

AUSTRALIAN DIGITAL HEALTH AGENCY

Entity Resources and Planned Performance

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Section 1: Entity Overview and Resources	174
1.1 Strategic Direction Statement	174
1.2 Entity Resource Statement	175
1.3 Budget Measures	176
Section 2: Outcomes and Planned Performance.....	177
2.1 Budgeted Expenses and Performance	177
Section 3: Budgeted Financial Statements	183
3.1 Budgeted Financial Statements	183
3.2 Budgeted Financial Statements Tables	184



Section 1: Entity Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT¹

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

The Australian Digital Health Agency (the Agency) has responsibility for the strategic management and governance of the National Digital Health Strategy and the design, delivery and operations of the national digital healthcare system including the My Health Record system.

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

In 2019-20, the Agency will prioritise the implementation of the second year of the National Digital Health Strategy – *Safe, seamless and secure: evolving health and care to meet the needs of modern Australia*² – approved by Australia’s Health Ministers on 4 August 2017. The Strategy articulates the need for a coordinated approach to the delivery of digital health within Australia, and identifies seven strategic priority outcomes:

1. Health information that is available whenever and wherever it is needed.
2. Health information that can be exchanged securely.
3. High-quality data with a commonly understood meaning that can be used with confidence.
4. Better availability and access to prescriptions and medicines information.
5. Digitally-enabled models of care that improve accessibility, quality, safety and efficiency.
6. A workforce confidently using digital health technologies to deliver health and care.
7. A thriving digital health industry delivering world-class innovation.

To deliver on this important work, the Australian Government is a party to an Intergovernmental Agreement with the states and territories for the continued support of the Agency and to work together to build a world-class national digital health capability. The Agency is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*.

¹ For more information about the strategic direction of the Agency, refer to the current Corporate Plan, available at: www.digitalhealth.gov.au/about-the-agency/corporate-plan

² Available at: www.digitalhealth.gov.au/about-the-agency/publications/australias-national-digital-health-strategy

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, 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: Australian Digital Health Agency Resource Statement – Budget Estimates for 2019-20 as at Budget April 2019

	2018-19 Estimated actual \$'000	2019-20 Estimate \$'000
Opening balance/cash reserves at 1 July	81,531	16,331
Funds from Government		
Annual appropriations^(a)		
Ordinary annual services ^(a)		
Outcome 1	219,270	179,524
Other services ^(b)		
Equity injection	37,542	20,400
Total annual appropriations	256,812	199,924
Amounts received from related entities^(c)		
Amounts from the Portfolio Department	-	-
Amounts from other entities	-	-
Total amounts received from related entities	-	-
Total funds from Government	256,812	199,924
Funds from other sources		
Interest	639	-
Sale of goods and services	-	-
Other	32,250	32,250
Total funds from other sources	32,889	32,250
Total net resourcing for Australian Digital Health Agency	371,232	248,505
	2018-19	2019-20
Average staffing level (number)	250	250

All figures are GST exclusive.

^(a) Appropriation Bill (No. 1) 2019-20.

^(b) Appropriation Bill (No. 2) 2019-20.

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

1.3 BUDGET MEASURES

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

Table 1.2: Australian Digital Health Agency 2019-20 Budget Measures

Program		2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
My Health Record - continuation ^{(a) (b)}						
Australian Digital Health Agency						
Departmental expenses	1.1	-	-	-	-	-
Departmental capital	1.1	-	-	-	-	-
Total		-	-	-	-	-

^(a) Full details of this measure are published under Department of Health (Table 1.2).

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

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 that contribute to Government outcomes over the Budget and forward years.

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

Note:

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

The Australian Digital Health Agency's most recent Corporate Plan is available at: www.digitalhealth.gov.au/about-the-agency/corporate-plan

The Australian Digital Health Agency's most recent Annual Performance Statement is available at: www.digitalhealth.gov.au/about-the-agency/publications/reports/annual-report



2.1 BUDGETED EXPENSES AND PERFORMANCE

Outcome 1

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

Program Contributing to Outcome 1

Program 1.1: Digital Health

Linked Programs

Other Commonwealth entities that contribute to Outcome 1
Department of Health (Health) Program 1.2: Health Innovation and Technology Health has policy responsibility for improving health outcomes for Australians through digital healthcare systems.
Department of Human Services (DHS) Program 1.2: Services to the Community – Health DHS contributes to the achievement of this Outcome by supporting the operation of the My Health Record system.

Budgeted Expenses for the Australian Digital Health Agency

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

Table 2.1.1: Budgeted Expenses for the Australian Digital Health Agency

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
Program 1.1: Digital Health					
Revenue from Government					
Ordinary annual services	219,270	179,524	-	-	-
Amounts from related entities	-	-	-	-	-
Revenues from independent sources	32,889	32,250	-	-	-
Expenses not requiring appropriation in the Budget year ^(a)	-	-	-	-	-
Operating deficit (surplus) ^(b)	41,150	29,657	-	-	-
Total for Program 1.1	293,309	241,431	-	-	-
Total expenses for Outcome 1	293,309	241,431	-	-	-
Average staffing level (number)					
	250	250			

^(a) Expenses not requiring appropriation in the Budget year are made up of net assets received free of charge.

^(b) The deficit in 2018-19 relates to the carry forward of 2016-17 Council of Australian Governments funding under the Intergovernmental Agreement for the delivery of the agreed Work Plan and also an allowance for depreciation/amortisation. There is no impact on the financial sustainability of the agency resulting from the operating loss in 2018-19 with carry forward of expenditure covered through funding received in 2016-17, which was recorded as revenue for accounting purposes in that year. The 2019-20 deficit is only relating to depreciation/amortisation. Depreciation/amortisation has no impact on underlying cash.

Planned Performance for the Australian Digital Health Agency

Table 2.1.2 details the performance criteria for the program associated with Outcome 1. It also summarises how the program is delivered and where 2019-20 Budget measures have materially changed the program.

Table 2.1.2: Performance Criteria for the Australian Digital Health Agency

Outcome 1
To deliver national digital healthcare systems to enable and support improvement in health outcomes for Australians.
Program Objective - Program 1.1: Digital Health
In collaboration with consumers, healthcare providers and the health industry ³ , the Australian 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.
Delivery
<p>Health information that is available whenever and wherever it is needed</p> <ul style="list-style-type: none"> • Maintain a My Health Record for every Australian who chooses to have one, giving them control over what goes into their My Health Record, and who is allowed access to it. • Promote the ways Australians can apply privacy settings in their My Health Record and use their My Health Record to become more proactive participants in the management of their own health. <p>Health information that can be exchanged securely</p> <ul style="list-style-type: none"> • Promote national adoption of standards to enable seamless, secure, and confidential information sharing across all healthcare providers and consumers. • Enable healthcare providers to search for other healthcare providers within their chosen system, and easily and securely share clinical correspondence. <p>High-quality data with a commonly understood meaning that can be used with confidence</p> <ul style="list-style-type: none"> • Guide implementation of interoperability between all public and private health and care services in Australia. Promote the collection of patient data in standard ways so it can be shared in real time with patients and their providers. <p>Better availability and access to prescriptions and medicines information</p> <ul style="list-style-type: none"> • Provide all consumers and their healthcare providers with the means to access prescribed and dispensed medications through the My Health Record, reducing the incidence of medication errors and adverse drug events. • Work with the Department of Health to enable digital paper-free options for all medication management in Australia, which would enable consumers, prescribers and pharmacists to have access to electronic prescribing and dispensing.



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

<p>Digitally-enabled models of care that improve accessibility, quality, safety and efficiency</p> <ul style="list-style-type: none"> • Introduce pioneering initiatives co-produced between consumers, governments, providers and entrepreneurs – to test evidence-based digital empowerment of key health priorities. • Focus on priority health reform areas such as Health Care Homes, chronic disease management, care during pregnancy, babies' and children's health, end-of-life care or emergency care. <p>A workforce confidently using digital health technologies to deliver health and care</p> <ul style="list-style-type: none"> • Develop resources and offer assistance to peak associations to support their professions on how, when and where technology and data could be used in everyday clinical practice. • Provide all healthcare professionals with access to resources that will support them in the confident and efficient use of digital services. <p>A thriving digital health industry delivering world-class innovation</p> <ul style="list-style-type: none"> • Promote the achievements of Australian innovation in digital health. • Consult with industry and trade agencies on ways the Agency can create opportunities for industry and the Australian economy by capitalising on the significant public and private sector investment in digital health. 		
<p>Performance Criteria</p>		
<p>Enhance the My Health Record system to maintain availability⁴, improve participation, usage, content and engagement with the service.</p>		
<p>2018-19 Estimated result</p> <p>Delivered a national opt-out model for the My Health Record system by 31 January 2019, and multiple releases in support of opt-out initiatives and December 2018 legislative changes. System maintained 99.5% of the time.</p>	<p>2019-20 Target</p> <p>Continue to operate a reliable and secure My Health Record system, maintaining system availability at 99%. Enhancements will be delivered over multiple releases which will improve the end user experience, medicines view, and design of access controls.</p>	<p>2020-21 (& beyond) Target</p> <p>Continue to deliver a reliable and secure My Health Record system available 99% of the time, and to continuously improve the end user experience.</p>

⁴ Excluding planned outages.

Increase My Health Record system adoption by public and private hospitals.				
2018-19 Estimated result		2019-20 Target		2020-21 (& beyond) Target
A total of 30 additional public hospitals and health services (out of a total of 1,106 ⁵) and 15 additional private hospitals (out of a total of 210 ⁶) have been connected to the My Health Record.		Connect an additional 20 public hospitals and health services and 15 private hospitals to the My Health Record.		As per 2019-20.
Establish a trustworthy, seamless process for a message to flow securely from one provider to another and over time to consumers.				
2018-19 Estimated result	2019-20 Target	2020-21 Target	2021-22 Target	2022-23 Target
Established a federated provider directory service and information exchange trust framework to support information exchange and implemented specifications and guidelines and extended use of interoperable messaging from initial sites.	Co-produce a conformance, compliance and accreditation framework and process, building on existing schemes.	Establish sustainable operational models for national infrastructure to support information exchange, including provider identification and addressing services.	80% of General Practitioners, 40% of Specialists and 20% of Allied Health Practitioners exchanging clinical correspondence via secure digital channels.	N/A ⁷



⁵ Total number of public hospital and health services reported by state and territory jurisdictions on 15 March 2019, with 832 public hospitals and health services (75%) connected to the My Health Record system prior to that date.

⁶ Total number of private hospitals and clinics contracted with the Australian Digital Health Agency for connection to the My Health Record on 15 March 2019, with 186 (89%) connected prior to that date.

⁷ The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2022.

Strengthen and improve the tools for digital interoperability in the Australia health sector.				
2018-19 Estimated result	2019-20 Target	2020-21 Target	2021-22 Target	2022-23 Target
Broadened consultation on Interoperability Roadmap and agree timeframes and targets for implementation. Developed an Interoperability Roadmap for Australia.	Base-level requirements for using interoperable digital technology in the provision of care in Australia agreed with governments, peak clinical bodies and other key stakeholders.	Establish a digital health maturity support service to support jurisdictions and health services to increase their digital health maturity.	Support additional projects as approved by Agency Board.	N/A ⁸
Material changes to Program 1.1 resulting from the following measures:				
There are no material changes to Program 1.1 resulting from measures.				
Purpose				
Better health for all Australians enabled by seamless, safe, secure digital health services and technologies that provide a range of innovative, easy to use tools for both patients and providers.				

⁸ The Australian Government has agreed to continue and improve the operation of digital health to 30 June 2022.

Section 3: Budgeted Financial Statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2019-20 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 Australian Digital Health Agency (the Agency).

3.1.2 Explanatory Notes and Analysis of Budgeted Financial Statements

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

Departmental Resources

Comprehensive Income Statement

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

The Government has approved operating deficits in 2018-19 and 2019-20.

The 2018-19 deficit relates to the carry forward of 2016-17 Council of Australian Governments (COAG) funding under the Intergovernmental Agreement (IGA) for the delivery of the agreed Work Plan and also an allowance for depreciation/amortisation. There is no impact on the financial sustainability of the Agency resulting from the operating loss in 2018-19 with carry forward expenditure covered through funding received in 2016-17, which was recorded as revenue for accounting purposes in that year. The 2019-20 deficit is only relating to depreciation/amortisation. Depreciation/amortisation has no impact on underlying cash.

Balance Sheet

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

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
EXPENSES					
Employee benefits	34,919	36,207	-	-	-
Supplier expenses	232,440	175,567	-	-	-
Depreciation and amortisation	25,950	29,657	-	-	-
Write-down and impairment of assets	-	-	-	-	-
Total expenses	293,309	241,431	-	-	-
LESS:					
OWN-SOURCE INCOME					
Revenue					
Interest	639	-	-	-	-
Other revenue	32,250	32,250	-	-	-
Total revenue	32,889	32,250	-	-	-
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	32,889	32,250	-	-	-
Net cost of (contribution by) services	260,420	209,181	-	-	-
Revenue from Government	219,270	179,524	-	-	-
Surplus (deficit)	(41,150)	(29,657)	-	-	-
Surplus (deficit) attributable to the Australian Government	(41,150)	(29,657)	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) attributable to the Australian Government ^(a)	(41,150)	(29,657)	-	-	-

^(a) The deficit in 2018-19 relates to the carry forward of 2016-17 COAG funding under the IGA for the delivery of the agreed Work Plan and also an allowance for depreciation/amortisation. There is no impact on the financial sustainability of the Agency resulting from the operating loss in 2018-19 with carry forward expenditure covered through funding received in 2016-17, which was recorded as revenue for accounting purposes in that year. The 2019-20 deficit is only relating to depreciation/amortisation. Depreciation/amortisation has no impact on underlying cash.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,331	66,331	66,331	66,331	66,331
Trade and other receivables	5,962	5,962	5,962	5,962	5,962
Total financial assets	22,293	72,293	72,293	72,293	72,293
Non-financial assets					
Land and buildings	990	515	515	515	515
Property, plant and equipment	2,469	1,041	1,041	1,041	1,041
Intangibles	90,592	83,238	83,238	83,238	83,238
Other	53,641	3,641	3,641	3,641	3,641
Total non-financial assets	147,692	88,435	88,435	88,435	88,435
Total assets	169,985	160,728	160,728	160,728	160,728
LIABILITIES					
Payables					
Suppliers	51,417	51,417	51,417	51,417	51,417
Other payables	2,123	2,123	2,123	2,123	2,123
Total payables	53,540	53,540	53,540	53,540	53,540
Provisions					
Employees	6,838	6,838	6,838	6,838	6,838
Other provisions	637	637	637	637	637
Total provisions	7,475	7,475	7,475	7,475	7,475
Total liabilities	61,015	61,015	61,015	61,015	61,015
Net assets	108,970	99,713	99,713	99,713	99,713
EQUITY					
Contributed equity	150,419	170,819	170,819	170,819	170,819
Reserves	15,776	15,776	15,776	15,776	15,776
Retained surpluses or accumulated deficits	(57,225)	(86,882)	(86,882)	(86,882)	(86,882)
Total equity	108,970	99,713	99,713	99,713	99,713

Digital
Health

Table 3.3: Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	(57,225)	776	15,000	150,419	108,970
Surplus (deficit) for the period	(29,657)	-	-	-	(29,657)
Appropriation (equity injection)	-	-	-	20,400	20,400
Estimated closing balance as at 30 June 2020	(86,882)	776	15,000	170,819	99,713

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	219,270	179,524	-	-	-
Interest	639	-	-	-	-
GST received	16,123	16,123	-	-	-
Other cash received	32,250	32,250	-	-	-
Total cash received	268,282	227,897	-	-	-
Cash used					
Employees	34,919	36,207	-	-	-
Suppliers	282,440	125,567	-	-	-
GST paid	16,123	16,123	-	-	-
Total cash used	333,482	177,897	-	-	-
Net cash from (or used by) operating activities	(65,200)	50,000	-	-	-
INVESTING ACTIVITIES					
Cash received					
Investments realised	-	-	-	-	-
Total cash used	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	37,542	20,400	-	-	-
Total cash used	37,542	20,400	-	-	-
Net cash from (or used by) investing activities	(37,542)	(20,400)	-	-	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	37,542	20,400	-	-	-
Total cash received	37,542	20,400	-	-	-
Net cash from (or used by) financing activities	37,542	20,400	-	-	-
Net increase (or decrease) in cash held	(65,200)	50,000	-	-	-
Cash and cash equivalents at the beginning of the reporting period	81,531	16,331	66,331	66,331	66,331
Cash and cash equivalents at the end of the reporting period	16,331	66,331	66,331	66,331	66,331

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	37,542	20,400	-	-	-
Total capital appropriations	37,542	20,400	-	-	-
Total new capital appropriations represented by:					
Purchase of non-financial assets	37,542	20,400	-	-	-
Total items	37,542	20,400	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations - equity injection ^(a)	37,542	20,400	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Total acquisitions of non-financial assets	37,542	20,400	-	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	37,542	20,400	-	-	-
Total cash used to acquire assets	37,542	20,400	-	-	-

^(a) Includes both current Bill 2, prior Act 2,4 appropriations.

Table 3.6: Statement of Asset Movements (Budget year 2019-20)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	2,888	5,564	157,373	165,825
Accumulated depreciation/ amortisation and impairment	(1,898)	(3,095)	(66,781)	(71,774)
Opening net book balance	990	2,469	90,592	94,051
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	20,400	20,400
By purchase - internal resources	-	-	-	-
Total additions	-	-	20,400	20,400
Other movements				
Depreciation/amortisation expense	(475)	(1,428)	(27,754)	(29,657)
Revaluations	-	-	-	-
Total other movements	(475)	(1,428)	(27,754)	(29,657)
As at 30 June 2020				
Gross book value	2,888	5,564	177,773	186,225
Accumulated depreciation/ amortisation and impairment	(2,373)	(4,523)	(94,535)	(101,431)
Closing net book balance	515	1,041	83,238	84,794