

NATIONAL BLOOD AUTHORITY

Agency Resources and Planned Performance

National Blood Authority

Health and Ageing Portfolio Agency

Section 1: Agency Overview and Resources	614
1.1: Agency Overview	614
1.2: Agency Resources	615
1.3: Budget Measures	616
1.4: Transition from Outcomes and Outputs to Outcomes and Programs	616
Section 2: Outcomes and Planned Performance	617
2.1: Outcomes and Performance Information	617
Section 3: Explanatory Tables and Budgeted Financial Statements	629
3.1: Explanatory Tables.....	629
3.2: Budgeted Financial Statements	630

Section 1: Agency Overview and Resources

1.1 Agency Overview

The Australian Government provides funding to the National Blood Authority (NBA) to ensure that Australia's blood supply is secure and well managed.

The NBA is an independent statutory agency, representing the interests of the Australian Government and all State and Territory Governments. The Australian Government established the NBA in July 2003 under the *National Blood Authority Act 2003* as part of a coordinated approach to policy setting, governance, funding and management of the Australian blood banking and plasma product sector.

The NBA, on behalf of the Australian Government, manages and coordinates the Australian blood supply in accordance with the National Blood Agreement between the Australian, State and Territory Governments. This includes negotiating and managing national contracts with suppliers of blood and blood related products on behalf of all governments, which together will provide a total of \$911 million in 2009-10 for this purpose. The NBA's management of contracts enables the development of an agreed single national pricing schedule.

The NBA works with all governments and other responsible stakeholders to: implement an efficient demand-driven structure and blood supply system that is highly responsive to needs, based upon evidence and good clinical practice; and to ensure that Australia's blood supply is safe, secure, adequate and affordable.

1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by departmental classifications.

Table 1.2.1: NBA Resource Statement – Budget Estimates for 2009-10 as at Budget May 2009

	Estimate of prior year amounts available in 2009-10 \$'000	Proposed at Budget 2009-10 \$'000	Total estimate 2009-10 \$'000	Estimated available appropriation 2008-09 \$'000
Ordinary annual services				
Departmental appropriation				
Departmental appropriation*	-	5,523	5,523	5,447
Total	-	5,523	5,523	5,447
Administered expenses*				
Outcome 1	-	7,708	7,708	10,893
Total	-	7,708	7,708	10,893
Total ordinary annual services	-	13,231	13,231	16,340
Total available annual appropriations	-	13,231	13,231	16,340
Special accounts				
Opening balance	187,489		187,489	182,835
Appropriation receipts	-	13,231	13,231	16,340
Non-appropriation receipts to Special accounts#	-	899,257	899,257	822,762
Total special account	187,489	912,488	1,099,977	1,021,937
Total resourcing	187,489	925,719	1,113,208	1,038,277
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	-	(13,231)	(13,231)	(16,340)
Total net resourcing for NBA	187,489	912,488	1,099,977	1,021,937

Notes: All figures are GST exclusive.

* Appropriation Bill (No.1) 2009-10.

Non appropriation receipts do not balance to other receipts in Table 3.1.2 as these numbers are GST exclusive.

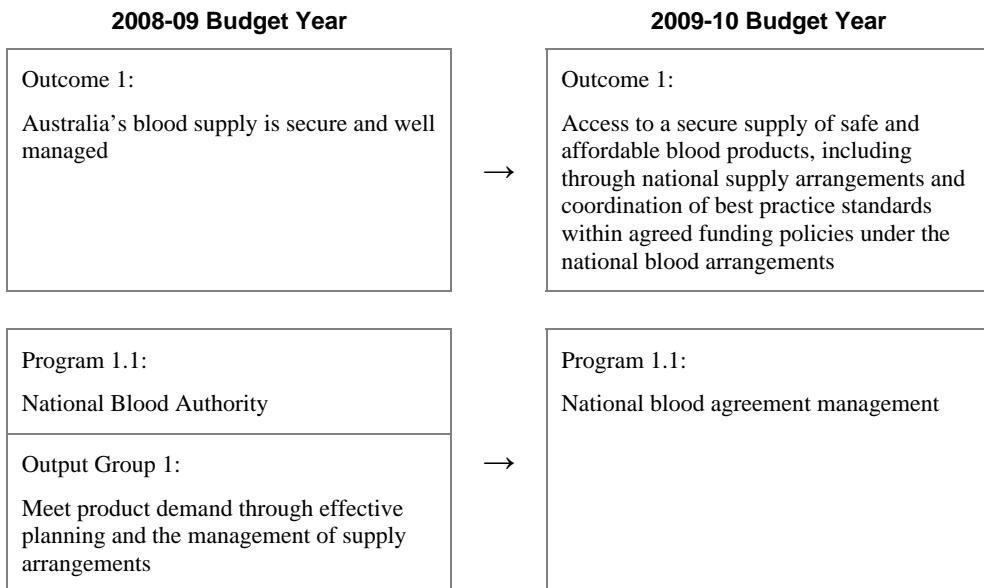
1.3 Budget Measures

Section 1.3 is not applicable to the NBA in 2009-10.

1.4 Transition from Outcomes and Outputs to Outcomes and Programs

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a Program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates), which was presented in administered items, outputs and output groups, to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS Outcome Statements under the Operation Sunlight Outcome Statements Review.

Figure 1: Transition Table



Note: Under the previous performance reporting structure, departmental activity was reported under departmental outputs. Under the new structure, departmental costs are reported as Programs.

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

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

Outcome Strategy

Through the NBA, the Australian Government aims to ensure that all Australians have access to a secure and well-managed blood supply. This will be achieved by the NBA, on behalf of the Australian, State and Territory Governments, by managing and coordinating the Australian blood supply in accordance with the National Blood Agreement, and developing and implementing arrangements for the secure supply of safe and affordable blood products and services. A key element is the establishment of purchasing arrangements for fresh, fractionated and recombinant products that deliver value for money. The NBA will also improve long-term planning and work with stakeholders to facilitate national improvements in the appropriate use of blood products.

The NBA is a major contributor to the blood sector in Australia, and seeks optimal patient outcomes consistent with the policy directions of Health Ministers. The NBA will work with all stakeholders, including suppliers of blood and blood products, to underpin supply arrangements with sector-wide risk management strategies that ensure the blood sector is able to provide responsive input to relevant wider health sector priorities.

The NBA will also promote and facilitate initiatives to improve blood sector performance, through identifying opportunities for improving the cost-effectiveness of the supply chain for plasma derived and recombinant blood products, and obtaining detailed information on product usage.

The achievement of improved clinical usage of blood and blood products remains a key objective of all governments. The NBA will facilitate improvements through the development and promulgation of evidence-based national standards and guidelines informed by close engagement with clinicians. The NBA will also facilitate the production and sharing of best practice information and data through clinical networks as well as discussion and research to improve the appropriate usage of blood and blood products.

Refer to discussions under Program 1.1: National blood agreement management for further information on these Government initiatives.

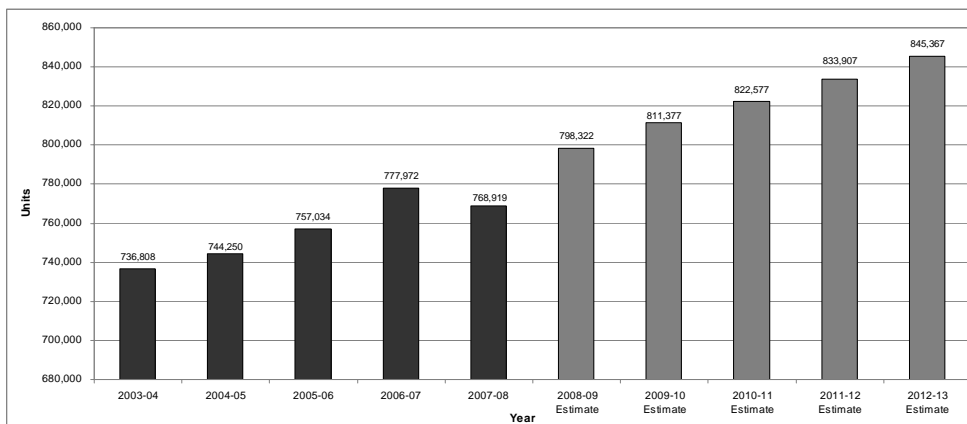
NBA Trends

Increasing demand for products has been one of the main drivers for the total cost of the blood and blood product supply, which has increased by an average of 11.9 per cent per annum from 2003-04 to 2007-08. Funding to the Australian Red Cross Blood Service (which collects and supplies fresh blood products) has increased by 10.6 per cent per annum over the same period, reflecting a combination of safer and higher quality products, cost increases and growth in demand. Although unit price growth for plasma-derived and recombinant blood products has been constrained below inflation, strong demand growth for clotting factors and intravenous immunoglobulin (IVIg) has resulted in a comparable cost growth for these products.

Trend Projection 1.1: Meeting the demand for red blood cells.

Trend 1.1 demonstrates the predicted growth in the demand for red blood cells over the Budget and three forward years. Red blood cells are used in major surgery and other treatments to supplement the patient’s own blood. Persons aged 65 and over use approximately 54 per cent of all red cells because older people require more complex surgery and medical treatments. Demand increase will therefore reflect the increasing proportion of the population that is in this age group. The NBA will work with the Australian Red Cross Blood Service to ensure that there is sufficient capacity to meet the increasing demand. The NBA is also working with the jurisdictions, clinicians and the Australian Red Cross Blood Service to improve the effectiveness of red blood cell use and reduce wastage.

Figure 2: Estimated increase in demand for red blood cells

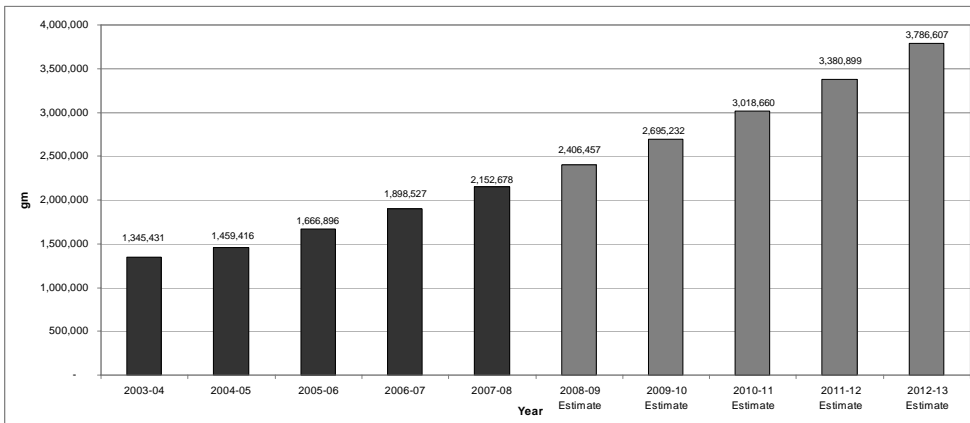


Source: NBA internal data 2009. Estimates are based on historical trends, current policy, regulatory provisions, clinical practice and population parameters, but do not reflect the potential impact of current and future initiatives designed to reduce the inappropriate use of blood.

Trend Projection 1.2: Meeting the demand for Intravenous Immunoglobulin.

Trend 1.2 demonstrates the impact of the continued strong growth in demand for IVIg across a broad range of conditions. IVIg is extracted from plasma collected from blood and plasma donations and is used in a wide range of therapies often for debilitating conditions where the patient’s immune system is deficient or defective. Australia will produce enough IVIg to meet approximately 78 per cent of demand in 2009-10. The remainder is imported to provide sufficient product to meet Australia’s needs and to mitigate supply risk. Despite usage per head in Australia being less than that in the United States of America and Canada, the historical growth of 14 per cent annually in IVIg is of concern. To ensure IVIg usage is clinically appropriate, the *Criteria for the Clinical Use of Intravenous Immunoglobulin in Australia*, which was implemented on 3 March 2008, contains evidence-based rules limiting the conditions for which IVIg is funded under the national blood arrangements. The criteria will be evaluated every three years to ensure continued alignment with new and emerging clinical outcome evidence.

Figure 3: Estimated increase in demand for IVIg

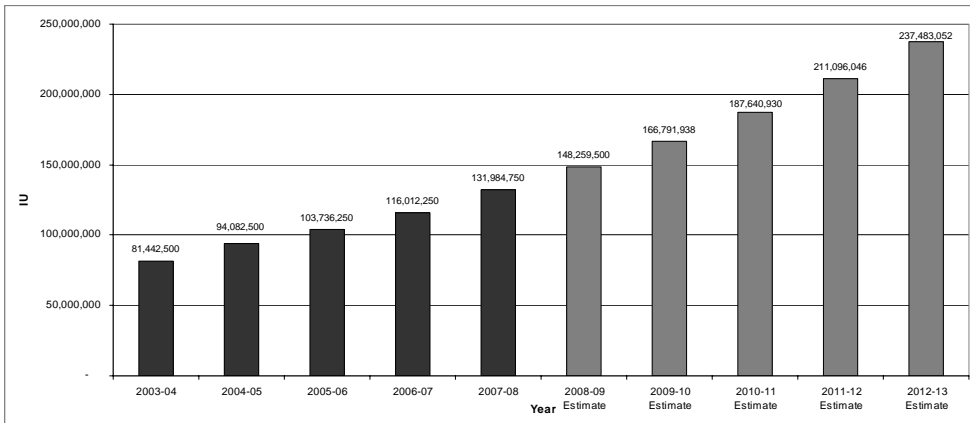


Source: NBA internal data 2009. Estimates are based on historical trends and current policy but do not fully reflect the potential impact of initiatives such as the *Criteria for the Clinical Use of Intravenous Immunoglobulin (IVIg) in Australia*.

Trend Projection 1.3: Meeting the demand for Factor VIII, a blood clotting factor.

Trend 1.3 demonstrates the estimated growth in demand for Factor VIII, a clotting factor deficient in persons with haemophilia. Replacement therapy enables affected persons to lead healthy and longer lives. Increased demand is multi-factorial including increased prophylactic treatment regimes, increased number of patients, increasing patient weights, high usage in patients with inhibitors and increased surgical use as patients live longer.

Figure 4: Estimated increase in demand for Factor VIII



Source: NBA internal data 2009. Estimates are based on historical trends, current policy, regulatory provisions, clinical practice and population parameters.

NBA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for the NBA by Program.

Table 2.1.1: Budgeted Expenses and Resources for the NBA

	2008-09 Estimated actual expenses \$'000	2009-10 Estimated expenses \$'000
Program 1.1: National blood agreement management		
Administered expenses		
Special accounts		
National Blood Authority Account	828,358	887,684
National Managed Fund (Blood and Blood Products) Special Account	-	-
Net adjustment for non cash expenses	(1,860)	3,331
Departmental expenses		
Special accounts		
National Blood Authority Account	8,786	10,579
Net adjustment for non cash expenses	590	544
Subtotal for Program 1.1	835,874	902,138
Total expenses for NBA	835,874	902,138
<hr/>		
	2008-09	2009-10
Average staffing level (number)	51	47

Contributions to the NBA

Program 1.1: National blood agreement management

Program Objective

Through this Program, the Australian Government aims to ensure that Australia's blood supply is affordable, secure and well-managed. This will be achieved through effective planning, procurement, funding, contract and risk management and innovative sector performance improvement measures informed by strong engagement with stakeholders and the clinical community. The following discusses the key strategic directions the Australian Government will take through the NBA to help achieve this objective.

Key Strategic Directions

This Program aims to:

- ensure the supply of all required blood and blood products through effective procurement and management of product availability;
- implement blood sector policy for the management of risk and sector performance improvement; and
- facilitate appropriate patient blood management and safe use of blood products.

Major Activities

Supply of Blood and Blood Products

The Australian Government is committed to ensuring the supply of all required blood and blood products to Australians. The NBA will achieve this by liaising with jurisdictions and suppliers, including the Australian Red Cross Blood Service, to ensure that day-to-day product supply and planned requirements for products into the future are managed to meet the needs of clinicians and patients.

The NBA will continue providing effective management of current contracts by working with suppliers to ensure contracted performance, improved data and reporting for the sector.

In 2009-10, the NBA will negotiate and commence new arrangements from 1 January 2010 with CSL Limited for the ongoing fractionation of Australian plasma and manufacture of key blood products such as IVIg and blood clotting factor products. The contract with the Australian Red Cross Blood Service for the continued collection and supply of fresh blood products, including red blood cells, will be extended pending implementation of a new contract in 2010-11. From 1 July 2009, the NBA will also implement extensions to current contracts with Baxter Healthcare, NovoNordisk and Wyeth for the supply of a several key imported blood clotting factor products which are not produced locally. In 2009-10, the NBA will review the market for IVIg to determine whether to extend current contracts beyond 31 December 2010 or to undertake a new procurement.

A key challenge in this area is achieving value-for-money in accordance with the objectives of the National Blood Agreement, in an environment where there are sole or a limited range of suppliers. As well, foreign exchange factors facing suppliers have affected the profitability of their Australian operations and, potentially, the sustainability of operating in Australia. The NBA gathers information on international prices and other business

intelligence to ensure that it is a well informed purchaser, constructing its tenders and contracts to best achieve value-for-money.

In 2009-10, the NBA will refine and fully implement a methodology for evidence-based evaluation and advice to governments to support decisions about additions or changes to products or services funded under the National Blood Agreement. This will ensure a consistent and transparent approach for meeting governments' requirements for the funding and supply of safe, cost-effective products. A key challenge in this work is the appropriate balance between cost-effective analysis and the many other policy objectives in the National Blood Agreement.

The NBA, on behalf of all governments, will continue to develop its knowledge framework to provide expert advice and information to governments on the changing markets, trends and global issues that affect the blood sector. In 2009-10, the NBA will continue to develop improved supply planning and demand modelling processes to incorporate new data sources and an improved understanding of clinical use. The NBA will also provide expert advice to governments on future procurement activities, which will consider the impact of the global financial crisis on international suppliers as well as changing global supply/demand and industry dynamics. This analysis and advice will influence the timing and nature of approaches to the market to support the objectives of providing best value-for-money while maintaining a secure supply of blood products. A key challenge in this area is the ability to effectively model future demand when patterns of use can change quickly and evidence for current and emerging practices are limited.

Risk Management and Sector Performance Improvement

The Australian Government is committed to ensuring that the supply of all required blood and blood products to Australians is maintained in all foreseeable scenarios. It is also committed to improving the management and performance of the Australian blood sector through the effective implementation of evidence-based blood sector policy. The NBA will contribute to this by continuing to undertake contingency and risk management planning to provide accurate and timely information for decision-making.

In 2009-10, the NBA will consult with relevant jurisdictions, medical experts and other stakeholders to further improve the National Blood Supply Contingency Plan. The Plan includes strategies for managing the blood supply throughout Australia in situations of increased demand or a reduction in supply capacity that are specific to the blood sector or that are generated by circumstances within the wider health sector. A key direction for 2009-10 is to integrate blood sector contingency planning into broader public health analysis, information and decision-making with regard to transfusion transmitted infections through detailed engagement with the Communicable Disease Network of Australia and the Public Health Laboratory Network of Australia.

Driving sector performance improvements requires the NBA to understand all facets of the collection, production, distribution and usage of products, as well as monitoring supplier performance as driven by the NBA's contract management. In 2009-10, several projects will advance this responsibility. A key challenge in this area is to provide nationally reliable and relevant information with a disparate set of systems and processes in each jurisdiction and limited information flows. In 2008, the NBA developed and had endorsed by the Jurisdictional Blood Committee a national data and information management strategy. The NBA will continue to implement this strategy in 2009-10 and refine innovative solutions to maximise information capture from disparate systems.

In 2009-10, the NBA will continue a review of the distribution arrangements for plasma and recombinant products to identify performance improvement opportunities for the blood sector. The initial phase of the review was completed in 2008-09 and involved information gathering and analysis across the sector and identified possible opportunities for efficiencies through improved supply chain management of product inventories. Further work to identify implementation approaches will continue in 2009-10 through detailed engagement with distribution and logistic experts, product suppliers and hospitals. The core challenge during 2009-10 will be the ability to achieve change and move towards more contemporary supply chain practices in a system that has evolved over many years.

Following the initial implementation of the data collection capacity of the Australian Bleeding Disorder Registry in December 2008, the NBA will enhance the data aggregation and reporting capabilities through 2009-10. When fully operational, the Registry will inform both governments and the clinical community about patient demographics, product use and dosing trends, and will support improvement in a number of areas including demand modelling for Factor VIII.

Work as part of the contract negotiations to benchmark performance of contracts for price and quality will also provide reference points for sector performance improvement. Central to these challenges is the completion of the Output Based Funding Model for the Australian Red Cross Blood Service that will allow more transparency and accountability at all levels of the blood sector, as well as allow for appropriate international comparisons.

The NBA will improve the production and sharing of best practice information and data with clinical networks through the Blood Measures project. The outcomes of this project will facilitate research in the blood sector, based on agreed definitions, which will allow comparison and analysis over time.

Appropriate Patient Blood Management and Safe Use of Blood and Blood Products

The Australian Government is committed to promoting safe, high quality management and use of blood and blood related products and services in Australia. The NBA will achieve this by working and consulting with key stakeholders such as clinical speciality colleges to develop and promulgate national standards and guidelines, to influence blood usage.

The NBA will support appropriate patient blood management by working with the National Health and Medical Research Council¹ to produce new guidelines for the use of fresh blood components such as red blood cells. In total there will be six guidelines covering the principal areas of use. The research and analysis for this work will continue in 2009-10 through the continuation of direct engagement with clinical experts. The innovative patient focused structure of these guidelines will produce a world leading guide on the appropriate use of blood products and will enhance Australia's standing in supporting patient blood management requirements.

The core challenge for this work is to obtain rigorous evidence on which to base advice. This will be addressed through the appointment of professional systematic reviewers with experience in evidence-based evaluations. Where high quality evidence is not available, the guidelines will provide 'practice tips' developed from consultations and research on emerging current best practice.

¹ For further discussion of the National Health and Medical Research Council (NHMRC), refer to the NHMRC chapter located later in these Portfolio Budget Statements.

The NBA will also commence a review of the *Criteria for the Clinical Use of Intravenous Immunoglobulin in Australia* to update the current criteria. This review will access all available clinical evidence and utilise clinical expertise to ensure the criteria continue to reflect best possible clinical practice.

The NBA will also work with government agencies and clinicians to set standards for measurement and facilitate the dissemination of information that will influence blood usage. This work is designed to reduce inappropriate or unnecessary transfusions, thereby minimising risk for patients and decreasing demand for product. In 2009-10, the NBA will build on the existing investment within jurisdictions to identify core and agreed minimum data sets in the area of haemovigilance and report these results progressively over time. The NBA will further refine Australia’s haemovigilance program by expanding reporting to more jurisdictions and identifying strategies to improve practices that lead to adverse events involving blood transfusions such as incorrect specimen labelling.

The NBA will also facilitate a more detailed analysis of red cell usage data through state-based data linkage projects to provide unique and world leading views on the appropriateness of the use of red cell products in Australia. The major challenge in this project will be to devise a methodology that will allow the disparate data collection systems within each jurisdiction to provide information against the agreed minimum data set.

Program 1.1: Expenses

The NBA is mainly funded jointly by the Commonwealth, and States and Territories on a 63 per cent: 37 per cent basis through annual contributions. These contributions meet the cost of the supply of blood and blood products as well as NBA operational costs. All NBA receipts and payments are accounted through Special Accounts.

The movement in administered expenses, which relate to the cost of the supply of blood and blood products, reflects the ongoing demand and price changes for these products.

Program support expenses cover the employee and supplier costs of the NBA.

Further details are provided in 3.2.2 Analysis of Budgeted Financial Statements.

Table 2.1.2: Program Expenses

	2008-09 Estimated actual \$'000	2009-10 Budget \$'000	2010-11 Forward year 1 \$'000	2011-12 Forward year 2 \$'000	2012-13 Forward year 3 \$'000
Annual administered expenses:					
Special account expenses:					
National Blood Authority Account	828,358	887,684	988,954	1,082,585	1,190,881
National Managed Fund (Blood and Blood Products) Special Account	-	-	-	-	-
Net adjustment for non cash expenses	(1,860)	3,331	5,695	5,182	5,874
Program support	9,376	11,123	10,392	9,857	8,883
Total Program expenses	835,874	902,138	1,005,041	1,097,624	1,205,638

Program 1.1: Deliverables

To ensure all Australians have access to a secure supply of safe and affordable blood products, Program 1.1 provides funding to: manage blood supply contracts and arrangements; enhance risk management strategies and drive sector performance improvement; and monitor and improve the use of blood and blood products. The NBA has overall responsibility for the ‘deliverables’ that contribute to the Program.

Qualitative Deliverables

Supply of Blood and Blood Products

- Manage the performance of contracted suppliers through 2009-10 through monitoring outputs and Key Performance Indicators, and auditing supplier reports.
- Continue and improve plasma fractionation and product distribution by concluding a new contract with CSL Limited.
- Continue and improve the supply of blood and blood products by agreeing future contractual arrangements with the Australian Red Cross Blood Service by June 2010.
- Continue the supply of imported plasma derived and recombinant blood products by implementing extensions to supply contracts with Baxter Healthcare, NovoNordisk and Wyeth.
- Review procurement options for the future supply of imported IVIg by May 2010.
- Improve the processes for adding products to the national product list by researching and recommending a methodology for evaluating proposals.

Risk Management and Sector Performance Improvement

- Increase the scope of the National Blood Supply Contingency Plan by submitting the transfusion transmitted infection annex for Ministerial clearance by June 2010.
- Identify performance improvement opportunities for the blood sector by finalising the Review of the Distribution Arrangements for Plasma and Recombinant Products by June 2010.
- Enhance the Australian Bleeding Disorder Register reporting capability by June 2010.
- Implement the recommendations of the independent business study of the Australian Red Cross Blood Service by June 2010.
- Finalise details of the Output Based Funding Model for the Australian Red Cross Blood Service contract by June 2010.
- Publication of the Blood Measures outcomes by September 2009.

Appropriate Patient Blood Management and Safe Use of Blood and Blood Products

- Provide clinicians with evidence-based information on safe and appropriate blood management by releasing two elements of the National Health and Medical Research Council *Clinical Practice Guidelines for Patient Blood Management* by 30 June 2010.
- Provide clinicians and stakeholders with information on the safe use of blood by publishing the second *National Haemovigilance Report* by June 2010.

- Ensure the continued alignment of the *Criteria for the Clinical Use of Intravenous Immunoglobulin in Australia* with new and emerging clinical outcome evidence by agreeing the methodology for a review of the criteria by December 2009.
- Facilitate a more detailed analysis of red cell usage data by recommending methodology for a red cell usage linkage model to all jurisdictions by March 2010.

Table 2.1.3: Quantitative Deliverables for Program 1.1

Quantitative Deliverables	2008-09 Revised Budget	2009-10 Budget	2010-11 Forward Year 1	2011-12 Forward Year 2	2012-13 Forward Year 3
Supply of Blood and Blood Products					
Number of blood supply contracts managed.	13	13	14	14	14
Appropriate Patient Blood Management and Safe Use of Blood and Blood Products					
Number of National Health and Medical Research Council product guidelines produced (release of guidelines to begin in 2009-10).	N/A	2	2	2	N/A

Program 1.1: Key Performance Indicators

The following ‘key performance indicators’ measure the impact of the Program.

Qualitative Indicators

Supply of Blood and Blood Products

- Management and coordination of Australia’s blood supply in accordance with the National Blood Agreement between the Australian, State and Territory Governments. Measured by the level of satisfaction of all funding jurisdictions with planning, management and coordination of blood supply.
- Management of the methodology and processes for adding products to the national product list. Measured by the level of satisfaction of all funding jurisdictions with the NBA’s management.

Risk Management and Sector Performance Improvement

- Management of the National Blood Supply Contingency Plan. Measured by the level of satisfaction of all funding jurisdictions with the NBA’s management and implementation, when appropriate.
- Review of Distribution Arrangements for Plasma and Recombinant Products completed to review timetable.

- The Australian Bleeding Disorder Registry meets stakeholder expectations. Measured by the level of satisfaction of stakeholders with Australian Bleeding Disorder Registry management and functionality.

Table 2.1.4: Quantitative Key Performance Indicators for Program 1.1

Quantitative Indicators	2008-09 Revised Budget	2009-10 Budget Target	2010-11 Forward Year 1	2011-12 Forward Year 2	2012-13 Forward Year 3
Supply of Blood and Blood Products					
Cost-effectiveness of the management of the National Blood Agreement. Measured by comparison of administration costs with national supply plan budget.	1.4%	1.4%	<1.4%	<1.4%	<1.4%
Variance between actual and NBA estimated total demand for supply of products.	<5%	<5%	<5%	<5%	<5%
Risk Management and Sector Performance Improvement					
Number of days the National Blood Supply Contingency Plan is activated for plasma and recombinant products. ²	0	0	0	0	0

² The National Blood Supply Contingency Plan is only activated in the event that stocks of products are insufficient to meet demand. In managing the supply of products, the NBA aims to ensure that there is always sufficient stock to meet demand.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the Budget year 2009-10. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and Program expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

3.1 Explanatory Tables

3.1.1 Movement of Administered Funds Between Years

Section 3.1.1 is not applicable to the NBA.

3.1.2 Special Accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the *Financial Management and Accountability Act 1997* or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the NBA.

Table 3.1.2: Estimates of Special Account Cash Flows and Balances

		Opening balance 2009-10 2008-09	Appropriation receipts 2009-10 2008-09	Other receipts 2009-10 2008-09	Payments 2009-10 2008-09	Closing balance 2009-10 2008-09
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
National Blood Authority Account - s21 FMA Act [<i>National Blood Authority Act 2003</i>] ^A	1	114,654 122,068	4,746 6,978	976,041 899,227	976,248 913,619	119,193 114,654
National Blood Authority Account - s21 FMA Act [<i>National Blood Authority Act 2003</i>] ^D	1	9,107 8,949	5,523 5,447	3,677 3,866	11,013 9,155	7,294 9,107
National Managed Fund (Blood and Blood Products) Special Account - s20 FMA	1	63,728 51,818	2,962 3,915	7,995 7,995	- -	74,685 63,728
Total special accounts 2009-10 Estimate		187,489	13,231	987,713	987,261	201,172
<i>Total special accounts 2008-09 estimate actual</i>		182,835	16,340	911,088	922,774	187,489

Notes: D = Departmental; A = Administered

3.1.3 Australian Government Indigenous Expenditure

The 2009-10 Australian Government Indigenous Expenditure Statement is not applicable because the NBA has no specific Indigenous expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in Agency Resourcing and Financial Statements

Section 3.2.1 is not applicable to the NBA.

3.2.2 Analysis of Budgeted Financial Statements

An analysis of the NBA's budgeted financial statements for 2009-10 is provided below.

Departmental Resources

Comprehensive Income Statement

NBA operational costs are funded jointly by the Australian, State and Territory Governments on a 63%:37% basis through annual contributions. All NBA receipts and payments are accounted through special accounts.

NBA operational funding was increased for the four years from 2005-06 to 2008-09 to build capacity, particularly for risk management, appropriate patient blood management and the safe use of blood and blood products. While all planned initiatives in these areas are well underway, several factors have caused the progress of implementation to slip resulting in an accumulation of funds not yet spent.

Drawing on these accumulated funds to meet the staffing and other costs of completing these initiatives will result in operating deficits in 2009-10, 2010-11 and 2011-12. These deficits have been approved by the Minister for Finance and Deregulation.

With the full implementation of these initiatives by 2012-13, staffing and other costs will be managed down to the level of funding provided for the NBA's core procurement, supply management and contract management activities.

Balance Sheet

Special account accumulated funds are held within the Official Public Account and included as Receivables in the Balance Sheet. The level of Receivables will fall as accumulated funds are used to meet expenses in 2009-10 to 2011-13. The NBA will maintain sufficient accumulated funds to cover employee entitlements and other liabilities.

The value of intangible assets will fall over 2009-10 and forward years reflecting the use and amortisation of the new integrated data management system. Other non-financial assets and liabilities will remain broadly stable over the period.

Administered Resources

Schedule of Budgeted Income and Expenses Administered on Behalf of Government

The NBA administered accounts include contributions from all states and territories and the Australian Government for the supply of blood and blood related products for 2009-10. Each year the Australian Health Ministers' Council approves an Annual National Supply Plan and Budget which is formulated by the NBA from demand estimates provided by the states and territories.

The 2009-10 Budget for the supply of blood and blood products has increased by \$64.5 million from 2008-09 reflecting increased demand and price rises.

Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government

The schedule of budgeted assets and liabilities administered on behalf of Government illustrates normal movements in non-financial assets and liabilities. The increase in Receivables over the forward years relates mainly to contributions received from the Australian Government, states and territories for ongoing purchases of blood and blood products and funding of the National Managed Fund. These amounts are held in the Official Public Account and treated as Receivables in the schedule of budgeted assets and liabilities.

3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1: Budgeted Departmental Comprehensive Income Statement
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
EXPENSES					
Employee benefits	4,840	6,244	5,803	5,495	4,917
Supplier	3,590	3,990	3,682	3,432	3,036
Grants	-	-	-	-	-
Depreciation and amortisation	946	890	907	930	930
Write-down and impairment of assets	-	-	-	-	-
Losses from asset sales	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	9,376	11,124	10,392	9,857	8,883
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	-	-	-	-	-
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Other revenue	3,949	3,593	3,299	3,292	3,311
Total revenue	3,949	3,593	3,299	3,292	3,311
Gains					
Sale of assets	-	-	-	-	-
Other gains	96	115	115	115	115
Total gains	96	115	115	115	115
Total own-source income	4,045	3,708	3,414	3,407	3,426
Net cost of (contribution by) services	5,331	7,416	6,978	6,450	5,457
Appropriation revenue	5,447	5,523	5,617	5,605	5,637
Surplus (Deficit)	116	(1,893)	(1,361)	(845)	180
Surplus (Deficit) attributable to the Australian Government	116	(1,893)	(1,361)	(845)	180

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	63	63	63	63	63
Receivables	9,076	5,923	4,565	3,742	3,948
Total financial assets	9,139	5,986	4,628	3,805	4,011
Non-financial assets					
Land and buildings	45	95	135	157	178
Infrastructure, plant and equipment	490	346	612	693	773
Inventories	-	-	-	-	-
Intangibles	1,608	1,312	1,196	1,113	1,029
Other	67	67	67	67	67
Total non-financial assets	2,210	1,820	2,010	2,030	2,047
Total assets	11,349	7,806	6,638	5,835	6,058
LIABILITIES					
Payables					
Suppliers	439	439	439	439	439
Other payables	2,255	262	267	266	268
Total payables	2,694	701	706	705	707
Provisions					
Employees	1,051	1,090	1,132	1,175	1,219
Other provisions	599	599	599	599	599
Total provisions	1,650	1,689	1,731	1,774	1,818
Total liabilities	4,344	2,390	2,437	2,479	2,525
Net Assets	7,005	5,416	4,201	3,356	3,533
EQUITY					
Contributed equity	812	812	812	812	812
Reserves	15	15	15	15	15
Retained surpluses or accumulated deficits	6,178	4,589	3,374	2,529	2,706
Total equity	7,005	5,416	4,201	3,356	3,533
Current assets	9,206	6,053	4,695	3,872	4,078
Non-current assets	2,143	1,753	1,943	1,963	1,980
Current liabilities	3,535	1,573	1,612	1,645	1,682
Non-current liabilities	809	817	825	834	843

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,447	5,523	5,617	5,605	5,637
Interest	-	-	-	-	-
Net GST received	454	430	405	380	341
Other cash received	3,412	5,060	4,660	4,112	3,313
Total cash received	9,313	11,013	10,682	10,097	9,291
Cash used					
Employees	5,302	6,404	5,962	5,652	5,072
Suppliers	2,954	3,675	3,367	3,117	2,721
Net GST paid	369	434	403	378	338
Cash to the Official Public Account	159	-	-	-	210
Total cash used	8,784	10,513	9,732	9,147	8,341
Net cash from (or used by) operating activities	529	500	950	950	950
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	530	500	950	950	950
Total cash used	530	500	950	950	950
Net cash from (or used by) investing activities	(530)	(500)	(950)	(950)	(950)
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held	(1)	-	-	-	-
Cash at the beginning of the reporting period	64	63	63	63	63
Cash at the end of the reporting period	63	63	63	63	63

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental Statement of Changes in Equity – Summary of Movement
(Budget year 2009-10)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2009	6,178	15	-	812	7,005
Adjustment	304				304
Net operating result	(1,893)	-	-	-	(1,893)
Appropriation (equity injection)	-	-	-	-	-
Estimated closing balance as at 30 June 2010	4,589	15	-	812	5,416

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally from Departmental resources*	530	500	950	950	950
Assets received due to restructure (FMA s32)	-	-	-	-	-
Total acquisitions of non-financial assets	530	500	950	950	950

Note * Includes the following sources of funding:

- annual and prior year appropriations;
- donations and contributions;
- gifts;
- finance leases;
- internally developed assets;
- s31 relevant agency receipts; and
- proceeds from the sale of assets.

Table 3.2.6: Statement of Asset Movements – Departmental

	Land	Buildings	Other infrastructure, plant & equipment	Intangibles	Other non- financial assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
as at 1 July 2009						
Gross book value	-	273	1,062	1,608	67	3,010
Accumulated depreciation/amortisation	-	228	572	-	-	800
Opening net book balance	-	45	490	1,608	67	2,210
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
by purchase or internally developed	-	100	50	350	-	500
by finance lease	-	-	-	-	-	-
by contribution/donation	-	-	-	-	-	-
by gift	-	-	-	-	-	-
Sub-total	-	100	50	350	-	500
Other movements						
Depreciation/amortisation expense	-	50	194	646	-	890
Disposals*	-	-	-	-	-	-
Other	-	-	-	-	-	-
as at 30 June 2010						
Gross book value	-	373	1,112	1,958	67	3,510
Accumulated depreciation/amortisation	-	278	766	646	-	1,690
Closing net book balance	-	95	346	1,312	67	1,820

Note: * Proceeds may be returned to the Official Public Account.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Interest	-	-	-	-	-
Other sources of non-taxation revenues	826,498	891,015	994,649	1,087,767	1,196,755
Total non-taxation	826,498	891,015	994,649	1,087,767	1,196,755
Total revenues administered on behalf of Government	826,498	891,015	994,649	1,087,767	1,196,755
Gains					
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total income administered on behalf of Government	826,498	891,015	994,649	1,087,767	1,196,755
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Employees	-	-	-	-	-
Suppliers	397,064	434,877	500,224	562,406	632,895
Depreciation and amortisation	-	-	-	-	-
Grants	429,434	456,138	494,425	525,361	563,860
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Concessional Loan Discount	-	-	-	-	-
Total expenses administered on behalf of Government	826,498	891,015	994,649	1,087,767	1,196,755

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	187,788	203,821	217,515	230,689	244,558
Investments	-	-	-	-	-
Total financial assets	187,788	203,821	217,515	230,689	244,558
Non-financial assets					
Land and Buildings	-	-	-	-	-
Infrastructure, Plant and Equipment	-	-	-	-	-
Inventories	60,364	60,364	60,364	60,364	60,364
Other	296	296	296	296	296
Total non-financial assets	60,660	60,660	60,660	60,660	60,660
Total assets administered on behalf of Government	248,448	264,481	278,175	291,349	305,218
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Loans	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Other	63,694	74,651	82,646	90,641	98,636
Total provisions	63,694	74,651	82,646	90,641	98,636
Payables					
Suppliers	32,658	35,989	41,685	46,867	52,741
Subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Grants	-	-	-	-	-
Other payables	66,297	68,043	68,043	68,043	68,043
Total payables	98,955	104,032	109,728	114,910	120,784
Total liabilities administered on behalf of Government	162,649	178,683	192,374	205,551	219,420

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2008-09 \$'000	Budget estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	87,872	88,026	97,738	107,225	117,859
Other	300,842	328,566	368,020	402,474	442,799
Total cash received	388,714	416,592	465,758	509,699	560,658
Cash used					
Grant payments	429,434	456,138	494,425	525,361	563,861
Suppliers	393,763	428,546	494,529	557,224	627,020
Cash to the Official Public Account	4,497	15,496	12,827	12,401	12,961
Net GST paid	85,261	88,564	98,601	108,001	118,767
Other	5,160	3,000	-	-	-
Total cash used	918,115	991,744	1,100,382	1,202,987	1,322,609
Net cash from (or used by) operating activities	(529,401)	(575,152)	(634,624)	(693,288)	(761,951)
INVESTING ACTIVITIES					
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) investing activities	-	-	-	-	-
FINANCING ACTIVITIES					
Cash used					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (or used by) financing activities	-	-	-	-	-
Net increase (or decrease) in cash held					
(529,401)	(575,152)	(634,624)	(693,288)	(761,951)	
Cash at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- special accounts	518,508	567,445	634,624	693,288	761,951
- appropriations	10,893	7,707	-	-	-
Cash at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the Financial Statements

The budgeted financial statements for the NBA are prepared for the Budget year, previous year and three forward years.

Departmental Financial Statements

Budgeted Departmental Comprehensive Income Statement (for the period ended 30 June)

This statement provides a picture of the expected financial results for the NBA by identifying full accrual expenses and revenues.

Budgeted Departmental Balance Sheet (as at 30 June)

The statement shows the financial position of the NBA. It enables decision-makers to track the management of the NBA's assets and liabilities.

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

Budgeted cash flows as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Statement of Changes in Equity – Summary of Movement (Budget year 2009-2010)

This table shows the movements in equity during the Budget year.

Schedule of Administered Activity

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

The schedule identifies the revenues and expenses administered by the NBA on behalf of the Government.

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

The schedule shows the assets and liabilities administered by the NBA on behalf of the Government.

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

The schedule shows the cash flows administered by the NBA on behalf of the Government.

