

5 DEPARTMENT OF HEALTH AND HUMAN SERVICES

AGENCY OUTLINE

The Department of Health and Human Services provides a wide range of services aimed at maintaining and improving the health and well being of individual Tasmanians and the Tasmanian community. Services provided by the Department include family, child and youth services; oral (dental) health services; alcohol and drug services; public and environment health services; scientific services; health and well being outcome services for diverse population groups, cancer screening and control; aged, rural and community health services; mental health services; services for people with a disability; palliative care; special needs accommodation; adoptions and information; youth justice; family services; crisis care; alternative care; hospital services for admitted and non-admitted patients; emergency and non-emergency patient transport; clinical research; clinical teaching; public and private rental assistance; community sector housing; and home ownership assistance.

Services are delivered from 362 sites across Tasmania, including:

- the Royal Hobart, Launceston General and North West Regional Hospitals;
- 15 district hospitals in rural and remote areas;
- 38 ambulance stations;
- 23 community health and multi-purpose centres;
- six day centres for the frail, aged and people with a disability;
- 91 Child Health Centres;
- two youth health centres;
- three parenting centres;
- 28 mental health facilities;
- seven housing service centres servicing almost 13 000 public rental properties;
- 36 oral (dental) health facilities; and
- the Ashley Youth Detention Centre.

A number of services such as Home and Community Care and community nursing are provided directly to clients in their home by staff working out of a number of the 362 sites.

The Department provides these services through four Output Groups:

- Community, Population and Rural Health;

- Children and Families;
- Hospitals and Ambulance Service; and
- Housing Tasmania.

STRATEGIC FOCUS

The outcomes the Department is working to achieve are:

- health and well being status for Tasmanians which compares favourably with the best in Australia;
- enhanced capacity and increased opportunities for Tasmanians of all ages to contribute to their own health and well being; and
- quality of life maintained and improved for those who experience illness, injury or disability and those in need of personal or social support.

The Department's strategic directions are guided by the goals and benchmarks established through Tasmania *Together*; by the Government's whole-of-government approach to social reform, including the new Social Projects Unit in the Department of Premier and Cabinet; by strategic partnerships with and across levels of government, and with the community sector and other partners, including the University of Tasmania and the Division of General Practice.

During 2003, the Department has refined and consolidated its strategic directions, which are based on the following strategic priorities:

- strengthening prevention and management of chronic conditions;
- strengthening primary health and community care;
- better managing complex, exceptional cases;
- improving the well being of our kids;
- improving the sustainability of acute care;
- progressing Aboriginal reconciliation;
- building community capacity;
- improving quality and safety;
- caring for ageing Tasmanians;
- affordable housing;
- building organisational capacity; and
- improving the service system.

KEY STRATEGIES

The Department has a strong commitment to continuously improving the services it provides within the overall financial resources provided by the Government. As is the case with health systems elsewhere, the cost of the service delivery system continues to grow, as do the demands on the system through factors such as population ageing and demographic change, technology, family structures, and social and cultural change.

In 2003-04, the Department will continue to focus on improving the health and human services system, both through new initiatives targeting particular priorities and Government commitments, and through rigorous performance review and evaluation, within a continuous improvement culture.

Significant funding increases for the services provided by the Department have continued in 2003-04. The Department has received a 6.3 per cent increase in its Appropriation compared to its 2002-03 Budget.

The Department will continue to strive for improved efficiency in service delivery to ensure that the funds provided are used to maximum effect in improving the health and well being outcomes of the Tasmanian community.

In addition, in 2003-04, the Department will continue to:

- improve the effectiveness of individual services, particularly in those areas where Tasmania's needs are relatively high;
- build on key partnerships and community capacity as key ways to achieve healthy outcomes; and
- seek to use innovation, technology and information to improve delivery systems and client outcomes.

Funding increases have been received for all Outputs, including:

- \$28.0 million for Hospitals and Ambulance Service;
- \$12.0 million for community, rural and population health;
- \$6.0 million for child and family support and youth justice;
- \$2.8 million additional funding to provide electricity discounts for health care cardholders in the winter quarters; and
- increased funding for non-government organisations through targeted assistance to individual organisations providing essential services and improved general grant indexation arrangements.

A key component of maintaining and improving services is our workforce, and particular attention will be paid to better formulating long-term integrated strategies across the medical, nursing, allied health and support sectors.

2003-04 MAJOR INITIATIVES

Improving Service Delivery

The continuing increase in demand for services, development of new technologies and treatments, and the quality and safety standards required of services continue to place funding demands on Departmental services. In addition, the continuing commitment to improve access for our rural and regional communities means infrastructure and services are a priority.

Initiatives to improve services include:

- increased funding to our major hospitals, including additional base funding of \$5.2 million to cover additional costs for medical, surgical and pharmaceutical supplies; \$6.9 million for the Royal Hobart Hospital Redevelopment Stage 3; \$1.8 million from the Economic and Social Infrastructure Fund for improvements to infrastructure at the Launceston General Hospital and the Intensive Care Unit at the North West Regional Hospital; and \$1.3 million to cover increased demand for renal dialysis treatment;
- \$280 000 to cover the recurrent costs of establishing a new ambulance paramedic service at Sorell fulfilling a 2002 election commitment to this growing community, and \$675 000 to cover the cost of the new air ambulance contract including a more modern aircraft based in Launceston;
- funding for the Tasman Multi-Purpose Service, adding to previously announced rural health services capital works, including the New Norfolk district hospital, West Coast health services, Deloraine hospital redevelopment, Sorell community health centre and Huon Valley community and health centre. Total budget funds in 2003-04 for these redevelopments are \$5.6 million;
- \$1.2 million to assist in meeting increased costs in disability services arising from increasing demand in recent years for emergency accommodation and respite services; and
- funding of \$725 000, which together with the \$5.3 million over four years announced in 2002-03, will assist oral health services to operate on a sustainable basis, both for emergency adult care, and also targeted care for adults and children from low income families with poor dental health.

Building Workforce Capacity

Recruiting, retaining and maintaining the professional skills of our workforce is fundamental to improving services, including managing demand, maintaining quality, and ensuring clients receive appropriate professional care. Initiatives include:

- additional funds in 2003-04 of \$11.4 million to recruit and retain targeted professions and to meet award obligations. This includes an additional allocation of \$10.1 million to increase the number of nursing staff as agreed under the staffing formula for nurses working in acute services, and the additional cost of the Nurses' Post Graduate Allowance; funding of \$808 000 to increase the remuneration of medical specialists at the North West Regional Hospital; and an additional \$450 000 to increase staffing resources in the intake and assessment areas of the child protection system; and
- further development of longer-term workforce strategies with increased focus on allied health professions, development of strategies that are integrated across the major professional groups, and continuing to develop strategies with the University of Tasmania and professional bodies. In 2003-04, particular attention will be given to professions common with the Department of Education as part of developing better aligned service delivery arrangements to joint clients.

Community Capacity Building

A number of initiatives are targeted at promoting resilience and improving the capacity of individuals, families and communities. They are underpinned by the health promotion, prevention and early intervention focus of programs, while recognising the need to meet service demands for those with acute care needs or with chronic and complex conditions. Initiatives include:

- further development of the 'Our Kids' initiative, with full implementation of the advisory and referral service, improved access to other forms of parenting information, and working with the Department of Education to develop better coordination and integration of services targeting early identification, referral and support services. Improvements in relation to child protection include \$450 000 for improved intake and assessment and \$1.1 million to match services to demand. A revised carer payment system for children in care will be implemented progressively with \$250 000 provided this year. \$2.4 million has been provided to fully fund the Ashley Youth Detention Centre service model;
- funding for prevention and early diagnosis services, including \$840 000 to maintain breast screening services, and \$135 000 as Tasmania's contribution to the national Meningococcal Vaccination program;
- improved service models for people with disabilities, including \$100 000 for an innovative model with children living 50 per cent of their time with their family, and 50 per cent in supported accommodation, \$200 000 to support persons with acquired brain injury, currently accommodated in hospital, into supported accommodation, and a \$250 000 respite program supporting children with a disability and their families through school holiday periods; and
- funding of \$3.0 million from the Economic and Social Infrastructure Fund to the Affordable Housing Strategy focused on solutions for people who are at high risk of homelessness, either because of support needs or difficult behaviour, or because there are particular family housing requirements not readily available in the market.

Partnerships

The Department has close and effective relationships with a range of partners, and these will continue to be a strong focus in 2003-04. Initiatives include:

- putting long-term arrangements in place to provide a higher level of certainty to the community sector, a key part of the health and human services system. This includes \$1.4 million to provide both targeted funding to critical services that require supplementation this year, and long-term cost indexation arrangements for funded organisations;
- addressing the issue of the State's ageing population through a tripartite agreement between the Commonwealth, Tasmanian and local governments. This will address the planning and service needs of our ageing population, and focus on strategies that better match services to local community needs, and more promptly establish residential aged care services; and
- developing joint strategies with the Department of Education to improve the coordination and integration of services for joint clients, and to jointly develop approaches to workforce planning for shared professional groups.

SUMMARY AGENCY 2003-04 BUDGET INFORMATION

Financial Summary

Table 5.1: Summary Financial Information for the Department of Health and Human Services

	2002-03 Budget \$'000	2003-04 Budget \$'000	Variation %
OPERATING REVENUE			
Revenue from Government			
Annual Appropriation	725 703	771 393	6.3
Other ¹	....	14 837	....
Other Revenue	141 900	146 082	2.9
TOTAL	867 603	932 312	7.5
OPERATING EXPENSES			
Community, Population and Rural Health²	195 449	214 784	9.9
Children and Families³	36 923	44 496	20.5
Hospitals and Ambulance Service⁴	421 211	461 388	9.5
Housing Tasmania⁵	82 575	98 216	18.9
Grants and Subsidies⁶	113 096	123 329	9.0
Other⁷	26 954	17 888	(33.6)
TOTAL	876 208	960 101	9.6
NET OPERATING RESULT	(8 605)	(27 789)	(222.9)

Notes:

1. The amount carried forward from 2001-02 under section 8A(2) of the *Public Account Act 1986* was \$9.95 million. The implementation of Accrual Budgeting has required the base 2002-03 information to be amended to reflect accrual transactions and thus the carry forward is not reflected in the financial summary. Section 8A(2) carry forward data on a comparative basis will be presented in future budgets.
2. The increase in Community, Population and Rural Health primarily relates to additional funding for the maintenance of current service delivery levels, including the BreastScreen Tasmania contract, Home and Community Care (HACC) packages of care, funding for meningococcal vaccines, changes to service delivery with non-government organisations and section 8A(2) carried forwards and salary and wage indexation.
3. The increase in Children and Families primarily relates to additional funding for the maintenance of current service delivery levels including Ashley Youth Detention Centre, Child Protection Services, conversion of service providers to employees and salary and wage indexation.
4. The increase in Hospitals and Ambulance Service relates to additional funding for the implementation of the Nursing Hours Per Patient Day model, Nurses' Post Graduate Allowance, additional costs associated with the renegotiated air ambulance contract, establishment of the Sorell Paramedic Station and to maintain current service delivery levels reflecting significantly increasing costs in the areas of medical, surgical and pharmaceutical supplies, and increasing demand in renal dialysis.

5. The increase in Housing Tasmania primarily relates to accounting reclassifications of expenditure previously reported under the Capital Program now being reported as recurrent expenditure. This has been partially offset by a reduction in the Commonwealth-State Housing Agreement funding.
6. Increased funding in Grants and Subsidies includes increased payments to Aurora Energy as a result of the Government commitment to provide electricity discounts to Health Care Cardholders, increased funding following renegotiation of Commonwealth funding for Disability Services, Home and Community Care and Supported Accommodation Assistance Program, increased funding to critical non-government organisations providing services on behalf of the Department and indexation to non-government organisations. These increases have been offset by the transfer of Blood Transfusion Services to the Hospitals and Ambulance Service.
7. A number of items included as expenditure in the 2002-03 Budget were subsequently capitalised and, therefore, the 2002-03 Budget estimate for Other was overstated.

DETAILED OUTPUT GROUP 2003-04 BUDGET INFORMATION

The individual Outputs of the Department of Health and Human Services are provided under the following Output Groups:

Output Group 1: Community, Population and Rural Health;

Output Group 2: Children and Families;

Output Group 3: Hospitals and Ambulance Service; and

Output Group 4: Housing Tasmania.

Output Group 1: Community, Population and Rural Health

Description

The Community, Population and Rural Health Output Group provides primary health, population health and community support services delivered to people in community settings. The vision for the Output Group is *Healthy People in Healthy Communities*.

The Community, Population and Rural Health Output Group delivers services through three sub-divisions:

- Primary Health comprised of: Aged, Rural and Community Health, Oral Health Services, and Palliative Care;
- Community Support comprised of: Mental Health Services, Disability Services, and Alcohol and Drug Services; and
- Population Health comprised of: Public and Environmental Health, Cancer Screening and Control Services, and Population and Health Priorities.

A primary objective of the strategic grouping of outputs is to ensure the co-ordination and integration of services to enable the needs of clients with complex and continuing needs to be met. This also reflects a focus on the needs of people in rural and remote communities as well as the population health needs of Tasmanians generally. This grouping also enables the Output Group to effectively integrate Agency priorities and whole-of-government initiatives such as *Tasmania Together* and the Partnerships program with Local Governments, regional authorities and other key stakeholders.

In working to improve the health and well being of all Tasmanians, the following four priority focus areas have been identified within the Community, Population and Rural Health Output Group:

- protecting, promoting, and maintaining good health and well being;
- improving the sustainability and integration of services;
- improving the quality and safety of services; and
- improving the organisational capacity of the Output Group's services.

Table 5.2: Summary Financial Information - Output Group 1

	2002-03	2003-04	
Community, Population and Rural Health	Budget	Budget	Variation
	\$'000	\$'000	%
OPERATING REVENUE			
Revenue from Government			
Annual Appropriation¹	164 762	176 170	6.9
Other²	....	1 742	....
Grants	13 171	12 841	(2.5)
Sales of Goods and Services	9 713	9 727	0.1
Other Revenue	5 693	5 587	(1.9)
TOTAL	193 339	206 067	6.6
OPERATING EXPENSES			
Employee Entitlements			
Salaries and Wages	123 876	131 500	6.2
Other Employee Related Expenses	12 554	12 968	3.3
Superannuation	12 172	13 004	6.8
Depreciation and Amortisation	1 861	1 871	0.5
Borrowing Costs	19	19	....
Grants and Transfer Payments³	1 845	1 295	(29.8)
Supplies and Consumables			
Medical and Surgical Supplies	4 535	4 604	1.5
Pharmacy Supplies⁴	3 573	5 832	63.2
Community Support Services⁵	5 540	8 739	57.7
Travel and Transport⁶	2 956	4 069	37.7
Advertising and Promotion	200	124	(38.0)
Communications	2 147	2 210	2.9
Consultancies⁷	457	267	(41.6)
Rent⁸	3 732	4 173	11.8
Other Accommodation Related Expenses	2 992	2 999	0.2
Information Technology⁹	5 045	3 327	(34.1)
Other Supplies and Consumables¹⁰	11 945	17 783	48.9
TOTAL	195 449	214 784	9.9

**Table 5.2: Summary Financial Information - Output Group 1
(continued)**

Community, Population and Rural Health	2002-03 Budget	2003-04 Budget	Variation
	\$'000	\$'000	%
EXPENSE BY OUTPUT			
1.1 Aged, Rural and Community Health Services¹¹	80 349	89 850	11.8
1.2 Oral Health Services¹²	10 913	12 215	11.9
1.3 Palliative Care Services	4 907	5 407	10.2
1.4 Public and Environmental Health Services¹³	8 726	10 702	22.6
1.5 Cancer Screening and Control Services¹⁴	3 852	4 773	23.9
1.6 Population and Health Priorities	1 881	2 137	13.6
1.7 Disability Services	28 209	29 499	4.6
1.8 Mental Health Services	50 221	53 546	6.6
1.9 Alcohol and Drug Services	6 391	6 655	4.1
TOTAL	195 449	214 784	9.9

Notes:

1. The increase in the Annual Appropriation represents the provision of additional funding for the maintenance of current service delivery levels and costs associated with salary and wage indexation.
2. Refer Table 5.1, Note 1.
3. The decrease in Grants and Transfer Payments relates to funding reallocated to Administered Payments for purchasing services from the non-government sector previously provided directly by the Department.
4. The increase in Pharmacy Supplies is primarily due to additional Commonwealth funding for meningococcal vaccines and anticipated expenditure associated with the Commonwealth funded immunisation program.
5. The increase in Community Support Services relates to the realignment of the budget to reflect costs associated with the delivery of services to people with disabilities and for HACC packages of care. Additional funding has been allocated for the BreastScreen Tasmania contract and the Needle Availability Program.
6. The 2003-04 Budget for Travel and Transport has been increased primarily based on an expected increase in client travel associated with BreastScreen Tasmania assessments.
7. The decrease in Consultancies is primarily due to the conclusion of the Commonwealth Telehealth project.
8. The 2003-04 Budget for Rent has been increased to reflect indexation related to leasing of Mental Health facilities and costs associated with the new contract for breast screening services.
9. The decrease in Information Technology is primarily due to the conclusion of the Commonwealth Telehealth project.
10. The increase in Other Supplies and Consumables primarily relates to the additional costs associated with the transfer of adult rehabilitation from the non-government sector back to the Output Group, and also an increasing level of clients with challenging behaviours.
11. The increase in Aged, Rural and Community Health Services is primarily attributable to the reallocation of funding for adult rehabilitation services from Administered Items to the Output. Additional Commonwealth funding associated with Regional Health Services and Multi-Purpose Service development is also reflected in the estimate.
12. The increase in Oral Health Services is largely attributable to the costs associated with an increased number of adult emergency procedures, and an additional three dental assistants.
13. The increase for Public and Environmental Health Services is primarily to meet the cost of the meningococcal vaccination program and increased costs associated with the Needle Availability Program.
14. The increase in funding for Cancer Screening and Control Services is to meet the costs of the new two-year contract for breast screening services.

Major Issues and Initiatives for 2003-04

During 2003-04, the Output Group will focus on:

- continued implementation of the Community Client Health Profile Project (electronic health record) in several pilot community health sites prior to statewide introduction;
- continuing review of rural health services and implementation of service enhancements;
- ongoing management of the rural infrastructure project, which will see capital redevelopments finalised at Sorell, Huonville, Campbell Town and Deloraine and work progressing at New Norfolk and the West Coast;
- implementation of the Oral Health Action Plan, which is designed to:
 - progress partnerships with the private sector to improve access to emergency and prosthetic services;
 - pilot new models of care which will extend the clinical skills of dental therapists to provide care to eligible adults; and
 - create sustainability by reducing waiting lists and waiting times for emergency treatment and general care through improved access to dentists;
- work with the Commonwealth to strengthen community care for older people including implementing the review of the Aged Care Assessment Program, review of the Community Options Program and finalisation of the Community Nursing Strategic Plan;
- undertaking an assessment of the needs and ongoing demand for palliative care in Tasmania in order to strengthen services into the future;
- development of a Primary Health and Community Care Policy Framework that focuses on aligning services to population needs and enhances flexibility to respond to demographic changes and emerging issues;
- reviewing the range and type of service models for community accommodation and day options for people with disabilities, including those who have challenging behaviours and those who are ageing;
- implementation of respite initiatives for people with disabilities including a new model for respite/shared care for young people with disabilities and additional funding for school holiday respite;
- strengthening the Pharmacotherapy Program (Methadone and Buprenorphine) by establishing a working party to liaise with key stakeholders with a view to establishing a shared-care model of service delivery;
- extension of the Places Of Safety initiative for sobering-up purposes as a statewide model;
- implementation of the Agency Collaboration Strategy for the better management of clients with complex, exceptional needs;
- implementation of the Comorbidity Integrated Services Project in order to better meet client, carer and service system needs in relation to people with alcohol and/or drug and mental health comorbidities;
- continued implementation of an accreditation process for mental health services whereby all services will be reviewed against the National Standards for Mental Health Services;

- continued upgrade of health services in correctional settings, including development of a new secure mental health unit;
- the Public Health legislative agenda including:
 - any amendments to the *Public Health Act 1997* arising from the review of smoke free areas; and
 - reviewing the guidelines for the notification of notifiable diseases;
- reviewing the Tasmanian Immunisation Strategy including investigating the feasibility of introducing a system of Nurse Immunisers within approved immunisation programs;
- establishing a collaborative partnership across Government to coordinate effort on the Tasmania *Together* healthy lifestyles goal, including:
 - finalising the Strategic Framework for the Prevention and Management of Chronic Conditions;
 - development of a prevention strategy to address the common risk factors for Smoking, Nutrition, Alcohol, Physical Activity and addressing some Social Determinants (SNAPS) approaches to promoting healthy lifestyles;
 - implementation of the new Tasmanian food and nutrition policy;
 - working with the Premier's Physical Activity Council to develop methodology for the measurement of physical activity by Tasmanians;
 - developing collaborative approaches across the health sector to improve prevention, early detection, and management of diabetes and associated conditions; and
 - implementing the Tasmanian Cancer Strategy Strategic Plan;
- implementing the Tasmanian Aboriginal Health and Well Being Strategic Framework;
- continuing to work with the African community to address identified health issues and establish an African women's project in northern Tasmania, modelled on the success in southern Tasmania; and
- investigating future service models for the Tasmanian BreastScreen service.

Table 5.3: Performance Information – Output Group 1

Performance Measure	Unit of measure	2000-01 Actual	2001-02 Actual	2002-03 Target	2003-04 Target
Children Fully Immunised (Dtp Polio Hib) at Age 1 year	%	93.9	92.2	92.5	94.0
Children Fully Immunised (Measles) at Age 1 Year	%	95.4	95.2	96.0	97.0
Small Invasive Breast Cancer Detection Rate	Per 10 000 women screened	17.5	18.8	>18.0	>25.0
Total Community Accommodation Clients with a Disability	Number	660	759	680	775
Total Emergency Disability Services Respite Requests Met	Number	84	88	76	70
Rate of Disability Respite Occupancy	%	102	112	100	100
Closed Episodes of Alcohol and Drug Treatment as a Proportion of All Client Registrations (Community Services)	%	n.a.	85	85	85
Mental Health Services with National Accreditation	%	10	12	100	100
Dental occasions of service (adults)	Number	16 325	16 323	17 500	20 000
Dental occasions of service (children)	Number	85 193	72 094	85 000	75 000
Residential aged care sites accredited	%	86	100	100	100
Total separations at district hospitals	Number	5 008	4 437	5 000	4 500
Residential aged care occupancy rate	%	90.1	93.0	95.0	90.0
Clients accessing palliative care services	Number	800	750	1 000	1 000
Whittle Ward occupancy rate	%	77.4	79.5	90.0	85.5

Performance Information Comments

Tasmania experiences one of the highest vaccination rates nationally and performance in 2002-03 shows an increase over the target, with a projected rate of 93 per cent for DTP polio Hib and 97 per cent for measles at age one year.

The National Accreditation Standard Performance measure for detection of small invasive cancers has changed. Up until 2001-02, the rate was measured as >18 per 10 000 women screened for all age groups. After 2001-02, the rate has been measured as >25 per 10 000 women screened for women in the 50-69 age group. Tasmania is achieving high rates of cancer detection and is meeting all these national standards in this area. Future targets and projections for this item are based on the new measure.

The target for access to accommodation support in 2002-03 was developed prior to confirmation that the Commonwealth funded Individual Options Program could continue in that year. This has now been confirmed and the target upgraded. Actual performance shows a significant increase over 2001-02 with 767 people now able to access the services. The future rate of increase will depend upon the level of unmet needs funding provided by the Commonwealth in the third Commonwealth, State and Territory Disability Agreement (CSTDA).

Activity data regarding the proportion of emergency requests for respite services that have been met is an indicator of effectiveness of supports provided in the community. The results in 2002-03 show an increase in the proportion of requests met, (now at 93 per cent), indicating that specialist disability services have been able to maintain their capacity to address immediate needs over the past twelve months.

Accreditation of Mental Health services: due to the inability of the accrediting organisation to meet the demand across all states, the States and the Commonwealth have renegotiated this target which is now defined as the percentage of organisations that have formally committed to participation in an accreditation cycle. It is expected that Tasmania will meet this revised target.

Adult dental services will perform above the target in 2002-03, with a projection of occasions of service performed within the public sector dental service, excluding private sector referrals, of 22 252. Children's services' data is recording below target, primarily due to a failure to record occasions of service as a result of industrial action.

It is anticipated that all residential aged care sites will achieve re-accreditation by September 2003.

Improvements in case mix reporting have shown that the type and number of patients treated in district hospitals have remained appropriate to the expected level of need during 2002-03. Demand for residential aged care beds in rural communities varies from time to time and performance in 2002-03 shows the projected number of separations to be 4 437. This is slightly reduced from previous performance due to the impact of several capital improvement projects that have required short-term closure of beds. Development of multi-purpose services allows greater flexibility between hospital and aged care bed classifications.

The substantial increase in the number of palliative care clients accessing the service in the target figures for 2003-04 illustrates the impact of two new palliative care medical specialists in the north and north-west regions, and a coordinated strategy to raise community awareness of the service.

Output Group 2: Children and Families

Description

The Children and Families Output Group consists of a range of complementary services for children, young people, families, individuals and the communities that support them. The services aim to improve the health, well being and safety of these clients and are delivered through:

- the provision of accessible information about health promotion and illness prevention for children, young people, families and individuals directed at enabling people to manage their own health and well being;
- universal screening and assessment services for children, young people, families and individuals aimed at identifying problems early;
- early intervention services for children, young people, families and individuals, aimed at reducing their risk to more serious problems and their need for more specialist services;
- a range of support services for vulnerable and at risk clients, which include financial and personal counselling, intensive family support, and access to specialised services;
- care and protection services for children and young people at risk, including the statutory elements of child protection, and out-of-home care;

- advice and assessment for local and overseas adoption;
- domestic violence crisis services;
- restorative youth justice services for young offenders aged 10–18 years including supervision, support and rehabilitation either in the community setting or at the Ashley Youth Detention Centre;
- services for people who are homeless including supported accommodation, and access to a range of specialised support to assist people to maintain secure and appropriate accommodation; and
- community support services offered through a range of locations such as neighbourhood houses, adolescent community placements, shelters, counselling services, and family support services.

Direct service provision by the Output Group includes information, education, screening and early intervention services through the child health nursing service, the parenting centres, child development units and the youth health services including the Pulse Youth Health Centre at Glenorchy and the Corner Youth Health Centre in Launceston.

The Output Group is also responsible for the provision of high level intervention services such as care and protection of children, community youth justice and youth custodial services. Additionally, the Community Partners Output is responsible for the relevant service agreements with the community sector such as the agreements with Supported Accommodation Assistance Program (SAAP) funded organisations, approved children's homes, neighbourhood houses, and family support services.

The community sector is a key partner in the provision of services to children, young people, their families, individuals and communities. Neighbourhood houses are an important community resource in building the capacity of families and communities, and these are located in 31 sites across the State. Family support services are also situated in small and large localities across the State, ensuring that families have access to a range of low to high intervention support as appropriate. Community organisations also provide a range of support and counselling services, brokered accommodation, shelter, and safety net services to those at risk, in crisis or in transition.

The alternative care service for children and young people is also based in the community and is provided either by foster carers, family group home carers or approved children's homes. These services provide a supportive and nurturing environment for children who are unable to remain with their parents for short or extended periods of time. A further important and growing part of the out of home care service system is kinship care, where extended families take responsibility for the care and protection of the child or young person.

There are two key legislative frameworks that significantly govern the practice of the Output Group. The implementation of the *Youth Justice Act 1997*, proclaimed on 1 February 2000, places an emphasis on restorative justice. The focus is on the provision of community based services as an alternative to custodial care for young offenders. These include community conferences and community service orders.

The implementation of the *Children, Young Persons and their Families Act 1997*, proclaimed on 1 July 2000, has a strengths based approach and places greater emphasis on community education, early intervention and prevention services.

In 2003-04, the services in the Children and Families Output Group will be provided through five Outputs. These outputs are:

- Child and Family Support Services - provision of care and protection for children, with an emphasis on supporting and strengthening families and communities, including provision of domestic violence crisis and adoption services;
- Family, Child and Youth Health Services – provision of information, screening, early recognition and intervention services through child health centres, parenting centres, child development units, and youth health services;
- Youth Justice Services – provision of community based and custodial restorative youth justice services that includes case management, rehabilitation and support for young offenders;
- Community Partners - provision of community support for individuals and families, including neighbourhood houses and services for homeless people or people at risk of homelessness by brokering funds to community based services; and
- Office of the Commissioner for Children – investigation, reporting and the provision of advice on any matters which affect the health, welfare, care, protection and development of children, either at the request of the Minister for Health and Human Services or on the Commissioner's own initiative.

The Gambling Support Bureau is also located within the Children and Families Output Group, and provides a range of services to people at risk of, or affected by, problem gambling. These services include research, community education, health promotion, and the administration of the charitable grants program. The Gambling Support Bureau works collaboratively across Government and with the Tasmanian Gaming Commission to administer programs funded by the Community Support Levy.

The Our Kids Bureau has a role across the Department and more broadly across Government through collaborative work with other Government departments and the community to improve the outcomes for Tasmanian children by identifying and initiating best practice services for children and their families based on the most contemporary evidence available and by focusing on addressing inequities.

Table 5.4: Summary Financial Information - Output Group 2

	2002-03	2003-04	
Children and Families	Budget	Budget	Variation
	\$'000	\$'000	%
OPERATING REVENUE			
Revenue from Government			
Annual Appropriation¹	35 449	41 632	17.4
Other	....	46	....
Grants	2	4	100.0
Sales of Goods and Services	25	32	28.0
Other Revenue	705	583	(17.3)
TOTAL	36 181	42 297	16.9
OPERATING EXPENSES			
Employee Entitlements			
Salaries and Wages²	21 105	23 827	12.9
Other Employee Related Expenses²	2 210	2 532	14.6
Superannuation²	2 145	2 441	13.8
Depreciation and Amortisation³	835	723	(13.4)
Borrowing Costs	3	3	....
Grants and Transfer Payments⁴	493	1 349	173.6
Supplies and Consumables			
Medical and Surgical Supplies	1	1	....
Community Support Services⁵	4 808	6 874	43.0
Travel and Transport	967	1 047	8.3
Advertising and Promotion	10	33	230.0
Communications	607	674	11.0
Consultancies	56	46	(17.9)
Rent	607	579	(4.6)
Other Accommodation Related Expenses	383	415	8.4
Information Technology⁶	743	928	24.9
Other Supplies and Consumables⁷	1 950	3 024	55.1
TOTAL	36 923	44 496	20.5
EXPENSE BY OUTPUT			
2.1 Child and Family Support Services⁸	19 058	22 153	16.2
2.2 Family, Child and Youth Health Services	9 882	10 315	4.4
2.3 Youth Justice Services⁹	7 432	10 081	35.6
2.4 Community Partners¹⁰	269	1 656	515.6
2.5 Office of the Commissioner for Children	282	291	3.2
TOTAL	36 923	44 496	20.5

Notes:

1. The increase in the Annual Appropriation represents the provision of additional funding for the maintenance of current service delivery levels and costs associated with salary and wage indexation.

2. The increases in Salaries and Wages, Other Employee Related Expenses and Superannuation reflect additional funding for salaries for Ashley Youth Detention Centre and increased staffing resources for Child Protection.
3. A recent stocktake of Departmental buildings and review of depreciation rates resulted in decreased building depreciation charges for the 2003-04 Budget.
4. The increase in Grants and Transfer Payments is related to Supported Accommodation Assistance Program projects that have been deferred from previous years and are scheduled to commence in 2003-04.
5. The increase in Community Support Services reflects an increased demand in client related services within Child Protection Services.
6. Additional funding has been allocated to Information and Technology to meet costs associated with the Microsoft Enterprise Agreement and equipment costs for the Ashley Youth Detention Centre.
7. The increase in Other Supplies and Consumables reflects the actual cost of providing secure transport services, facility maintenance and client associated costs at Ashley Youth Detention Centre.
8. The increase in Child and Family Support Services is attributable to increased funding for Child Protection Service, Carers and Service Providers.
9. Additional funding has been provided to maintain the current service delivery levels at the Ashley Youth Detention Centre.
10. The increase in Community Partners reflects a reallocation of funds related to the internal reorganisation of the Community Partners Unit and projects deferred from prior years.

Major Issues and Initiatives for 2003-04

Highlights for 2003-04 will include:

Improved Support for Parents

- full implementation of the 1800 parenting telephone advisory and referral service, staffed by professionals and available 24 hours a day, seven days a week;
- improved integration of the three statewide parenting centres to provide timely access to specialised parenting support;
- improved access to other forms of parenting information through various communication mediums and particularly building on initiatives of the past year such as the web sites established in Family, Child and Youth Health Services and Our Kids; and
- improving the knowledge and skills of Government and community service providers to provide appropriate parenting advice and support to families, through training and other opportunities to pilot new service models.

Earlier Intervention

- working together with the Department of Education to pilot new assessment tools that will enable the early identification of problems and referral to appropriate remedial services, eg assessment of school readiness; and
- further development of support for women experiencing postnatal distress and depression, working with Tasmanian hospitals, mental health services and *beyondblue*, for the adoption of an antenatal assessment tool, and the provision of early specialised support for women who are experiencing postnatal depression.

Children and Young People at Risk

- commencing 1 July 2003, full implementation of a statewide integrated Child Protection Advice and Referral Service, which will improve the notification and assessment of children who may be at risk;
- implementation of the Tasmanian Risk Framework to ensure child protection notification and assessment processes are robust;

- improving the capacity of the child protection service through provision of additional staff, including improved training, supervision and support of staff; and
- improved risk assessment and targeted services for high risk youth justice clients through the implementation of the Wisconsin Risk Assessment Tool by community youth justice services and Ashley Youth Detention Centre.

Children in Out-of-Home Care / Custody

- full implementation of Looking After Children case management system commencing on an incremental basis from 1 July 2003;
- commence the implementation of a revised care payment system by July 2004 that is fair and equitable including improvements to the administration of the carer reimbursement system;
- working collaboratively with Centrelink to ensure that income support and benefits for carers are clearly communicated and accessible;
- further development of kinship care, including improved remuneration of kinship carers to commence by 1 July 2004;
- further development of placement strategies for indigenous children in partnership with indigenous organisations;
- further development and implementation of the out of home care strategic framework collaboratively with the community sector; and
- improved case management at Ashley and access to programs for young people thereby improving their capacity to reintegrate successfully into their communities.

Fostering Integration and Collaboration

- continue to work strongly with key partners (community sector, Departments of Education, Police and Public Safety, and Justice and Industrial Relations) to contribute to the social policy agenda of Government including a focus on the Tasmania *Together* benchmarks relating to care and protection, gambling, domestic violence, and community safety; and
- developing and strengthening partnerships in the community to provide community based diversion and support for young offenders and for re-integration of young offenders into the community.

Improving Services

- reviewing services in the Output Group to ensure they are aligned to the evidence and the Agency Our Kids policy and if required, realigning services appropriately;
- realignment of the child health centre sites across the State to provide more appropriate service to families and their children;
- participating in the mid-term national evaluation of the Supported Accommodation Assistance Program (SAAP), developing and implementing quality standards, and reporting across the SAAP funded organisations;
- undertake a review of the impact of the *Children, Young Persons and their Families Act 1997*, with the view to amending where required to provide a more effective and efficient legislative framework; and
- develop a quality improvement plan for the Output Group including the implementation of a formal complaints mechanism for the Output Group by July 2004.

Table 5.5: Performance Information – Output Group 2

Performance Measure	Unit of measure	2000-01 Actual	2001-02 Actual	2002-03 Target	2003-04 Target
Proportion of child harm/maltreatment notifications investigated	%	88.0	89.2	90.0	90.0
Proportion of finalised child protection investigations that were substantiated	%	38.4	39.9	40.0	40.0
	Per 1 000				
Rate of children on care and protection orders	pop'n	3.8	3.9	3.0	4.0
Proportion of births registered with Family, Child & Youth Health¹	%	80.0	93.0	94.0	95.0
Total admissions to Ashley YDC	Number	200	129	210	160
Total individuals admitted to Ashley YDC	Number	174	123	155	120
Total Community Service Orders	Number	185	173	180	200
Total Community Conferences	Number	274	359	360	360
Proportion of Supported Accommodation Assistance Program (SAAP) clients with a support plan²	%	65.0	67.2	70.0	70.0
Change to independent housing type by clients after SAAP intervention²	%	82.0	78.2	90.0	90.0

Notes:

1. This a new indicator with the 2002-03 target indicator representing the most likely outcome for that year.
2. SAAP system has been restructured and the service system is working to capacity so it is expected that these levels will be sustained.

Performance Information Comments

The proportion of child protection notifications that are investigated is a measure of effectiveness and timeliness of child protection services. The 2001-02 target of 90 per cent of notifications investigated was almost reached (89.2 per cent). Increased resources are being provided in the 2003-04 Budget to supplement intake and assessment staffing, to respond to increasing notifications and the target for the rate of notifications investigated remains at 90 per cent for the next two years. The remaining ten per cent of notifications are those for which investigation is neither feasible nor appropriate. These are largely notifications received from the police where an offence has been committed against a young person, but where there are no care and protection issues, or notifications relating to families that have moved interstate and cannot be located. In future years, performance information will also include whether the investigations were completed within standard timeframes.

The implementation of the new statewide Child Protection Intake and Referral Service (CPARS) due to commence in July 2003 will also improve the consistency of data collection and the reporting of notifications and investigations.

The proportion of finalised child protection investigations that are substantiated is an indication of the number of reports where the child is assessed and confirmed (or substantiated) as being at risk of harm or neglect compared to the total number of reports received. All reports must be treated seriously and investigated, however, some are investigated and do not proceed further to fuller assessment because the initial investigation indicated there was no reason to believe the child was at risk. The proportion of

notifications substantiated has remained steady for the last two years at just under 40 per cent. The rate of children on care and protection orders increased from 3.8 to 3.9 per thousand over the period 2000-01 to 2001-02. Despite the optimistic target of 3.0 in 2002-03, the rate is now expected to rise further, with year-to-date figures indicting a rate of 4.2. The Department has set a target of 4.0 for 2003-04 in light of these trends, which are a reflection of the increased notifications of children at risk received in the current year. It should be noted that Tasmania still compares favourably to the rest of Australia in this regard. There is a positive downward trend of children in long-term care, and the overall increase is primarily attributable to a sharp rise in children on short-term court orders. This trend is consistent with the new *Children, Young Persons and their Families Act 1997* that aims to reunite children with their families as soon as possible.

The proportion of births registered with the Family, Child and Youth Health Service is an important measure of the effectiveness of the service to engage new families in the screening and preventative services required to monitor newborn infants. This is a new indicator with the 2002-03 target of 94 per cent representing the most likely outcome for that year. It is expected that the level will be maintained with the 2003-04 target set at 95 per cent to reflect this trend.

The total number of admissions to Ashley Youth Detention Centre has declined between 2000-01 and 2001-02 as have the number of individuals admitted. It is anticipated that for 2002-03 there will be a fewer number of admissions and individuals admitted than projected in the target and the 2003-04 targets reflect this trend.

During 2003-04, the Department will, in collaboration with police and court systems, place greater priority on diversionary strategies including community based options and increased use of community conferencing.

The performance Table indicates a slight decrease in community service orders from 185 for 2000-01 to 173 for 2001-02, however, it is expected that there will be a small increase in 2002-03 and the target for 2003-04 reflects this trend. There has been a considerable amount of work undertaken by the youth justice service with Local Government and others to improve the range of community service order options available to young people. This work will be ongoing given the importance of ensuring that options to detention exist for young people.

The number of community conferences increased significantly between 2000-01 and 2001-02, which reflects the implementation of the *Youth Justice Act 1997*, proclaimed on 1 February 2000. Young people are referred for community conferences from the Police or the Courts and the number of conferences held is therefore outside of the control of Community Youth Justice. However, it is anticipated that this high level will be maintained.

Under the Community Partners Output, the Supported Accommodation Assistance Program (SAAP) purchases services from the community sector to support individuals and young people who are homeless or at risk of homelessness. The existence of an agreed support plan is an indicator of service quality. However, an agreed support plan may not be appropriate for some support periods (such as when a support period is short-term) and is therefore not required. During 2001-02, 67.2 per cent of clients had case plans in place, a marginal increase on 2000-01 and is slightly above the national average.

During 2001-02, 3 750 people received accommodation or support services for periods of greater than one hour, compared with 3 500 the previous year. The proportion of clients moving to independent housing after a SAAP intervention has remained relatively stable, and the latest figures (2001-02) indicate that this is the highest rate in Australia. Targets have been set at 90 per cent to represent the most desirable outcome.

Output Group 3: Hospitals and Ambulance Service

Description

The mission of the Hospitals and Ambulance Service Output Group is to ensure the provision of high quality hospital and ambulance services and support for teaching and research.

A wide range of hospital based treatment and care is provided from the Royal Hobart Hospital, the Launceston General Hospital and the North West Regional Hospital. Tertiary services are provided in limited locations and include neurosurgery, cardiac surgery, neo-natal intensive care, vascular surgery, specialised paediatric surgery and a severe burns unit. Secondary hospital services such as general medicine and general surgery, orthopaedics, obstetrics and gynaecology, and paediatric services are more widely available statewide.

Some hospital services are purchased from the private sector. Major contracted patient services include maternity services (North West Private Hospital), acute services to public patients (Mersey Community Hospital) and ophthalmology (Tasmanian Eye Clinic, Launceston Eye Clinic and North West Private Hospital). Diagnostic pathology and imaging services are also contracted for the North West Regional Hospital, as are nuclear medicine services at the Launceston General Hospital. There is also a partnership between the Royal Hobart Hospital and the Hobart Private Hospital in respect of some patient care and support services.

The Tasmanian Ambulance Service provides emergency ambulance care, rescue and transport services and a non-emergency patient transport service through a network of stations statewide. It also coordinates a range of other providers of road ambulance services as well as fixed and rotary wing air services. Tasmania has a wide dispersal of highly qualified paramedics throughout urban and rural areas supported by over 500 volunteer officers who work along side paramedics in 13 locations, as well as from 19 wholly volunteer stations.

The Output Group maximises health gains by ensuring access to high quality, best value hospital and ambulance services that meet individual and community need. It also contributes to the quality of life of people with disability and chronic illness by the provision of appropriate acute services as required.

In 2003-04, the Outputs provided under this Output Group are:

- Clinical Support Services - health professional services such as physiotherapy, occupational therapy, speech pathology, podiatry, social work, and nutrition etc;
- Medical Services - includes general and specialist medical services, medical outpatient clinics and emergency medicine;
- Surgical Services - emergency and elective surgical services including services contracted to the private sector and surgical outpatient clinics;
- Womens and Children Services - includes obstetrics and gynaecological services, neo-natal intensive care, paediatric surgery and medicine;
- Diagnostic and Pharmacy Services - pharmacy, pathology and imaging services;
- Ambulance Services - includes emergency ambulance care and rescue and transport services to all urgent and priority cases including medical emergencies, road accidents and industrial and other accidents including marine emergencies. A specialised non-urgent patient transport service is also provided

between private and public hospitals, nursing homes, private residences, diagnostic facilities and other institutions; and

- Forensic Medicine Services – includes forensic medical services, forensic pathology and clinical forensic medicine.

Table 5.6: Summary Financial Information – Output Group 3

	2002-03	2003-04	
Hospitals and Ambulance Service	Budget	Budget	Variation
	\$'000	\$'000	%
OPERATING REVENUE			
Revenue from Government			
Annual Appropriation ¹	372 646	400 478	7.5
Other	....	518	....
Grants ²	26	2 024	....
Sales of Goods and Services ³	27 052	32 583	20.4
Proceeds from the Disposal of Assets	....	60	....
Other Revenue	12 318	11 402	(7.4)
TOTAL	412 042	447 065	8.5
OPERATING EXPENSES			
Employee Entitlements			
Salaries and Wages ⁴	215 247	237 397	10.3
Other Employee Related Expenses ⁴	22 204	24 343	9.6
Superannuation ⁴	21 565	23 676	9.8
Depreciation and Amortisation	11 364	11 466	0.9
Borrowing Costs	30	30	....
Grants and Transfer Payments	20 103	19 955	(0.7)
Supplies and Consumables			
Medical and Surgical Supplies ⁵	48 268	56 713	17.5
Pharmacy Supplies	23 404	23 569	0.7
Community Support Services ⁶	3 403	4 415	29.7
Travel and Transport	2 500	2 910	16.4
Advertising and Promotion	75	81	8.0
Communications ⁷	1 831	2 447	33.6
Consultancies	502	456	(9.2)
Rent	1 749	1 707	(2.4)
Other Accommodation Related Expenses	7 233	7 822	8.1
Information Technology ⁸	4 182	5 621	34.4
Other Supplies and Consumables	36 702	38 720	5.5
Other Expenses ⁹	849	60	(92.9)
TOTAL	421 211	461 388	9.5

**Table 5.6: Summary Financial Information – Output Group 3
(continued)**

Hospitals and Ambulance Service	2002-03	2003-04	Variation
	Budget	Budget	
	\$'000	\$'000	%
EXPENSE BY OUTPUT			
3.1 Clinical Support Services	18 451	19 553	6.0
3.2 Medical Services¹⁰	149 507	165 903	11.0
3.3 Surgical Services	125 414	136 547	8.9
3.4 Womens and Children Services	48 378	52 909	9.4
3.5 Diagnostic and Pharmacy Services	58 458	62 259	6.5
3.6 Ambulance Services¹¹	20 260	23 264	14.8
3.7 Forensic Medicine Services¹²	743	953	28.3
TOTAL	421 211	461 388	9.5

Notes:

1. The increase in the Annual Appropriation primarily represents the provision of additional funding for implementation of the Nursing Hours Per Patient Day model, Nurses' Post Graduate Allowance, costs associated with maintenance of service delivery levels and the air ambulance contract.
2. The increase in Grants is primarily due to an increase in Commonwealth funding for the two-year Innovative Care Rehabilitation Service (ICRS) Pilot.
3. The increase in Sales of Goods and Services is primarily attributable to additional revenue from private patients.
4. The increases in Salaries and Wages, Other Employee Related Expenses and Superannuation reflect salary indexation, additional funding for the Nursing Hours Per Patient Day model, Nurses' Post Graduate Allowance and medical specialist remuneration in the North West Regional Hospital.
5. Additional funding has been allocated to Medical and Surgical Supplies to cover the increasing demand for renal dialysis treatment and to cover additional costs in hospitals for inputs such as medical, surgical and pharmaceutical supplies. In addition, revised funding arrangements associated with the establishment of the National Blood Authority have resulted in a reallocation of funds from Administered Items.
6. The increase in Community Support Services is attributable to the new air ambulance contract.
7. The increase in Communications is in part attributable to increased costs in telephone and postal charges, and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly lower than the estimated actual 2002-03 position.
8. Additional funding has been allocated to meet costs associated with the provision of Information Technology within Hospitals, including the continued roll out of the Microsoft Enterprise Agreement.
9. The figures in Other Expenses are the result of the implementation of accrual budgeting and relate to the sale of surplus ambulances.
10. The increase in the Medical Services Output is primarily within the salary areas and is to cover the costs for Nursing Hours Per Patient Day, Nurses' Post Graduate Allowance, renal dialysis, and an increased level in the use of highly specialised drugs. Reallocation of the Blood Transfusion Service funding, indexation and expenditure to offset additional revenue have also contributed to the increase.
11. The increase in the Ambulance Services Output is attributable to costs relating to the air ambulance contract, the Sorell paramedic station and salaries.
12. The increase in the Forensic Medicine Services Output is attributable to costs relating to additional staffing and indexation on salaries.

Major Issues and Initiatives for 2003-04

During 2003-04, initiatives for this Output Group will include:

- commencement of a paramedic branch station at Sorell to improve ambulance cover in this area that has a rapidly growing population;
- upgrading of the air ambulance service with a more modern aircraft based in Launceston;
- implementation of the new national arrangements for blood and blood products. Strategies are also being implemented to ensure best practice in the management and use of blood products. This includes implementation of a total quality management system for the appropriate use of blood and blood products based on a partnership with the Victorian Department of Human Services, 'Blood Matters' Breakthrough Collaborative;
- further integration and coordination of safety and quality improvement activities including ongoing implementation of the risk management framework and leading work on open disclosure following an adverse event, which is part of the national agenda on safety and quality. A plan for quality improvement forms the basis for reporting progress to the Commonwealth as required under the Australian Health Care Agreement;
- a dynamic approach to strategic planning, incorporating proposed developments in the provision of clinical services put forward by the Clinical Advisory Committee;
- further development of patient activity data and costing systems to provide a rigorous basis for targeting hospital services and monitoring performance;
- scoping the replacement of the current hospital information system with a system that will provide an integrated statewide hospital information system for the Royal Hobart Hospital, the Launceston General Hospital, the North West Regional Hospital and some district hospitals;
- final implementation of an advanced medical priority dispatch system for ambulance communications to improve determination of medical priorities for emergency, urgent and non-urgent ambulance calls and improve quality assurance processes in emergency communications;
- implementation of a clinical intranet to facilitate quality care and improve patient safety and care; and
- continuation of a statewide hospital patient satisfaction survey and Tasmanian Ambulance Service patient satisfaction survey.

Table 5.7: Performance Information – Output Group 3

Performance Measure	Unit of measure	2000-01 Actual	2001-02 Actual	2002-03 Target	2003-04 Target
Patient Satisfaction with Hospital Services	%	93.0	93.0	93.0	95.0
Unplanned Readmissions	%	1.80	1.44	1.44	<2.10
Admitted Patients – Number of Weighted Separations	Number	74 206	80 964	79 560	83 809
Presentations – Departments of Emergency Medicine	Number	80 808	84 296	86 000	87 537
Day Surgery Rate (elective)	%	58.3	57.5	60.0	60.0
Proportion of urgent patients admitted within 30 days for elective surgery	%	71	72	76	76
Proportion of Category 1 resuscitation patients attended immediately by Department of Emergency Medicine	%	88.3	88.6	98.0	100.0
Satisfaction with Ambulance Services	%	95.0	98.1	95.0	98.0
Ambulance service emergency activity (patients transported)	Number	16 470	18 397	19 500	20 597
Ambulance Emergency Response Times (median)	Minutes	10.0	10.2	10.0	10.0

Performance Information Comments

The 2003-04 targets for admitted patients are based on the increase in the Tasmanian activity target under the Australian Health Care Agreement. Other activity targets are based on the continuing increase in demand for services. Rate based targets are equivalent to the Australian average where available or benchmarks determined by the College of Emergency Medicine, the Australian Council of Health Care Standards or other national bodies.

In summary, the performance indicator information highlights that:

- in the latest survey of hospital patients (September 2002), patient satisfaction increased to 95 per cent. This satisfaction rate compares favourably with other Australian jurisdictions;
- as a measure of safety and quality, unplanned hospital readmissions in Tasmania continue to decrease, and the latest 2002-03 estimate is 1.0 per cent which is well below the national average of 2.1 per cent for public hospitals;
- emergency department activity is expected to be maintained at similar levels to 2001-02. Elective day surgery rates are expected to continue to increase;
- the proportion of urgent patients admitted within 30 days for elective surgery in 2002-03 is likely to be about the same as in 2001-02;
- the proportion of Category 1 patients (life-threatening cases) attended to immediately in the Departments of Emergency Medicine has increased with year-to-date figures for December 2002 showing 89.6 per cent of patients were seen in time compared to 88.6 per cent of patients in 2001-02. This improvement can be attributed to the introduction of clinical audits for emergency patients across the

hospitals. The continuation of this practice is likely to increase these figures towards the national standard of 100 per cent;

- there has been a significant increase in Tasmanian Ambulance Service (TAS) emergency activity; and
- TAS continues to have a high level of patient satisfaction and the median Ambulance emergency response time has remained steady in recent years at approximately 10 minutes.

Output Group 4: Housing Tasmania

Description

The Department, through the Housing Tasmania Output Group, aims to ensure access to adequate, affordable, appropriate and secure housing for Tasmanians on low incomes and particularly those who have special or complex housing needs.

Outputs provided under this Output Group are as follows:

- Public Rental Assistance;
- Private Rental Assistance;
- Community Sector Housing; and
- Home Ownership Assistance.

Key clients for this Output Group are people on low incomes, particularly those who have difficulty accessing secure, appropriate and affordable housing in the private market.

Services to clients are provided statewide through a four-area service delivery model, incorporating seven local service centres and the State administration office in Hobart.

Maintenance services for properties are provided through contractual arrangements with local tradespeople and businesses. The strategic management of the property assets, including a portfolio of around 12 888 social housing dwellings located statewide, is a key responsibility of this Output Group.

Table 5.8: Summary Financial Information - Output Group 4

Housing Tasmania	2002-03 Budget	2003-04 Budget	Variation
	\$'000	\$'000	%
OPERATING REVENUE			
Revenue from Government			
Annual Appropriation ¹	18 488	28 699	55.2
Investment Income ²	4 074	3 000	(26.4)
Grants ³	313	....	(100.0)
Sales of Goods and Services	46 610	45 000	(3.5)
Other Revenue ⁴	700	....	(100.0)
TOTAL	70 185	76 699	9.3
OPERATING EXPENSES			
Employee Entitlements			
Salaries and Wages	9 056	9 700	7.1
Other Employee Related Expenses	1 221	1 345	10.2
Superannuation	1 815	1 880	3.6
Depreciation and Amortisation	12 666	12 095	(4.5)
Borrowing Costs ⁵	10 784	13 717	27.2
Grants and Transfer Payments ⁶	4 522	3 720	(17.7)
Supplies and Consumables			
Medical and Surgical Supplies	10	1	(90.0)
Community Support Services	429	315	(26.6)
Travel and Transport	531	567	6.8
Advertising and Promotion	30	37	23.3
Communications	518	551	6.4
Consultancies	429	306	(28.7)
Rent	1 390	1 385	(0.4)
Other Accommodation Related Expenses	20 034	19 555	(2.4)
Information Technology	1 121	846	(24.5)
Other Supplies and Consumables ⁷	17 768	25 751	44.9
Other Expenses ⁸	251	6 445	....
TOTAL	82 575	98 216	18.9
EXPENSE BY OUTPUT			
4.1 Public Rental Assistance ⁹	72 547	88 458	21.9
4.2 Private Rental Assistance	3 300	3 245	(1.7)
4.3 Community Sector Housing ¹⁰	1 205	1 786	48.2
4.4 Home Ownership Assistance ¹¹	5 523	4 727	(14.4)
TOTAL	82 575	98 216	18.9

Notes:

1. The increase in the Annual Appropriation is primarily due to a reclassification of minor capital works expenditure from the capital program. The capital program includes a corresponding decrease in the Annual Appropriation.

2. Investment Income relates to the proportion of Home Ownership Assistance Program (HOAP) investment income that is subsequently expended on HOAP operating expenses, including interest on borrowings. As HOAP interest has significantly reduced due to debt retirement, so has the amount of investment income retained to meet those expenses.
3. Revenue derived from Grants is no longer received due to the cessation of funding provided under the *States Grants (Housing) Act 1971* (Cwlth).
4. The decrease in Other Revenue is attributable to a reclassification of purchase contract principal installments to the capital program.
5. While Borrowing Costs appear to have increased, this is primarily due to a significant accrual entry under-stating the 2002-03 comparative figure. Accordingly, borrowing costs in 2003-04 have reduced, which is due to a significant reduction in interest expense for HOAP due to debt reduction in recent years.
6. The decrease in Grants and Transfer Payments expenditure reflects a reduction in the level of grants paid to non-government organisations.
7. The increase in Other Supplies and Consumables expenditure is primarily due to a reclassification of minor capital works expenditure from the capital program.
8. The increase in Other Expenses is primarily due to a change in accrual budgeting requirements to reflect the written down value of anticipated 2003-04 asset disposals. 2002-03 Budget figures have not been retrospectively adjusted to reflect this change.
9. The increase in expenditure within the Public Rental Assistance Output is primarily due to a reclassification of minor capital works expenditure from the capital program and to a change in accrual budgeting requirements to reflect the written down value of anticipated 2003-04 asset disposals.
10. The increase in expenditure within the Community Sector Housing Output is primarily due to the inclusion of expenditure sourced from funding carried forward from 2002-03 to meet ongoing maintenance costs.
11. The increase in expenditure within the Home Ownership Assistance Output is primarily due to a reduction in interest expenses within HOAP as a result of significant debt retirement over recent years.

Major Issues and Initiatives for 2003-04

Major strategic priorities for this Output Group in 2003-04 include:

- the development of an Affordable Housing Strategy. The aim of the Strategy is to ensure that there is safe, adequate and affordable housing into the future for Tasmanians who receive low incomes and/or have special needs. The intent is that the Output Group assist to:
 - position social and affordable housing appropriately, so that it responds to the community's immediate and longer term needs;
 - provide for a range of effective and responsive housing models that meet the diverse range of housing needs, including special needs and the particular requirements of local areas;
 - provide for a vibrant housing market that underpins economic growth, area vitality and strong, safe, resilient communities; and
 - develop a sustainable social housing system; and
- continuing with Community Capacity Building which is one of 10 strategic priorities for the Department of Health and Human Services and is a key element to achieving a range of Tasmania *Together* goals. There are currently many community building initiatives underway throughout Tasmania, with Housing Tasmania being actively involved in a number of these initiatives, particularly in areas that have high concentrations of public housing.

The resulting major initiatives to be implemented in this Output Group in 2003-04 are detailed below:

- the development of an Affordable Housing Strategy while allowing for the continuation of traditional and valuable social housing responses in an ongoing manner, will also allow for a new conceptual perspective when designing and delivering future housing responses. The strategy will provide

opportunities to build new programs that cross tenure types and that involve new delivery and alternative financing arrangements;

- pilot new models of social housing provision that respond to current pressure points in the system, eg a supported accommodation model in partnership with the community sector to address a lack of housing for people exiting crisis housing;
- continue a clearly defined and well communicated capital program for 2003-04;
- continue to reconfigure housing stock with Housing Tasmania carefully managing a Sales Program aimed at reducing the number of three bedroom properties that are no longer appropriate for retention in the public housing rental portfolio, while at the same time working to acquire appropriate new accommodation options. Investment of revenue from sales of public housing will be focused on the acquisition of stock, which meets the needs of clients with special and/or complex needs;
- continue to offer Streets Ahead sales incentives to eligible low-income earners. This will particularly target existing public rental tenants and is a program that supports the reconfiguration of Housing Tasmania's rental portfolio;
- determine the possibilities for land release to assist development of affordable housing involving a range of participants on well located sites;
- continue to fund community capacity building initiatives and community development organisations, such as the Bridgewater Urban Renewal Project and the Project Hahn *Challenging Tomorrow Together* employment creation project; and
- support local level Australian Housing and Urban Research Institute (AHURI) research and specific research projects, eg projects that examine exit strategies for community based initiatives so that they are self sustaining.

Table 5.9: Performance Information – Output Group 4

Performance Measure	Unit of measure	2000-01 Actual	2001-02 Actual	2002-03 Target	2003-04 Target
Quality Measures					
Overall satisfaction with service:					
satisfied	%	71	70	75	78
dissatisfied	%	12	14	10	8
Proportion Of Public Housing Households With					
Overcrowding:					
Tasmania	%	0.4	0.2	0.2	....
Australia	%	1.2	1.0	n.a.	n.a.
Proportion Of Community Housing Households					
With Overcrowding:					
Tasmania	%	n.a.	2.3	....¹	....
Australia	%	n.a.	1.3	n.a. ¹	n.a.

Table 5.9: Performance Information – Output Group 4 (continued)

Performance Measure	Unit of measure	2000-01 Actual	2001-02 Actual	2002-03 Target	2003-04 Target
Quantity Measures					
Housing occupancy rates:					
public sector (Tas)	%	94.4	95.7	97.0	97.0
public sector (Aus)	%	n.a.	96.8	n.a.	n.a.
private sector (Tas)	%	n.a.	97.1	97	n.a.
New applications by special need:²					
Youth (under 25 years)	Number	1 606	1 627	1 750	1 800
Aged (65 years +)	Number	218	247	250	270
Family violence	Number	404	556	350	320
Disability	Number	309	330	340	350
Homeless	Number	1 822	1 818	1 700	1 600
Culturally And Linguistically Diverse	Number	342	274	350	400
Indigenous	Number	475	481	400	430
Cost Measures					
Full net cost per public household dwelling:					
Tasmania	\$	7 584	7 700	7 450	7 300
Australia	\$	9 132	10 039	n.a.	n.a.
Public Housing Rent Collected as a Proportion of Rent Charged³					
	%	101.4	100.7	100.0	100.0
Community Housing Rent Collected as a Proportion of Rent Charged					
	%	n.a.	n.a.	100 ¹	100
Timeliness					
Greatest Need Allocations as a Proportion of All New Public Housing Allocations in under three months:					
Tasmania	%	82.8	87.3	85.0	85.0
Australia	%	35.9	58.7	n.a.	n.a.

Notes:

1. Targets for Community Housing rent collected and overcrowding are provided on a best practice basis. Actual Community Housing data provided above is derived from an administrative data survey undertaken early in the financial year.
2. Data for previous years relating to the New Applications by Special Need Indicator have been amended to reflect expressed demand eg the total number of 'homeless' applicants for the year, whereas previous years reflected 'Active' applications only. Applications may have subsequently been met, cancelled, suspended, or may still be 'on hand'. Assistance is entirely demand driven, and is not targeted to specific needs groups.
3. The Public Housing Rent Collected as a Proportion of Rent Charged Indicator measures the effectiveness of rent, arrears and debt collection strategies. The target for 2003-04 is set to a minimum of 100 per cent, and reflects the inability to predict future debtors 'capacity to pay'.

Performance Information Comments

Although Housing Tasmania is operating in an environment of increased occupancy and reduced turnover, public rental occupancy remains high and compares favourably with the private sector. Turnover is now less than 1 500 properties per annum. Despite these factors, applicants for public rental housing in Tasmania continue to enjoy relatively timely access when compared with access times in other States and Territories. For the year-to-date (as at April 2003), 44.2 per cent of Category 1 applicants have been housed within the eight-week target period. However, because overall demand has increased, this reflects a downward trend compared to previous years.

Data shows that those who gain entry to public housing are satisfied with it as an accommodation option. This has been a consistent trend over the past few years.

As is to be expected, Category 1 applicants for public rental housing continue to gain access to rental homes over applicants in Categories 2, 3 and 4. Category 1 applicants generally have a combination of specific needs that impact on housing requirements. These needs arise from disabilities or from ill health as well as from having limited capacity to pay for an appropriate housing response. Proportionally, the number of people presenting with such issues and those identifying as homeless is increasing. Because demand for affordable housing exceeds supply, there are currently many people on the waiting list for public housing in the lower categories of need (eg simply having low incomes) that are unlikely to gain entry to this form of accommodation.

The Affordable Housing Strategy will attempt to address issues of demand and supply across a range of housing initiatives from 2003-04 onwards. It will do this in the context of the broader social and economic benefits access to affordable housing presents.

The net cost per dwelling for the year-to-date is lower than that reported last year, reflecting the combined effect of administrative and operational efficiencies implemented over 2002-03.

Administered Items

Grants and Subsidies

Table 5.10 provides a summary of Grants and Subsidies paid by the Department of Health and Human Services. A brief description of each payment follows the Table.

Table 5.10: Grants and Subsidies Financial Summary for the Department of Health and Human Services

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
REVENUE			
Revenue from Government			
Annual Appropriation	108 694	110 111	1.3
Other ¹	....	5 991	....
Other Revenue ²	4 402	7 639	73.5
TOTAL	113 096	123 741	9.4
EXPENSES			
Blood Transfusion Service ³	4 805	295	(93.9)
Community Service Activity: Aurora Energy Pty Ltd - Pensioner Concessions ⁴	9 570	13 526	41.3
Community Support	4 584	4 757	3.7
Disability Services ⁵	49 288	55 859	13.3
Heating Allowance	450	450	....
Home and Community Care ⁶	15 422	16 569	7.4
Mental Health ⁷	1 444	1 924	33.2
<i>New Town Mothercraft Home Agreement Act 1949</i>	1	1	....
Other ⁸	12 269	9 908	(19.3)
Palliative Care	408	464	13.7
Special Purpose and Trust Accounts ⁹	3 393	6 426	89.3
Supported Accommodation Assistance ¹⁰	11 462	13 150	14.7
TOTAL	113 096	123 329	9.0

Notes:

1. Refer Table 5.1, Note 1.
2. Increases in Other Revenue primarily relate to the accounts within the Special Deposits and Trust Fund for revenue from Outside Referred Patients.
3. Responsibility for payment in respect to the Blood Transfusion Service has been reallocated to the Hospitals and Ambulance Service Output Group to reflect changes in the management of the service in Australia.
4. Additional funding has been provided to Community Service Activity: Aurora Energy Pty Ltd – Pensioner Concessions to cover increased payments to Aurora Energy as a result of the Government commitment to extend the scheme to provide electricity discounts to Health Care card holders during the winter quarters.
5. The increase in Disability Services reflects increased Commonwealth funding including the Individual Options Program and the allocation of indexation.
6. The increase in the Home and Community Care Program is due to an increase in growth funding as part of the Commonwealth Agreement.

7. The increase in Mental Health reflects a reallocation of funding from Community, Population and Rural Health Output Group associated with the provision of Mental Health Services.
8. The reduction in Other reflects a reallocation of funding within the Administered Payments area including a substantial reallocation to the Special Purpose and Trust Accounts.
9. The increase in expenses in relation to Special Purpose and Trust Accounts is partly attributable to costs associated with the provision of services for Outside Referred Patients, and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly lower than the 2002-03 cash position.
10. The Supported Accommodation Assistance Program (SAAP) is a Commonwealth-State funded program, which is undertaken pursuant to a Commonwealth-State Agreement. In 2002-03 growth funds were delayed in being expended due to formal acceptance from the Commonwealth and State Ministers. As a result funds were carried forward to be expended in 2003-04.

Blood Transfusion Service

The Government has historically provided funding to the Australian Red Cross Blood Service (Tasmania) for the collection, processing and provision of blood and blood products in Tasmania. The major clients are private and public hospitals, which require the products for patient treatment services. A funding contribution was also provided to the Australian Bone Marrow Donor Register.

From 1 July 2003 private and public hospitals will purchase blood products from the recently established National Blood Authority (NBA). As a result of the establishment of the NBA, funding to the Australian Red Cross Blood Service (Tasmania) by the Government will cease during 2003-04.

Community Service Activity: Aurora Energy Pty Ltd – Pensioner Concessions

Under arrangements for the electricity supply industry in Tasmania, an agreement for the provision of Pensioner and Health Care card holder concessions has been established between the Government and Aurora Energy Pty Ltd as a Community Service Activity. The Department of Health and Human Services provides funding to Aurora Energy for the purpose of providing a daily subsidy to eligible pensioners. This amounts to an annual discount for eligible Tasmanian pensioners of \$177. The term Community Service Activity (CSA) is used to describe non-commercial services provided by State-owned Companies such as Aurora Energy to differentiate from Community Service Obligations (CSOs) which are provided by Government Business Enterprises and have a specific meaning under the *Government Businesses Enterprise Act 1995*. An amount of \$13.5 million is expected to be paid by the Department on behalf of the Government to Aurora Energy to fund its CSA in 2003-04. CSA funding is linked to the Tasmania *Together* goal of ensuring 'all Tasmanian's have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services' (Goal No 1).

Community Support

The Community Support Program provides funding for services in the areas of domestic violence, parenting education and support, financial counselling, personal and family counselling, out-of-home care, neighbourhood houses and early childhood services.

Clients under this program include individuals, children, young people and families at critical points of their life.

Disability Services

Disability Services maintain and support people with a disability to allow them to remain in their own homes and communities and provide opportunities for increased independence.

Services provided include carer support services, respite services, accommodation support, information, advocacy, education, day support services, specialist equipment provision, personal care and other individual support services.

Heating Allowance

In accordance with the *Heating Allowance Act 1971*, eligible individuals and families receive a payment of \$56 per annum to assist with heating costs.

Home and Community Care

Home and Community Care provides services for people who are frail and aged with moderate to severe disabilities, younger people with disabilities and their carers. The main objective of the program is to prevent the premature or inappropriate admission to residential institutions.

Community services such as community nursing, home help and maintenance, respite, personal care, transport and delivered meals are provided across the State by a mixture of government and non-government services.

Mental Health

Services funded under this category provide treatment, support and management of mental disorders to maximise mental health, well being and quality of life. Funding covers acute inpatient care, assessment, treatment, care and rehabilitation in the community, care in supported institutional and community based accommodation, and forensic and secure services.

Service users include children, adolescents, and adults with mental illnesses or mental health problems and their families.

New Town Mothercraft Home Agreement Act 1949

The *New Town Mothercraft Home Agreement Act 1949* formalised an agreement for the transfer of a facility known as the Mothercraft Home from the Child Welfare Association of Hobart to the Crown.

The Act required the Crown to maintain the facility as an up-to-date institution for the care and treatment of mothers and infants and as a training school in infant welfare and mothercraft. In the event that the property was sold the Crown would devote the proceeds of sale to providing another Mothercraft Home in Hobart.

The property was sold in 1984 and the proceeds applied to the establishment of the Southern Parenting Centre. The balance of funds is retained within the New Town Mothercraft Home Account and is utilised for capital improvements at the site.

Other

Other include subsidies and respite payments to nursing homes and multi-purpose centres as well as funding for alcohol and drug and population health services.

Palliative Care

The Palliative Care Service provides specialised interdisciplinary care for people whose disease is not responsive to curative treatment. Palliative care aims for the achievement of the best quality of life for patients and their families. Control of pain and other symptoms and the provision of psychological, social, emotional and spiritual support are paramount. Funding is provided to enable services to be delivered by charitable and community based organisations.

Special Purpose and Trust Accounts

The Special Purpose and Trust Accounts include expenditure associated with the Private Patient Scheme, conditional donations, research accounts and legal trust accounts.

Supported Accommodation Assistance

The Supported Accommodation Assistance Program funds crisis accommodation and related support services for people who are experiencing homelessness, or are at imminent risk of becoming homeless.

Revenue Collected on Behalf of the Consolidated Fund

Table 5.11 summarises the Revenue Collected on behalf of the Consolidated Fund by the Department of Health and Human Services. A brief description of the revenue items follows the Table.

Table 5.11: Revenue Collected on Behalf of the Consolidated Fund

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
Revenue			
Grants	78 617	77 767	(1.1)
Sales of Goods and Services	16	16	....
Total Revenue	78 633	77 783	(1.1)
Transfers to the Consolidated Fund			
Other Fees and Recoveries	16	16	....
Revenue from Commonwealth Government Recurrent Grants and Subsidies	78 617	77 767	(1.1)
Total Transfers to the Consolidated Fund	78 633	77 783	(1.1)

Home and Community Care

The Home and Community Care (HACC) Program is a joint Commonwealth and State funded program designed to provide services that support the frail aged and younger disabled people to live independently in their own homes and participate in the community.

The program is governed by the *Home and Community Care Act 1985* (Cwlth) and is currently operationalised in the form of the HACC Amending Agreement, due to expire in June 2004.

Under that agreement, 2003-04 Commonwealth funding is anticipated at \$17.3 million.

Supported Accommodation Assistance Program

The Supported Accommodation Assistance Program (SAAP) is a joint Commonwealth and State funded program designed to respond, through the provision of support, to the needs of people who are homeless, escaping family violence or at risk of homelessness.

The program is governed by the *Supported Accommodation Assistance Act 1994* (Cwlth) and is currently operationalised in the form of the SAAP IV 2000-05 Agreement.

Under the agreement, 2003-04 Commonwealth funding is anticipated at \$7.0 million.

Public Health Outcome Funding Agreement

The Public Health Outcome Funding Agreement (PHOFA) is a bilateral funding agreement between the Commonwealth and the State that provides broad banded and special purpose funding from the

Commonwealth to the State for a range of public health programs. The present agreement covers the five-year period 1999-00 to 2003-04.

Under the agreement, 2003-04 Commonwealth funding is anticipated at \$3.9 million.

Commonwealth, State and Territories Disability Agreement

The Commonwealth, States and Territory Disability Agreement (CSTDA) provides a national framework to underpin the provision of specialist disability services to those aged less than 65 years with a severe or profound disability requiring ongoing support.

The current agreement expired on 30 June 2002 and the Commonwealth, States and Territories are committed to a new five-year agreement.

While a new agreement has not yet been finalised, 2003-04 Commonwealth funding is anticipated at \$19.1 million.

Highly Specialised Drugs

Highly Specialised Drugs (HSD) are medicines for chronic conditions that, because of their clinical use or other special features, are restricted to supply through hospitals having access to appropriate specialist facilities. To prescribe these drugs as pharmaceutical benefit items, medical practitioners are required to be affiliated with these specialist hospital units.

Subsidy for drugs under this program commences following recommendation by the Pharmaceutical Benefits Advisory Committee (PBAC), approval by the Commonwealth Government and the States and Territories accepting the Commonwealth's offer of subsidy. The subsidy is available for the PBAC approved clinical indication only.

Based upon the anticipated level of subsidy provided in 2002-03, the 2003-04 subsidy is anticipated at \$6.0 million.

Commonwealth-State Housing Agreement

The Commonwealth-State Housing Agreement (CSHA) is a joint Commonwealth and State arrangement which aims to assist both renters and purchasers obtain appropriate accommodation. It is mainly concerned with the provision of public housing, but also provides funding for other types of tenure as well. The main identified funding priorities of the CSHA are public housing, community housing, crisis accommodation, Aboriginal rental housing, private rental support and home ownership support.

The current CSHA expires in June 2003. While a new agreement has not been finalised, based upon the Commonwealth offer of a new agreement for the period July 2003 to June 2008, 2003-04 Commonwealth funding is anticipated at \$24.5 million.

Other Fees and Recoveries

These revenues are sourced from private hospital licence fees, fees raised under the *Poisons Act 1997*, licence fees, reimbursements from the Commonwealth for services provided on its behalf under the *Quarantine Act 1908* and adoption information service fees.

Capital Investment Program

Non-Housing

The Capital Investment Program (CIP) for the Department has been developed from a strategic perspective to assist the Department meet its service delivery objectives efficiently and effectively. This has resulted in a program of works that focuses on the establishment or renewal of District Hospitals, Multi-Purpose Services and Community and Health Centres in key regional locations, in addition to major refurbishment and equipment replacement at the Royal Hobart Hospital.

The continuing implementation of this strategy in 2003-04 will result in major construction, including the completion of several facilities together with planning of facilities at Scottsdale, Smithton and George Town for which funding is expected in the next two years.

Projects for which the majority of funding has been received in 2002-03 and which will be completed in 2003-04 are:

- Deloraine District Hospital: This \$2.5 million project will upgrade aged-care and sub acute facilities together with the provision of a modern community health facility. Construction is well progressed and will be complete by December 2003;
- Huon Valley Community and Health Centre: This \$1.5 million project will establish a new Community and Health Centre at Huonville. Construction is well advanced and will be complete by July 2003;
- New Norfolk District Hospital: This \$1.9 million project will upgrade in-patient facilities and refurbish allied health services at the current site. Construction commenced in April 2003 and completion will occur by June 2004; and
- Sorell Community and Health Centre: This \$1.2 million project will provide a totally new Community and Health Centre for the growing Sorell area. It is well advanced and will be complete by September 2003.

Construction will commence in 2003-04 in the following projects:

- West Coast Health Services: Analysis of the needs of the West Coast community has been completed and will result in upgrading of the Strahan Medical Centre and provision of a new in-patient and allied health facility at Queenstown. Funding has been provided over the coming three years and the project is being staged accordingly. In 2003-04, \$1.0 million of the total project cost of \$3.9 million will be available and it is planned to upgrade the Strahan Medical Centre, purchase land at Queenstown and commence design of the major facility; and
- Tasman Multi Purpose Centre: In order to integrate with Commonwealth and local priorities, funding for this project has been brought forward from 2004-05. The project will provide a new health facility, which is integrated into the recently redeveloped aged care component at the site. The project will be completed by June 2004.

Within the Royal Hobart Hospital (RHH), funding has been provided for:

- Linear Accelerator: Installation and commissioning of the new Linear Accelerator has been completed. Under an arrangement with the supplier, payment was to be made in two instalments – the second of these being due on the 1 July 2003. Purchase of some ancillary equipment and software will also be completed in 2003-04;

- **Hospital Information System:** This project was initiated due to the supplier of the current patient administration system ceasing all development and advising the withdrawal of support for the product by December 2005. Funding in 2003-04 is provided from Hospitals and Ambulance Service resources for project management, definition of functional requirements and business process mapping. It is intended that the Department will call a tender for a clinical and patient administration system in 2004, with the core implementation of a new system to be completed by July 2005, and implementation of associated systems over the subsequent three financial years. CIP funding of \$6.5 million has been allocated and will be available over three financial years from 2004-05; and
- **Redevelopment Stage 3:** This previously approved project includes the construction of a new Department of Emergency Medicine facility and associated works. Commencement of the project has been deferred in order to align the project with the recently completed RHH Strategic Asset Management Plan.

In addition to the above projects, the Department receives an amount of \$78 000 annually for building services maintenance. This funding is used to fund essential works at various locations across the State.

Housing

The Housing Program has been developed within the framework of the Department's strategic plans. It is designed to continue the re-alignment of Housing Tasmania's property portfolio through construction, upgrading and strategic purchases, with a specific focus on the provision of properties for clients with complex or special needs. This focus will provide greater integration of housing services with other services delivered by the Department and local communities to provide enhanced health and well being outcomes.

The major initiatives include:

- the commencement of site works for the redevelopment of the Windsor Court units in Hobart. This major initiative of Government has resulted in a development application for a 53 unit construction on the inner city site, with properties expected to be available for allocation within the first half of the 2004-05 year;
- a construction program which will provide a range of general purpose, multipurpose, elderly and disability units in high demand suburbs, with appropriate access to essential services;
- continuation of the strong commitment to people with disabilities, through acquisition of a minimum of four homes specifically for people with severe or profound disabilities;
- the provision of a number of locally developed community housing solutions for clients with a diverse range of needs; and
- the provision of crisis accommodation for a range of client groups including youth, families in crisis and families and individuals escaping domestic violence.

Further information regarding the Department's Capital Investment Program is provided in Chapter 6 of Budget Paper No 1 *Budget Overview 2003-04*.

Table 5.12: Capital Investment Program¹

	2003-04 Budget
	\$'000
New Projects	
Tasman Multi-Purpose Centre	825
Continuing Projects	
Building Services Maintenance	128
Deloraine Hospital Redevelopment	1 600
Housing-Continuing Projects	12 160
Housing-New Projects	12 971
Huon Valley Community and Health	600
Linear Accelerator	1 752
New Norfolk District Hospital Redevelopment	950
Non-Works Housing	5 165
RHH Redevelopment Stage 3	6 942
Sorell Community Health Centre	650
West Coast Multi-Purpose Service Development	1 000
TOTAL CAPITAL INVESTMENT PROGRAM	44 743

Note:

1. For more information regarding the Capital Investment Program, see Chapter 6 in Budget Paper No 1 *Budget Overview 2003-04*.

DETAILED BUDGET STATEMENTS

Table 5.13: Output Group Expense Summary for the Department of Health and Human Services

	2002-03 Budget \$'000	2003-04 Budget \$'000	Variation %
Output Group 1 - Community, Population and Rural Health			
1.1 Aged, Rural and Community Health Services ¹	80 349	89 850	11.8
1.2 Oral Health Services ²	10 913	12 215	11.9
1.3 Palliative Care Services	4 907	5 407	10.2
1.4 Public and Environmental Health Services ³	8 726	10 702	22.6
1.5 Cancer Screening and Control Services ⁴	3 852	4 773	23.9
1.6 Population and Health Priorities	1 881	2 137	13.6
1.7 Disability Services	28 209	29 499	4.6
1.8 Mental Health Services	50 221	53 546	6.6
1.9 Alcohol and Drug Services	6 391	6 655	4.1
	195 449	214 784	9.9
Output Group 2 - Children and Families			
2.1 Child and Family Support Services ⁵	19 058	22 153	16.2
2.2 Family, Child and Youth Health Services	9 882	10 315	4.4
2.3 Youth Justice Services ⁶	7 432	10 081	35.6
2.4 Community Partners ⁷	269	1 656	515.6
2.5 Office of the Commissioner for Children	282	291	3.2
	36 923	44 496	20.5
Output Group 3 - Hospitals and Ambulance Service			
3.1 Clinical Support Services	18 451	19 553	6.0
3.2 Medical Services ⁸	149 507	165 903	11.0
3.3 Surgical Services	125 414	136 547	8.9
3.4 Womens and Children Services	48 378	52 909	9.4
3.5 Diagnostic and Pharmacy Services	58 458	62 259	6.5
3.6 Ambulance Services ⁹	20 260	23 264	14.8
3.7 Forensic Medicine Services ¹⁰	743	953	28.3
	421 211	461 388	9.5
Output Group 4 - Housing Tasmania			
4.1 Public Rental Assistance ¹¹	72 547	88 458	21.9
4.2 Private Rental Assistance	3 300	3 245	(1.7)
4.3 Community Sector Housing ¹²	1 205	1 786	48.2
4.4 Home Ownership Assistance ¹³	5 523	4 727	(14.4)
	82 575	98 216	18.9

Table 5.13: Output Group Expense Summary for the Department of Health and Human Services (continued)

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
Grants and Subsidies¹⁴	113 096	123 329	9.0
Other¹⁵	26 954	17 888	(33.6)
TOTAL AGENCY	876 208	960 101	9.6

Notes:

1. The increase in Aged, Rural and Community Health Services is primarily attributable to the reallocation of funding for adult rehabilitation services from Administered Payments to the Output. Additional Commonwealth funding associated with Regional Health Services and Multi Purpose Service development is reflected in the estimate.
2. The increase in Oral Health Services is largely attributable to funding for an increased number of adult emergency procedures.
3. The increase for Public and Environmental Health Services is primarily to meet the cost of the meningococcal vaccination program and increased costs associated with the Needle Availability Program.
4. The increase in funding for Cancer Screening and Control Services is to meet the costs of the new two-year contract for breast screening services.
5. The increase in Child and Family Support Services is attributable to increased funding for Child Protection Service, Carers and Service Providers.
6. Additional funding has been provided to Youth Justice Services to maintain the current service delivery levels at the Ashley Youth Detention Centre.
7. The increase in Community Partners reflects a reallocation of funds related to internal reorganisation of the Community Partners Unit, 'Our Kids' Bureau and projects deferred from prior years.
8. The increase in the Medical Services Output is primarily within the salary areas and is to cover the costs for Nursing Hours Per Patient Day, Nurses' Post Graduate Allowance, renal dialysis, and an increased level in the use of highly specialised drugs. Reallocation of the Blood Transfusion Service funding, indexation and expenditure to offset additional revenue have also contributed to the increase.
9. The increase in the Ambulance Services Output is attributable to costs relating to air ambulance, Sorell Paramedic Station and salaries.
10. The increase in the Forensic Medicine Services Output is attributable to costs relating to additional staffing and indexation on salaries.
11. The increase in expenditure within the Public Rental Assistance Output is primarily due to a reclassification of minor capital works expenditure from the capital program and to a change in accrual budgeting requirements to reflect the written down value of anticipated 2003-04 asset disposals.
12. The increase in expenditure within the Community Sector Housing output is primarily due to the inclusion of expenditure sourced from funding carried forward from 2002-03 to meet ongoing maintenance costs.
13. The decrease in expenditure within the Home Ownership Assistance Output is primarily due to a reduction in interest expenses within HOAP as a result of significant debt retirement over recent years.
14. Increased funding under Grants and Subsidies includes increased payments to Aurora Energy as a result of the Government commitment to increase the range of electricity discounts to Health Care card holders, increased funding following renegotiation of Commonwealth funding for Disability Services, Home And Community Care and Supported Accommodation Assistance Program and increased funding to critical non-government organisations providing services on behalf of the Department, and indexation to non-government organisations. These increases have been offset by the transfer of Blood Transfusion Services to Hospitals and Ambulance Service.
15. A number of items included as expenditure in the 2002-03 Budget were subsequently capitalised and, therefore, the 2003-04 Budget for Other has been reduced to reflect this changed accounting treatment.

Table 5.14: Statement of Financial Performance for the Department of Health and Human Services

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
OPERATING REVENUE			
Revenue from Government			
Annual Appropriation	617 009	665 476	7.8
Other ¹	....	8 846	....
Investment Income²	4 074	3 000	(26.4)
Grants	15 312	14 869	(2.9)
Sales of Goods and Services	83 400	87 342	4.7
Proceeds from the Disposal of Assets	14 400	14 960	3.8
Other Revenue³	20 312	18 272	(10.1)
TOTAL	754 507	812 765	7.7
OPERATING EXPENSES			
Employee Entitlements	408 095	443 982	8.7
Superannuation	37 760	41 039	8.6
Depreciation and Amortisation	26 726	26 155	(2.2)
Borrowing Costs⁴	10 836	13 769	27.0
Grants and Transfer Payments⁵	26 963	33 015	22.4
Supplies and Consumables⁶	235 432	260 740	10.7
Other Expenses⁷	17 300	21 405	23.7
TOTAL	763 112	840 105	10.0
NET OPERATING RESULT	(8 605)	(27 340)	(217.7)
ADMINISTERED ITEMS			
REVENUE			
Revenue from Government			
Annual Appropriation	108 694	105 917	(2.6)
Other ¹	....	5 991	....
Investment Income	56	145	158.9
Grants	78 617	77 767	(1.1)
Sales of Goods and Services⁸	16	3 095	....
Other Revenue	4 346	4 415	1.5
TOTAL	191 729	197 330	2.9

Table 5.14: Statement of Financial Performance for the Department of Health and Human Services (continued)

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
EXPENSES			
Grants and Subsidies			
Employee Entitlements	1 225	1 560	27.3
Superannuation	65	74	13.8
Grants and Transfer Payments	108 714	112 619	3.5
Supplies and Consumables⁹	3 092	5 743	85.7
Total Grants and Subsidies	113 096	119 996	6.1
Transfer to the Consolidated Fund	78 633	77 783	(1.1)
TOTAL	191 729	197 779	3.1

Notes:

1. Refer Table 5.1, Note 1.
2. Investment Income relates to the proportion of Home Ownership Assistance Program (HOAP) investment income that is subsequently expended on HOAP operating expenses, including interest on borrowings. As HOAP interest has significantly reduced due to debt retirement, so has the amount of investment income retained to meet those expenses.
3. The decrease in Other Revenue is partly attributable to a reclassification of purchase contract principal installments to the capital program, partly a change in the Community Support Levy payment procedures and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly higher than the estimated actual 2002-03 position.
4. The 2002-03 projected actual expenditure for Borrowing Costs is estimated to be \$15.0 million. The 2003-04 Budget, while higher than the 2002-03 Budget, is less than the actual 2002-03 cost due to a reduction in interest expense for HOAP resulting from debt reduction in recent years.
5. The increase in Grants and Transfer Payments is partly due to Supported Accommodation Assistance Program projects that have been deferred from previous years and are scheduled to commence in 2003-04 and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly higher than the estimated actual 2002-03 position.
6. The increase in Supplies and Consumables primarily relates to costs associated with the transfer of adult rehabilitation from the non-government sector back to Community, Population and Rural Health, the cost of providing secure transport services, facility maintenance and client associated costs at Ashley Youth Detention Centre and increased costs in medical, surgical and pharmaceutical supplies, meningococcal vaccines, renal dialysis and air ambulance contract.
7. The increase in Other Expenses is primarily due to a change in accrual budgeting requirements to reflect the written down value of anticipated 2003-04 asset disposals. 2002-03 Budget figures have not been retrospectively adjusted to reflect this change.
8. The increase in Sales of Goods and Services is in part attributable to increased revenue through the Private Patient Scheme within the public hospitals and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly lower than the 2002-03 cash position.
9. The increase in expenses in relation to Supplies and Consumables is partly attributable to costs associated with the provision of services for Outside Referred Patients, and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly lower than the estimated actual 2002-03 position.

Table 5.15: Statement of Financial Position as at 30 June for the Department of Health and Human Services

	2003	2004	
	Budget	Budget	Variation
	\$'000	\$'000	%
CURRENT ASSETS			
Cash ¹	11 818	25 880	118.9
Receivables ²	8 714	10 316	18.3
Other	16 408	15 795	(3.8)
TOTAL	36 940	51 991	40.7
NON-CURRENT ASSETS			
Investments ³	60 025	53 976	(10.1)
Land and Buildings	1 047 410	1 012 462	(3.4)
Plant and Equipment ⁴	21 226	23 757	11.9
Other	388	281	(27.6)
TOTAL	1 129 049	1 090 476	(3.5)
TOTAL ASSETS	1 165 989	1 142 467	(2.1)
CURRENT LIABILITIES			
Payables ⁵	15 329	17 252	12.5
Interest Bearing Liabilities	45 105	44 306	(1.8)
Employee Entitlements	52 170	53 732	2.9
Accrued Expenses ⁶	17 951	35 489	97.6
TOTAL	130 555	150 779	15.4
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	269 088	258 707	(3.9)
Employee Entitlements	59 727	65 076	8.9
Other	....	1 461	....
TOTAL	328 815	325 244	(1.1)
TOTAL LIABILITIES	459 370	476 023	3.6
NET ASSETS	706 619	666 444	(5.7)

Table 5.15: Statement of Financial Position as at 30 June for the Department of Health and Human Services (continued)

	2003 Budget \$'000	2004 Budget \$'000	Variation %
ADMINISTERED ITEMS			
CURRENT ASSETS			
Cash ¹	979	9 670	887.7
TOTAL	979	9 670	887.7
NON-CURRENT ASSETS			
Plant and Equipment ⁷	....	1 083	....
TOTAL	....	1 083	....
TOTAL ASSETS	979	10 753	998.3
CURRENT LIABILITIES			
Payables ⁸	979	2 505	155.8
TOTAL	979	2 505	155.8
NON-CURRENT LIABILITIES			
TOTAL	....	....	....
TOTAL LIABILITIES	979	2 505	155.8
NET ASSETS	....	8 248	....

Notes:

1. The increase in Cash is largely due to the estimated level of Housing capital works programs to be completed in future years and the level of Special Purpose and Trust Account funds committed in future years.
2. The increase in Receivables is primarily due to two large receivables anticipated in relation to asset sales and the inclusion of sundry debtors not previously recognised.
3. The increase in Investments represents the repayment of Home Owners Assistance Program (HOAP) loan advances by clients over and above the amount re-lent to clients throughout the year.
4. Plant and Equipment has increased as a result of a number of assets being identified during a recent asset review. The purchase of the linear accelerator has also increased the Plant and Equipment total.
5. The increase in Payables is due entirely to a change in accounting practice.
6. The increase reflects the estimated level of outstanding commitments at the end of the year. The final payment instalment for the Royal Hobart Hospital linear accelerator is also included in the 2003-04 Budget.
7. Prior to 2003-04, all Plant and Equipment items were reported in the Controlled section of the Statement of Financial Position. In 2003-04, the Budget estimate for purchases of Plant and Equipment from administered funds has been reflected in the Administered Items section.
8. The 2003-04 Budget for Payables includes a significant amount payable to Aurora for pensioner concessions. This item was not included when preparing the 2002-03 Budget estimates.

Table 5.16: Statement of Cash Flows for the Department of Health and Human Services

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Revenue from Government			
Appropriation	617 009	665 476	7.8
Interest Received ¹	4 074	3 000	(26.4)
Grants	15 312	14 869	(2.9)
Sales of Goods and Services	83 509	87 342	4.5
Other Receipts ²	20 312	18 272	(10.1)
Payments			
Employee Entitlements	(403 521)	(436 792)	8.2
Superannuation	(37 398)	(40 673)	8.7
Borrowing Costs ³	(10 836)	(13 769)	27.0
Grants and Transfer Payments ⁴	(26 963)	(33 015)	22.4
Supplies and Consumables ⁵	(235 432)	(260 740)	10.7
Other Payments ⁶	(2 649)	....	(100.0)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	23 417	3 970	(83.1)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Fixed Assets	14 400	14 960	3.8
Purchase of Fixed Assets ⁷	(34 667)	(41 205)	18.8
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(20 267)	(26 245)	29.4
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Borrowings	(4 654)	(5 065)	8.8
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(4 654)	(5 065)	8.8
Net Increase/(Decrease) In Cash Held	(1 504)	(27 340)	....
Cash at the Beginning of Reporting Period	13 322	53 220	299.4
Cash at the End of Reporting Period	11 818	25 880	118.9

Table 5.16: Statement of Cash Flows for the Department of Health and Human Services (continued)

	2002-03	2003-04	
	Budget	Budget	Variation
	\$'000	\$'000	%
ADMINISTERED ITEMS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Revenue from Government			
Appropriation	108 694	105 917	(2.6)
Interest Received	56	145	158.9
Grants	78 617	77 767	(1.1)
Sales of Goods and Services	16	3 095	....
GST Receipts⁸	22 662	30 058	32.6
Other Receipts	4 346	4 415	1.5
Payments			
Employee Entitlements	(1 225)	(1 560)	27.3
Superannuation	(65)	(74)	13.8
Grants and Transfer Payments	(108 714)	(112 619)	3.5
Supplies and Consumables⁵	(3 447)	(5 743)	66.6
Transfers to the Consolidated Fund	(78 633)	(77 783)	(1.1)
GST Payments⁸	(22 662)	(30 058)	32.6
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(355)	(6 440)	....
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	....	( 675)	....
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	....	( 675)	....
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	....	....	....
Net Increase/(Decrease) In Cash Held	(355)	(7 115)	....
Cash at the Beginning of Reporting Period	1 334	16 785	....
Cash at the End of Reporting Period	979	9 670	887.7

Notes:

1. HOAP interest has significantly reduced the estimate for Interest Received due to debt retirement.
2. The decrease in Other Receipts is partly attributable to a reclassification of purchase contract principal installments to the capital program, partly a change in the Community Support Levy payment procedures and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly higher than the estimated actual 2002-03 position.
3. While Borrowing Costs appear to have increased, this is primarily due to a significant accrual entry under-stating the 2002-03 comparative figure. The 2002-03 cash figure for Borrowing Costs was approximately \$15.0 million, and is

a more valid basis of comparison. Accordingly, Borrowing Costs in 2003-04 has reduced, which is due to a significant reduction in interest expense for HOAP due to debt reduction in recent years.

4. The increase in Grants and Transfer Payments is partly due to Supported Accommodation Assistance Program projects that have been deferred from previous years and are scheduled to commence in 2003-04 and partly due to the implementation of accrual budgeting which has resulted in the 2002-03 accrual comparative being significantly higher than the estimated actual 2002-03 position.
5. The increase in Supplies and Consumables primarily relates to costs associated with the transfer of adult rehabilitation from the non-government sector back to Community, Population and Rural Health, the cost of providing secure transport services, facility maintenance and client associated costs at Ashley Youth Detention Centre, increased costs in medical, surgical and pharmaceutical supplies, meningococcal vaccines, renal dialysis, air ambulance contract and increased expenses through Special Purpose and Trust Accounts.
6. The implementation of accrual budgeting has required the base 2002-03 information for Other Payments to be amended to reflect accrual transactions.
7. The 2003-04 increase in Purchase of Fixed Assets is a result of Housing Tasmania and other Capital Investment Program items being deferred to 2003-04 and increased budgets for the purchase of equipment.
8. An analysis of the Department's monthly Business Activity Statements has resulted in increased provisions in 2003-04 for both GST Receipts and GST Payments. These increases are a consequence of generally increased Departmental purchases and sales.

Table 5.17: Reconciliation of Operating Expenses to Consolidated Fund Appropriation

	2002-03	2003-04
	Budget	Budget
	\$'000	\$'000
Total Operating Expenses	876 208	960 101
Adjustments for non-cash items		
Depreciation	(26 726)	(26 155)
Employee Entitlements	(4 936)	(7 556)
Loss on Sale	....	(5 945)
Demolitions	....	( 500)
Cost of Assets Sold	(14 400)	(14 960)
Supplies and Consumables	105	....
Adjustments for cash items not expensed		
GST	22 662	30 058
Transfers to Consolidated Fund	78 633	77 783
Home Ownership Assistance Program	9 000	9 000
Loan Repayments	4 654	5 065
Purchase of Capital Items	34 667	41 880
Total Cash Cost of Outputs	979 867	1 068 771
Other funding sources	(254 164)	(297 378)
Total Consolidated Fund Appropriation	725 703	771 393