11,053	11,800	11,725
Net GST paid	545	84	85	125	86
Others	-	81	-	47	-
Total cash used	26,736	18,459	17,219	18,166	18,120
Net cash from (or used by) operating activities	660	(975)	645	166	195
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	418	417	865	417	417
Total cash used	418	417	865	417	417
Net cash from (or used by) investing activities	(418)	(417)	(865)	(417)	(417)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Cash used for other financing activities	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	242	(1,392)	(220)	(251)	(222)
Cash and cash equivalents at the beginning of the reporting period	4,743	4,985	3,593	3,373	3,122
Cash and cash equivalents at the end of the reporting period	4,985	3,593	3,373	3,122	2,900

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded internally from departmental resources	418	417	865	417	417
Total acquisitions of non-financial assets	418	417	865	417	417
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	418	417	865	417	417
Total cash used to acquire assets	418	417	865	417	417

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	1,177	787	1,028	2,992
Accumulated depreciation amortisation and impairment	(849)	(455)	(668)	(1,972)
Opening net book balance	328	332	360	1,020
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - internal resources	-	174	243	417
Total additions	-	174	243	417
Other movements				
Depreciation/amortisation expense	(260)	(244)	(296)	(800)
Total other movements	(260)	(244)	(296)	(800)
As at 30 June 2017				
Gross book value	1,177	961	1,271	3,409
Accumulated depreciation amortisation and impairment	(1,109)	(699)	(964)	(2,772)
Closing net book balance	68	262	307	637

NATIONAL BLOOD AUTHORITY

Entity Resources and Planned Performance

National Blood Authority

Health Portfolio Entity

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Section 3: Budgeted Financial Statements

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Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government, through the National Blood Authority (NBA), aims to ensure that Australia's blood supply is secure and well managed. The NBA was established by the Australian Government, and State and Territory Governments, to coordinate policy, governance, funding and management of the blood banking and plasma product sector in Australia.

The NBA manages national contracts to secure the supply of safe and affordable blood products in Australia in accordance with the National Blood Agreement.

The NBA works with Governments and stakeholders to implement an efficient, demand-driven blood supply system that is highly responsive to clinical needs and based upon evidence and good clinical practice. The purchasing and supply arrangements for fresh, fractionated and recombinant products¹ will continue to be improved, including the further strengthening of risk mitigation arrangements.

Recognising the growing cost of blood products and the growing evidence of risk associated with unnecessary transfusions, the NBA will continue to undertake a range of activities aimed at improving the clinical use of blood and blood products. Specifically, the NBA aims to improve the sustainability and performance of the sector through enhanced data capture and analysis. The NBA will also work to facilitate development and publication of evidence-based national clinical practice guidelines, informed by close engagement with clinicians.

The role and functions of the NBA are set out in the *National Blood Authority Act 2003*. The NBA is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the NBA website.

In 2015, the Government decided not to proceed with the merger of the National Blood Authority and the Organ and Tissue Authority, as previously announced in the 2014-15 Budget. Some savings and efficiencies will be achieved by continuing to merge the corporate services of these entities, with changes to come into full effect from 30 June 2016.

¹ Fractionated products are those derived from human plasma whereas recombinant products are those manufactured through commercial scale expression of proteins from cell lines modified using recombinant gene technology.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: NBA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	9,294	8,996
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	5,719	5,640
s74 retained revenue receipts ²	-	-
Departmental capital budget ³	63	631
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	5,782	6,271
Special Accounts⁵		
Appropriation receipts	5,782	6,271
Non-appropriation receipts	3,396	3,671
Total special account	9,178	9,942
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts ⁶	(5,782)	(6,271)
Total departmental resourcing	18,472	18,938

Table 1.1: NBA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
ADMINISTERED		
Prior year appropriation available	205,947	136,952
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	7,070	5,190
Other services ⁴		
Administered assets and liabilities	-	-
Total administered annual appropriations	7,070	5,190
Special Accounts⁵		
Appropriation receipts	7,070	5,190
Appropriation receipts - other entities ⁶	645,262	711,578
Non-appropriation receipts	394,998	423,431
Total Special Accounts	1,047,330	1,140,199
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts ⁷	(7,070)	(5,190)
Total administered resourcing	1,253,277	1,277,151
Total resourcing for NBA	1,271,749	1,296,089
	2015-16	2016-17
Average staffing level (number)	52	52

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

⁵ For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g annual appropriations, special appropriations and special accounts.

⁶ Appropriation receipts from the Department of Health.

⁷ Appropriation receipts included above.

1.3 Budget Measures

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.



2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Australian Commission on Safety and Quality in Health Care Program 1.1: Safety and Quality in Health Care	The Australian Commission on Safety and Quality in Health Care works closely with the National Blood Authority in relation to: <ul style="list-style-type: none"> - <i>National Safety and Quality Health Service Standard 7: Blood and Blood Products</i> - The National Patient Blood Management Collaborative - Development of tools, resources and clinical standards for Patient Blood Management implementation. This supports the NBA in administering the National Blood Agreement.
Department of Health Program 1.1: Health Policy Research and Analysis	The Department of Health, in collaboration with State and Territory health departments, has policy responsibility for ensuring Australians have access to an adequate, safe, secure and affordable blood supply. This includes supporting the National Blood Authority to administer the national blood arrangements.

Budgeted Expenses for the NBA

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.

Table 2.1.1: Budgeted Expenses for the NBA

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: National blood agreement management					
Administered expenses					
Ordinary annual services ¹	7,070	5,190	-	-	-
to National Blood Authority Account	(7,070)	(5,190)	-	-	-
to National Managed Fund (Blood and Blood Products) Special Account	-	-	-	-	-
Special Accounts					
National Blood Authority Account	1,125,872	1,135,777	1,213,087	1,293,904	1,378,265
National Managed Fund (Blood and Blood Products) Special Account	-	-	-	-	-
Departmental expenses					
Departmental appropriation ²	5,782	6,271	6,282	6,302	6,344
to National Blood Authority Account	(5,782)	(6,271)	(6,282)	(6,302)	(6,344)
Special Accounts					
National Blood Authority Account	9,110	9,305	9,320	9,349	9,410
Expenses not requiring appropriation in the Budget year ³					
	464	465	465	465	466
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	1,135,446	1,145,547	1,222,872	1,303,718	1,388,141
Total expenses for Outcome 1	1,135,446	1,145,547	1,222,872	1,303,718	1,388,141

	2015-16	2016-17
Average staffing level (number)	52	52

¹ Appropriation (Bill No. 1) 2016-17.

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

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

Movement of Funds

There were no movements of Administered funds between years.

Table 2.1.2: Performance Criteria for the NBA

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.² It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Access to a secure supply of safe and affordable blood products, including through national supply arrangements and coordination of best practice standards within agreed funding policies under the national blood arrangements
Program	1.1: National Blood Agreement Management The NBA, on behalf of the Australian Government and State and Territory Governments, manages and coordinates national contracts to secure the supply of safe and affordable blood products in Australia in accordance with the National Blood Agreement.
Purpose	To save and improve Australian lives through a world-class blood supply. ³
Delivery	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Providing a safe, secure and affordable supply of blood and blood products B. Improving risk management and blood sector performance C. Promoting the safe and efficient use of blood and blood products
Program objective	
A. Providing a safe, secure and affordable supply of blood and blood products	
The NBA works with State and Territory Governments and suppliers so that requirements for day-to-day product supply and future demand are well managed. In 2016-17, the NBA will work with the Australian Red Cross Blood Service to implement the new Deed of Agreement to provide fresh blood products for Australia. In addition, the NBA will continue to implement the National Service Requirements and Standards according to the agreed plan to further improve service and supply performance. The NBA will continue to undertake new procurement actions for a range of imported plasma and recombinant products. The NBA will also assist Governments to consider proposals for addition of new blood products to the national blood arrangements. The NBA will work with health providers to continue the implementation of the National Wastage Reduction Strategy, seeking to further reduce the unnecessary wastage of blood and blood products.	



² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 NBA Annual Report.

³ This purpose text will be reflected in the 2016-17 NBA Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
New Australian Red Cross Blood Service contract arrangements are progressed.		The new Deed of Agreement with the Australian Red Cross is implemented from 1 July 2016. ⁴				
Provision of an adequate, affordable and secure supply of blood and blood products.		Blood products are available to meet clinical need.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Variance between actual and NBA estimated demand for supply of products.	<5%	<5%	<5%	<5%	<5%	
Discards as a percentage of total issues of red blood cells.	N/A ⁵	5%	4%	4%	4%	
Program objective						
B. Improving risk management and blood sector performance						
<p>In 2016-17, the NBA will continue to undertake a number of initiatives to improve the efficiency and effectiveness of the blood supply network.</p> <p>A high priority will be the finalisation of the new arrangements for the clinical and administrative management of immunoglobulin (Ig), and an associated supporting national information and communication technology system known as BloodSTAR. The NBA will complete the implementation of BloodSTAR to support the improved governance and management of intravenous Ig. These arrangements will seek to ensure the demand for Ig reflects appropriate clinical practice. The NBA will continue to implement interfaces between BloodNet and pathology service Laboratory Information Systems, and will work with suppliers to develop an ordering and receiving capability for commercial products within BloodNet.</p> <p>The NBA will continue implementation of the National Inventory Management Framework with health providers to ensure red blood cell stocks are managed in the most efficient manner, including the additional piloting of further platelet inventory management models.</p>						
Qualitative performance criteria		2016-17 Reference point or target				
New immunoglobulin (Ig) governance arrangements are implemented.		BloodSTAR is implemented by 30 June 2017 and supports all supply authorisations for Ig.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of national blood supply processed by laboratories interfaced to BloodNet.	30%	40%	50%	60%	80%	

⁴ This performance criterion has been revised to reflect the work undertaken in 2016-17.

⁵ This performance criterion is new for 2016-17, therefore there is no target for 2015-16.

Program objective					
C. Promoting the safe and efficient use of blood and blood products					
<p>In 2016-17, the NBA will continue to develop and finalise materials that promote the safe and efficient use of products, informed by close engagement with clinicians. This includes the revision and publication of updated editions of the Patient Blood Management Guidelines Modules, developing a revised guideline for the use on Anti-D,⁶ undertaking a programmed evidence-based review of the criteria for the clinical use of Ig in Australia, and developing an Ig governance education and training program.</p> <p>In addition, the NBA will develop and promote an expanded suite of tools to support health providers to implement the National Safety and Quality Health Service (NSQHS) Standard on Blood and Blood Products.⁷</p>					
Qualitative performance criteria		2016-17 Reference point or target			
National data strategy and National Patient Blood Management Guidelines Implementation Strategy are progressed.		Performance scorecard and comparator benchmark data is published by 31 December each year. The standards and minimum data sets for blood sector data are developed by 30 June 2017.			
There is a robust framework supporting best practice management and use of blood and blood products.		A sustained improvement in the management and use of blood products.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Number of clinical practice guidelines published.	2	2 ⁸	2	2	1
Number of supporting clinical practice tools and resources made available.	N/A ⁹	5	5	5	5
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					



⁶ Information on the use of Anti-D or Rh D immunoglobulin products is available at: www.blood.gov.au/system/files/documents/glines-anti-d.pdf

⁷ Available at: www.safetyandquality.gov.au/wp-content/uploads/2012/10/Standard7_Oct_2012_WEB.pdf

⁸ The 2016-17 target for this performance criterion has been increased to include the publication of an additional clinical guideline.

⁹ This performance criterion is new for 2016-17, therefore there is no target for 2015-16.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the NBA.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

Departmental Resources

Comprehensive Income Statement

This statement illustrates the expected financial results for the NBA by identifying accrual expenses and revenues showing the net cost of services.

NBA operational costs are funded jointly by the Australian Government and State and Territory Governments, on a 63 per cent: 37 per cent basis via annual contributions. All NBA receipts and payments are accounted for through special accounts.

The NBA expects a break even position for the Budget year and all forward years.

The income statement deficit in the Budget year and forward years is as a result of the Government's decision to no longer fund for depreciation via an operating appropriation.

Budgeted Departmental Balance Sheet

Special account accumulated funds are held within the Official Public Account and included as Receivables in the Balance Sheet. The NBA always maintains sufficient accumulated funds to cover employee entitlements and other liabilities.

The value of intangible assets increases from 2016-17 onwards due to the development of replacement systems. Other non-financial assets and liabilities will remain broadly stable over the period.

Administered Resources

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

The NBA's administered accounts include contributions from all states and territories and the Australian Government for the supply of blood and blood related products for 2016-17. Each year the Council of Australian Governments (COAG) Health Council (formerly the Standing Council on Health) approves an Annual National Supply Plan and Budget which is formulated by the NBA, derived from demand estimates provided by the states and territories.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

The schedule of budgeted assets and liabilities administered on behalf of Government illustrates normal movements in non-financial assets and liabilities. The balance of Receivables represents GST payments made to suppliers which are recoverable from the Australian Taxation Office. Other non-financial assets represent a prepayment to the Australian Red Cross Blood Service under the Output Based Funding Model agreement.

During 2010-11, the NBA was granted investment powers for the National Managed Fund special account. The increase in Investments over the forward years represents annual contributions received as well as re-investment of interest income.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	6,358	6,680	6,649	6,691	6,791
Supplier expenses	2,846	2,719	2,765	2,752	2,713
Depreciation and amortisation	365	365	365	365	365
Finance costs	5	6	6	6	7
Total expenses	9,574	9,770	9,785	9,814	9,876
LESS:					
OWN-SOURCE INCOME					
Revenue					
Other revenue	3,396	3,671	3,677	3,689	3,714
Total revenue	3,396	3,671	3,677	3,689	3,714
Gains					
Other	94	94	94	94	94
Total gains	94	94	94	94	94
Total own-source income	3,490	3,765	3,771	3,783	3,808
Net cost of (contribution by) services	6,084	6,005	6,014	6,031	6,068
Revenue from Government	5,719	5,640	5,649	5,666	5,703
Surplus (deficit)	(365)	(365)	(365)	(365)	(365)
Surplus (deficit) attributable to the Australian Government	(365)	(365)	(365)	(365)	(365)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(365)	(365)	(365)	(365)	(365)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(365)	(365)	(365)	(365)	(365)
plus non-appropriated expenses depreciation and amortisation expenses	365	365	365	365	365
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	21	21	21	21	21
Receivables	9,044	9,026	9,032	9,038	9,044
Total financial assets	9,065	9,047	9,053	9,059	9,065
Non-financial assets					
Land and buildings	812	806	800	694	588
Property, plant and equipment	575	696	873	1,136	999
Intangibles	71	222	319	433	952
Other	220	220	220	220	220
Total non-financial assets	1,678	1,944	2,212	2,483	2,759
Total assets	10,743	10,991	11,265	11,542	11,824
LIABILITIES					
Payables					
Suppliers	618	618	618	618	618
Other payables	584	560	560	560	560
Total payables	1,202	1,178	1,178	1,178	1,178
Provisions					
Employees	1,506	1,506	1,506	1,506	1,506
Other provisions	147	153	159	165	171
Total provisions	1,653	1,659	1,665	1,671	1,677
Total liabilities	2,855	2,837	2,843	2,849	2,855
Net Assets	7,888	8,154	8,422	8,693	8,969
EQUITY					
Contributed equity	3,313	3,944	4,577	5,213	5,854
Reserves	359	359	359	359	359
Retained surpluses or accumulated deficits	4,216	3,851	3,486	3,121	2,756
Total equity	7,888	8,154	8,422	8,693	8,969

**Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement
(Budget year 2016-17)**

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	4,216	359	3,313	7,888
Surplus (deficit) for the period	(365)	-	-	(365)
Appropriation (equity injection)	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	631	631
Estimated closing balance as at 30 June 2017	3,851	359	3,944	8,154

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,719	5,640	5,649	5,666	5,703
Net GST received	253	253	253	253	253
Other cash received	3,396	3,671	3,677	3,689	3,714
Cash from the Official Public Account	(155)	(132)	(131)	(131)	(132)
Total cash received	9,213	9,432	9,448	9,477	9,538
Cash used					
Employees	6,358	6,680	6,649	6,691	6,791
Suppliers	2,827	2,725	2,771	2,758	2,720
Net GST paid	28	27	28	28	27
Cash to the Official Public Account	-	-	-	-	-
Total cash used	9,213	9,432	9,448	9,477	9,538
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	63	631	633	636	641
Total cash used	63	631	633	636	641
Net cash from (or used by) investing activities	(63)	(631)	(633)	(636)	(641)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	63	631	633	636	641
Total cash received	63	631	633	636	641
Net cash from (or used by) financing activities	63	631	633	636	641
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	21	21	21	21	21
Cash and cash equivalents at the end of the reporting period	21	21	21	21	21



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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	63	631	633	636	641
Total capital appropriations	63	631	633	636	641
Total new capital appropriations represented by:					
Purchase of non-financial assets	63	631	633	636	641
Total items	63	631	633	636	641
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹	63	631	633	636	641
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	63	631	633	636	641
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	63	631	633	636	641
Total cash used to acquire assets	63	631	633	636	641

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	1,042	865	3,654	5,561
Accumulated depreciation amortisation and impairment	(230)	(290)	(3,583)	(4,103)
Opening net book balance	812	575	71	1,458
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	100	258	273	631
By purchase - internal resources	-	-	-	-
Total additions	100	258	273	631
Other movements				
Depreciation/amortisation expense	(106)	(137)	(122)	(365)
Total other movements	(106)	(137)	(122)	(365)
as at 30 June 2017				
Gross book value	1,142	1,123	3,927	6,192
Accumulated depreciation amortisation and impairment	(336)	(427)	(3,705)	(4,468)
Closing net book balance	806	696	222	1,724

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Other sources of non-taxation revenues	1,044,896	1,140,364	1,217,723	1,298,540	1,382,901
Total non-taxation	1,044,896	1,140,364	1,217,723	1,298,540	1,382,901
Total revenues administered on behalf of Government	1,044,896	1,140,364	1,217,723	1,298,540	1,382,901
Total income administered on behalf of Government	1,044,896	1,140,364	1,217,723	1,298,540	1,382,901
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employee benefits	323	323	-	-	-
Suppliers	1,116,274	1,126,179	1,213,087	1,293,904	1,378,265
Grants	8,830	8,830	-	-	-
Depreciation and amortisation	445	445	-	-	-
Total expenses administered on behalf of Government	1,125,872	1,135,777	1,213,087	1,293,904	1,378,265

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalent	335	336	336	336	336
Receivables	6,997	6,997	7,831	7,831	7,831
Investments	118,898	124,253	134,925	134,925	134,925
Total financial assets	126,230	131,586	143,092	143,092	143,092
Non-financial assets					
Property, plant and equipment	460	588	588	588	588
Intangibles	527	354	354	354	354
Inventories	110,815	111,637	111,637	111,637	111,637
Other	76,071	76,071	76,071	76,071	76,071
Total non-financial assets	187,873	188,650	188,650	188,650	188,650
Total assets administered on behalf of Government	314,103	320,236	331,742	331,742	331,742
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Payables					
Suppliers	63,562	63,562	63,562	63,562	63,562
Total payables	63,562	63,562	63,562	63,562	63,562
Total liabilities administered on behalf of Government	63,562	63,562	63,562	63,562	63,562



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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Commonwealth contributions	645,262	711,578	760,645	811,434	864,451
State and Territory contributions	395,038	423,431	452,442	482,470	513,814
Interest	4,336	4,955	4,636	4,636	4,636
Net GST received	100,500	100,500	100,500	100,500	100,500
Other	80,571	7,834	15,105	34,926	43,362
Total cash received	1,225,707	1,248,298	1,333,328	1,433,966	1,526,763
Cash used					
Employees	323	323	-	-	-
Suppliers	1,100,940	1,120,824	1,202,415	1,293,904	1,378,265
Grant payments	8,830	8,830	-	-	-
Net GST paid	110,977	112,965	120,241	129,390	137,826
Total cash used	1,221,070	1,242,942	1,322,656	1,423,294	1,516,091
Net cash from (or used by) operating activities	4,637	5,356	10,672	10,672	10,672
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of investments	57,062	53,200	-	-	-
Total cash received	57,062	53,200	-	-	-
Cash used					
Purchase of investments	61,698	58,555	10,672	10,672	10,672
Total cash used	61,698	58,555	10,672	10,672	10,672
Net cash from (or used by) investing activities	(4,636)	(5,355)	(10,672)	(10,672)	(10,672)
Net increase (or decrease) in cash held					
	1	1	-	-	-
Cash at beginning of reporting period	334	335	336	336	336
Cash from Official Public Account for:					
- special accounts	1,275,698	1,296,307	1,333,328	1,433,966	1,526,763
- appropriations	7,070	5,190	-	-	-
Cash to Official Public Account for:					
- special accounts	1,282,768	1,301,497	1,333,328	1,433,966	1,526,763
- appropriations	-	-	-	-	-
Cash at end of reporting period	335	336	336	336	336

NATIONAL HEALTH FUNDING BODY

NHFB

Entity Resources and Planned Performance

National Health Funding Body

Health Portfolio Entity

Section 1: Entity Overview and Resources

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The logo for the National Health Funding Body (NHFB) is a black vertical rectangle with the letters "NHFB" written in white, oriented vertically from bottom to top.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Administrator of the National Health Funding Pool (the Administrator) and the National Health Funding Body (NHFB) were created through the Council of Australian Governments' National Health Reform Agreement (Agreement) of August 2011.

The role of the NHFB is to assist the Administrator in carrying out functions under Commonwealth, and State or Territory legislation. These functions include managing the National Health Funding Pool, which has been established to optimise the transparency and efficiency of public hospital funding. The National Health Funding Pool receives all Commonwealth and activity-based state hospital funding. It is comprised of a Reserve Bank of Australia account for each State and Territory (state pool account) for the distribution of funds to Local Hospital Networks (LHNs) and other parties. Each State and Territory also has a separate fund (state managed fund) for receiving Commonwealth block funding and for making payments of block funding by the State or Territory to the LHNs or other parties.

The NHFB applies best practice financial frameworks and processes, and provides leadership and support to the Commonwealth and States and Territories in undertaking the funding arrangements under the Agreement.

The provision of timely, accurate and reliable public hospital data is vital to inform the determination of the Commonwealth's funding contribution. To support this, the NHFB develops the Administrator's rolling *Three Year Data Plan*, which communicates to the Commonwealth and States and Territories, the data requirements, standards and timelines to determine the Commonwealth's funding to LHNs. The NHFB undertakes matching of hospital activity, Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Scheme (PBS) data to ensure Commonwealth funding integrity. The NHFB also facilitates transparent public reporting on the operations of the National Health Funding Pool and state managed funds.

The NHFB commenced operations in July 2012, and is independent of both Commonwealth and State and Territory Governments. The NHFB is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. The NHFB's responsibilities and functions are set out in the *National Health Reform Act 2011* and equivalent legislation in States and Territories. Operational details are contained in the Corporate Plan, which is available on the NHFB website.

Following the signing of the *Heads of Agreement between the Commonwealth and the States and Territories on Public Hospital Funding* on 1 April 2016, the Government has reinstated the Administrator and the NHFB. The Administrator and the NHFB had been scheduled to cease from 31 March 2018, as announced in the *2015-16 Mid-Year Economic and Fiscal Outlook*.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: NHFB Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	1,541	1,510
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	4,314	4,307
s74 retained revenue receipts ²	40	-
Departmental capital budget ³	-	-
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	4,354	4,307
Total departmental resourcing	5,895	5,817
Total resourcing for NHFB	5,895	5,817
	2015-16	2016-17
Average staffing level (number)	19	19

All figures are GST exclusive.

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

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.



1.3 Budget Measures

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

Table 1.2: NHFB 2016-17 Budget Measures

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Public Hospitals – new funding arrangements						
National Health Funding Body						
Departmental expenses	1.1	-	-	(258)	4,376	4,376
Total expenses		-	-	(258)	4,376	4,376

Only NHFB inputs of this measure are shown here. For all entity impacts of this measure refer Table 1.2 in the Department of Health chapter of this publication.

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.



2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 2.7: Hospital Services	The Department of Health has policy responsibility for public and private hospital services, including the Commonwealth Government funding contribution for public hospital services. This includes policy responsibility for the Administrator and the National Health Funding Body.
The Treasury Program 1.5: Assistance to the States for Healthcare Services	The Commonwealth Treasury transfers to the National Health Funding Pool the amount of Commonwealth funding to which each State and Territory (including Local Hospital Networks in each jurisdiction) is entitled, and makes the payments on the dates specified in the Intergovernmental Agreement on Federal Financial Relations.

Budgeted Expenses for NHFB

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.

Table 2.1.1: Budgeted Expenses for NHFB

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: National health funding pool administration					
Departmental expenses					
Departmental appropriation ¹	4,354	4,307	4,330	4,353	4,388
Expenses not requiring appropriation in the budget year ²	49	51	53	55	57
Operating deficit (surplus)	132	-	-	-	-
Total for Program 1.1	4,535	4,358	4,383	4,408	4,445
Total expenses for Outcome 1	4,535	4,358	4,383	4,408	4,445
	2015-16	2016-17			
Average staffing level (number)	19	19			

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

Table 2.1.2: Performance Criteria for NHFB

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Provide transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system, and support the obligations and responsibilities of the Administrator of the National Health Funding Pool
Program	1.1: National Health Funding Pool Administration The NHFB supports the Administrator to ensure that Commonwealth and State or Territory deposits into the National Health Funding Pool, and payments from the National Health Funding Pool to LHNs or other parties, are made in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement.
Purpose	To support the obligations and responsibilities of the Administrator by providing transparent and efficient administration of Commonwealth, State and Territory funding of the Australian public hospital system.
Delivery	Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives: A. Assisting the Administrator to develop the <i>Three Year Data Plan</i> and associated funding calculation approach B. Assisting the Administrator to calculate the Commonwealth contribution to the National Health Funding Pool C. Assisting the Administrator to ensure the National Health Funding Pool operations are in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement D. Assisting the Administrator to transparently report on the operations of the National Health Funding Pool and state managed funds as outlined in the Agreement



¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 NHFB Annual Report.

Program objective	
A. Assisting the Administrator to develop the <i>Three Year Data Plan</i> and associated funding calculation approach	
<p>The NHFB supports the Administrator in determining the minimum level of data required to calculate the Commonwealth’s contribution, conduct reconciliation activities and ensure national comparability. Established data sets are used to reduce the burden on data providers in line with the single provision multiple use concept stated in the Agreement. As the primary policy advisor to the Administrator, the NHFB is responsible for the development of the Administrator’s rolling <i>Three Year Data Plan</i> and funding calculation approach and arrangements.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Deliver the rolling <i>Three Year Data Plan</i> .	Determine the data required to calculate the Commonwealth’s contribution, conduct reconciliation and data matching activities and ensure national comparability under the Agreement. ²
Program objective	
B. Assisting the Administrator to calculate the Commonwealth contribution to the National Health Funding Pool	
<p>The Administrator, with the support of the NHFB, calculates the annual Commonwealth contribution to be paid into the National Health Funding Pool for the following financial year.</p> <p>In 2016-17, the Commonwealth will fund 45 per cent of efficient growth of activity-based services. The calculation of the Commonwealth contribution also includes the reconciliation of actual patient level hospital activity data in relation to the previous financial year.</p> <p>The reconciliation is based on estimated and actual volume of service delivery, informed by the outcomes of data matching and other adjustment activities. The result of the reconciliation is incorporated into the calculation of the Commonwealth contribution to the National Health Funding Pool.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Calculate the Commonwealth contribution to the National Health Funding Pool.	The calculation informs the Administrator’s advice to the Treasurer, and under the Agreement, Commonwealth funding will include a 45 per cent contribution to efficient growth in hospital services in 2016-17. ³

² The target for this performance criterion has been revised to more accurately reflect the simplified data specification structure detailed in the Administrator’s 2016-17 to 2018-19 *Three Year Data Plan*. The target published in the 2015-16 *Portfolio Budget Statements* has been achieved.

³ The target for this performance criterion has been revised. The target reported in the 2015-16 *Portfolio Budget Statements* has been achieved.

Program objective					
C. Assisting the Administrator to ensure the National Health Funding Pool operations are in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement					
<p>The NHFB supports the Administrator to ensure that Commonwealth and State or Territory deposits into the National Health Funding Pool, and payments from the National Health Funding Pool to LHNs or other parties, are made in accordance with directions from the responsible State or Territory Minister, and in line with the Agreement.</p> <p>The NHFB maintains proper records in relation to the administration of the National Health Funding Pool by utilising the National Health Funding Administrator Payments System.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Maintain proper records and reporting in relation to the administration of the National Health Funding Pool, including records of all payments made to and from those accounts and the basis on which the payments were made.		Monthly publication and verification from the States and Territories in relation to the operations of the National Health Funding Pool and state managed funds.			
Oversee and authorise all payments for public hospital services through the National Health Funding Pool as required under the Agreement.		Improvements to the National Health Funding Administrator Payments System allow the NHFB, and States and Territories, greater flexibility in managing payments.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of payments made in accordance with directions from the responsible State or Territory Minister.	100%	100%	100%	100%	100%



Program objective	
D. Assisting the Administrator to transparently report on the operations of the National Health Funding Pool and state managed funds as outlined in the Agreement	
The NHFB provides the administrative mechanism for the aggregation and public reporting of funding by the Administrator. This enables the Administrator to provide monthly and annual reports, including financial statements, for the operations of the National Health Funding Pool and state managed funds.	
Qualitative performance criteria	2016-17 Reference point or target
Annual report of the National Health Funding Pool to the Commonwealth, and State and Territory Governments.	Produce and table a single annual report and accompanying financial statements on the operation of the National Health Funding Pool in the Commonwealth Parliament, and each State and Territory Parliament. The annual report will include combined financial statements for the National Health Funding Pool, and financial statements for each State or Territory state pool account audited by the respective Auditor-General.
Public reporting on the operations of the state managed funds and National Health Funding Pool.	Produce monthly reports on the operation of the state managed funds and the National Health Funding Pool.
Material changes to Program 1.1 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Public Hospitals – new funding arrangements</i> 	

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the NHFB.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

The NHFB's appropriation revenue is largely in line with its statutory functions and the National Health Reform Agreement (the Agreement) agreed by the Council of Australian Governments.

The NHFB's departmental appropriation is allocated to fund employees to assist the Administrator of the National Health Funding Pool and to carry out NHFB's functions. The remaining departmental appropriation is allocated to fund supplier expenses to support the Administrator's obligations under the Agreement. These expenses support the delivery of monthly and annual statutory reporting, operation of the national payments system, and determination of the Commonwealth health funding as required under the *National Health Reform Act 2011*. The appropriation is also allocated to the review and assurance of data application, and controls over the processes and systems managed by the NHFB.

Balance Sheet

The NHFB does not anticipate the purchase of any major assets with the balance sheet largely reflecting the appropriation held to meet employee and supplier provisions and payables.

Cash Flows

Cash flows are consistent with projected income and expenses.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	2,149	2,322	2,079	2,183	2,183
Supplier expenses	2,386	2,036	2,304	2,225	2,262
Depreciation and amortisation	-	-	-	-	-
Total expenses	4,535	4,358	4,383	4,408	4,445
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	40	-	-	-	-
Total revenue	40	-	-	-	-
Gains					
Other	49	51	53	55	57
Total gains	49	51	53	55	57
Total own-source revenue	89	51	53	55	57
Net cost of (contribution by) services	4,446	4,307	4,330	4,353	4,388
Revenue from Government	4,314	4,307	4,330	4,353	4,388
Surplus (Deficit)	(132)	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	(132)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(132)	-	-	-	-
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(132)	-	-	-	-
plus non-appropriated expenses depreciation and amortisation expenses	-	-	-	-	-
Total comprehensive income (loss) attributable to the entity	(132)	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	12	12	12	12	12
Trade and other receivables	1,669	1,689	1,701	1,713	1,713
Total financial assets	1,681	1,701	1,713	1,725	1,725
Non-financial assets					
Land and buildings	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Other non-financial asset	43	-	-	-	-
Total non-financial assets	43	-	-	-	-
Total assets	1,724	1,701	1,713	1,725	1,725
LIABILITIES					
Payables					
Suppliers	257	261	261	261	261
Other payables	94	54	54	54	54
Total payables	351	315	315	315	315
Provisions					
Employees	398	411	423	435	435
Other provisions	-	-	-	-	-
Total provisions	398	411	423	435	435
Total liabilities	749	726	738	750	750
Net Assets	975	975	975	975	975
EQUITY					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	975	975	975	975	975
Total equity	975	975	975	975	975

NHFB

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	975	-	-	975
Surplus (deficit) for the period	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	-	-
Estimated closing balance as at 30 June 2017	975	-	-	975

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	-	110	-	-	-
Appropriations	4,345	4,137	4,318	4,341	4,388
Net GST received	150	152	152	155	-
Other cash received	40	-	-	-	-
Total cash received	4,535	4,399	4,470	4,496	4,388
Cash used					
Employees	2,051	2,362	2,067	2,171	2,183
Suppliers	2,334	1,885	2,251	2,170	2,205
Net GST paid	150	152	152	155	-
Total cash used	4,535	4,399	4,470	4,496	4,388
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Total cash received	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held					
Cash and cash equivalents at the beginning of the reporting period	12	12	12	12	12
Cash and cash equivalents at the end of the reporting period	12	12	12	12	12

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	-	-	-	-
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	-	-	-	-	-
Total items	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	-	-	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	-	-	-	-
Total cash used to acquire assets	-	-	-	-	-

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

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



Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Opening net book balance	-	-	-	-
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	-	-
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	-	-	-
Total other movements	-	-	-	-
As at 30 June 2017				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
Closing net book balance	-	-	-	-

NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

Entity Resources and Planned Performance

NHMRC

National Health and Medical Research Council

Health Portfolio Entity

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The logo for the National Health and Medical Research Council (NHMRC), consisting of the letters 'NHMRC' in white, oriented vertically on a black rectangular background.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The National Health and Medical Research Council (NHMRC) is the Australian Government's key entity for managing investment in health and medical research. NHMRC is also responsible for developing evidence-based health advice for the Australian community, health professionals and Governments, and for providing advice on ethical practice in health care and in the conduct of health and medical research.

NHMRC's 2015-19 Corporate Plan outlines major health issues for the period covered by the plan, including how NHMRC will deal with these issues and a national strategy for medical research and public health research. It also sets out NHMRC's purposes, planned activities and performance for the period, and addresses NHMRC's capability, environment, and risk oversight and management. The Corporate Plan is tabled annually in Parliament after the Minister's approval.¹

In 2016-17, NHMRC will continue to improve the research grants program by conducting an over-arching review of its structure to determine whether the suite of funding schemes can be streamlined and adapted to current circumstances, while continuing to support the best Australian research and researchers for the benefit of human health.

NHMRC will also continue to improve its application and assessment processes for research grants and look for further efficiencies and to reduce red tape for the research community.

NHMRC's work will also facilitate the translation of evidence derived from health and medical research into practices and systems designed to prevent illness and improve public health. NHMRC's guidelines and advice will also support the States and Territories in achieving consistent standards in public and environmental health in the detection and prevention of illness.

The role and functions of NHMRC are set out in the *National Health and Medical Research Council Act 1992*. NHMRC also has statutory obligations under the *Prohibition of Human Cloning for Reproduction Act 2002* and the *Research Involving Human Embryos Act 2002*. NHMRC is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the NHMRC website.

¹ The NHMRC Corporate Plan is developed in accordance with Division 3 of the *National Health and Medical Research Council Act 1992*.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: NHMRC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	10,179	11,151
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	40,237	37,449
s74 retained revenue receipts ²	1,500	1,500
Departmental capital budget ³	4,186	173
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	45,923	39,122
Total departmental resourcing	56,102	50,273

Table 1.1: NHMRC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016 (continued)

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
ADMINISTERED		
Prior year appropriation available	131,613	90,098
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	840,583	852,458
Other services ⁴		
Administered assets and liabilities	-	-
Total administered annual appropriations	840,583	852,458
Special Accounts⁵		
Appropriation receipts	796,265	807,383
Appropriation receipts - other entities ⁶	-	-
Non-appropriation receipts	8,000	8,000
Total Special Accounts	804,265	815,383
Total administered resourcing	1,776,461	1,757,939
Less appropriations drawn from annual or special appropriations above and credited to Special Accounts ⁷	(796,265)	(807,383)
Total administered resourcing	980,196	950,556
Total resourcing for NHMRC	1,036,298	1,000,829
	2015-16	2016-17
Average staffing level (number)	185	179

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the *PGPA Act 2013*.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

⁵ For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g annual appropriations, special appropriations and special accounts.

⁶ Appropriation receipts from the Department of Health.

⁷ Appropriation receipts included above.

1.3 Budget Measures

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked programs	Contribution to Outcome 1 made by linked programs
Department of Health Program 1.1: Health Policy Research and Analysis	The Department of Health has policy responsibility for health and medical research through the Medical Research Future Fund, which will support the sustainability of the health system into the future, and drive further medical innovation.
Department of Industry, Innovation and Science Program 2.2: Business and Market Development	The Department of Industry, Innovation and Science is working with the National Health and Medical Research Council and the Department of Health to support the Australian pharmaceutical industry and medical research sector through simplifying and streamlining clinical trial processes. In addition, resources have been developed around education and training for those involved in the management of clinical trials, and activities undertaken to encourage recruitment into clinical trials.
Education and Training Portfolio (Australian Research Council) Program 1.2: Linkage – Cross-Sector Research Partnerships	The Australian Research Council is working in close collaboration with the National Health and Medical Research Council to prioritise and fund capacity building initiatives for dementia, under the Government’s <i>Dementia Initiative: Making Dementia a National Health Priority</i> .

Budgeted Expenses for NHMRC

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.

Table 2.1.1: Budgeted Expenses for NHMRC

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Health and medical research					
Administered expenses					
Ordinary annual services ¹ to Medical Research Endowment Account	840,583	852,458	873,653	885,369	858,935
Special Accounts Medical Research Endowment Account	(796,265)	(807,383)	(819,400)	(831,613)	(846,638)
Departmental expenses					
Departmental appropriation ²	41,737	38,949	39,167	39,361	39,622
Expenses not requiring appropriation in the Budget year ³	2,300	2,300	2,300	2,300	2,300
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	934,135	926,827	938,832	942,232	903,174
Total expenses for Outcome 1	934,135	926,827	938,832	942,232	903,174
	2015-16	2016-17			
Average staffing level (number)	185	179			

¹ Appropriation (Bill No. 1) 2016-17.

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

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

Movement of Funds

There were no movements of Administered funds between years.

Table 2.1.2: Performance Criteria for NHMRC

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.² It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Improved health and medical knowledge, including through funding research, translating research findings into evidence-based clinical practice, administering legislation governing research, issuing guidelines and advice for ethics in health and the promotion of public health
Program	1.1: Health and Medical Research The Australian Government, through NHMRC, will continue to invest in innovative health and medical research that is undertaken within a well-established ethical framework, to address national health priorities and improve the health status of all Australians.
Purposes	<ul style="list-style-type: none"> • To fund high quality health and medical research and build research capability; • To support the translation of health and medical research into better health outcomes; and • To promote the highest ethical standards in health and medical research.³
Delivery	Program activities, intended to benefit the Australian community, will be delivered under the following program objectives: A. Supporting high quality health and medical research B. Boosting dementia research C. Streamlining grant assessment and management processes and developing a nationally consistent approach to clinical trials D. Supporting the translation of health and medical research E. Promoting the highest ethical standards in health and medical research
Program objective	
A. Supporting high quality health and medical research	
The Australian Government, through NHMRC, will continue to invest in Australia’s health and medical research sector by awarding grants through a range of competitive, peer reviewed funding schemes to support the highest quality research, and the best researchers, in all areas of health. In 2016-17, NHMRC will continue to implement a program of research that focuses on tropical disease and the effective translation of this research into health policy and practice in Northern Australia.	

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 NHMRC Annual Report.

³ These purposes will be reflected in the 2016-17 NHMRC Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
Funding provided for high quality research into Australian health problems.		NHMRC will undertake grant rounds to support the breadth of health and medical research to benefit the health of Australians.				
Periodic review of established funding schemes to determine strengths and identify where improvements can be made. ⁴		Complete over-arching Structural Review of NHMRC's grant program by January 2017.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of total Medical Research Endowment Account funding to the NHMRC Project Grant scheme.	50%	50%	50%	50%	50%	
Percentage of annual research budget awarded to Indigenous health research.	>5%	>5%	>5%	>5%	>5%	
Program objective						
B. Boosting dementia research						
Dementia is now the second ⁵ leading cause of death in Australia and no cure exists. The Australian Government, through NHMRC, will tackle the dementia burden through a series of initiatives to: boost Australia's dementia research capacity; prioritise funding for vital new dementia research projects; and translate research into new treatments and better care for people with dementia. Operating within the NHMRC governance arrangements, the NHMRC National Institute for Dementia Research will lead this effort, drawing together existing activity and developing a strategic research and translation agenda through identifying national research and translation priorities.						
Qualitative performance criteria		2016-17 Reference point or target				
Funding provided for large scale research projects in priority areas for dementia.		Undertake an additional grant round to support priority research projects.				
Program objective						
C. Streamlining grant assessment and management processes and developing a nationally consistent approach to clinical trials						
In 2016-17, NHMRC will continue to work collaboratively with States, Territories, other Commonwealth entities, industry, clinical trial sites and academic stakeholders, towards a nationally consistent approach to the site assessment and authorisation of clinical trials. This approach will expedite the clinical trials review process in both the public and private health sectors, and enable Australian sites to be more competitive internationally. NHMRC will complete pilot studies to implement a streamlined clinical trial site authorisation process and continue the development of a market driven initiative that aims to recognise sites that are 'ready, willing and able' to conduct high quality clinical trials. In						



⁴ The target for this performance criterion has been revised to reflect the Structural Review. The target published in the 2015-16 Portfolio Budget Statements has been achieved.

⁵ Dementia was previously the third leading cause of death in Australia.

<p>addition, NHMRC will release an improved ethics application form and will develop contemporary guidance around safety monitoring and reporting requirements for clinical trials. NHMRC will continue to raise awareness of the AustralianClinicalTrials.gov.au website, and the role and value of clinical trials.</p> <p>NHMRC will continue to review the effectiveness of changes made to the Research Grants Management System and the introduction of video conferencing for some grant review panels, to ensure an improved and consistent application and assessment process as well as a streamlined reporting system.</p>	
Qualitative performance criteria	2016-17 Reference point or target
Streamline ethical review and research governance processes for clinical trials.	<p>Launch a simplified Human Research Ethics Application to support a nationally consistent ethical review for all human research, in particular clinical trials.</p> <p>Provide a report in the first quarter of 2016-17 to the Clinical Trials Advisory Committee and to the Clinical Trials Jurisdictional Working Group, on the implementation of a Good Practice Process for site assessment and authorisation of clinical trials.⁶</p>
Implement initiatives to enable Australian sites to be more competitive internationally. ⁷	<p>A market driven approach to recognise and promote sites that are ‘clinical trials ready’ and to carry out high quality trials in a timely, transparent and efficient manner is developed and implemented by June 2017.</p> <p>Contemporary guidance around safety monitoring and reporting requirements for clinical trials is developed by July 2016.</p>
Conduct marketing activities to raise awareness of the role and value of clinical trials and further enhance the AustralianClinicalTrials.gov.au website as a key resource to facilitate recruitment into clinical trials.	Increased recruitment into clinical trials.

⁶ The target for this performance criterion has been revised to reflect the work being undertaken by NHMRC as part of the Government’s initiatives of Simplified and Consistent Health and Medical Research and Expediting Clinical Trials Reforms in Australia.

⁷ This performance criterion has been revised to reflect the work being undertaken by NHMRC as part of the Government’s initiatives of Simplified and Consistent Health and Medical Research and Expediting Clinical Trials Reforms in Australia.

Program objective					
D. Supporting the translation of health and medical research					
<p>NHMRC recognises the importance of reliable and timely evidence for clinicians, consumers and policy makers. In 2016-17, NHMRC will conduct a second call for recognition of Advanced Health Research and Translation Centres (AHRTCs). This initiative will support and promote collaboration between leading health care organisations, academia and research institutions that link clinical care with the latest research findings, to benefit patient care. Continued support for the Research Translation Faculty Symposium in 2016-17 will build research translation understanding and capability amongst Australia’s research community.</p> <p>Guidelines and associated resources developed by NHMRC are integral to the development of health policies at a national and state level, and guiding health and medical professionals. In 2016-17, NHMRC will continue to maintain its leadership role in guideline development by publishing best practice advice to developers of clinical, public and environmental health guidelines through NHMRC’s new Standards for Guideline Development and approval of high quality guidelines prepared by third parties. NHMRC will:</p> <ul style="list-style-type: none"> • Release for public consultation a draft information paper on the health effects of water fluoridation and a report on an evidence evaluation on interventions that impact on children’s socio-emotional wellbeing; and • Commence the revision of the <i>Australian guidelines for the prevention and control of infection in healthcare</i> (2010) in collaboration with the Australian Commission on Safety and Quality in Health Care and the <i>Australian Guidelines to Reduce Health Risks from Drinking Alcohol</i> (2009). 					
Qualitative performance criteria		2016-17 Reference point or target			
Approve high quality clinical, public and/or environmental health guidelines prepared by NHMRC or third parties. ⁸		Guidelines submitted to the Council and approved by the CEO of NHMRC, meet quality standards.			
Recognise and promote leading collaborations between health care organisations, academia and research institutions.		Recognise second tranche of collaborations through the Advanced Health Research and Translation Centres program.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Citation rate of journal articles resulting from NHMRC funded research. ⁹	>50%	>50%	>50%	>50%	>50%



⁸ This performance criterion has been revised to be specific and measurable. The target published in the 2015-16 Portfolio Budget Statements has been achieved.

⁹ Bibliographic citations are where a journal article is referenced in a subsequent journal article, indicating some scientific impact of the original work. The citation rate of journal articles resulting from NHMRC funded research (above) is compared to the world citation average, which is determined by dividing the total number of citations by the total number of journal articles published in the world in the same time period.

Program objective					
E. Promoting the highest ethical standards in health and medical research					
<p>NHMRC promotes high quality ethical standards in research by ensuring that key ethical guidelines remain up-to-date and reflect best practice in the area.</p> <p>In 2016-17, NHMRC will finalise Part B of the <i>Ethical Guidelines on the use of Assisted Reproductive Technology in Clinical Practice and Research June 2007</i>¹⁰ and <i>Ethical guidelines for organ transplantation from deceased donors</i>. NHMRC will review the following guidelines jointly with the Australian Research Council and Universities Australia:</p> <ul style="list-style-type: none"> • Section 3 of the <i>National Statement on Ethical Conduct in Human Research 2007</i>;¹¹ • <i>The Australian Code for the Responsible Conduct of Research 2007</i>;¹² and • Aboriginal and Torres Strait Islander research ethics guidelines. <p>NHMRC will continue to monitor the uptake of the national approach to single ethical review and ensure that institutions participating in the National Certification Scheme of Institutional Processes related to the Ethical Review of Multi-centre Research, maintain certification requirements.¹³ NHMRC also administers the <i>Research Involving Human Embryos Act 2002</i> (RIHE Act) and the <i>Prohibition of Human Cloning for Reproduction Act 2002</i> (PHCR Act), which prohibit certain practices, including human cloning for reproduction, and restrict other practices relating to reproductive technology and research.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Institutions that participate in the National Certification Scheme of Institutional Processes related to the Ethical Review of Multi-centre Research maintain certification requirements. ¹⁴		The ethical review processes and associated governance arrangements of certified institutions and their Human Research Ethics Committees are assessed to ensure that the requirements of the Certification Scheme have been met.			
Stakeholders demonstrate good understanding of the regulatory requirements under the RIHE Act and PHCR Act. ¹⁵		Risk-based strategy of monitoring compliance through inspections and NHMRC assessment of activity reports and other information received.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Percentage of institutions maintaining certification requirements.	100%	100%	100%	100%	100%
Material changes to Program 1.1 resulting from the following measures:					
There are no material changes to Program 1.1 resulting from measures.					

¹⁰ Available at: www.nhmrc.gov.au/_files_nhmrc/publications/attachments/e78.pdf

¹¹ Available at: www.nhmrc.gov.au/guidelines-publications/e72

¹² Available at: www.nhmrc.gov.au/_files_nhmrc/publications/attachments/r39.pdf

¹³ Available at: hrep.nhmrc.gov.au/certification

¹⁴ This performance criterion has been revised to reflect the work being undertaken. For 2016-17, the focus is on monitoring the maintenance of certification requirements.

¹⁵ This performance criterion has been revised to be more specific and measurable.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to NHMRC.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of NHMRC's budgeted financial statements for 2016-17 is set out below.

Departmental Resources

Comprehensive Income Statement (showing net cost of services)

Revenue and expenditure for 2016-17 is expected to be in line with Government forecasts, with Employee expenses to be 55 per cent of total expenditure.

Administered Resources

The Administered accounts are used as a mechanism to transfer most of the funds to NHMRC's Special Account (Medical Research Endowment Account). In 2016-17 the transfer to the Special Account is expected to be \$807.4 million.

Expenditure in 2016-17 is expected to be greater than the Administered Appropriation and funds will be drawn down from the Medical Research Endowment Account.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	24,857	22,858	22,552	22,227	21,764
Supplier expenses	16,960	16,171	16,695	17,214	17,938
Depreciation and amortisation	2,200	2,200	2,200	2,200	2,200
Finance costs	20	20	20	20	20
Total expenses	44,037	41,249	41,467	41,661	41,922
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	1,500	1,500	1,500	1,500	1,500
Total revenue	1,500	1,500	1,500	1,500	1,500
Gains					
Other	100	100	100	100	100
Total gains	100	100	100	100	100
Total own-source income	1,600	1,600	1,600	1,600	1,600
Net cost of (contribution by) services	42,437	39,649	39,867	40,061	40,322
Revenue from Government	40,237	37,449	37,667	37,861	38,122
Surplus (deficit)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)
Surplus (deficit) attributable to the Australian Government	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)
plus non-appropriated expenses depreciation and amortisation expenses	2,200	2,200	2,200	2,200	2,200
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	389	389	389	389	389
Receivables	11,014	11,557	11,584	11,614	10,264
Total financial assets	11,403	11,946	11,973	12,003	10,653
Non-financial assets					
Property, plant and equipment	4,361	2,961	1,561	337	464
Inventories	201	201	201	201	201
Intangibles	6,533	5,906	5,281	4,481	3,681
Other	952	952	952	952	952
Total non-financial assets	12,047	10,020	7,995	5,971	5,298
Total assets	23,450	21,966	19,968	17,974	15,951
LIABILITIES					
Payables					
Suppliers	3,466	3,266	3,215	3,205	3,205
Other payables	879	686	686	686	686
Total payables	4,345	3,952	3,901	3,891	3,891
Provisions					
Employees	5,240	5,129	4,443	4,318	4,318
Other provisions	657	684	691	697	697
Total provisions	5,897	5,813	5,134	5,015	5,015
Total liabilities	10,242	9,765	9,035	8,906	8,906
Net Assets	13,208	12,201	10,933	9,068	7,045
EQUITY					
Contributed equity	11,602	11,775	11,950	12,126	12,303
Reserves	73	73	73	73	73
Retained surpluses or accumulated deficits	1,533	353	(1,090)	(3,131)	(5,331)
Total equity	13,208	12,201	10,933	9,068	7,045

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	1,533	73	11,602	13,208
Surplus (deficit) for the period	(2,200)	-	-	(2,200)
Appropriation (equity injection)	-	-	-	-
Capital budget - Bill 1 (DCB)	-	-	173	173
Other movements	1,020	-	-	1,020
Estimated closing balance as at 30 June 2017	353	73	11,775	12,201

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,500	1,500	1,500	1,500	1,500
Appropriations	39,849	36,589	37,667	37,861	38,122
Net GST received	1,500	1,500	1,500	1,500	1,500
Total cash received	42,849	39,589	40,667	40,861	41,122
Cash used					
Employees	23,860	23,207	24,078	24,522	23,264
Suppliers	18,989	16,382	16,589	16,339	17,858
Total cash used	42,849	39,589	40,667	40,861	41,122
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	4,186	173	175	176	177
Total cash used	4,186	173	175	176	177
Net cash from (or used by) investing activities	(4,186)	(173)	(175)	(176)	(177)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	4,186	173	175	176	177
Total cash received	4,186	173	175	176	177
Net cash from (or used by) financing activities	4,186	173	175	176	177
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	389	389	389	389	389
Cash and cash equivalents at the end of the reporting period	389	389	389	389	389

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	4,186	173	175	176	177
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	4,186	173	175	176	177
Total new capital appropriations represented by:					
Purchase of non-financial assets	4,186	173	175	176	177
Total items	4,186	173	175	176	177
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	4,186	173	175	176	177
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	4,186	173	175	176	177
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,186	173	175	176	177
Total cash used to acquire assets	4,186	173	175	176	177

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

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	-	12,287	12,695	24,982
Accumulated depreciation amortisation and impairment	-	(7,926)	(6,162)	(14,088)
Opening net book balance	-	4,361	6,533	10,894
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	-	173	173
Total additions	-	-	173	173
Other movements				
Depreciation/amortisation expense	-	(1,400)	(800)	(2,200)
Total other movements	-	(1,400)	(800)	(2,200)
As at 30 June 2017				
Gross book value	-	12,287	12,868	25,155
Accumulated depreciation amortisation and impairment	-	(9,326)	(6,962)	(16,288)
Closing net book balance	-	2,961	5,906	8,867

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

	2015-16 Estimated actual	2016-17 Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Recoveries	5,000	5,000	5,000	5,000	5,000
Other non-tax revenue	3,000	3,000	3,000	3,000	3,000
Total income administered on behalf of Government	8,000	8,000	8,000	8,000	8,000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants - MREA	845,780	840,503	843,112	846,815	848,955
Grants - dementia	31,000	31,000	40,000	40,000	-
Suppliers	13,318	14,075	14,253	13,756	12,297
Total expenses administered on behalf of Government	890,098	885,578	897,365	900,571	861,252

MREA = Medical Research Endowment Account.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	919	919	919	919	919
Total financial assets	919	919	919	919	919
Total assets administered on behalf of Government	919	919	919	919	919
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	14,854	14,854	14,854	28,091	28,091
Other	-	-	-	-	-
Total payables	14,854	14,854	14,854	28,091	28,091
Total liabilities administered on behalf of Government	14,854	14,854	14,854	28,091	28,091

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Cash received - other	8,000	8,000	8,000	8,000	8,000
Net GST received	26,000	26,000	26,000	26,000	26,000
Total cash received	34,000	34,000	34,000	34,000	34,000
Cash used					
Grant payments - MREA	845,780	840,503	843,112	846,815	848,955
Grant payments - dementia	31,000	31,000	40,000	40,000	-
Suppliers	13,318	14,075	14,253	13,756	12,297
Net GST paid	26,000	26,000	26,000	26,000	26,000
Total cash used	916,098	911,578	923,365	926,571	887,252
Net cash from (or used by) operating activities	(882,098)	(877,578)	(889,365)	(892,571)	(853,252)
Net increase (or decrease) in cash held	(882,098)	(877,578)	(889,365)	(892,571)	(853,252)
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for: - appropriations	882,098	877,578	889,365	892,571	853,252
Cash at end of reporting period	-	-	-	-	-

MREA = Medical Research Endowment Account.

NATIONAL MENTAL HEALTH COMMISSION

Entity Resources and Planned Performance

NMHC

National Mental Health Commission

Health Portfolio Entity

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The logo for the National Mental Health Commission (NMHC) is a black vertical rectangle with the letters "NMHC" written in white, oriented vertically from bottom to top.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government is committed to delivering an efficient, integrated and sustainable mental health system to improve mental health outcomes for Australians and help prevent suicide.

The National Mental Health Commission (NMHC) supports the Australian Government through the provision of insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems, and acts as a catalyst for change to achieve those improvements. This includes increasing accountability and transparency in mental health through the provision of independent reports and advice to the Australian Government and the community. The NMHC provides cross-sectoral leadership on the policy, programs, services and systems that support better mental health and social and emotional wellbeing in Australia.

The NMHC works with stakeholders - particularly with people with lived experience of mental health, their families and other support people - to ensure reforms are collectively owned and actioned, and to enable participation in government process. People with a lived experience of mental health, including carers and other support people, are involved in all areas of the NMHC's work. The NMHC recognises Aboriginal and Torres Strait Islander mental health and social and emotional wellbeing, as an overarching strategic priority which sits across all of our work.

The NMHC will advise on national suicide prevention including on approaches to delivering a systematic and planned regional approach to community based suicide prevention and refocussing efforts to prevent Indigenous suicide and ensuring effective post discharge follow up and support for people who have attempted suicide.

Ensuring that mental health and suicide prevention is embedded across Government reform is key to driving system improvement and better accountability. To achieve this, the NMHC works across all sectors that have a role in mental health and preventing mental illness and suicide - not just Government and not just health - but the broader system including education, housing, employment, human services, justice and social support.

The NMHC is an executive agency established on 1 January 2012 under the *Public Service Act 1999* and is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the NMHC website.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: NMHC Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	731	794
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	2,792	2,755
s74 retained revenue receipts ²	-	-
Departmental capital budget ³	33	23
Other services ⁴		
Equity injection	-	150
Total departmental annual appropriations	2,825	2,928
Total departmental resourcing	3,556	3,722
ADMINISTERED		
Prior year appropriation available	-	-
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	3,649	3,685
Other services ⁴		
Administered assets and liabilities	-	-
Total administered annual appropriations	3,649	3,685
Total administered resourcing	3,649	3,685
Total resourcing for NMHC	7,205	7,407
	2015-16	2016-17
Average staffing level (number)	14	14

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

1.3 Budget Measures

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

Table 1.2: NMHC 2016-17 Budget Measures

Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
International Trade Agreements - government procurement reforms					
National Mental Health Commission					
Departmental capital	1.1	-	150	-	-
Total		-	150	-	-

Only NMHC inputs of this measure are shown here. For all entity impacts of this measure refer Table 1.2 in the Department of Health and Australian Radiation Protection and Nuclear Safety Agency chapters of this publication.

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 2.1: Mental Health	The Department of Health has strategic policy responsibility for developing a more efficient, integrated and sustainable mental health system.

Budgeted Expenses for NMHC

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.

Table 2.1.1: Budgeted Expenses for NMHC

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: National Mental Health Commission					
Administered expenses					
Ordinary annual services ¹	3,649	3,685	3,744	3,815	3,887
Departmental expenses					
Departmental appropriation ²	2,792	2,755	2,759	2,771	2,787
Expenses not requiring appropriation in the Budget year ³	32	38	38	38	38
Operating deficit (surplus)	-	-	-	-	-
Total for Program 1.1	6,473	6,478	6,541	6,624	6,712
Total expenses for Outcome 1	6,473	6,478	6,541	6,624	6,712
	2015-16	2016-17			
Average staffing level (number)	14	14			

¹ Appropriation (Bill No. 1) 2016-17.

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

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

Movement of Funds

There were no movements of Administered funds between years.

Table 2.1.2: Performance Criteria for NMHC

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the Annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers
Program	1.1: National Mental Health Commission The NMHC continues to increase accountability and transparency in mental health and suicide prevention through independent reporting and the provision of advice to the Australian Government and the community. The NMHC continues to lead projects that improve the policy, programs, services and systems that support mental health and suicide prevention in Australia.
Purpose	To provide insight, advice and evidence on ways to continuously improve Australia's mental health and suicide prevention systems and act as a catalyst for change to achieve those improvements. ²
Delivery	Program activities, which are intended to benefit the Australian community, including Australians with a mental illness, their families and other support people, will be delivered under the following program objectives: A. Reporting on national progress to improve mental health and prevent suicide B. Improving system accountability, evidence and results
Program objective	
A. Reporting on national progress to improve mental health and prevent suicide	
The NMHC increases accountability and transparency in mental health through the provision of independent reports and advice to the Australian Government and the community. In 2016-17, the NMHC will continue to report on mental health services and outcomes through the production of a national report. The reporting framework is aligned with the reforms announced in the <i>Australian Government Response to Contributing Lives, Thriving Communities – Review of Mental Health Programmes and Services</i> and is intended to support the implementation and monitoring of the new system reforms. The NMHC continues its work to develop robust data sources to complement the monitoring and reporting framework and provide evidence of the impact and outcomes of mental health reforms and best practice.	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 NMHC Annual Report.

² This purpose text will be reflected in the 2016-17 NMHC Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
Prepare and disseminate the national report on mental health and suicide prevention. ³		Report published annually by 30 June.				
Program objective						
B. Improving system accountability, evidence and results						
<p>The NMHC will continue to lead projects that support the Government and the community to achieve a more efficient, integrated and sustainable mental health system; improve mental health service delivery for Australians; and help to prevent suicide. The NMHC will work across all sectors to improve the policy, programs, services and systems that support mental health and prevent suicide in Australia.</p> <p>The projects will improve services and support for people experiencing mental health difficulties and suicide risk, their families and other support people. Projects will support change in the attitudes and behaviour of Australians towards mental health.</p> <p>The NMHC will work collaboratively across Governments and sectors on projects that require national or cross-sector approaches. People with lived experience of mental health, including carers and other support people, will be involved in all projects.</p> <p>The NMHC will leverage projects that add to the evidence base; promote the implementation of good practice; improve effectiveness and efficiency of services; and promote innovation in mental health services and prevention and promotion initiatives. The NMHC will identify research priorities and promote the sharing and dissemination of evidence and information on the implementation, impact and outcomes of new approaches.</p>						
Qualitative performance criteria		2016-17 Reference point or target				
Undertake research, analysis and evaluation on key national mental health priorities and data gaps. ⁴		Timely evidence-based advice is available to inform improvements in policy, programs, services and systems that support mental health and suicide prevention.				
Enhance opportunities for consumer and carer engagement in the mental health system.		Increased opportunities for participation by consumers and carers in all levels of the mental health system.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of NMHC projects that have governance and advisory arrangements that include people with lived experience of mental health issues.	100%	100%	100%	100%	100%	
Material changes to Program 1.1 resulting from the following measures:						
There are no material changes to Program 1.1 resulting from measures.						



³ This performance criterion and target have been revised. Target reported in the 2015-16 Portfolio Budget Statements has been achieved.

⁴ This performance criterion and 2016-17 target have been revised to more effectively measure the program objective.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the NMHC.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of the NMHC's budgeted financial statements for 2016-17 is provided below.

Departmental Resources

Comprehensive Income Statement

Revenue from Government will remain stable from 2015-16 to 2016-17 at \$2.8 million per annum and over forward years.

Balance Sheet

The NMHC has a small liability base primarily reflecting departmental employee leave entitlements.

Administered

Schedule of budgeted income and expense administered on behalf of Government

Expenses administered on behalf of Government will remain stable from 2015-16 to 2016-17 at around \$3.6 million per annum with a slight increase over forward years.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	1,972	1,972	1,972	1,972	1,972
Supplier expenses	845	808	812	824	840
Depreciation and amortisation	7	13	13	13	13
Total expenses	2,824	2,793	2,797	2,809	2,825
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	25	25	25	25	25
Total gains	25	25	25	25	25
Total own-source income	25	25	25	25	25
Net cost of (contribution by) services	2,799	2,768	2,772	2,784	2,800
Revenue from Government	2,792	2,755	2,759	2,771	2,787
Surplus (deficit)	(7)	(13)	(13)	(13)	(13)
Surplus (deficit) attributable to the Australian Government	(7)	(13)	(13)	(13)	(13)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(7)	(13)	(13)	(13)	(13)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(7)	(13)	(13)	(13)	(13)
plus non-appropriated expenses depreciation and amortisation expenses	7	13	13	13	13
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	270	270	270	270	270
Receivables	628	691	710	710	723
Total financial assets	898	961	980	980	993
Non-financial assets					
Property, plant and equipment	20	30	15	26	37
Intangibles	-	150	148	148	148
Total non-financial assets	20	180	163	174	185
Total assets	918	1,141	1,143	1,154	1,178
LIABILITIES					
Payables					
Suppliers	291	291	291	291	291
Other payables	30	30	30	30	30
Total payables	321	321	321	321	321
Provisions					
Employees	175	179	179	179	179
Other provisions	61	120	120	120	120
Total provisions	236	299	299	299	299
Total liabilities	557	620	620	620	620
Net Assets	361	521	523	534	558
EQUITY					
Contributed equity	85	258	283	307	331
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	276	263	240	227	227
Total equity	361	521	523	534	558

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	276	-	85	361
Surplus (deficit) for the period	(13)	-	-	(13)
Capital budget - Bill 1 (DCB)	-	-	23	23
Equity injections - Bill 2	-	-	150	150
Estimated closing balance as at 30 June 2017	263	-	258	521

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	2,693	2,692	2,740	2,771	2,774
GST received	78	79	84	84	84
Total cash received	2,771	2,771	2,824	2,855	2,858
Cash used					
Employees	1,967	1,968	1,972	1,972	1,972
Suppliers	726	724	768	799	802
GST paid	78	79	84	84	84
Total cash used	2,771	2,771	2,824	2,855	2,858
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	33	173	24	24	24
Total cash used	33	173	24	24	24
Net cash from (or used by) investing activities	(33)	(173)	(24)	(24)	(24)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	33	23	24	24	24
Equity injections - Bill 2	-	150	-	-	-
Total cash received	33	173	24	24	24
Net cash from (or used by) financing activities	33	173	24	24	24
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	270	270	270	270	270
Cash and cash equivalents at the end of the reporting period	270	270	270	270	270

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	33	23	24	24	24
Equity injections - Bill 2	-	150	-	-	-
Total capital appropriations	33	173	24	24	24
Total new capital appropriations represented by:					
Purchase of non-financial assets	33	173	24	24	24
Total items	33	173	24	24	24
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	150	-	-	-
Funded by capital appropriation - DCB ²	33	23	24	24	24
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	33	173	24	24	24
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	33	173	24	24	24
Total cash used to acquire assets	33	173	24	24	24

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

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	-	25	24	49
Accumulated depreciation amortisation and impairment	-	(5)	(24)	(29)
Opening net book balance	-	20	-	20
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	23	150	173
Total additions	-	23	150	173
Other movements				
Depreciation/amortisation expense	-	(13)	-	(13)
Total other movements	-	(13)	-	(13)
As at 30 June 2017				
Gross book value	-	48	174	222
Accumulated depreciation amortisation and impairment	-	(18)	(24)	(42)
Closing net book balance	-	30	150	180

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	3,649	3,685	3,744	3,815	3,887
Total expenses administered on behalf of Government	3,649	3,685	3,744	3,815	3,887

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	197	197	197	197	197
Total financial assets	197	197	197	197	197
Total assets administered on behalf of Government	197	197	197	197	197
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	-	-	-	-	-
Suppliers	795	795	795	795	795
Other Payables	-	-	-	-	-
Total payables	795	795	795	795	795
Total liabilities administered on behalf of Government	795	795	795	795	795

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
GST received	138	140	142	142	142
Total cash received	138	140	142	142	142
Cash used					
Grant payments	-	-	-	-	-
Suppliers	3,649	3,685	3,744	3,815	3,887
GST paid	138	140	142	142	142
Total cash used	3,787	3,825	3,886	3,957	4,029
Net cash from (or used by) operating activities	(3,649)	(3,685)	(3,744)	(3,815)	(3,887)
Net increase (or decrease) in cash held	(3,649)	(3,685)	(3,744)	(3,815)	(3,887)
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- appropriations	3,649	3,685	3,744	3,815	3,887
Cash to the Official Public Account	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

ORGAN AND TISSUE AUTHORITY

Entity Resources and Planned Performance

OTA

Organ and Tissue Authority

Health Portfolio Entity

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The logo consists of a solid black vertical rectangle. Inside the rectangle, the letters "OTA" are written in a white, sans-serif font, oriented vertically from bottom to top.

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Organ and Tissue Donation and Transplantation Authority, also known as the Organ and Tissue Authority (OTA) works with States and Territories, clinicians and the community sector, to deliver the national reform program to implement a world's best practice approach to organ and tissue donation for transplantation, endorsed by the Council of Australian Governments on 3 July 2008.

Australia's national reform program is implemented within the context of clear international commitments and statements by the World Health Organization relating to the obligation of governments to be accountable and responsible for implementing safe, ethical and effective organ and tissue donation and transplantation systems.

Only around 1-2 per cent of people who die in hospitals, die in the specific circumstances required to be a potential organ donor, though many more can become eye and tissue donors.

The OTA will focus on the following three key areas to ensure organ and tissue donation is delivered on a collaborative basis throughout Australia, with a view to increasing organ donation outcomes to 25 donors per million population by 2018:

- Increasing the number of potential organ and tissue donors;
- Improving organ and tissue donor conversion rates; and
- Enhancing systems to support organ and tissue donation and transplantation.

The OTA is a statutory authority established by the *Australian Organ and Tissue Donation and Transplantation Authority Act 2008*. This Act sets out the primary responsibilities for the OTA and the functions of the Chief Executive Officer.

The OTA is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the OTA website.

In 2015, the Government decided not to proceed with the merger of the National Blood Authority and the OTA, as previously announced in the 2014-15 Budget. Some savings and efficiencies will be achieved by continuing to merge the corporate services of these entities, with changes to come into full effect by 30 June 2016.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: OTA Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	3,276	3,276
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	5,598	5,530
s74 retained revenue receipts ²	-	-
Departmental capital budget ³	255	254
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	5,853	5,784
Total departmental resourcing	9,129	9,060
ADMINISTERED		
Prior year appropriation available	80	80
Annual appropriations		
Ordinary annual services ¹		
Outcome 1	46,872	43,766
Total administered annual appropriations	46,872	43,766
Total administered resourcing	46,952	43,846
Total resourcing for OTA	56,081	52,906
	2015-16	2016-17
Average staffing level (number)	27	28

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

1.3 Budget Measures

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

Table 1.2: OTA 2016-17 Budget Measures

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Organ and Tissue Donation Review - implementation of recommendations						
Australian Organ and Tissue Donation and Transplantation Authority						
Administered expenses	1.1	-	-	-	-	-
Total		-	-	-	-	-

Only OTA inputs of this measure are shown here. For all entity impact of this measure refer Table 1.2 in the Department of Health chapter of this publication.

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked program	Contribution to Outcome 1 made by linked programs
Department of Health Program 1.1: Health Policy Research and Analysis	The Department of Health has policy responsibility for the Australian Organ Donor Register, and the administration of the Supporting Leave for Living Organ Donors Programme. In addition, Health provides strategic advice on national approaches around access to organ donation and transplantation services, payments and emerging national and international issues.
Department of Human Services Program 1.2: Services to the Community – Health	The Department of Human Services administers the Australian Organ Donor Register.



Budgeted Expenses for the OTA

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.

Table 2.1.1: Budgeted Expenses for the OTA

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Coordination of organ and tissue donation and transplantation					
Administered expenses					
Ordinary annual services ¹	46,872	43,766	42,282	42,959	43,689
Departmental expenses					
Departmental appropriation ²	5,598	5,530	5,559	5,630	5,668
Expenses not requiring appropriation in the Budget year ³	428	405	405	129	551
Operating loss	-	-	-	-	-
Total for Program 1.1	52,898	49,701	48,246	48,718	49,908
Total expenses for Outcome 1	52,898	49,701	48,246	48,718	49,908

	2015-16	2016-17
Average staffing level (number)	27	28

¹ Appropriation Bill (No. 1) 2016-17.

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

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

Movement of Funds

There were no movements of Administered funds between years.

Table 2.1.2: Performance Criteria for the OTA

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.¹ It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: Improved access to organ and tissue transplants, including through a nationally coordinated and consistent approach and system
Program	<p>1.1: A Nationally Coordinated System for Organ and Tissue Donation for Transplantation</p> <p>The Australian Government aims to deliver a nationally coordinated leading practice approach to organ and tissue donation for transplantation, in collaboration with the States and Territories, clinicians and the community sector.</p>
Purpose	To save and improve more lives through optimising every potential organ and tissue donation for transplantation. ²
Delivery	<p>Program activities, intended to benefit the Australian community, will be delivered under the following program objectives:</p> <ul style="list-style-type: none"> A. Increasing sector capability and capacity to maximise donation and transplantation rates B. Improving community awareness and stakeholder engagement to promote organ and tissue donation
Program objective	
A. Increasing sector capability and capacity to maximise donation and transplantation rates	
<p>In 2016-17, the OTA, in partnership with State and Territory Governments and the DonateLife Network, will complete the implementation of the Clinical Practice Improvement Program Phase 2 and the DonateLife Collaborative.³ By 30 June 2017, the establishment and activation of cross-border hospital team peer relationships will be complete, with local organ and tissue donation practice strengthened through exposure to alternate systems and approaches within a national framework.</p> <p>The OTA will collaborate with State and Territory Governments and Australian eye banks to implement an eye module in the existing Electronic Donor Record (EDR). The EDR eye module will provide a national web-based information system that will provide for the management of all donated eye tissue processes from the point of donor identification to the dispatch of processed eye tissue to clinicians for surgical use. It will replace the current separate, state-based systems, streamline eye-banking processes, and facilitate timely national data collection and reporting.</p> <p>In 2016-17, the OTA will implement the Australian best practice request and consent model for organ and tissue donation (the consent model). The consent model involves the participation of a trained donation specialist to discuss donation and support families when organ donation is first discussed with the family of a potential donor. The consent model</p>	

¹ Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 OTA Annual Report.

² This purpose text will be reflected in the 2016-17 OTA Corporate Plan.

³ The Targeted Hospital Improvement Program became known as the DonateLife Collaborative on 1 January 2016.



<p>will be supported by the ongoing delivery of specialist training through the OTA’s Professional Education Package, which includes the core, practical and advanced Family Donation Conversation (FDC) workshops⁴ and a complementary eLearning program. The OTA will work closely with the community, clinicians and stakeholders to achieve these outcomes; in particular implementing the Government’s response to the findings of the 2015-16 review of the implementation of the national reform program on organ and tissue donation and transplantation and progressing the economic analysis of the Australian eye and tissue sector. This work will be undertaken in collaboration with the Department of Health and the Department of Human Services.</p>					
Qualitative performance criteria		2016-17 Reference point or target			
Implementation of the Clinical Practice Improvement Program Phase 2 and DonateLife Collaborative. ⁵		Accountability and performance reporting frameworks embedded in all DonateLife Collaborative hospitals by 30 June 2017.			
Implementation of an eye module in the Electronic Donor Record (EDR).		The EDR eye module is implemented by 30 June 2017.			
Participation of a FDC-trained donation specialist in the family conversation when organ and tissue donation is discussed as part of the Australian best practice request and consent model for organ and tissue donation.		An FDC-trained donation specialist participates in 100% of all family donation discussions in DonateLife Network hospitals.			
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
Rate of request by hospital staff to families for organ and tissue donation.	100%	100%	100%	100%	100%
Rate of family consent to organ and tissue donation.	75%	75%	75%	75%	75%
Program objective					
B. Improving community awareness and stakeholder engagement to promote organ and tissue donation					
<p>The OTA will continue to educate the Australian community about the need for family discussion, knowledge, and registration of organ and tissue donation decisions in 2016-17. To increase registrations on the Australian Organ Donor Register, the OTA will implement the national donor online registration campaign, in partnership with the Department of Human Services and key community stakeholders.</p>					

⁴ Advanced FDC workshops provide treating clinicians and donation specialists with increased knowledge and skills to support families in making donation decisions.

⁵ This performance criterion has been revised. The targets reported in the 2015-16 Portfolio Budget Statements have been achieved.

Qualitative performance criteria	2016-17 Reference point or target
In partnership with sector and community organisations, conduct community awareness and education activities on organ and tissue donation, including an online Australian Organ Donor Register registration drive. ⁶	Increase the number of annual registrations on the Australian Organ Donor Register by 30 June 2017. ⁷
Material changes to Program 1.1 resulting from the following measures:	
<ul style="list-style-type: none"> • <i>Organ and Tissue Donation Review – implementation of recommendations</i> 	

⁶ This performance criterion has been revised. The targets reported in the 2015-16 Portfolio Budget Statements have been achieved.

⁷ Available at: www.medicareaustralia.gov.au/aodr

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to the OTA.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of the OTA's budgeted financial statements for 2016-2017 is provided below.

Departmental Resources

For the Budget and forward years the OTA is expected to achieve a break even position net of unfunded depreciation. In 2016-2017 the OTA has appropriation revenue of \$5.5 million and total expenses are estimated at \$5.9 million.

Administered Resources

The OTA administers funds associated with the delivery of the Australian Government's national reform program to implement a world's best practice approach to organ and tissue donation for transplantation.

In 2016-2017 the OTA has forecast Administered expenses of \$43.8 million. The reduction in 2016-2017 reflects the allocation received in 2015-2016 for the OTA Budget measure *Accelerating Growth in Organ and Tissue Donation for Transplantation*.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	4,323	4,312	4,318	4,323	3,939
Supplier expenses	1,345	1,288	1,311	1,377	1,799
Depreciation and amortisation	358	335	335	59	481
Total expenses	6,026	5,935	5,964	5,759	6,219
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Other	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Other	70	70	70	70	70
Total gains	70	70	70	70	70
Total own-source income	70	70	70	70	70
Net cost of (contribution by) services	5,956	5,865	5,894	5,689	6,149
Revenue from Government	5,598	5,530	5,559	5,630	5,668
Surplus (deficit)	(358)	(335)	(335)	(59)	(481)
Surplus (deficit) attributable to the Australian Government	(358)	(335)	(335)	(59)	(481)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(358)	(335)	(335)	(59)	(481)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(358)	(335)	(335)	(59)	(481)
plus non-appropriated expenses depreciation and amortisation expenses	358	335	335	59	481
Total comprehensive income (loss) attributable to the entity	-	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	55	55	55	55	55
Receivables	3,248	3,248	3,248	3,248	3,248
Other	-	-	-	-	-
Total financial assets	3,303	3,303	3,303	3,303	3,303
Non-financial assets					
Land and buildings	392	383	374	374	261
Property, plant and equipment	139	168	196	234	306
Intangibles	964	863	765	926	746
Other	62	62	62	62	62
Total non-financial assets	1,557	1,476	1,397	1,596	1,375
Total assets	4,860	4,779	4,700	4,899	4,678
LIABILITIES					
Payables					
Suppliers	126	126	126	126	126
Other payables	697	697	697	697	697
Total payables	823	823	823	823	823
Provisions					
Employees	1,068	1,068	1,068	1,068	1,068
Other provisions	-	-	-	-	-
Total provisions	1,068	1,068	1,068	1,068	1,068
Total liabilities	1,891	1,891	1,891	1,891	1,891
Net Assets	2,969	2,888	2,809	3,008	2,787
EQUITY					
Contributed equity	2,804	3,058	3,314	3,572	3,832
Reserves	651	651	651	651	651
Retained surpluses or accumulated deficits	(486)	(821)	(1,156)	(1,215)	(1,696)
Total equity	2,969	2,888	2,809	3,008	2,787

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	(486)	651	2,804	2,969
Surplus (deficit) for the period	(335)	-	-	(335)
Capital budget - Bill 1 (DCB)	-	-	254	254
Estimated closing balance as at 30 June 2017	(821)	651	3,058	2,888

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,598	5,577	5,581	5,686	5,668
GST received	203	203	165	165	165
Total cash received	5,801	5,780	5,746	5,851	5,833
Cash used					
Employees	4,323	4,312	4,318	4,323	3,939
Suppliers	1,275	1,265	1,263	1,363	1,729
GST paid	203	203	165	165	165
Total cash used	5,801	5,780	5,746	5,851	5,833
Net cash from (or used by) operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	255	254	256	257	260
Total cash used	255	254	256	257	260
Net cash from (or used by) investing activities	(255)	(254)	(256)	(257)	(260)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	255	254	256	257	260
Total cash received	255	254	256	257	260
Net cash from (or used by) financing activities	255	254	256	257	260
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	55	55	55	55	55
Cash and cash equivalents at the end of the reporting period	55	55	55	55	55

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	255	254	256	257	260
Equity injections - Bill 2	-	-	-	-	-
Total capital appropriations	255	254	256	257	260
Total new capital appropriations represented by:					
Purchase of non-financial assets	255	254	256	257	260
Other	-	-	-	-	-
Total items	255	254	256	257	260
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ¹	-	-	-	-	-
Funded by capital appropriation - DCB ²	255	254	256	257	260
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	255	254	256	257	260
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	255	254	256	257	260
Total cash used to acquire assets	255	254	256	257	260

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

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	766	338	1,800	2,904
Accumulated depreciation amortisation and impairment	(374)	(199)	(836)	(1,409)
Opening net book balance	392	139	964	1,495
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	69	185	254
Sub-total	-	69	185	254
Other movements				
Depreciation/amortisation expense	(9)	(40)	(286)	(335)
Disposals ¹	-	-	-	-
Other	-	-	-	-
Total other movements	(9)	(40)	(286)	(335)
As at 30 June 2017				
Gross book value	766	407	1,985	3,158
Accumulated depreciation amortisation and impairment	(383)	(239)	(1,122)	(1,744)
Closing net book balance	383	168	863	1,414

¹ Net proceeds may be returned to the Official Public Account.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	41,527	38,126	37,564	37,564	42,075
Supplier expenses	5,345	5,640	4,718	5,395	1,614
Total expenses administered on behalf of Government	46,872	43,766	42,282	42,959	43,689

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	80	80	80	80	80
Receivables	231	231	231	231	231
Total financial assets	311	311	311	311	311
Non-financial assets					
Other	133	133	133	133	133
Total non-financial assets	133	133	133	133	133
Total assets administered on behalf of Government	444	444	444	444	444
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Grants	10,968	10,968	10,968	10,968	10,968
Suppliers	73	73	73	73	73
Other payables	107	107	107	107	107
Total payables	11,148	11,148	11,148	11,148	11,148
Total liabilities administered on behalf of Government	11,148	11,148	11,148	11,148	11,148

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
GST received	752	752	752	752	752
Total cash received	752	752	752	752	752
Cash used					
Grant payments	41,527	38,126	37,564	37,564	42,075
Suppliers	5,345	5,640	4,718	5,395	1,614
GST paid	752	752	752	752	752
Total cash used	47,624	44,518	43,034	43,711	44,441
Net cash from (or used by) operating activities	(46,872)	(43,766)	(42,282)	(42,959)	(43,689)
Net increase (or decrease) in cash held					
(46,872)	(43,766)	(42,282)	(42,959)	(43,689)	
Cash at beginning of reporting period	80	80	80	80	80
Cash from Official Public Account for:					
- appropriations	46,872	43,766	42,282	42,959	43,689
Cash to the Official Public Account	-	-	-	-	-
Cash at end of reporting period	80	80	80	80	80

PROFESSIONAL SERVICES REVIEW

Entity Resources and Planned Performance

PSR

Professional Services Review

Health Portfolio Entity

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PSR

Section 1: Entity Overview and Resources

1.1 Strategic Direction Statement

The Australian Government, through the Professional Services Review (PSR), aims to safeguard the public against the risks and costs of inappropriate practice by health practitioners.

PSR investigates health practitioners who are suspected of inappropriate practice, on request from the Chief Executive Medicare (Medicare). 'Inappropriate practice' includes inappropriately rendering or initiating health services that attract a Medicare Benefits Schedule (MBS) payment, or inappropriately prescribing under the Pharmaceutical Benefits Scheme (PBS).

The PSR Scheme is part of a strong regulatory regime designed to ensure that appropriate and cost-effective clinical services are delivered. The Scheme covers medical practitioners, dentists, optometrists, midwives, nurse practitioners, chiropractors, physiotherapists, podiatrists and osteopaths, audiologists, diabetes educators, dieticians, exercise physiologists, mental health nurses, occupational therapists, psychologists, social workers, speech pathologists, Aboriginal and Torres Strait Islander health practitioners, Aboriginal health workers and orthoptists.

Investigations are conducted by the Director of PSR who may refer the health practitioner to a committee of peers constituted by appointed PSR Panel members and Deputy Directors. This review could be undertaken in relation to the MBS and/or the PBS, both of which are administered by the Department of Human Services. The PSR Scheme also applies sanctions, if required, through the PSR Determining Authority.¹

PSR seeks to change behaviour across the health professions by deterring inappropriate practice and raising awareness of the Australian Government's expectation of high quality health service delivery. The role and functions of PSR are set out in Part VAA of the *Health Insurance Act 1973*. PSR is a Non-corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013*. Operational details are contained in the Corporate Plan, which is available on the PSR website.

¹ The Determining Authority is the body established by section 106Q of the *Health Insurance Act 1973* that determines the sanctions that should be applied in cases where PSR committees have found inappropriate practice, and decides whether or not to ratify negotiated agreements.

1.2 Entity Resource Statement

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

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

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

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

Table 1.1: PSR Resource Statement – Budget Estimates for 2016-17 as at Budget May 2016

	2015-16 Estimated actual \$'000	2016-17 Estimate \$'000
DEPARTMENTAL		
Prior year appropriation available	3,290	2,692
Annual appropriations		
Ordinary annual services ¹		
Departmental appropriation	5,528	5,135
s74 retained revenue receipts ²	-	40
Departmental capital budget ³	5	143
Other services ⁴		
Equity injection	-	-
Total departmental annual appropriations	5,533	5,318
Total departmental resourcing	8,823	8,010
Total resourcing for PSR	8,823	8,010
	2015-16	2016-17
Average staffing level (number)	17	18

All figures are GST exclusive.

¹ Appropriation Bill (No. 1) 2016-17.

² Estimated retained revenue receipts under section 74 of the PGPA Act 2013.

³ Departmental capital budgets (DCB) are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

⁴ Appropriation Bill (No. 2) 2016-17.

1.3 Budget Measures

This entity was impacted by the 2015-16 *Mid-Year Economic and Fiscal Outlook* measure *Public Sector Savings – Shared and Common Services Program*. For details refer to Table 1.2 in the Department of Health chapter of this publication.

Section 2: Outcomes and Planned Performance

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

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

Note: From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the Enhanced Commonwealth Performance Framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plan and annual performance statement – included in Annual Reports from October 2016 – to provide an entity's complete performance story.

2.1 Budgeted Expenses and Performance

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

Linked Programs

Commonwealth entity and linked programs	Contribution to Outcome 1 made by linked programs
Department of Health Program 4.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme	The Department of Health has policy responsibility for Medicare and the Pharmaceutical Benefits Scheme (PBS).
Department of Human Services Program 1.2: Services to the Community – Health	The Department of Human Services administers the PBS, Repatriation PBS, Indigenous access to PBS, and Medicare services and benefit payments. Under the National Compliance Program, the Chief Executive Medicare refers suspected cases of inappropriate practice by health care service providers to the PSR for investigation.

Budgeted Expenses for PSR

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.

Table 2.1: Budgeted Expenses for PSR

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward Year 1 \$'000	2018-19 Forward Year 2 \$'000	2019-20 Forward Year 3 \$'000
Program 1.1: Safeguarding the integrity of the Medicare program and Pharmaceutical Benefits Scheme					
Departmental expenses					
Departmental appropriation ¹	5,528	5,175	5,145	5,175	5,211
Expenses not requiring appropriation in the Budget year ²	201	233	201	181	174
Operating deficit (surplus)	342	-	-	-	-
Total for Program 1.1	6,071	5,408	5,346	5,356	5,385
Total expenses for Outcome 1	6,071	5,408	5,346	5,356	5,385
	2014-15	2015-16			
Average staffing level (number)	17	18			

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

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

Table 2.1.2: Performance Criteria for PSR

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1.² It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome	1: A reduction of the risks to patients and costs to the Australian Government of inappropriate clinical practice, including through investigating health services claimed under the Medicare and Pharmaceutical benefits schemes
Program	<p>1.1: Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme</p> <p>The Australian Government, through PSR, aims to safeguard the public against the risks and costs of inappropriate practice by health practitioners. PSR works with Governments, medical and health care regulatory bodies, and professional organisations to protect the integrity of the Medicare Benefits Scheme (MBS) and the Pharmaceutical Benefits Schedule (PBS).</p>
Purpose	To protect the integrity of the Commonwealth Medicare Benefits and Pharmaceutical Benefits programs and to safeguard the Australian public from the cost and risk of inappropriate practice. ³
Delivery	<p>Program activities, which are intended to benefit the Australian community, will be delivered under the following program objectives:</p> <p>A. Protecting against inappropriate health care practice</p> <p>B. Maintaining professional support for PSR</p>
Program objective	
A. Protecting against inappropriate health care practice	
<p>The Australian Government, through PSR, contributes to the delivery of high quality health services by ensuring that the public is protected from the adverse consequences of inappropriate practice. PSR will collaborate with the Department of Health, Medicare, health and medical regulatory bodies and professional organisations to ensure it achieves this aim.</p> <p>PSR’s workload is dependent upon the number of cases referred by Medicare. Under the National Compliance Program, suspected cases of inappropriate practice by health care service providers are identified and referred to PSR. All referred cases are investigated by PSR.</p> <p>Where it is found that the practitioner has practised inappropriately, sanctions can include a reprimand, counselling, repayment of MBS payments received, or partial to full disqualification from rendering or initiating MBS payments or writing PBS prescriptions. The Determining Authority imposes the sanctions as a ‘final determination’.</p> <p>If, during an investigation, PSR identifies a practice that poses either a significant threat to the life or health of a patient, or does not meet professional standards, the practitioner is referred to the relevant regulatory body. Through this activity, PSR is able to integrate its activities within the broader health care regulatory framework, including State and Territory health departments, registration boards and health care complaint mechanisms.</p>	

² Progress against the performance criteria published in the 2015-16 Portfolio Budget Statements will be reported in the 2015-16 PSR Annual Report.

³ This purpose text will be reflected in the 2016-17 PSR Corporate Plan.

Qualitative performance criteria		2016-17 Reference point or target				
The Director of PSR will review the provision of services by practitioners referred by Medicare and where appropriate refer the practitioner to a PSR Peer Review Committee. ⁴		PSR Committees will be convened and will conduct hearings in a timely manner ensuring that practitioners being reviewed by their peers are afforded procedural fairness in each stage of the hearing process.				
Positively influence health care professional behaviour.		Analysis of available information demonstrates a positive change in health care professional behaviour by those who have been subject to a review under the PSR Scheme.				
Professional bodies actively engaged in consultation.		Professional bodies actively engaged in the process for appointments to the PSR Panel, and PSR receives the required number of nominees to ensure broad professional representation on the PSR Panel.				
Quantitative performance criteria	2015-16 Target	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target	
Percentage of reviews by the Director of PSR finalised within 12 months.	100%	100%	100%	100%	100%	
Total number of matters finalised. ⁵	50	50	50	50	50	
Percentage of cases referred to regulatory bodies where a possible threat to life or health of a patient is identified.	100%	100%	100%	100%	100%	
Total PSR actions upheld by the courts after appeal.	100%	100%	100%	100%	100%	
Program objective						
B. Maintaining professional support for PSR						
PSR is the Australian Government's means of investigating inappropriate health care practice. PSR utilises a peer review process and relies on the support of health practitioners, and their representative registration bodies, to perform its statutory function. In 2016-17, PSR will continue to work closely with the health care professions, the Department of Health, and Medicare. PSR will consult with relevant professional bodies to raise awareness of inappropriate practice issues and work with those bodies to ensure that PSR's processes are transparent and fair.						

⁴ This performance criterion has been reworded for clarity, the target remains unchanged.

⁵ Including section 91 no further actions, section 92 negotiated agreements, and final determinations resulting from a committee hearing.

Qualitative performance criteria	2016-17 Reference point or target
PSR will engage with Governments and relevant professional and regulatory bodies to discuss the nature and cause of inappropriate practice to reduce these behaviours.	Actively engage with stakeholders to provide information on the nature and cause of inappropriate practice through a variety of avenues.
Material changes to Program 1.1 resulting from the following measures:	
There are no material changes to Program 1.1 resulting from measures.	

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 Budget year, including the impact of Budget measures and resourcing on financial statements.

3.1 Budgeted Financial Statements

3.1.1 Differences Between Entity Resourcing and Financial Statements

This section is not applicable to PSR.

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

An analysis of PSR's budgeted financial statements is provided below.

Departmental Resources

Comprehensive Income Statement

PSR's approved operating loss in the current year relates to litigation costs and staff restructuring costs.

3.2 Budgeted Financial Statements Tables

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	3,073	2,757	2,876	2,928	3,113
Supplier expenses	2,827	2,448	2,299	2,277	2,128
Depreciation and amortisation	171	203	171	151	144
Total expenses	6,071	5,408	5,346	5,356	5,385
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Other revenue	-	40	-	-	-
Total revenue	-	40	-	-	-
Gains					
Other	30	30	30	30	30
Total gains	30	30	30	30	30
Total own-source income	30	70	30	30	30
Net cost of (contribution by) services	6,041	5,338	5,316	5,326	5,355
Revenue from Government	5,528	5,135	5,145	5,175	5,211
Surplus (deficit)	(513)	(203)	(171)	(151)	(144)
Surplus (deficit) attributable to the Australian Government	(513)	(203)	(171)	(151)	(144)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	(513)	(203)	(171)	(151)	(144)
Note: Reconciliation of comprehensive income attributable to the entity					
	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income (loss) attributable to the Australian Government	(513)	(203)	(171)	(151)	(144)
plus non-appropriated expenses depreciation and amortisation expenses	171	203	171	151	144
Total comprehensive income (loss) attributable to the entity	(342)	-	-	-	-

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	179	179	179	179	179
Receivables	2,543	2,494	2,494	2,630	2,575
Total financial assets	2,722	2,673	2,673	2,809	2,754
Non-financial assets					
Land and buildings	177	92	492	440	388
Property, plant and equipment	120	228	161	109	257
Intangibles	269	235	195	158	121
Other	39	39	39	39	39
Total non-financial assets	605	594	887	746	805
Total assets	3,327	3,267	3,560	3,555	3,559
LIABILITIES					
Payables					
Suppliers	352	352	352	352	352
Other payables	158	158	158	158	158
Total payables	510	510	510	510	510
Provisions					
Employees	780	780	780	780	780
Other provisions	86	86	86	86	86
Total provisions	866	866	866	866	866
Total liabilities	1,376	1,376	1,376	1,376	1,376
Net assets	1,951	1,891	2,184	2,179	2,183
EQUITY					
Contributed equity	854	997	1,461	1,607	1,755
Reserves	498	498	498	498	498
Retained surpluses or accumulated deficits	599	396	225	74	(70)
Total equity	1,951	1,891	2,184	2,179	2,183

Table 3.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	599	498	854	1,951
Surplus (deficit) for the period	(203)	-	-	(203)
Capital budget - Bill 1 (DCB)	-	-	143	143
Estimated closing balance as at 30 June 2017	396	498	997	1,891

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,126	5,184	5,145	5,039	5,266
Net GST received	342	233	238	243	248
Other cash received	-	40	-	-	-
Total cash received	6,468	5,457	5,383	5,282	5,514
Cash used					
Employees	3,073	2,757	2,876	2,928	3,113
Suppliers	2,882	2,418	2,269	2,247	2,098
Net GST paid	342	233	238	243	248
Total cash used	6,297	5,408	5,383	5,418	5,459
Net cash from (or used by) operating activities	171	49	-	(136)	55
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	176	192	464	10	203
Total cash used	176	192	464	10	203
Net cash from (or used by) investing activities	(176)	(192)	(464)	(10)	(203)
FINANCING ACTIVITIES					
Cash received					
Capital budget - Bill 1 (DCB)	5	143	464	146	148
Total cash received	5	143	464	146	148
Net cash from (or used by) financing activities	5	143	464	146	148
Net increase (or decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	179	179	179	179	179
Cash and cash equivalents at the end of the reporting period	179	179	179	179	179

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	5	143	464	146	148
Total capital appropriations	5	143	464	146	148
Total new capital appropriations represented by:					
Purchase of non-financial assets	5	143	464	146	148
Total items	5	143	464	146	148
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB ¹					
- current year appropriation	5	143	464	10	148
- prior year appropriation	171	49	-	-	55
Total acquisitions of non-financial assets	176	192	464	10	203
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	176	192	464	10	203
Total cash used to acquire assets	176	192	464	10	203

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

Table 3.6: Statement of Asset Movements (Budget year 2016-17)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	261	265	680	1,206
Accumulated depreciation amortisation and impairment	(84)	(145)	(411)	(640)
Opening net book balance	177	120	269	566
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services	-	192	-	192
Total additions	-	192	-	192
Other movements				
Depreciation/amortisation expense	(85)	(84)	(34)	(203)
Total other movements	(85)	(84)	(34)	(203)
As at 30 June 2017				
Gross book value	261	457	680	1,398
Accumulated depreciation amortisation and impairment	(169)	(229)	(445)	(843)
Closing net book balance	92	228	235	555

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 expenditure	Expenditure by an entity on non-financial assets, for example purchasing a building.
Cross-Portfolio Budget measure	This is a <u>Budget measure</u> which affects outcomes administered in a number of Portfolios.
Capital Budget Statement	A statement of the entity's estimated capital funding, through Appropriation Act No. 1 Departmental Capital Budget funding or Appropriation Act No. 2 equity injection funding and the entity's estimated expenditures on non-financial assets.
Departmental items	Assets, liabilities, revenues and expenses which are controlled by the entity in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by entities in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Departmental Capital Budget (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.
Depreciation	An expense recognised systematically for the purpose of allocating the depreciable amount of a depreciable asset over its useful life.
Efficiency dividend	An annual deduction of a percentage of running costs from an entity's budget, which acts as both an incentive to efficiency and a quantification of some of the efficiency gains made by an entity in the previous year.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	The value of resources consumed or lost during the reporting period.
Fair value	Fair values are prices in arm's length transactions between willing buyers and sellers in an active market.

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

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