



National Health
Funding Body

CORPORATE PLAN 2021-22

Improving the transparency of
public hospital funding in Australia



Our vision

To improve transparency of public hospital funding in Australia

Our purpose

To support the obligations and responsibilities of the Administrator through best practice administration of public hospital funding

Our five objectives



Accurate and timely calculation of Commonwealth funding contributions.



Best practice financial administration of the National Health Funding Pool (the Pool).



Effective reporting of public hospital funding.



Productive relationships with stakeholders and partners.



Operate as a high performing organisation.

Our behaviours

ONE NHFB

We contribute as a united team and encourage new ideas.

ENHANCE TRUST

We treat others as equals and collaborate openly across boundaries.

OPEN COMMUNICATION

We listen actively to the views of others and share information.

OWN IT

We own our performance by knowing, accepting and performing our roles to the best of our ability.

Our APS values

IMPARTIAL

COMMITTED

ACCOUNTABLE

RESPECTFUL

ETHICAL

OUR ROLE IN AUSTRALIA'S HEALTH SYSTEM

Who we support

PRIME MINISTER,
PREMIERS AND
CHIEF MINISTERS

COMMONWEALTH,
STATE AND TERRITORY
HEALTH MINISTERS

COMMONWEALTH
TREASURER

Administrator of the National Health Funding Pool



MICHAEL LAMBERT, ADMINISTRATOR

The Administrator is an independent statutory office holder. All Commonwealth, State and Territory Governments have to agree on their appointment to the position.

The National Health Funding Body



SHANNON WHITE, CEO

Led by a CEO, the 29 staff in the NHFB support the Administrator to oversee the administration of Commonwealth, State and Territory public hospital funding and payments under the National Health Reform Agreement.

Who we work with

PORTFOLIO
AGENCIES

COMMONWEALTH,
STATE AND TERRITORY
STAKEHOLDERS

INDUSTRY
PARTNERS

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



I am pleased to present the National Health Funding Body Corporate Plan for 2021–22, my fourth since commencing as Chief Executive Officer on 3 April 2018.

A handwritten signature in black ink that reads "Shannon White".

Shannon White

Chief Executive Officer
National Health Funding Body

Australia continues to face unprecedented health and economic challenges in relation to the coronavirus (COVID-19) global pandemic. Together with the Administrator we are supporting all Governments through our administration of the National Partnership on COVID-19 Response (NPCR) which has so far delivered a total of \$6 billion in additional Commonwealth financial assistance to States and Territories.

This corporate plan builds on our outstanding record of achievement and sets our direction for the next four years 2021–2025. It outlines the key initiatives we will deliver and the criteria to measure our performance.

Our agency continues to perform a unique role in Australia's health system, delivering best practice financial administration of \$56 billion (exclusive of COVID-19 funding). We perform the calculations, payments and reporting of public hospital funding across 145 Local Hospital Networks (LHNs) comprising 692 public hospitals and delivering in excess of 39 million hospital services.

Building on our success

In March 2021, together with the Administrator we finalised the 2019-20 Annual Reconciliation of Commonwealth National Health Reform (NHR) funding, the NPCR as well as the Australian Government's minimum funding guarantee.

Due to the impact of COVID-19, there was an overall reduction in the number of public hospital services delivered in financial year 2019-20. This resulted in a decrease in the Commonwealth NHR funding entitlement from \$22.328 billion to \$21.304 billion, however this was offset by +\$0.572 billion in COVID-19 funding for public hospital services, and additional funding of +\$0.532 billion under the Commonwealth's minimum funding guarantee.

Priorities for the future

One of the key priorities for this planning period will be the ongoing administration of Commonwealth NHR funding, the NPCR and the Commonwealth's minimum funding guarantee. In relation to Commonwealth NHR funding, the Addendum outlines clear direction in several key areas including:

- public hospital funding integrity and duplicate payments
- funding cap exemption for highly specialised therapies
- funding neutrality for private patients in public hospitals
- the progression of safety and quality measures (e.g. avoidable readmissions)
- measures to reduce demand for potentially preventable hospitalisations.

The NPCR has now been in place for three financial years 2019-20, 2020-21 and 2021-22. In the year ahead, we will be focused on administering 2021-22 payments as well as completing the annual reconciliation for 2020-21.

Productive relationships

Communication and engagement remain vital to our success. I am pleased with our recent 2021 stakeholder survey results, achieving an average satisfaction score of 4.3 out of 5, however we must not become complacent. It is essential that we continue to collaborate openly and constructively with our Commonwealth, State and Territory stakeholders as well as our portfolio agency and industry partners.

Positive workplace culture

The platform to our success is operating as a high performing organisation that is professional, capable, flexible and technology enabled. I am also delighted with our recent 2021 employee census results, ranking first out of 101 Australian Public Service agencies, however once again we must not take this for granted. It is important that we sustain our positive workplace culture underpinned by our united leadership behaviours.

In 2021-22, we remain focussed on:

- strengthening our leadership, culture and organisational capabilities
- investing in our people through learning and development
- building on our strong stakeholder and industry partnerships
- reviewing our business operations for productivity improvements and cost efficiencies
- leveraging our digital transformation investment.

As always, I look forward to working closely with Michael Lambert (the Administrator), all our stakeholders and partners, and my outstanding team at the NHFB in improving the transparency of public hospital funding in Australia.

PURPOSE

The agency

The NHFB and the Administrator of the National Health Funding Pool were established through the *National Health Reform Agreement* (NHR Agreement) of August 2011 (see page 14).

The NHFB operates as a Commonwealth non-corporate entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and is funded as a small agency under the Commonwealth Department of Health Portfolio.

The NHFB is an independent agency with 29 staff that support the Administrator to oversee the administration of Commonwealth, State and Territory public hospital funding and payments under the NHR Agreement.

The Administrator is an independent statutory office holder. All Commonwealth, State and Territory Governments have to agree on their appointment to the position.

The functions of the Administrator are set out in the *National Health Reform Act 2011* (NHR Act) and common provisions in relevant State and Territory legislation.

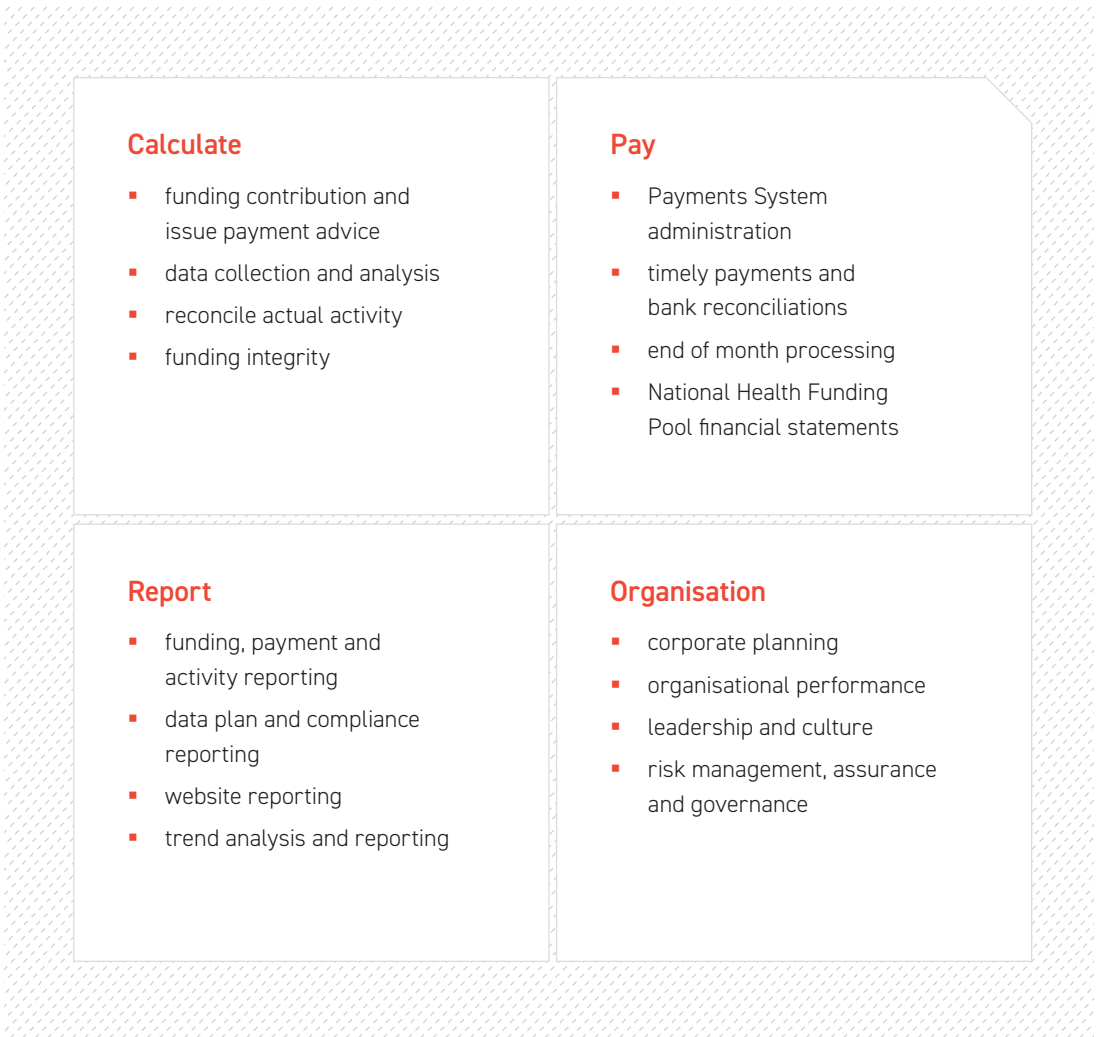
What we do

Our primary functions are to assist the Administrator in:

- calculating and advising the Commonwealth Treasurer of the Commonwealth's contribution to public hospital funding in each State and Territory
- reconciling estimated and actual public hospital services, and adjusting Commonwealth payments
- undertaking funding integrity analysis to identify public hospital services that potentially received funding through other Commonwealth programs
- monitoring payments of Commonwealth, State and Territory public hospital funding into the National Health Funding Pool (the Pool)
- making payments from the Pool to each Local Hospital Network (LHN)
- reporting publicly on funding, payments and services
- developing and providing three-year data plans to the Commonwealth, States and Territories.

To assist the Administrator and achieve our vision of improving the transparency of public hospital funding in Australia, we work collaboratively across four key functions outlined in 'Figure 1'.

FIGURE 1 National Health Funding Body's four key functions



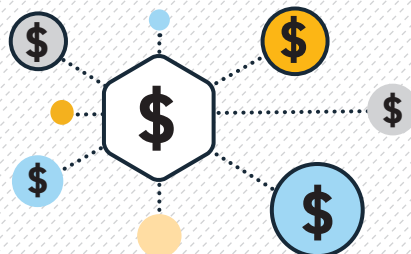
FINANCIAL YEAR 2020-21 HIGHLIGHTS FOR THE **29 STAFF** OF THE NHFB



WE ADMINISTERED...

\$56 BILLION

in public hospital payments



WITH **\$54 BILLION** PAID TO...

145

Local Hospital
Networks (LHNs)

COMPRISING OF...

692

public hospitals



THAT DELIVERED...

**39 MILLION
PUBLIC HOSPITAL
SERVICES**



WE PAID OVER

\$6 BILLION

in Commonwealth funding to
States and Territories for

COVID-19



THIS PROVIDED FUNDING FOR CRITICAL:



PPE SUPPLIES



CLEANING

in hospitals, schools
and public transport

COVID-19 **TESTING**
AND **VACCINATIONS**



OUR
STAKEHOLDERS
RATED US



4.3 OUT
OF **5**

EARLY

ENGAGEMENT

on funding
and reconciliation

+

THROUGH

COLLABORATION

across quarterly
multilateral meetings informed
by 32 bilateral discussions

=

IMPROVED

SATISFACTION

and built trust with
our stakeholders

IN THE 2021 **APS EMPLOYEE CENSUS OUT OF 101 AGENCIES** WE RANKED...



FOR

ENGAGEMENT



FOR

WELLBEING



FOR

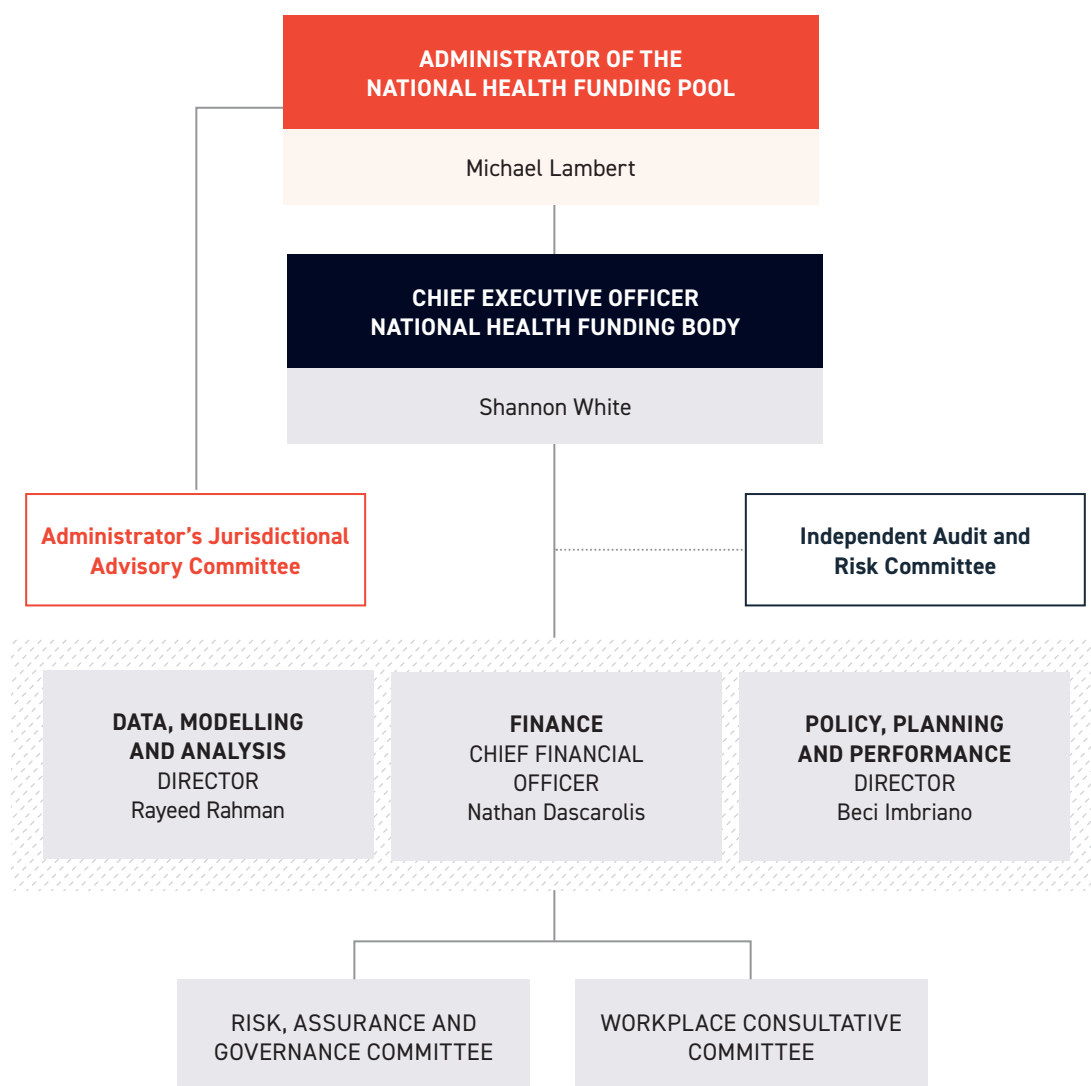
INNOVATION

Organisational structure

Our structure ensures resources are aligned to core functions, providing for clear lines of reporting.

'Figure 2' shows the relationship between the NHFB's organisational and governance elements.

FIGURE 2 Organisational structure as at 30 August 2021



Leadership team



Michael Lambert

Administrator of the
National Health Funding Pool

Michael was appointed Administrator of the National Health Funding Pool in July 2018.

Michael's career has covered four broad areas: public sector policy and finance; investment banking; Non-Executive director roles; and working in areas related to the health sector. Michael spent 17 years in a range of senior state government positions culminating in the role of NSW Treasury Secretary. Michael has also held Non-Executive Directorships within the health sector, including the NSW Northern Suburbs Area Health Board and the NSW Cancer Council. Michael is currently a Non-Executive director with the Sax Institute, a not for profit organisation that seeks to align health research to health policy and programs in order to improve health outcomes.

Michael holds an Honours and Masters degree in Economics, a Masters in Philosophy and is a Graduate of the Australian Institute of Company Directors.



Shannon White

CEO
National Health Funding Body

Shannon was appointed CEO of the National Health Funding Body in April 2018.

Shannon has a broad range of experience across national security, economic and social policy environments. Shannon has 28 years' experience in the APS across Health, Immigration and Border Protection and Defence with his previous roles having a strong focus on financial management and strategic advice on budget related policy and operational matters.

In his previous senior executive role in Health System Financing at the Department of Health, Shannon worked extensively on national health reform issues and represented the Australian Government at a number of national and international committees. These included health system fiscal sustainability as well as the negotiations on public hospital funding under the two Addendums to the National Health Reform Agreement.



Left to right: Nathan Dascarolis, Rayeed Rahman, Beci Umbriano and Shannon White

Nathan Dascarolis

Chief Financial Officer

Nathan joined the NHFB in April 2020 as Chief Financial Officer and is responsible for the Finance section. The Finance section provide financial support to the CEO and the Administrator, including managing the National Health Funding Pool Payments System, processing Commonwealth, State and Territory payments into and out of the Pool as well as facilitating authorisation by the Administrator for payments to LHNs and other providers.

The Finance Section are also responsible for the production of NHFB and individual Pool Financial Statements for auditing by the Australian National Audit Office and each State and Territory's Auditor-General respectively.

Prior to joining the NHFB, Nathan was an independent consultant, working with Commonwealth, State and Territory public sector agencies with a focus on financial management and governance. Nathan commenced his career working with professional services firms, working across both assurance and advisory functions. Nathan is a Chartered Accountant and has a Bachelor of Commerce from the Australian National University.

Rayeed Rahman

Director, Data, Modelling and Analysis

Rayeed joined the NHFB as Director, Data, Modelling and Analysis in March 2021. The Data, Modelling and Analysis section develop and operate models that determine the Commonwealth funding contribution to LHNs for delivering public hospital services (over \$23.6 billion for 2020-21). The section also reconciles estimated and actual service volumes through a range of data submissions (over 39 million records each year) related to public hospital funding. The Data, Modelling and Analysis section is also responsible for linking hospital activity data with Medical Benefits Schedule (MBS) claims data to identify if the Commonwealth has potentially paid for the same hospital service more than once (over 595 million MBS records per annum).

Rayeed has more than 12 years experience across the APS in economics, forecasting and modelling, policy analysis, research and evaluation. He has an Honours in Economics from the Australian National University, and has commenced his Masters in Applied Economics.



We are proud of our culture
and promote our united
leadership behaviours

Beci Imbriano

Director, Policy Planning and Performance

Beci joined the NHFB in November 2018 as Director, Policy, Planning and Performance. The Policy, Planning and Performance section are responsible for developing the NHFBs Strategic Direction, Corporate Plan, Portfolio Budget Statements and Annual Reports.

The section works with colleagues, jurisdictions and portfolio agencies to maintain the full suite of Administrator's policies:

- Administrator's Three Year Data Plan
- Data Compliance Policy
- Data Governance Policy
- Calculation and Reconciliation Framework
- Data Matching Business Rules.

The section also works with stakeholders to improve reporting through the development of a strategic outlook of public hospital funding, trend reporting and analysis, including the publication of monthly funding and activity data on publichospitalfunding.gov.au.

The section also provide essential business support services to the NHFB, CEO and Administrator across risk management, assurance, governance, human resources, communications, security, management of Memorandums of Understanding (MoU) and Secretariat for the Administrator's Jurisdictional Advisory Committee and Independent Audit and Risk Committee.

Prior to joining the NHFB, Beci spent 10 years in the APS across the Health and Immigration and Border Protection Portfolios in a number of stakeholder focused policy and operational roles, including reporting on system sustainability through modelling outcomes of policy settings and budget scenarios.

ENVIRONMENT

Our role in Australia's health system was the result of significant public hospital funding reforms agreed by the Commonwealth and all States and Territories in August 2011, forming the National Health Reform Agreement.

The NHR Agreement outlines the shared responsibility of the Commonwealth, State and Territory governments to work in partnership to improve health outcomes for all Australians and ensure the sustainability of the health system.

On 29 May 2020, the Commonwealth, States and Territories entered into a new agreement through the *Addendum to the National Health Reform Agreement 2020-21 to 2024-25* (see page 14). The new Addendum maintains a commitment to ensuring equitable access to public hospitals for all Australians, and reaffirms the role of the Administrator and the NHFB.

Health system

Australia's health system and the national economy both face significant challenges in response to COVID-19. The pandemic is substantially impacting the underlying level of public hospital services delivered across all States and Territories.

To fulfil our duties and preserve our role in the health system into the future, we must provide best practice financial administration that is accurate, timely and independent. Delivering on our commitments to strengthen the Commonwealth Contribution Model (CCM) enhance our funding integrity capabilities and improve access to information provides our stakeholders with confidence in the funding system and in our capabilities to deliver on our mandate.

Overview of health care agreements

National Healthcare Specific Purpose Payment Pre-2012

Prior to the NHR Agreement, State and Territories were paid a contribution for public hospital services from the Commonwealth via 'block grants' under the National Healthcare Specific Purpose Payment arrangements. These grants were calculated based on historical costs, negotiation and government decisions, with little transparency of the actual services delivered for the funding provided.

National Health Reform Agreement 2012-13 to 2016-17

In August 2011, the Council of Australian Governments (COAG) agreed to major changes in how public hospitals were to be funded by Commonwealth, State and Territory governments, including the move from block grants to an 'activity-based' funding system. These changes, detailed in the NHR Agreement, included establishing the Administrator and the NHFB to improve transparency of public hospital funding arrangements.

Addendum to the National Health Reform Agreement 2017-18 to 2019-20

In July 2017, amendments were introduced to the NHR Agreement through a time-limited Addendum. This reaffirmed universal health care for all Australians as a shared priority and committed parties to public hospital funding from 1 July 2017 to 30 June 2020. It also focused on reducing unnecessary hospitalisations and improving patient safety and service quality.

Addendum to the National Health Reform Agreement 2020–21 to 2024–25

In May 2020, through the signing of the new Addendum, Commonwealth, State and Territory governments agreed to four strategic priorities to further guide health system reform:

- Improving efficiency and ensuring financial sustainability
- Delivering safe, high-quality care in the right place at the right time, including long-term reforms in:
 - » nationally cohesive health technology assessment
 - » paying for value and outcomes
 - » joint planning and funding at a local level.
- Prioritising prevention and helping people manage their health across their lifetime, including long-term reforms in:
 - » empowering people through health literacy
 - » prevention and wellbeing.
- Driving best practice and performance using data and research, including long-term reforms in enhanced health data.

The Addendum will see over \$131 billion in Commonwealth funding to public hospitals over the five years of the agreement.

In conjunction with the new Addendum, the Federal Government provided a funding guarantee (2019–20 and 2020–21) to all States and Territories to ensure no jurisdiction is left worse off as a result of the COVID-19 pandemic.

National Partnership on COVID-19 Response (NPCR)

The NPCR was agreed to and signed by COAG on Friday, 13 March 2020. The NPCR was subsequently amended and agreed to in April 2020 to include a provision for private hospital financial viability payment. A third update to the NPCR was made in April 2021 to support the COVID-19 vaccine rollout.

The objective of the NPCR is to provide financial assistance to States and Territories for the additional costs incurred in responding to COVID-19. Under the NPCR, there are a range of responsibilities and functions to be performed by the Administrator supported by the NHFB and other portfolio agencies.

In March 2020, the NHFB established a new funding account in the Payments System to facilitate payments to all States and Territories.

Since then, a total of \$6 billion (2019–20 and 2020–21) in Commonwealth COVID-19 funding has been paid to States and Territories:

- Hospital Service payments for COVID-19 related hospital activities, with the Commonwealth funding 50%
- State Public Health payments for public health activities associated with addressing the pandemic, with the Commonwealth funding 50%
- Private Hospital Capacity and Viability payment to enable private hospitals to retain capacity, with the Commonwealth funding 100%
- Schedule C: COVID-19 vaccine payments including vaccine dose delivery payments and vaccine rollout support payments.

Further detail on COVID-19 funding is available from the 2019–20 and 2020–21 National Health Funding Pool Annual Reports.

Public hospital funding and payments

Each funding type has a specific criteria set for what services are appropriate, with the preference to use Activity Based Funding (ABF) wherever possible.

Activity Based Funding

ABF is a funding method for public hospital services based on the number of weighted services provided to patients, and the price to be paid for delivering those services.

The method uses national classifications for service types, price weights, the National Efficient Price (NEP) that is independently determined by the Independent Hospital Pricing Authority (IHPA), and the level of activity as represented by the National Weighted Activity Unit (NWAU) (i.e. the NEP is the price per NWAU).

A NWAU represents a measure of health service activity expressed as a common unit of resources. This provides a way of comparing and valuing each public hospital service (whether it is an emergency department presentation, admission or outpatient episode), by weighting it for clinical complexity.

States and Territories are required to outline their basis of payments to each LHN, including an explanation of the factors taken into account.

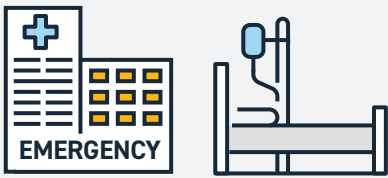
Block funding

Block funding supports teaching, training and research in public hospitals, and public health programs. It is also used for certain public hospital services where Block funding is more appropriate, particularly for smaller rural and regional hospitals.

Out of scope

Public hospitals also receive funding from other sources, including the Commonwealth, States and Territories, and third parties for the provision of other specific functions and services outside the scope of the NHR Agreement (e.g. pharmaceuticals, primary care, home and community care, dental services, residential aged care and disability services).

FIGURE 4 Types of public hospital funding



ACTIVITY BASED FUNDING

- emergency department services
- acute admitted services
- admitted mental health services
- sub-acute and non-acute services
- non-admitted services



BLOCK FUNDING

- teaching, training and research
- small rural hospitals
- non-admitted mental health
- non-admitted home ventilation
- other non-admitted services
- highly specialised therapies

Payments

The Pool was established to receive all Commonwealth (ABF and Block) and State and Territory (ABF only) public hospital funding. The Pool comprises of a Reserve Bank of Australia (RBA) account for each State and Territory, with each State and Territory also having established a State Managed Fund (SMF) to manage Block funding. The Pool and SMF provide a line-of-sight mechanism to trace each jurisdiction's contribution to LHNs and third parties. The balance is paid to State and Territories (including public health, cross border, interest and over deposits).

'Figure 3' highlights the source, types and amount of funding and payments that flowed through the Pool and SMFs in 2020-21. The NHR Agreement also allows for additional streams of funding to be paid through the Pool if agreed by Government, as was done in response to COVID-19.

FIGURE 3 2020-21 Public hospital funding payment flows

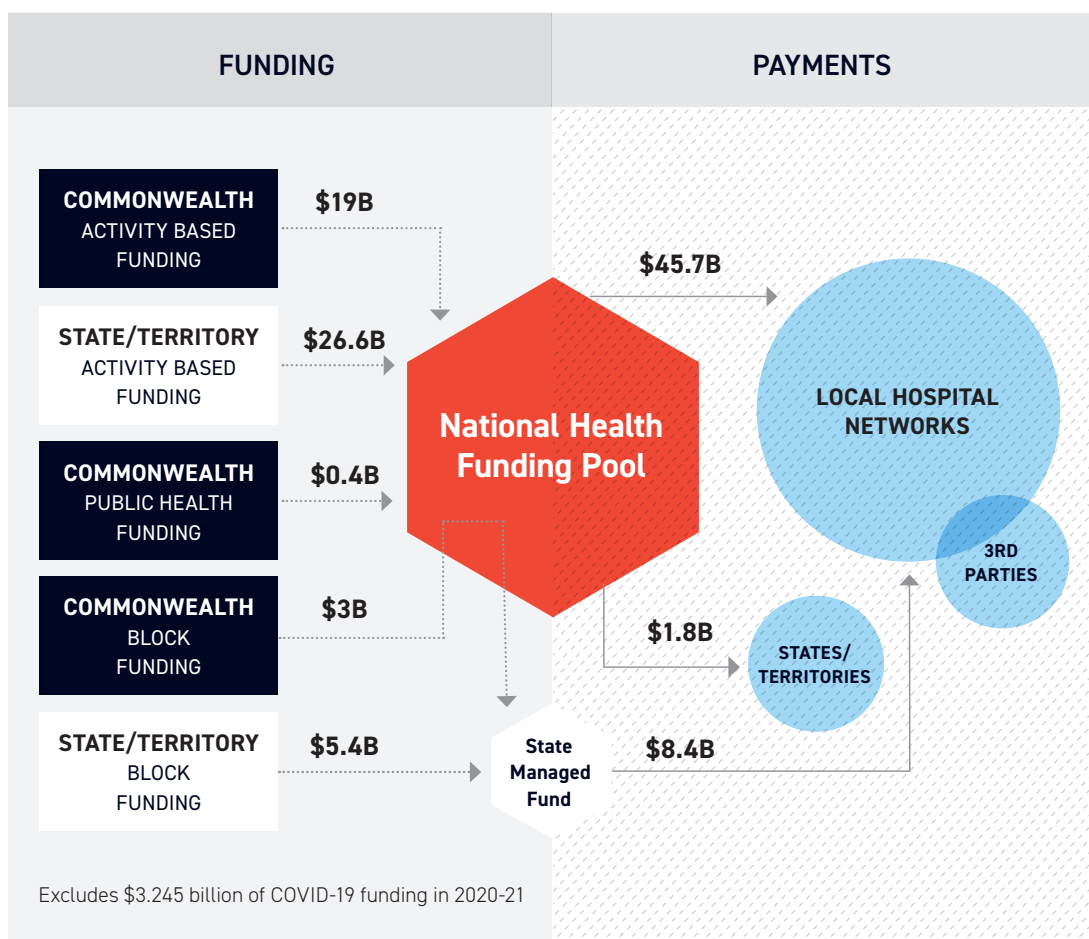
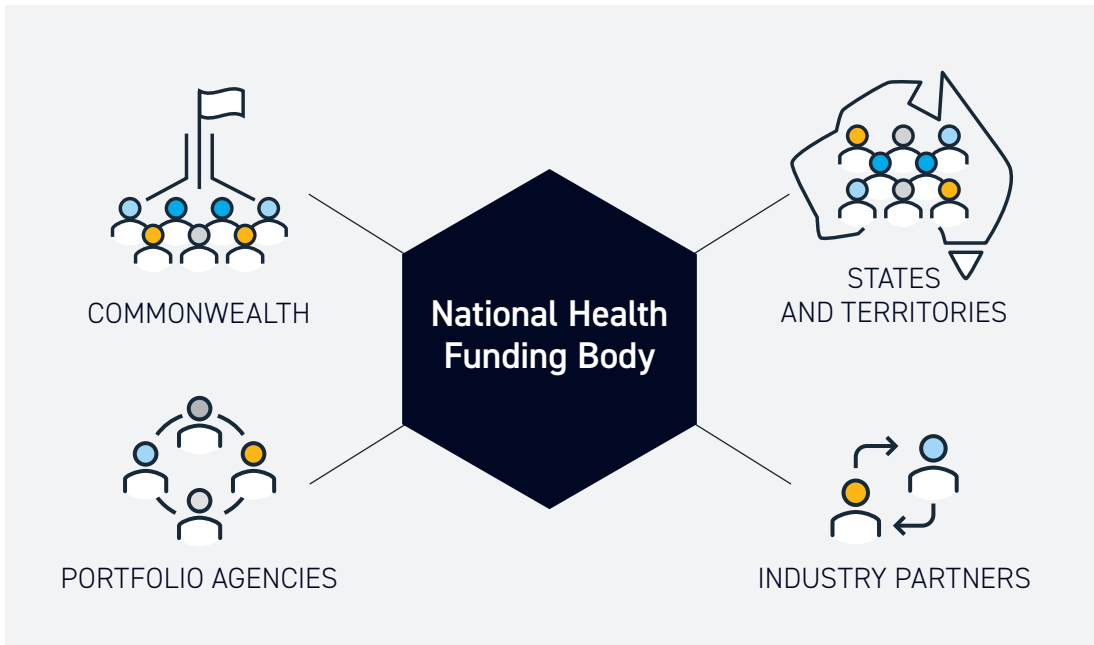


FIGURE 5 National Health Funding Body stakeholders and partners

Stakeholders and partners

Productive relationships and regular communication with our stakeholders and partners supports us to improve the transparency of funding for public hospital services.

We will continue to proactively engage with our stakeholders and partners, as productive discussions not only provide valuable guidance to assist all parties understand the basis of funding calculations and outcomes, but also build trust in our functions.

States and Territories

Early and impartial engagement with all stakeholders, especially States, Territories and the Commonwealth, allows time to discuss and resolve issues in a collaborative manner. The Administrator's Jurisdictional Advisory Committee (JAC) is a key channel for this engagement and is comprised of senior representatives of all States and Territories and relevant Commonwealth departments and portfolio agencies.

The objectives of the Administrator's JAC are to:

- consider and provide advice to the Administrator on strategic issues related to the Administrator's functions under the NHR Agreement and NHR Act
- enable collaboration between the Administrator, NHFB, Commonwealth, State and Territory health departments and IHPA on the relevant operational arrangements and priorities under the NHR Agreement and NHR Act.

Key discussion topics for the Administrator's JAC in will include:

- implementation of the Addendum
- Administrator's policy documents
- 2020-21 Annual Reconciliation of public hospital funding and services
- NPCR reconciliation
- funding integrity, including data matching
- Payments System administration
- consistency and transparency of public hospital funding.

Commonwealth

We will continue to be supported by, and work with our Commonwealth stakeholders through a range of formal and informal arrangements, including:

- the provision of shared services (e.g. payroll and IT desktop) from the Department of Health
- Enterprise Data Warehouse (EDW) technical support from the Department of Health
- the provision of public hospital activity data from Services Australia
- website hosting with GovCMS from Department of Finance
- monthly roundtable with the Department of the Prime Minister and Cabinet, The Treasury, the Department of Finance and the Department of Health on NHR Agreement funding and activities.

Portfolio agencies

We work closely with our portfolio agency partners to support the Administrator to provide trusted and impartial advice to all stakeholders and deliver best practice administration of public hospital funding. These agencies include the Independent Hospital Pricing Authority (IHPA), the Australian Commission on Safety and Quality in Health Care (ACSQHC) and the Australian Institute of Health and Welfare (AIHW).

INDEPENDENT HOSPITAL PRICING AUTHORITY

The main functions of the IHPA are to determine each year the NEP for ABF and National Efficient Cost (NEC) for Block funding for health care services provided by public hospitals. The NEP is a major determinant of the level of Australian Government funding for public hospital services and provides a benchmark for the efficient cost of providing public hospital services. As such, we routinely engage with the IHPA, including as a member of IHPA's Jurisdictional Advisory Committee and Technical Advisory Committee.

AUSTRALIAN COMMISSION ON SAFETY AND QUALITY IN HEALTH CARE

The ACSQHC leads and coordinates key improvements in safety and quality in health care. The Commission works in four key priority areas:

- patient safety
- partnering with patients, consumers and communities
- quality, cost and value
- supporting health professionals to provide care that is informed, supported and organised to deliver safe and high-quality care.

AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE

The AIHW develops, collects, compiles, analyses, manages and disseminates Australian health and welfare data information. We collaborate with the AIHW on public hospital funding related matters via a number of committees including the Strategic Committee for National Health Information; the National Hospitals Information Advisory Committee; and the Health Expenditure Advisory Committee.

Industry partners

In 2021-22, we will work with a number of industry partners to support our small agency deliver on our objectives. We will leverage their expertise, be supported by their advice and rely on their independence and in the process, ensure we promote knowledge sharing to continue to build our internal capability.

Industry partners that currently assist us to deliver on our four key functions:

- **CALCULATE** Taylor Fry and PwC
- **PAY** TechOne, Synergy, Sentinel Software and RSM
- **REPORT** Salsa
- **ORGANISATION** Kirribilli Partners and contentgroup.

FINANCE

We are funded by an annual appropriation from the Commonwealth, as represented in the Portfolio Budget Statements (PBS) 2021-22.

In May 2021, the Australian Government released the 2021-22 Budget. Table 1 includes a summary of the 2021-22 Budget and forward estimates.

The majority of our expenditure relates to employees and suppliers. This demonstrates a continued focus on investing in our people and key digital platforms to best support the obligations and responsibilities of the Administrator and be ready to adapt to new developments.

Outlook

The *Addendum to the National Health Reform Agreement 2020-21 to 2024-25* was signed in May 2020 and provided funding certainty for our agency in future years.

To live within our means we will ensure that we are operating as efficiently and effectively as possible. We will explore opportunities to better collaborate with our public and private sector partners, through the successful completion of short-term initiatives (see "Performance Section" starting page 26).

We have implemented financial management practices to support effective allocation of resources and ensure the organisation can respond to emerging priorities.

Supporting the National Partnership on COVID-19 Response

In accordance with existing legislation and national agreements, we have core responsibilities for the calculation, payment and reporting of public hospital funding. On this basis, the Administrator and the NHFB were well placed to administer the funding arrangements for the National Partnership on COVID-19 Response.

We engaged additional employees, and will continue to work with our existing industry partners to assist in administering funding arrangements.

In 2021-22, we will continue to manage our finances in line with three key principles:

- **PEOPLE** – Invest in our people to enhance and sustain core capabilities.
- **PROCESS** – Continue to focus on core business, leveraging industry partner expertise and advice.
- **TECHNOLOGY** – Maximise benefit from digital platforms.

Financial management of our resources is based on sustainable operations (baseline operating resources for personnel, systems sustainment and overheads) allowing us to be flexible in responding to emerging priorities and new opportunities.

This demonstrates that we are well placed to support critical operations while continuing to invest in our strategic priorities and build on existing capability.

TABLE 1 2021-22 Budget and Forward Estimates

	2021-22 Budget \$'000	2022-23 Estimate \$'000	2023-24 Estimate \$'000	2024-25 Estimate \$'000
Revenue				
Appropriation	7,488	7,358	6,646	6,671
Other ¹	92	92	92	92
TOTAL REVENUE	7,580	7,450	6,738	6,763
Expenses				
Employees	4,652	4,555	4,129	4,131
Suppliers	2,564	2,518	2,219	2,242
Depreciation and amortisation	761	761	761	761
Interest on RoU ²	15	11	7	7
TOTAL EXPENSES	7,992	7,845	7,116	7,141

1 Other revenue covers audit fee expenses not requiring appropriation (resources received free of charge).

2 Interest on lease liability relates to Right of Use (RoU) asset (AASB 16: Leases).

PERFORMANCE

This section outlines our objectives that must be met to fulfil our purpose and describes how our performance will be measured.

Our five objectives are:

- Accurate and timely calculation of Commonwealth funding contributions.
- Best practice financial administration of the National Health Funding Pool (the Pool).
- Effective reporting of public hospital funding;
- Productive relationships with stakeholders and partners.
- Operate as a high performing organisation.

We will enhance our organisational capabilities through key initiatives that will further empower our people, processes and technology to best support the obligations and responsibilities of the Administrator.

The following tables outline the performance criteria that will be used for the 2021-22 reporting period to determine whether we have achieved our purpose. We recognise the importance of measuring and reporting on our performance, and will continue to improve the way we gather quantitative and qualitative evidence to measure how well we deliver against our objectives.

Monitoring our performance

We monitor our performance monthly through a combined organisational performance, finance and risk discussion. The results are incorporated into our annual summary of performance and included in our annual report.

'Figure 6' outlines how the performance of each objective is measured.

FIGURE 6 Key to the tables

Objective Title			
Performance Criteria	Evidence	2021-22 Target	2022-25 Target
Outcome			
Activity to produce outcome	Source of evidence	Target	Target



Objective One

Accurate and timely calculation of Commonwealth funding contributions

Performance Criteria	Evidence	2021-22 Target	2022-25 Target
1.1 The Treasurer of the Commonwealth is advised by the Administrator in a timely manner			
The advice regarding the amounts required to be paid into each State (and Territory) Pool Account is provided to the Treasurer in a timely manner	Administrator sign-off of payment advice including any adjustments	100% signed-off	100% signed-off
1.2 Commonwealth funding calculations are accurate			
Current and future year CCMs are accepted by the Administrator	CCM sign-off by the Administrator	100% signed-off	100% signed-off
1.3 Funding entitlements reconcile to actual services delivered			
Adjustments made to Commonwealth payments to LHNs due to reconciliation are accepted by the Administrator	Administrator sign-off of payment advice including any adjustments	Half-yearly and annual	Half-yearly and annual
1.4 Public hospital services are funded through the appropriate Commonwealth program			
Integrity analysis of hospital activity and other Commonwealth program activity identifies instances where the same hospital service has been funded more than once	Integrity measures in place	Notify stakeholders of potential duplicate payments by 30 November 2021	Notify stakeholders of potential duplicate payments by 30 November 2022
Key Initiatives			
Short term 2021-22			
<ul style="list-style-type: none"> Initial 2021-22 funding calculation Implement enhancements to the CCM to incorporate the new Addendum (including Highly Specialised Therapies, pricing parity for public and private patients in public hospitals, and avoidable readmissions) 2020-21 Annual Reconciliation (including National Partnership on COVID-19 Response) Undertake funding integrity data matching activities as part of the 2020-21 Annual Reconciliation 2021-22 Six-month Reconciliation Work with our stakeholders to further improve reconciliation processes and funding integrity measures Work with the Administrator, ACSQHCC and IHPA on incorporating additional safety and quality measures into public hospital funding, including for potentially preventable hospitalisations 			
Medium term 2022-25			
<ul style="list-style-type: none"> Identify ways in which our valuable data resources can be leveraged to improve transparency of funding, payments and activities. 			

PURPOSE

ENVIRONMENT

FINANCE

PERFORMANCE

RISK

GOVERNANCE

CAPABILITY

ENDNOTES



Objective Two
Best practice financial administration
of the National Health Funding Pool

Performance Criteria	Evidence	2021-22 Target	2022-25 Target
2.1 Payments to each Local Hospital Network (LHN) accord with directions from responsible State and Territory Ministers and align with Service Agreements			
All payments from the Pool are made in accordance with directions	Advice from relevant ministers	100% in accordance with advice	100% in accordance with advice
2.2 Maintain the integrity of the Payments System in accordance with policies, plans and manuals			
Payments System policies, plans and manuals are maintained	Policies, plans and manuals are complete, available and approved annually	100% approved	100% approved

Key Initiatives

Short term 2021-22

- Review Payments System governance arrangements to ensure they are fit for purpose and best practice
- Work with States and Territories through the Payments System Community of Practice on improving user experience, including training and support
- Work with our stakeholders on further enhancements to the Payments System
- Explore opportunities for additional funding streams through the Pool (for example, NPCR)

Medium term 2022-25

- Provide greater transparency, consistency and assurance of payments through the Pool



Objective Three

Effective reporting of public hospital funding

Performance Criteria	Evidence	2021-22 Target	2022-25 Target
3.1 Ministers receive required information in a timely manner			
The Annual Report on the operations of the National Health Funding Pool is submitted to each Health Minister for tabling as per the NHR Act	Administrator's Annual Report	Tabled in all jurisdictions within timeframe	Tabled in all jurisdictions within timeframe
3.2 Monthly and annual reporting of funding, payments and services			
Monthly and annual reporting is uploaded to the website	Website update	All LHN, State and National reports updated within three weeks of period close	All LHN, State and National reports updated within three weeks of period close
3.3 Quarterly and annual reporting of Commonwealth, State and Territory compliance with the Administrator's Data Plan			
Increase public access to information on Commonwealth, State and Territory compliance with the Administrator's Data Plan	Administrator's Quarterly Compliance Report	Publish Quarterly Compliance reports within six weeks of period close	Publish Quarterly Compliance reports within six weeks of period close

PURPOSE

ENVIRONMENT

FINANCE

PERFORMANCE

RISK

GOVERNANCE

CAPABILITY

ENDNOTES

Key Initiatives

Short term 2021-22

- Publish the Administrator's 2020-21 Annual Report
- Review the Administrator's Three Year Data Plan 2022-23 to 2024-25 in consultation with portfolio agency partners and stakeholders
- Review the Administrator's 2022-23 Data Compliance Policy in consultation with portfolio agency partners and stakeholders
- Provide greater transparency and enhance public reporting

Medium term 2022-25

- Improve public reporting of funding, payments and services in consultation with portfolio agency partners and stakeholders



Objective Four
Productive relationships with stakeholders and partners

Performance Criteria	Evidence	2021-22 Target	2022-25 Target
4.1 Provide trusted and impartial advice			
Strategic communication and stakeholder engagement is fit for purpose and caters to stakeholder needs	Strategic Communication and Stakeholder Engagement Framework is reviewed, updated and approved by the CEO	100% complete	100% complete
	Annual stakeholder benchmarking survey results	Positive trend on prior-year	Positive trend on prior-year
Provide advice on the implementation of funding arrangements	Actively participate in bilateral and multilateral forums with all jurisdictions	100% complete	100% complete
4.2 Work plans and information requirements are developed in collaboration and consultation with stakeholders			
The Administrator’s rolling Three Year Data Plan is updated, agreed with stakeholders and published on the website	Three Year Data Plans endorsed by the Administrator in a timely manner	100% complete	100% complete

Key Initiatives

Short term 2021-22

- Implement improvements to our communication and engagement following stakeholder survey feedback
- Increase the awareness and profile of the role of the Administrator and the NHFB
- Actively engage and collaborate with portfolio agencies (IHPA, ACSQHC, AIHW)

Medium term 2022-25

- Identify ways in which we can engage, collaborate and provide trusted advice to improve health sector outcomes



Objective Five

Operate as a high performing organisation

Performance Criteria	Evidence	2021-22 Target	2022-25 Target
5.1 A positive workplace culture where people adopt best practice approaches to achieve results			
Our behaviours are embedded in an inclusive culture	Internal pulse survey and APS Census 2022	Positive trend on prior-year	Positive trend on prior-year
Our forward work plans are developed in consultation with staff	<ul style="list-style-type: none"> Strategic Direction Risk Tolerance Corporate Plan Section Plans and Performance Agreements 	100% complete	100% complete
All compliance reporting requirements for the NHFB as a non-corporate entity are met within timelines	Approval by the CEO	100% complete	100% complete
5.2 An agile and responsive workforce ready to adapt to new developments			
Innovation is promoted and change is well managed	Internal pulse survey and APS Census 2022	Positive trend on prior-year	Positive trend on prior-year
Corporate policies are best practice and fit for purpose for a small agency	Policies are approved by the CEO	100% complete	100% complete

Key Initiatives

Short term 2021-22

- Monitor our performance against our Corporate Plan 2021-22
- Apply enhancements to our risk management practices
- Apply enhancements to our audit and assurance approach
- Apply enhancements to our business continuity planning
- Implement our Workforce Capability Plan 2021-2025
- Implement our Learning and Development Strategy 2021-2025
- Publish the NHFB's 2020-21 Annual Report

Medium term 2022-25

- Plan for a sustainable future by operating as productively and cost effectively as we can
- Explore new initiatives to support an agile and responsive workforce
- Be a leader in best-practice for small agencies; professional, capable, flexible, technology enabled and citizen-focused

Key initiatives



Calculate

ENHANCEMENTS TO THE COMMONWEALTH CONTRIBUTION MODEL (CCM)

In addition to the development of a stand-alone model to enable the calculation of the Commonwealth's contribution under the NPCR, enhancements are being made to the CCM to support the implementation of the new Addendum. The enhancements include incorporating new highly specialised therapies, payment parity for public and private patients in public hospitals, and avoidable readmissions.

FUNDING INTEGRITY AND DATA MATCHING

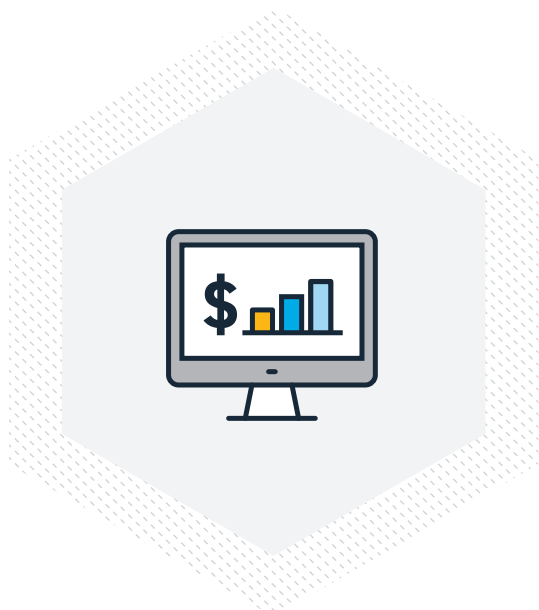
We are preparing to implement measures from 2021-22 to our data capabilities to focus on greater transparency, integrity and assurance of payments for public hospital services. This activity will provide greater confidence to the Commonwealth, States and Territories of the financial administration of public hospital funding.



Pay

ENHANCEMENTS TO THE PAYMENTS SYSTEM

- We will review our Payments System polices, plans and manuals to ensure they are best practice and fit-for-purpose.
- We will improve the efficiency and effectiveness of processes between our systems, and those of our partners.
- We will host a quarterly Community of Practice with State and Territory Payments System users to share information and refine our dedicated learning and development activities.
- We will consult with jurisdictions and other stakeholders to identify future Payments System enhancements.



Report

ENHANCED WEBSITE

We will continue to improve the transparency of hospital funding and activity by enhancing our reporting capabilities and simplifying public access.

TREND REPORTING

We will continue to work with portfolio agency partners (e.g. IHPA, AIHW) to improve public reporting of funding, payments and services. This includes broader health and hospital funding, as well as payments for public hospital services transacted through the Pool.



Organisation

CULTIVATING PRODUCTIVE WORKING RELATIONSHIPS

We will continue to explore ways in which we can engage and collaborate with our stakeholders and partners, as well as increase the awareness and profile of the NHFB.

PEOPLE

We will continue to focus on positive workplace culture through our United Leadership behaviours and developing our people. We will implement new policies and approaches that focus on 'how we do things' just as much as 'what we deliver'. This will help strengthen our high performing environment, where everyone is valued and performs their role to the best of their ability.

RISK

Risk management is an essential component of sound business management and good corporate governance. Understanding risks and managing them appropriately enhances our ability to make better decisions, deliver on objectives and improve our performance.

As a PGPA Act agency our Risk Management Policy and Framework aligns with the Commonwealth Risk Management Policy and is based on the International Standard on Risk Management (ISO 31000:2018 - Risk Management guidelines)

Our Risk Tolerance Statement and Risk Management Instructions support the policy and framework. These fundamental documents are reviewed annually to ensure we maintain an appropriate system for risk oversight and the management of internal controls.

Culture and risk tolerance

We have embedded a robust organisational culture that continues to support risk-aware decision-making and encourages innovation and creativity.

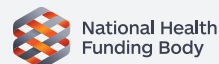
As a united team, we collaborate when defining our risk tolerance in order to set objectives, allocate resources, comply with legal obligations, and improve transparent decision making.

We manage risk across our five strategic objectives and work with the Administrator to assess and monitor risks in relation to the successful operation of the Pool.

Our Risk Tolerance Statement articulates the amount of risk that we are willing to accept to successfully achieve our objectives.

FIGURE 7 National Health Funding Body Risk Tolerance Statement

RISK TOLERANCE 2021-22



Message from the CEO

Mr Shannon White

Engaging with risk is necessary to support the obligations and responsibilities of the Administrator of the National Health Funding Pool and to provide best practice administration of public hospital funding in Australia.

As the Accountable Officer under the Public Governance, Performance and Accountability Act 2013 (PGPA Act), it is my responsibility to establish and maintain appropriate systems of risk oversight and management, including setting the Agency's appetite for risk against each of our Strategic Objectives.

Improving our risk maturity, culture and capability has helped us to further embed risk practices in our day to day business, pursue new opportunities and support innovation. This has enabled us to be more responsive to unforeseen circumstances, as demonstrated by our resilience during the global pandemic and our contribution to Australia's COVID-19 response.

In 2021-22, we celebrate the second anniversary of the implementation of the Payments System. This is a perfect example of effective risk-based decision making, through embracing risk and pursuing innovation, to achieve our strategic objectives.

This statement allows our organisation to focus on key objectives, comply with legal and policy obligations, effectively manage resources and improve transparent and accountable decision making.

As a small Agency, it's our individual behaviour that influences the 'way we do risk around here'. As valued members of the NHFB team I encourage you to continue engaging with, and adopting risk-based decision making to achieve best practice, fit-for-purpose approaches across the Agency.

Our approach to risk

Articulating our risk tolerance helps to set the boundaries of how much risk we are prepared to accept. For example, we have a greater appetite for risk where it results in benefits, opportunities and/or innovation for the Agency. However, risk taking is not accepted where it could lead to negative impacts on our people or the delivery of organisational objectives.

Knowing these boundaries empowers all of us to confidently make risk-aware decisions in the workplace, while our risk culture enables us to engage with risk in pursuit of continuous improvement and better solutions.

Our Risk Tolerance

Our risk tolerance levels across our five key objectives are highlighted below. These levels are based on the supporting business function, the potential cost and/or the benefit of engaging with risk to improve our decision-making ability.

Calculations	Low Tolerance
<ul style="list-style-type: none"> Timely advice Accurate calculation Reconcile activity Funding integrity 	<ol style="list-style-type: none"> Error(s) or delay in the calculation of payments We have a LOW tolerance for incorrect calculations due to poor governance, processes and delivery Error(s) or delay in the reconciliation of payments We have a LOW tolerance for inaccurate reconciliation processes between estimated and actual service volumes that impact on public hospital funding
Payments	Low Tolerance
<ul style="list-style-type: none"> Timely payments to LHNs Payments System Funding Pool Financial Statements 	<ol style="list-style-type: none"> Error(s) or delay in payments We have a LOW tolerance for poor governance, processes and illegal activity A modified audit opinion is given on the Administrator's Financial Statements We have a LOW tolerance for risks that impact transparency due to failures to meet our reporting requirements
Reporting	Low Tolerance
<ul style="list-style-type: none"> Accurate information Funding reports Compliance reports Data security 	<ol style="list-style-type: none"> Error(s) or delay in the reporting of public hospital funding, payments and services Whilst dependent on stakeholders to complete accurate and timely end of month processing, we have a LOW tolerance for failure to meet our reporting requirements Inappropriate or unauthorised data release We have a LOW tolerance for risks that impact the management and security of data
Stakeholders	Medium Tolerance
<ul style="list-style-type: none"> Impartial advice Engagement 	<ol style="list-style-type: none"> Unproductive stakeholder relationships We have a MEDIUM tolerance for risk when developing and sustaining approaches to stakeholder relationships whilst maintaining the integrity of the Administrator and the NHFB
Organisation	Medium Tolerance
<ul style="list-style-type: none"> Positive culture Innovation Good governance Funding Body Financial Statements 	<ol style="list-style-type: none"> Poor workplace culture We have a MEDIUM tolerance for risks which jeopardise our ability to attract, retain and develop talent to achieve outcomes Inability to adapt and innovate We have a MEDIUM tolerance to adapt or explore best practice approaches that promote innovation Impacts on the health, safety and wellbeing of staff We have a LOW tolerance for a working environment that adversely impacts the health, safety and wellbeing of staff Fraudulent activity We have a LOW tolerance for poor governance or defective processes that lead to illegal activity

Managing risk and identifying opportunities

Being a small agency, managing risk is everyone's responsibility. We encourage early engagement and open conversations about risk - seeing this as an essential factor in identifying and assessing emerging or new risks impacting on business activities that could hinder us from achieving our objectives.

By using consistent language, methodologies and documentation across the organisation, managing risk has become a natural part of core business activities. Having regular risk discussions at all levels ensures every member of our organisation raises potential risks in their business area, as well as identifying any potential opportunities, as part of their day-to-day activities.

FIGURE 8 Risk management approach

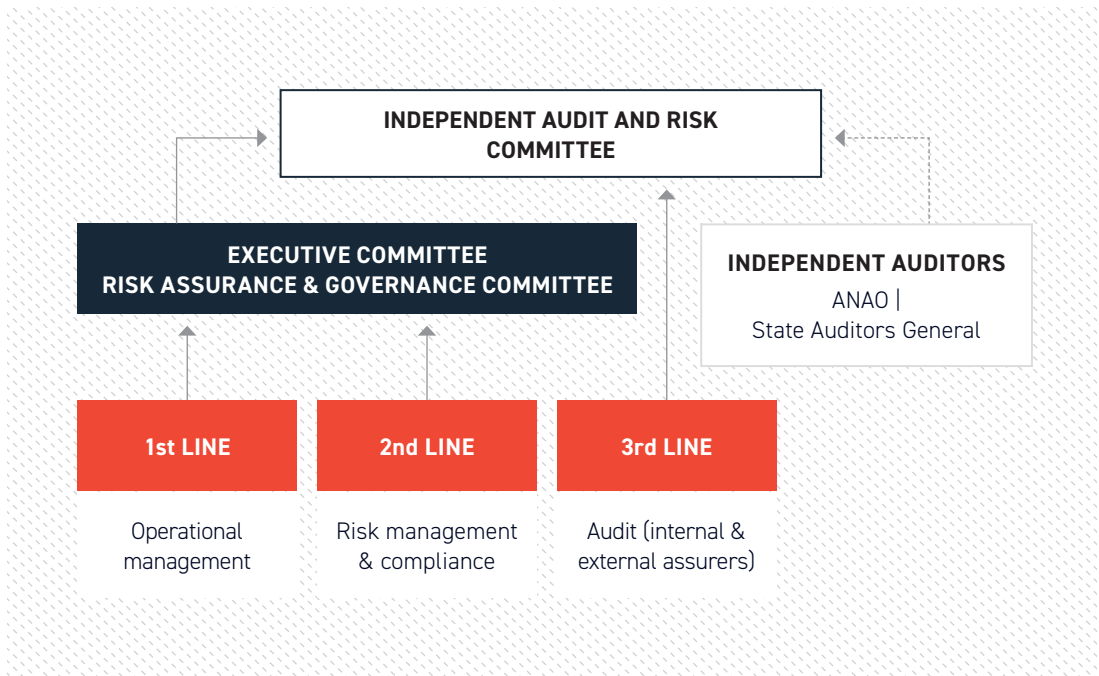


Oversight and assurance

Our formal governance structures and reporting arrangements adopt a 'three lines' model to provide assurance over the effectiveness of current risk controls and the implementation of new treatments.

This model ensures that we have robust, independent and objective oversight embedded at all levels to provide appropriate assurance.

FIGURE 9 Three lines model



GOVERNANCE

Our governance and management practices play an integral role in ensuring the Administrator and NHFB deliver on our NHR Agreement responsibilities, strategic objectives and statutory obligations.

Executive Committee

The Executive Committee (see “Leadership team” on page 10-12, for profiles) is our internal forum for engagement and discussion, including providing advice and recommendations to the CEO on strategic direction, key initiatives, agency policies, as well as immediate and emerging issues.

FIGURE 10 National Health Funding Body Executive Committee



Risk, Assurance and Governance Committee

The Risk, Assurance and Governance Committee (RAGC) provides assurance to the CEO, Executive Committee and the Independent Audit and Risk Committee on the adequacy, effectiveness and performance of our governance arrangements including:

- risk management (including fraud control)
- compliance and control
- audit and assurance
- information governance
- security
- business continuity.

The RAGC is comprised of the following members:

- Chair (currently the Director, Policy, Planning and Performance)
- CFO
- Director, Data, Modelling and Analysis
- Risk Manager
- Enterprise Information Architect.

Workplace Consultative Committee

The Workplace Consultative Committee (WCC) is our consultative body for communication, consultation and employee participation in the management of NHFB's Work Health and Safety matters including all HR policies and procedures.

The WCC is comprised of the following members:

- Chair (currently the Director, Policy Planning and Performance)
- CFO
- Director, Data, Modelling and Analysis
- Human Resource Manager
- Health and Safety representative
- Employee representative.

Independent Audit and Risk Committee

The Independent Audit and Risk Committee (ARC) is an integral component of our corporate governance and a valuable source of independent advice for the CEO. In providing advice, the ARC reviews and comments on the appropriateness of our:

- performance reporting
- financial reporting
- system of risk oversight and management
- system of internal control.

The ARC also provides advice to the CEO and Administrator on the operation, management and financial reporting of the Pool.

CAPABILITY

Our people

We are agile, innovative, responsive and unique. We have a small and specialised workforce that is capable, culturally diverse and gender balanced.

Our workforce is supported by a flexible legislative framework under the *Public Service Act 1999* with terms and conditions governed by the *National Health Funding Body Enterprise Agreement 2016-2019*.

We recognise that engaged, skilled and versatile people are critical to the achievement of our objectives. We aim to support our workforce by:

- attracting and retaining skilled, adaptable and responsive people
- promoting a culture where people work within and across teams to maximise expertise and produce results that benefit the agency as a whole
- supporting and developing the capabilities of our staff to meet our work requirements
- refining our organisational approaches to reflect that we are a dynamic, small-sized agency capable of responding quickly and flexibly to meet emerging requirements.

Our behaviours

It starts with me

We are committed to sharing a common set of behaviours and working together as a united team to achieve our objectives.

One NHFB

We contribute as a united team and encourage new ideas.

Enhance trust

We treat others as equals and collaborate openly across boundaries.

Open communication

We listen actively to the views of others and share information.

Own it

We own our performance by knowing, accepting and performing our roles to the best of our ability.

Our values

We are committed to observing the Australian Public Service Values and Code of Conduct, both of which represent our approach to interacting and collaborating with colleagues, stakeholders, and the community:

- impartial
- committed
- accountable
- respectful
- ethical.

Diversity

We are committed to reflecting the diversity of the Australian community in our workforce. Our Workforce Diversity Plan acknowledges and appreciates the differences in every employee and encourages diversity in our backgrounds, skills, talents and views to enrich our working environment and the quality of work.

Diversity within an organisation has many benefits including increased innovation, improved understanding of - and service to - clients, and attraction of talent from the widest possible pool of potential staff. Diversity refers to the characteristics that make everyone different; a diverse workforce is one that reflects the breadth of differences between people.

We aim to attract and retain the right people for the right jobs, no matter what their gender, race, age, religious beliefs or personal commitments. This will be achieved by embedding diversity and inclusion in all aspects including workplace culture, recruitment, career development, policies and procedures, and stakeholder engagement.

Workforce

We are committed to managing our workforce in the most efficient, effective, economical and ethical way. Our Workforce Capability Plan 2020-2024 aligns with the organisation's Strategic Direction, Corporate and Section Plans, Learning and Development Strategy and individual Performance Agreements. The Plan sets out the strategies to build and strengthen our workforce capability to enable the us to:

- understand our workforce profile
- identify our strengths, weaknesses, areas of risk and opportunities for development
- understand and continue planning for future workforce requirements
- align HR strategies to maximise capacity and focus on critical gaps.

The Plan takes into account internal and external factors, and identifies workforce gaps, priorities and strategies for delivering the best outcomes now and into the future. The following objectives are highlighted over the term of the Workforce Capability Plan:

- **MANAGING THE WORKFORCE COMPOSITION** – continual review of NHFB staffing and section structures to optimise service delivery, monitoring of turnover trends and indicators of external competition, and attracting and retaining the right people.
- **BUILDING PEOPLE CAPABILITY** – ensuring role clarity, effective performance, access to learning and development, and investing in career development.
- **CONTINUED FOCUS ON CULTURE AND LEADERSHIP** – effective change management processes, active measurement and management of employee engagement, and celebrating success.

The progress of the Workforce Capability Plan will be actively monitored by and reported to the Executive Committee, through the WWC. Governance at this level will ensure collaboration and consultation to ensure the continuous improvement of this program.

Learning and development

We are committed to supporting and developing staff capability by providing a learning environment that is diverse, and helps achieve agency outcomes through building a fully effective and capable workforce. Our Learning and Development Strategy 2021-2025 aligns with our Strategic Direction and Corporate and Section Plans, in identifying and implementing effective training and development programs. We will continue to invest and support staff in their development, valuing expertise and experience and respecting diverse learning styles.

Our processes

We will continue to review and improve our business processes, ensuring they are fit for purpose for our small agency and leverage the expertise of others where possible, for example through our Shared Services Agreement with the Department of Health (IT, payroll, travel etc).

We are committed to monitoring the implementation of recommendations for improvement stemming from our program of internal audit and assurance.

Our technology

The functions of the Administrator and NHFB involve the use of data and information from multiple sources. As some of the data may be sensitive in nature, specific treatments and/or security arrangements are required. The large and complex datasets require our systems to be capable of managing significant records, calculations and analysis in a safe and secure environment.

The most significant technological resources we use include:

- our Commonwealth Contribution Model (CCM)
- Department of Health's Enterprise Data Warehouse (EDW)
- our National Health Funding Pool Payments System
- our (GovCMS hosted) website
- data.gov.au.

Each of these systems is governed by robust and transparent business processes, with arrangements relating to the privacy and protection of data clearly outlined in our overarching Data Governance Policy.

Calculate

COMMONWEALTH CONTRIBUTION MODEL

The CCM enables us to accurately calculate the Commonwealth's NHR Agreement contribution at a State and Territory, LHN and hospital service category level. The CCM incorporates inputs from multiple sources, including State and Territory activity estimates and IHPAs NEP, and is independently reviewed and assured annually.

HEALTH ENTERPRISE DATA WAREHOUSE

In 2010 the EDW ICT capability was established to enable us (together with other key agencies) to perform our role under the NHR Agreement. The EDW is a high-quality, secure, reliable, easy-to-use, shared data storage, analysis and reporting system that supports some of our key information management requirements.

Pay

NATIONAL HEALTH FUNDING
POOL PAYMENTS SYSTEM

The Payments System utilises the TechnologyOne Cloud based Software as a Service and is hosted on the Amazon Web Services secure Australian Government Cloud. The Payments System is protected using domain whitelisting, two-factor authentication, and a comprehensive range of data security and backup infrastructure including data encryption in transit.

Report

WEBSITE

The Administrator and the NHFB has a combined online presence (publichospitalfunding.gov.au) and is hosted on the whole-of-government GovCMS platform. Our innovative reporting tool draws data from data.gov.au to populate streamlined reports with a purpose built comparison tool that supports users to undertake additional analysis.

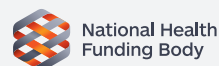
ENDNOTES

Glossary

ABF	Activity-Based Funding
ACSQHC	Australian Commission on Safety and Quality in Health Care
AIHW	Australian Institute of Health and Welfare
CCM	Commonwealth Contribution Model
CEO	Chief Executive Officer
COAG	Council of Australian Governments
DHS	Commonwealth Department of Human Services
EA	<i>NHFB Enterprise Agreement 2016–2019</i>
EDW	Enterprise Data Warehouse
HoA	Heads of Agreement
ICT	Information and Communication Technology
IGA	Intergovernmental Agreement on Federal Financial Relations
IHPA	Independent Hospital Pricing Authority
JAC	Jurisdictional Advisory Committee
LHN	Local Hospital Network
NEC	National Efficient Cost
NEP	National Efficient Price
NHA	National Healthcare Agreement
NHFB	National Health Funding Body
NHR Act	<i>National Health Reform Act 2011</i>
NHR Agreement	<i>National Health Reform Agreement 2011</i>
NPCR	National Partnership on COVID-19 Response
NWAU	National Weighted Activity Unit
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
RBA	Reserve Bank of Australia
SPP	National Healthcare Specific Purpose Payment
The Administrator	Administrator of the National Health Funding Pool
The Pool	National Health Funding Pool

Appendix A - Strategic Direction 2021-2025

STRATEGIC DIRECTION 2021-2025



Our vision

To improve transparency of public hospital funding in Australia.

Our purpose

To support the obligations and responsibilities of the Administrator through best practice administration of public hospital funding.

About us

Our primary functions are to assist the Administrator in:

- Calculating and advising the Commonwealth Treasurer of the Commonwealth's contribution to public hospital funding in each State and Territory
- Reconciling estimated and actual public hospital services, and adjusting Commonwealth payments
- Undertaking funding integrity analysis to identify public hospital services that potentially received funding through other Commonwealth programs
- Monitoring payments of Commonwealth, State and Territory public hospital funding into the National Health Funding Pool (the Pool)
- Making payments from the Pool to each Local Hospital Network (LHN)
- Reporting publicly on funding, payments and services
- Developing and providing three-year data plans to the Commonwealth, States and Territories

The National Health Funding Body (NHFB) and the Administrator of the National Health Funding Pool were established through the *National Health Reform Agreement* of August 2011.

The Administrator is an independent statutory office holder. All Commonwealth, State and Territory Governments have to agree to their appointment to the position. The functions of the Administrator are set out in the *National Health Reform Act 2011* and common provisions in relevant State and Territory legislation.

The NHFB operates as a Commonwealth non-corporate entity under the *Public Governance, Performance and Accountability Act 2013* and is funded as a micro agency under the Commonwealth Department of Health Portfolio.

Our APS values

Impartial
Committed
Accountable
Respectful
Ethical



Our objectives



Accurate and timely calculation of Commonwealth funding contributions

- The Treasurer of the Commonwealth is advised by the Administrator in a timely manner
- Commonwealth funding calculations are accurate
- Funding entitlements reconcile to actual services delivered
- Public hospital services are funded through the appropriate Commonwealth program



Best practice financial administration of the National Health Funding Pool (the Pool)

- Payments to each Local Hospital Network (LHN) accord with directions from responsible State and Territory Ministers and align with Service Agreements
- Maintain the integrity of the Payments System in accordance with policies plans and manuals



Effective reporting of public hospital funding

- Ministers receive required information in a timely manner
- Monthly and annual reporting of funding, payments and services
- Quarterly and annual reporting of Commonwealth, State and Territory compliance with the Administrator's Data Plan



Productive relationships with stakeholders and partners

- Provide trusted and impartial advice
- Work plans and information requirements are developed in collaboration and consultation with stakeholders



Operate as a high performing organisation

- A positive workplace culture where people adopt best practice approaches to achieve results
- An agile and responsive workforce ready to adapt to new developments

Our behaviours

It starts with me

One NHFB

We contribute as a united team and encourage new ideas.

Enhance Trust

We treat others as equals and collaborate openly across boundaries.

Open Communication

We listen actively to the views of others and share information.

Own It

We own our performance by knowing, accepting and performing our roles to the best of our ability.

Appendix B - Our Behaviours

OUR BEHAVIOURS It starts with me



One NHFB

We contribute as a united team and encourage new ideas.

Open Communication

We listen actively to the views of others and share information.

Enhance Trust

We treat others as equals and collaborate openly across boundaries.

Own It

We own our performance by knowing, accepting and performing our roles to the best of our ability.



National Health Funding Body Corporate Plan 2021–22

August 2021

Creative Commons License



The material in this publication is licensed under a Creative Commons Attribution 4.0 International License (creativecommons.org/licenses/by/4.0/), with the exception of:

- any logos and trademarks;
- any photographs and images;
- any signatures; and

Creative Commons Attribution 4.0 International License is a standard form license agreement that allows you to copy, distribute, transmit and adapt this publication provided that you attribute the work. The full legal code for the license (which includes any relevant license conditions) is available on the Creative Commons website accessible by using this link: creativecommons.org/licenses/by/4.0/legalcode.

The National Health Funding Body's preference is that you attribute this publication (and any material sourced from it) using the following wording:

Source: Licensed from the National Health Funding Body under a Creative Commons Attribution 4.0 International License.

Attribution

Without limiting your obligations under the License, the National Health Funding Body requests that you attribute this publication in your work. This report should be attributed as the National Health Funding Body Corporate Plan 2021–22.

Any reasonable form of words may be used provided that you:

- include a reference to this publication and where, practicable, the relevant page numbers;
- make it clear that you have permission to use the material under the Creative Commons Attribution 4.0 International Public License;
- make it clear whether or not you have changed the material used from this publication;
- include a copyright notice in relation to the material used. In the case of no change to the material, the words "© National Health Funding Body 2021" may be used. In the case where the material has been changed or adapted, the words: "Based on National Health Funding Body material" may be used; and
- do not suggest that the National Health Funding Body endorses you or your use of the material.

Enquiries

If you require further information or have any queries in relation to this Corporate Plan please send via e-mail to nhfb.enquiries@nhfb.gov.au

