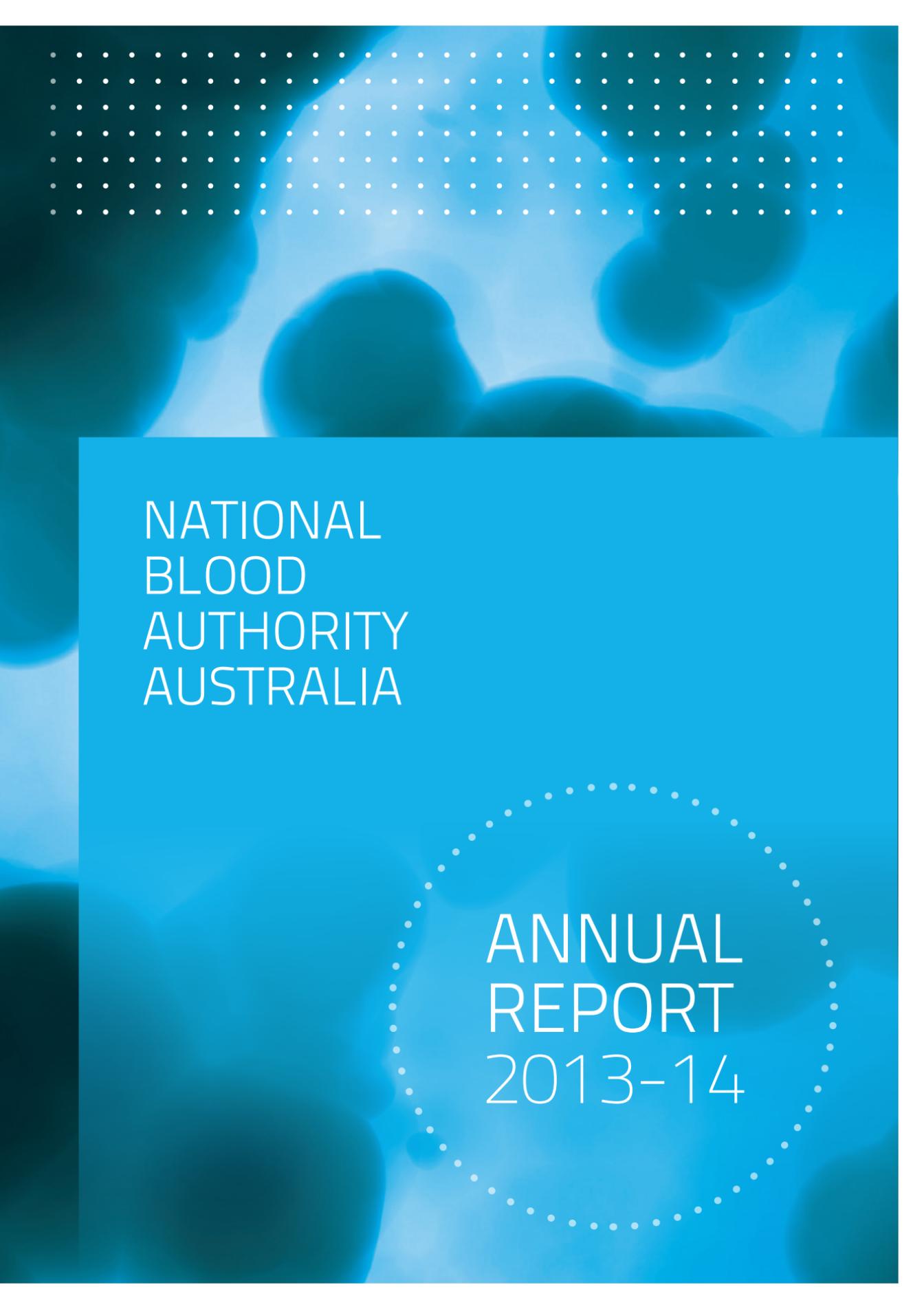


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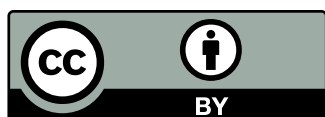
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LETTER OF TRANSMITTAL



The Hon Peter Dutton MP
Minister for Health
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the 2013-14 annual report of the National Blood Authority (NBA) and the NBA Board.

This document has been prepared in accordance with sub-sections 44(1) and 44(2) of the *National Blood Authority Act 2003*, sections 63 and 70 of the *Public Service Act 1999*, section 5 of the *Financial Management and Accountability Act 1997* and the May 2014 annual report requirements published by the Department of the Prime Minister and Cabinet. I certify that all of the requirements have been addressed.

I certify that the NBA has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency and has complied with the requirements of the *Commonwealth Fraud Control Guidelines*. I also certify that the NBA has taken all reasonable measures to minimise the incidence of fraud in the Authority and to investigate and recover the proceeds of fraud against the NBA.

Yours sincerely

A handwritten signature in black ink, appearing to read "L. McJames".

Leigh McJames
General Manager
National Blood Authority

7 October 2014

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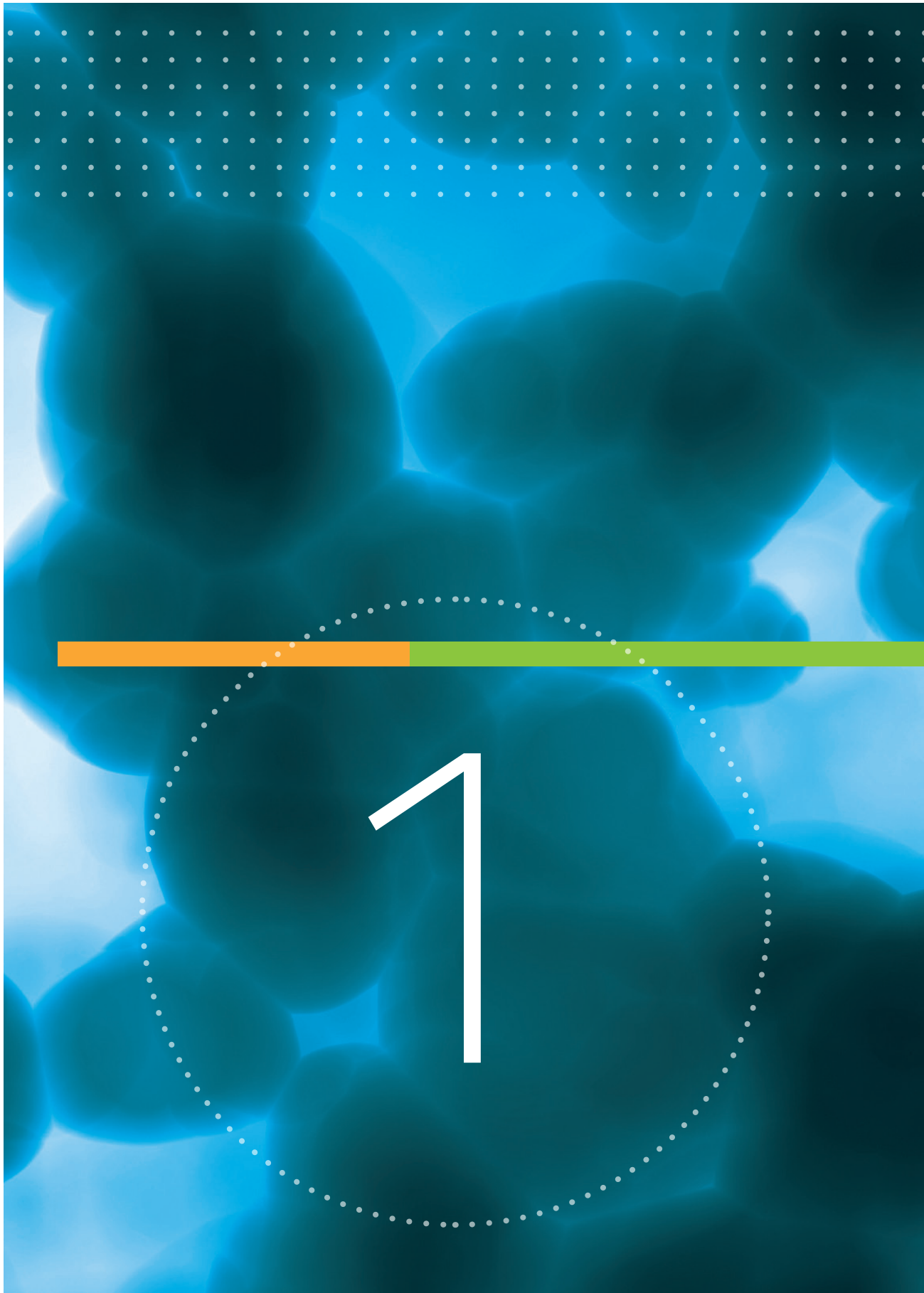
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OVERVIEW

ORGANISATION AT A GLANCE

GENERAL MANAGER'S REVIEW

NBA BOARD AND REPORT



ORGANISATION AT A GLANCE

Our Vision

Saving and improving Australian lives through a world-class blood supply.

Our Role

The National Blood Authority (NBA) is a statutory agency within the Australian Government Health portfolio that manages and coordinates arrangements for the supply of blood and blood products and services on behalf of the Australian Government and state and territory governments.

The key role of the NBA is to:

- provide an adequate, safe, secure and affordable supply of blood products, blood related products and blood related services, and
- promote safe, high quality management and use of blood products, blood related products and blood related services in Australia.

The NBA:

- works with jurisdictions to determine the clinical requirements for blood and blood products and develop an annual supply plan and budget
- negotiates and manages national contracts with suppliers of blood and blood products to obtain the products needed
- assesses blood supply risk and develops commensurate contingency planning
- supports the work of the jurisdictions to improve the way blood products are used - including developing and facilitating strategies and programmes that will improve the safety, quality and effectiveness of blood usage, particularly in the areas of national standards, guidelines and data capture and analysis
- provides expert advice to support government policy development, including identification of emerging risks, developments, trends and new opportunities
- manages the evaluation of proposals for blood sector improvements, including proposals for new products, technologies and system changes
- provides secretariat support to the Jurisdictional Blood Committee (JBC).

Authority

The NBA was established by the *National Blood Authority Act 2003* following the signing of the National Blood Agreement by all state and territory health ministers in November 2002. As a material statutory agency, the NBA has a range of corporate and compliance responsibilities under the *National Blood Authority Act 2003*, the *Public Governance, Performance and Accountability Act 2013 (PGPA)*¹, and the *Public Service Act 1999*, along with a responsibility to meet ministerial, parliamentary and financial reporting requirements.

Responsible Ministers and Portfolio

The NBA exists within the portfolio responsibilities of the Minister for Health. The NBA General Manager is a statutory officer who reports to the Council of Australian Governments (COAG) Health Council and the Commonwealth Minister for Health.

Our Outcome

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

Funding

Under the National Blood Agreement between the Australian Government and the states and territories, 63 per cent of NBA funding is provided by the Australian Government and the remaining 37 per cent is provided by the state and territory governments. The funding covers both the national blood supply and the operations of the NBA.

In the last ten years, governments have provided funding of \$8,258.7 million for the supply of blood and blood products as detailed in Table 1.1. In 2013-14, the total amount provided was \$1,095.9 million. Governments provided funding of \$10 million in 2013-14 for the operation of the NBA.

TABLE 1.1 Government funding for the supply of blood and blood products, 2004-05 to 2013-14

Year	Amount (\$M)	Growth (%)
2004-05	536.8	16.6
2005-06	577.4	7.6
2006-07	639.4	10.7
2007-08	719.5	12.5
2008-09	806.8	12.1
2009-10	878.8	8.9
2010-11	939.2	6.9
2011-12	1,015.6	8.1
2012-13	1,049.3	3.3
2013-14	1,095.9	4.4
Total	8,258.7	9.1 (average)

¹ The PGPA Act replaced the *Financial Management and Accountability Act 1997* from 1 July 2014

Our Staff

As at 30 June 2014, the NBA had 46 ongoing and 10 non-ongoing staff. The organisational structure is shown at Figure 1.1.

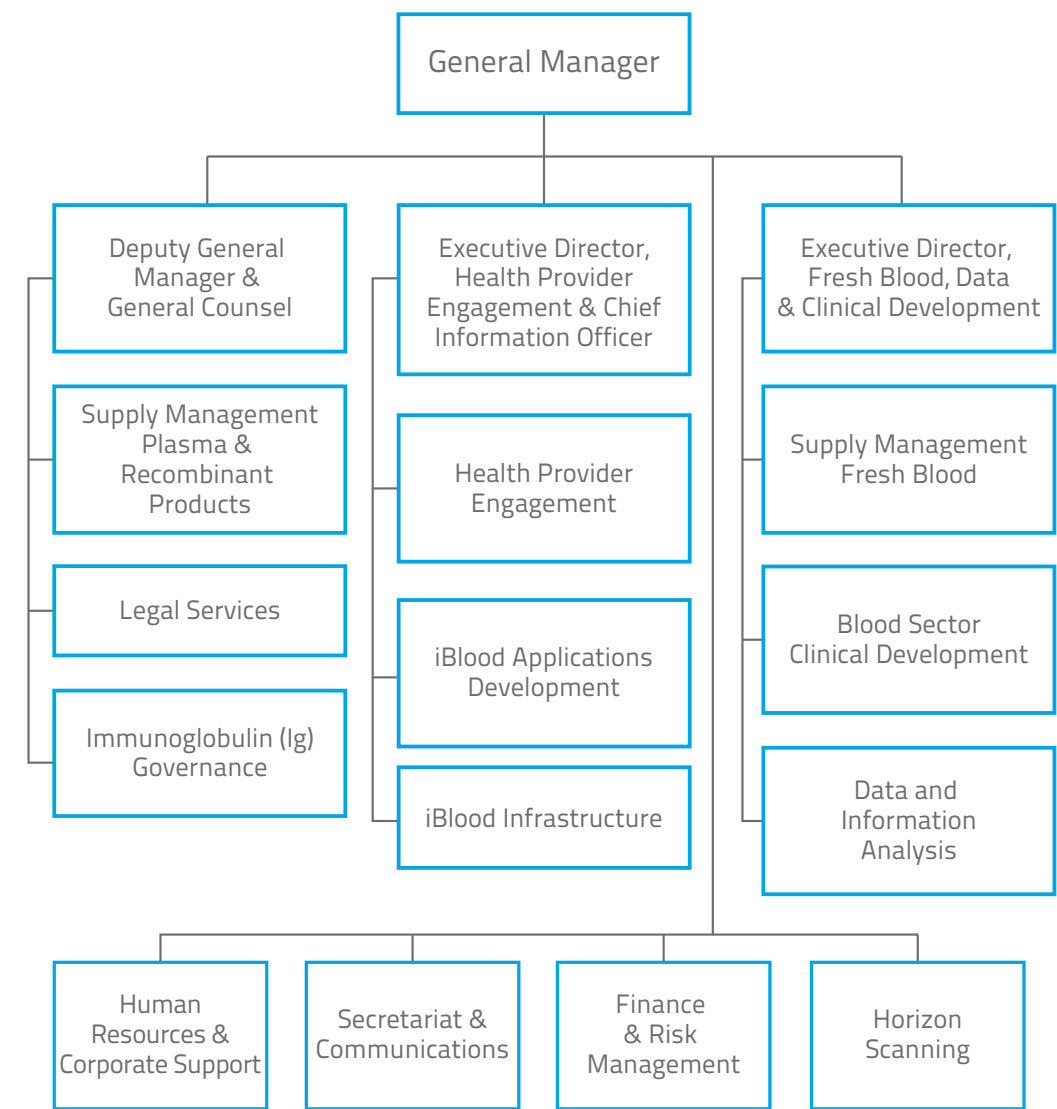


FIGURE 1.1 NBA Organisation Chart

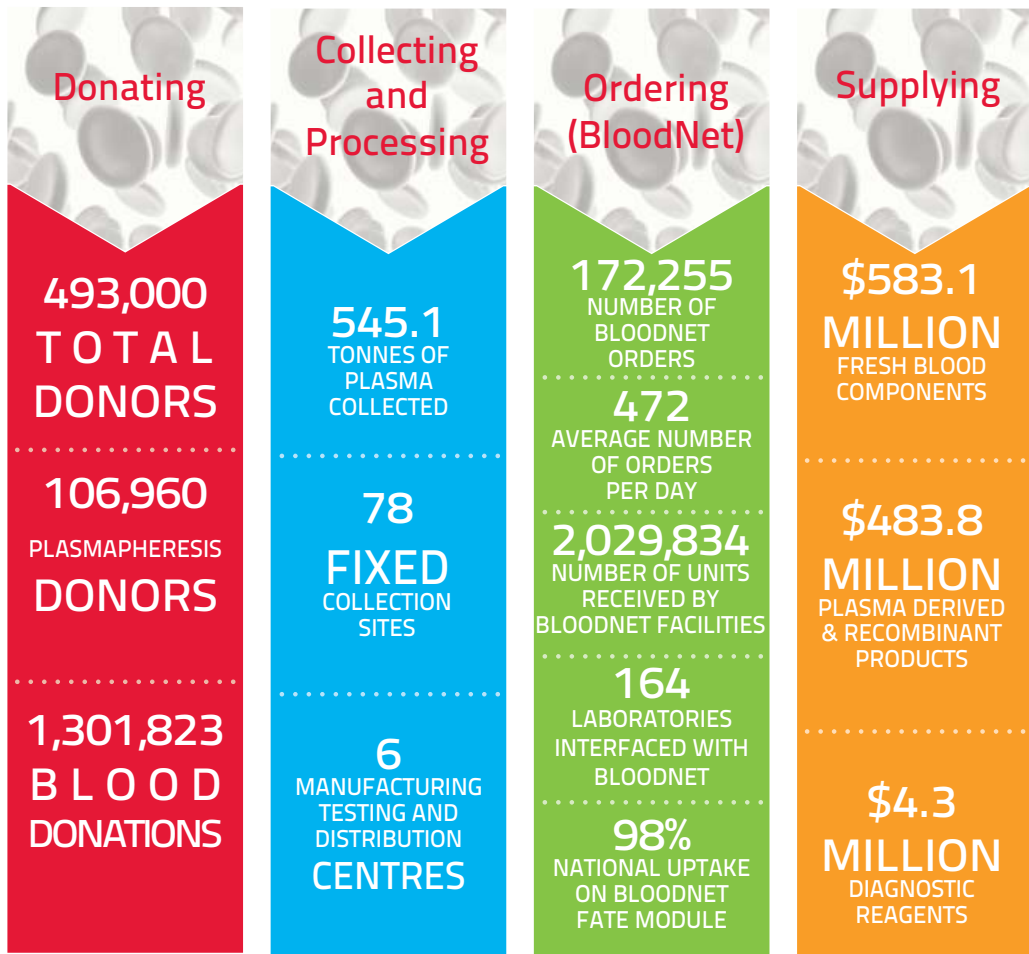
Location

The NBA staff are located in Canberra at Level 2, 243 Northbourne Avenue, Lyneham ACT.

Key Events in the NBA's History

2003	Established by the <i>National Blood Authority Act 2003</i> following the signing of the National Blood Agreement by all state and territory health ministers in November 2002
2004	Commencement of national supply arrangements for imported intravenous immunoglobulin (IVIg) to ensure sufficiency of supply in all jurisdictions
2005	Commencement of an adequate supply of recombinant Factors VIII and IX to fully meet demand
2006	<p>NBA executed a Deed of Agreement with the Australian Red Cross Society for the provision of fresh blood products</p> <p>NBA won the Prime Minister's Silver Award for Excellence in Public Sector Management for procurement of recombinant (manufactured) products</p>
2007	First edition of <i>Criteria for the clinical use of IVIg in Australia</i> was approved
2008	<p>Launch of the National Blood Supply Contingency Plan (NBSCP) to provide clear governance for managing blood shortages</p> <p>Launch of the redeveloped Australian Bleeding Disorders Registry (ABDR) to better support planning and clinical management of people with bleeding disorders</p>
2009	<p>Establishment of the Australian National Haemovigilance programme to report on serious transfusion related adverse events</p> <p>NBA was awarded with the Australian Government Comcover Award for Excellence in Risk Management for the NBSCP</p>
2010	<p>New CSL Australian Fractionation Agreement came into effect</p> <p>NBA won a United Nations Public Service Award in the Advancing Knowledge Management in Government category</p>
2011	<p>National rollout of BloodNet, an online web based blood ordering system</p> <p>Release of the first module (Critical Bleeding/Massive Transfusion) of the Patient Blood Management (PBM) Guidelines</p>
2012	<p>Release of PBM Guidelines Module 2 Perioperative and Module 3 Medical</p> <p>Second edition of <i>IVIg Criteria in Australia</i> was published</p>
2013	<p>Release of PBM Guidelines Module 4 Critical Care</p> <p>Inaugural National Blood Symposia conducted in Sydney, Melbourne and Adelaide</p>
2014	<p>National rollout of MyABDR</p> <p>Inaugural PBM Conference held in Perth</p> <p>Immunoglobulin governance programme and National Immunoglobulin Governance Advisory Committee established</p>

Year at a Glance:
Snapshot of the blood sector in 2013-14



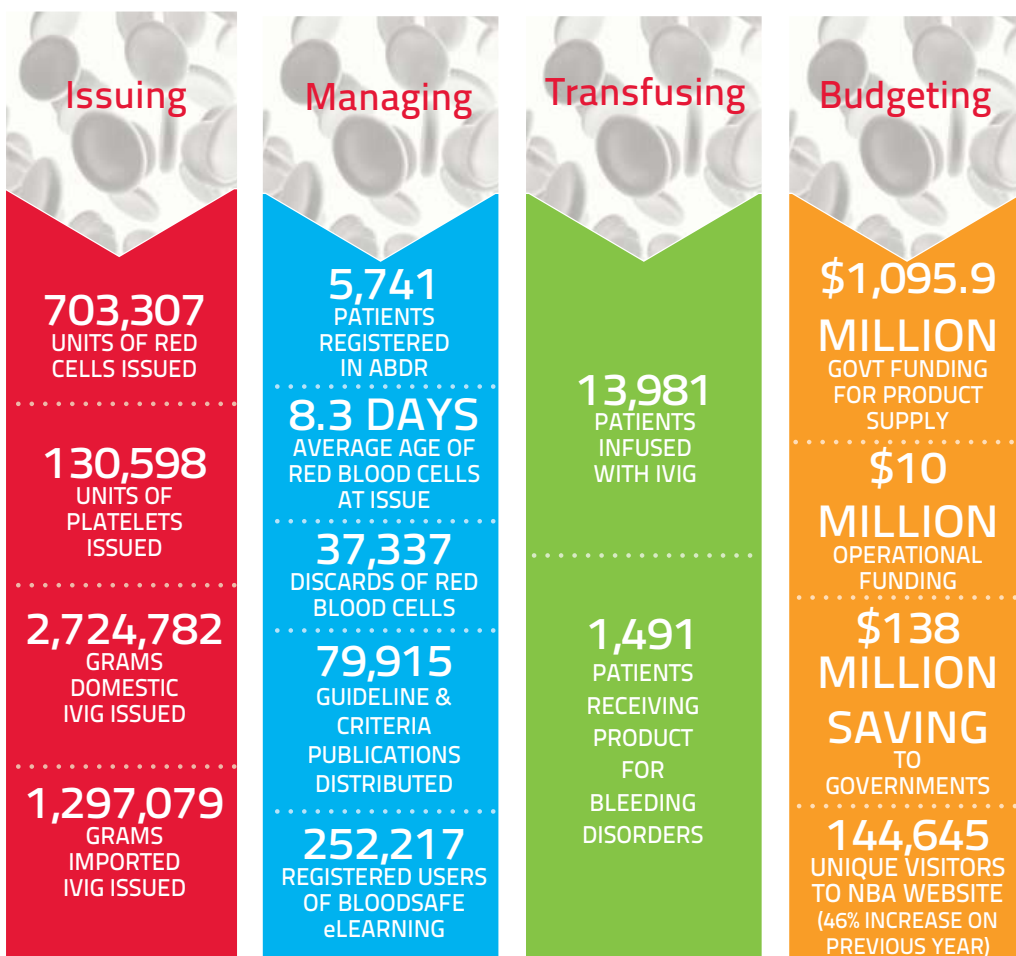
KEY ACHIEVEMENTS

DELIVERY OF UNINTERRUPTED SUPPLY TO MEET CLINICAL DEMAND AT
A RECORD SAVING OF \$138 MILLION

NATIONAL ROLLOUT OF MYABDR

NATIONAL TENDER FOR RECOMBINANT PRODUCTS ACHIEVES AN
ANNUAL SAVING OF \$50 MILLION PER ANNUM

AN ARRAY OF BEST PRACTICE TOOLS AND CASE STUDIES SUPPORTING
THE IMPLEMENTATION OF PATIENT BLOOD MANAGEMENT AND
IMPROVED INVENTORY MANAGEMENT DEVELOPED AND PUBLISHED



KEY ACHIEVEMENTS

BLOODNET INTERFACES WITH HOSPITAL LABORATORY INFORMATION
SYSTEMS ESTABLISHED TO COVER 20 PER CENT OF ISSUED VOLUME
OF BLOOD AND BLOOD PRODUCTS

COMPREHENSIVE NATIONAL REVIEW OF RISK IN THE BLOOD
SECTOR COMPLETED

THE FIRST NEW BLOOD PRODUCT TO BE ADDED TO THE NATIONAL
SUPPLY LIST, SUBCUTANEOUS IMMUNOGLOBULIN (SCIG),
BECOMES AVAILABLE

GENERAL MANAGER'S REVIEW



2013-14 saw the NBA drive an array of outcomes across its portfolio of responsibilities. Of note, it was the first full year of delivery against a range of operational strategies intended to deliver governments' agenda over the next three years, including the:

- National Blood and Blood Product Wastage Reduction Strategy 2013-2017
- National Patient Blood Management Guidelines Implementation Strategy 2013-2017
- National Blood Sector ICT Strategy 2013-2016
- National Blood Research & Development Strategic Priorities 2013-16
- National Blood Sector Data & Information Strategy and Scorecard 2013-2016

As outlined in greater detail throughout this Annual Report, the organisation met or exceeded most of the objectives identified.

Ensuring supply

Ensuring an adequate, safe, secure and affordable supply of blood and blood related products remains a core role of the NBA for which the organisation again delivered significant outcomes. The headline performance indicator is the delivery of uninterrupted supply to meet clinical demand at a record saving of \$138 million, or approximately 12.5 per cent, against the supply budget.

The key element of this outstanding budget result is an acceleration of improvements in appropriate use of fresh products resulting in a commensurate reduction in demand. In 2013-14, the demand for red blood cells decreased by more than eight per cent and platelets decreased by three per cent, compared to the previous year. This is in contrast to general hospital activity which has increased by approximately four to five per cent.

Australian Red Cross Blood Service (Blood Service) improvements in supply performance and efficiency under the current NBA Deed of Agreement with the Australian Red Cross Society (Red Cross) also played a major role in the savings outcome. The Blood Service achieved a surplus of approximately \$45 million and will return a 2013-14 saving of approximately \$40 million to governments under the first year of the latest Output Based Funding Model agreed with the Blood Service.

On the commercial overseas supply contract front, the NBA undertook a highly successful tender for Recombinant Factor VIII and Factor IX products that will realise annual savings of approximately \$50 million per year from 1 July 2014. The new contracts achieved a world value for money benchmark that also embeds a number of improved supply performance provisions.

The first new product to be added to the National Supply List since the establishment of National Blood Arrangements, subcutaneous immunoglobulin (SCIg), became available in September 2013. The availability of SCIg under the National Blood Arrangements significantly improves treatment options for a range of patients. Subsequently, the NBA successfully supported governments' decision process for addition of another new product, fibrinogen concentrate for congenital fibrinogen deficiency, in March 2014.

Security of supply

The already comprehensive range of measures the NBA has in place to ensure the security of Australia's supply of blood and blood products is being further enhanced following the completion of a number of risk related reviews. Of particular note was the completion of an exhaustive Review of Risk Management in the Blood Sector. Undertaken to support negotiation of a new Deed with the Red Cross, this Review recommended a number of areas where improvements can be made. It is worthy to note that the Review concluded that the overall level of risk in the blood sector has reduced over the last decade as a result of many factors, including some measures associated with the National Blood Arrangements. The NBA and Blood Service have commenced implementation of a range of recommended operational changes. Governments will consider the strategic level Review recommendations in 2014–15.

The NBA separately, as part of a reshaped risk management process, initiated a range of measures to improve the mitigation of risks associated with infectious diseases. This includes improved horizon scanning and strengthened contingency management arrangements with the Department of Health.

Implementing blood stewardship

The NBA made significant progress in supporting the implementation of the health ministers' *Statement on national stewardship expectations for the supply of blood and blood products*. The Statement outlines expectations on health providers to contribute to the sustainability of the blood supply by improving the management and use of blood products. Significant 2013-14 outcomes included:

- the development and implementation of the MyABDR App, which is a globally-unique smartphone app that enables people with bleeding disorders and their carers to record bleeds and their home treatments in real time. The innovation and collaboration between patients, carers, clinicians and governments in its development was recognised with MyABDR receiving three awards in the ACT 2014 iAwards (see p. 46)
- the development of national PBM Guidelines Module 5 on obstetrics for release early in 2015. The PBM Guidelines provide a key reference at health provider level that have underpinned the significant improvements in appropriate use of blood
- an intensive programme of engagement, education and awareness promotion targeting key health provider and clinical stakeholders including:
 - the hosting of promotional stands and sponsored clinical presentations at a range of key clinical and sector conferences
 - the highly successful joint sponsorship with the Australian Commission on Safety and Quality in Healthcare of three Symposiums in Sydney, Melbourne and Adelaide supporting the implementation of the *National Safety and Quality Healthcare Standard 7* dealing with blood and blood products (see p. 51)
 - the joint sponsorship with the Western Australian Department of Health of the inaugural National Patient Blood Management Conference (see p.53).



National Blood Symposiums

IMPLEMENTING STANDARD 7 BLOOD AND BLOOD PRODUCTS

SEPTEMBER 2013: Sydney 23rd | Melbourne 25th | Adelaide 27th



AUSTRALIAN COMMISSION
ON SAFETY AND QUALITY IN HEALTH CARE

Outlook for 2014–15

In 2014–15, the NBA will continue with the second year of the ambitious programme of work identified in the operational strategies approved by governments. In particular, we will build on the momentum already achieved to further reduce wastage and improve appropriate use of blood and blood products. We are also now well positioned to make significant new progress in the areas of education and training and immunoglobulin governance.

During 2014–15 the NBA will work with key stakeholders in the sector to also prepare for our merger with the Australian Organ and Tissue Donation and Transplantation Authority. The Government is establishing a single independent agency to streamline administrative activities, while maintaining the important work of the two agencies. The amalgamation of the two agencies will consolidate a range of national coordination and contracting activities, the benefits and opportunities for which are quickly becoming apparent.

I close this report with a special acknowledgement of appreciation for the many stakeholders across the sector who gave generously of their time, professionalism and passion. The outcomes we delivered were made possible because of their commitment. We look forward to working again with them in 2014–15.



Leigh McJames

General Manager

National Blood Authority

NBA BOARD AND REPORT



NBA Board Members (left to right) Chris Brook, Paul Bedbrook, Patti Warn, Gayle Ginnane (chair), George Rubin and Stephen Christley.
Inset: Mary Murnane

The NBA Board was established under the *National Blood Authority Act 2003* to:

- participate in consultations about the performance of the NBA's functions with the Australian Government Minister for Health
- provide advice to the General Manager about the performance of the NBA's functions
- liaise with governments, suppliers and other stakeholders about matters relating to the NBA's functions
- perform such other functions as specified in a written notice given by the Minister to the chair.

Board Members

Continuing Members

Ms Gayle Ginnane – chair

Mr Paul Bedbrook – former community representative, current financial expert

Adjunct Professor Chris Brook PSM – state and territory representative

Dr Stephen Christley – state and territory representative

Ms Mary Murnane – Australian Government representative

Professor George Rubin – public health expert

New Member

Patti Warn – community representative

Retiring Member

Mr Ken Barker – financial expert

Board Report for 2013-14

It was satisfying to see the financial results delivered by the NBA in 2013-14 emphasised a strong focus on financial sustainability. As highlighted in our report last year, this was a priority consideration going into the financial year and the NBA has delivered on this objective.

The NBA Board met five times in 2013-14, including our annual meeting with the Blood Service Board in October 2013 which provided an opportunity for Board members of both organisations to meet and talk through key issues. The Board dedicated one meeting to a workshop to support the development of conclusions and recommendations from the *Review of Risk Management in the Blood Sector*.

Year in Review

In 2013-14, the NBA Board considered and provided advice to the General Manager across the full spectrum of activities undertaken by the NBA. This included advice on the:

- NBA strategic priorities, associated planning and outcome delivery in 2013-14
- NBA risk management process and identified strategic risks
- Development and progression of conclusions and recommendations from the *Review of Risk Management in the Blood Sector*
- National Blood Sector Education and Training Strategy 2013-16
- NBA 2014 Communication Plan and Priorities
- Strategic direction for clotting factor management, including the entry of long acting factors to the market place
- Development of the sector data and information governance framework
- Impact of new privacy and public accountability legislation.

The Board continued to have a strong interest in the management of risks to the NBA and the wider blood sector. This included involvement in the development and progression of conclusions and recommendations from the *Review of Risk Management in the Blood Sector*. The Board viewed this work of particular importance because of its urgency and potential material effect on the nature of any new Deed of Agreement with the Red Cross. The Board also provided recommendations in relation to improving the management of key risks associated with infectious diseases and pandemics. The Board notes that the NBA has implemented many of the recommendations.

Another significant area of activity for the Board in 2013-14 was the incorporation of a deliberate programme of stakeholder engagement. The Board engaged with key clinical and patient representatives through a series of presentations and follow-up discussions. This included clinical and patient representatives from the bleeding disorders community and champion clinicians for patient blood management. The programme was highly successful in alerting Board members to challenges facing key stakeholder groups. The Board expects the programme to continue into 2014-15.

2014-15 priorities

Management of risk and financial sustainability will remain important areas of interest for the Board in 2014-15. The NBA has a range of projects that will further strengthen outcomes in these areas. Importantly, I also expect the Board to assist in preparing the organisation to merge with the Australian Organ and Tissue Donation and Transplantation Authority on 1 July 2015. An important aspect of this change will be to ensure the merger is seamless and does not disrupt programme delivery.

In closing, I thank my fellow Board members for their contribution over 2013-14. I also make special note of the contribution of Ken Barker who departed the Board during the year at the end of his appointment. Ken has been a Board Member since the inception of the NBA, most recently filling the financial expert role. He brought a wealth of experience and wisdom over an extended period which is greatly appreciated. He continues his valuable contribution to the NBA as the Chair of the Audit Committee. It is also my privilege to welcome Patricia (Patti) Warn to the Board as the community representative. Patti joined the Board in August 2013, bringing significant experience. Paul Bedbrook moved from his role as community representative to that of financial expert.

I also wish to note the outstanding effort by the staff and management of the NBA over this year. There has been a very high workload and staff have achieved significant results. It is a great privilege to have such professional staff.



Gayle Ginnane
Chair
National Blood Authority Board





2

PERFORMANCE

PERFORMANCE REPORTING

OBJECTIVE 1. SECURE THE SUPPLY OF BLOOD AND BLOOD PRODUCTS

OBJECTIVE 2. IMPROVE RISK MANAGEMENT AND BLOOD SECTOR PERFORMANCE

OBJECTIVE 3. PROMOTE THE SAFE AND EFFICIENT USE OF BLOOD
AND BLOOD PRODUCTS

PERFORMANCE REPORTING

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

DELIVERABLE/ KEY PERFORMANCE INDICATOR (KPI)	OBJECTIVE	
SECURE THE SUPPLY OF BLOOD AND BLOOD PRODUCTS		
New Australian Red Cross Blood Service contract arrangements are progressed	Reference Point/Target:	<i>The second cycle of the Output Based Funding Model (OBFM), under the Deed of Agreement, is implemented. National Service Standards, Payment and Substitution Rules and the National Inventory Management Framework (NIMF) are progressed.</i>
	Result:	Met. Second cycle of OBFM implemented. First phase of National Service Standards agreed. NIMF for red blood cells pilots completed.
NBA funding jurisdictions are satisfied with planning, management and coordination of NBA activities	Reference Point/Target:	<i>Satisfaction is assessed through survey of Jurisdictional Blood Committee (JBC) members.</i>
	Result:	Met. Results from 2013-14 survey indicated a high level of satisfaction that the NBA met this KPI.
Variance between actual and NBA estimated demand for supply of products	Reference Point/Target:	<i><5 per cent.</i>
	Result:	Substantially met. The demand for a number of fresh, plasma and recombinant products declined further than estimated as a result of better than anticipated take-up of improved clinical practice measures.

DELIVERABLE/ KEY PERFORMANCE INDICATOR (KPI)	OBJECTIVE	
IMPROVE RISK MANAGEMENT AND BLOOD SECTOR PERFORMANCE		
Review of the clinical and administrative management of IVIg is progressed	Reference Point/Target:	<i>Recommendations of the Review are implemented in accordance with governments' decisions.</i>
	Result:	Met. Project business cases for new governance arrangements and supporting database approved by JBC. Delivery commenced.
Percentage of hospitals using BloodNet	Reference Point/Target:	<i>90 per cent.</i>
	Result:	Met. 98 per cent of hospitals that receive blood.
PROMOTE THE SAFE AND EFFICIENT USE OF BLOOD AND BLOOD PRODUCTS		
National data strategy is progressed	Reference Point/Target:	<i>Data governance arrangements are implemented and available to stakeholders by December 2013. Performance scorecard is implemented February 2014 and reviewed on ongoing basis.</i>
	Result:	Partially Met. Data Governance Framework developed and subject to JBC consideration. Performance scorecard implementation commenced and 2013-14 results to be published on NBA website.
Number of clinical practice guidelines submitted for National Health and Medical Research Council (NHMRC) consideration	Reference Point/Target:	<i>One</i>
	Result:	Met. Module 5 of the Patient Management Guidelines (PBM) (Obstetrics) was submitted to NHMRC in June 2014 as part of the public consultation process.
Effective consultation with clinicians on options for the development of a comprehensive national patient blood management programme	Reference Point/Target:	<i>Satisfaction is assessed through surveys of all relevant stakeholders.</i>
	Result:	Met. A high level of satisfaction indicated during formal and informal consultation and feedback processes involving clinical stakeholders.

Objectives		
Secure the supply of blood and blood products	Improve risk management and blood sector performance	Promote the safe and efficient use of blood and blood products
Key Programmes and Initiatives		
<ul style="list-style-type: none"> ▪ National Supply Plan and Budget (p.21) ▪ Contract Management (p.33) <ul style="list-style-type: none"> ▪ Deed of Agreement with Red Cross (p.33) ▪ CSL Australian Fractionation Agreement (p.35) 	<ul style="list-style-type: none"> ▪ Immunoglobulin (Ig) Governance (p.40) ▪ Evaluation of New Products (p.42) ▪ Data Developments (p.42) ▪ Risk Management (p.43) ▪ ICT Developments (p.44) ▪ Sector Monitoring (p.47) 	<ul style="list-style-type: none"> ▪ Reference Development (p.48) ▪ Implementation <ul style="list-style-type: none"> ▪ Best Practice Tools (p.50) ▪ Promotion and Communication (p.51) ▪ Education and Training (p.52) ▪ Research and Development (p.54)

OBJECTIVE 1. SECURE THE SUPPLY OF BLOOD AND BLOOD PRODUCTS

It is the responsibility of the National Blood Authority (NBA) to manage the national blood supply to ensure that healthcare providers have sustainable, reliable and efficient access to blood and blood products needed for patient care. NBA ensures blood supply security by working with states and territories to determine and manage an annual supply plan and budget and negotiating and managing blood supply contracts and arrangements with local and overseas suppliers.

National Supply Plan and Budget

A key element of the NBA's role in ensuring security of supply is to develop, coordinate and monitor the annual National Supply Plan and Budget (NSP&B), including obtaining annual approval from health ministers.

This is achieved by:

- developing a national estimate of product demand
- liaising with states and territories to refine the estimated demand for products
- collecting and distributing data on product issued and reporting variations to jurisdictions on the approved supply plan
- intensively managing products if they are in short supply.

Performance against the 2013–14 NSP&B

Throughout 2013–14, products were supplied to meet clinical demand and supply risks were effectively managed. The approved budget for 2013–14 covering the supply and management of blood and blood products and services under contract was \$1,158.09 million, comprising \$612.75 million for fresh blood products and plasma collection (see Fresh blood products on p.24) and \$526.16 million for plasma and recombinant products (see Plasma and recombinant products on p.26). The remaining \$19.18 million included items such as support for the publication of Patient Blood Management (PBM) Guidelines, maintenance of the Australian Haemophilia Centre Directors' Organisation (AHCDO) and administration of the Australian Bleeding Disorders Registry (ABDR).

Table 2.1 identifies the NBA's expenditure in 2013–14 and earlier years by supplier for the supply of products in each product category.

TABLE 2.1 Blood and blood products purchased, by supplier, 2009-10 to 2013-14

Supplier	Products Purchased	2009-10 (\$M)	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)	2013-14 (\$M)
CSL Behring (Australia) Pty Ltd	Plasma Products	186.16	215.15	228.22	222.02	210.10
	▪ Albumin					
	▪ Immunoglobulin products (including IVIg, SCIg and hyperimmune products)					
	▪ Plasma derived clotting factors					
	Diagnostic Reagent Products					
	▪ Blood grouping sera					
	▪ Reagent red cell products					
	Imported Plasma and Recombinant Products					
	▪ Rh(D) immunoglobulin					
	▪ Factors XI and XIII					
Australian Red Cross Blood Service	Fresh Blood Products	456.12	496.57	526.35	549.31	583.13
	▪ whole blood					
	▪ red blood cells					
	▪ platelets					
	▪ clinical fresh frozen plasma					
	▪ cryoprecipitate					
	▪ plasma for fractionation					
Baxter Healthcare Pty Ltd	Imported Plasma and Recombinant Products	90.62	96.93	45.95	6.30 ¹	8.25
	▪ Protein C					
	▪ Factor VII concentrate					
	▪ Factor Eight Inhibitor Bypass Agent (FEIBA)					
	Imported IVIg	Nil	Nil	7.37	26.76	29.20
Bayer Australia Limited	Imported Plasma and Recombinant Products	Nil	Nil	11.30	34.96	35.14
	▪ Recombinant Factor VIII					

¹ In last year's annual report, the 2012-13 Baxter Healthcare Pty Ltd Imported Plasma and Recombinant Products figure of 33.06 included 6.30 Imported IVIg which has a separate category in this report. Care should be taken in making comparisons with previous reports.

Supplier	Products Purchased	2009-10 (\$M)	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)	2013-14 (\$M)
Pfizer Australia Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Recombinant Factor VIII Recombinant Factor IX 	48.94	57.03	66.55	93.28	93.05
Novo Nordisk Pharmaceuticals Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Recombinant Factor VIIa 	26.42	27.37	24.55	33.60	27.20
Octapharma Pty Ltd	Imported IVIg	48.69	8.95	23.38	49.10	46.00
Grifols Australia	Imported IVIg	Nil	24.50	22.51	0.28	Nil
	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.81	0.60	Nil	Nil	0.32
Ortho-Clinical Diagnostics (Johnson & Johnson Medical Pty Ltd)	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.43	0.38	0.45	0.44	0.43
Bio-Rad Laboratories Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	Nil	Nil	0.13	0.63	0.57
Abacus ALS Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.04	0.03	0.05	0.04	0.04
Total Purchases of Blood and Blood Products		858.23	927.51	956.81	1016.72	1033.43

Fresh blood products

The list of fresh blood products supplied in 2013–14 is at Appendix 2 *Fresh blood components supplied under contract by the Blood Service*. The four main products were:

1. red blood cells
2. platelets
3. clinical fresh frozen plasma
4. plasma for fractionation.

As demonstrated in Table 2.2, fresh blood expenditure has significantly increased over the last ten years at an average of nine per cent per annum. A range of factors have contributed to this significant and sustained increase.

TABLE 2.2 **Fresh blood expenditure: increases on 2004–05**

Year	Amount (\$M)	Growth (%)
2004–05	277.0	11.8
2005–06	297.7	7.5
2006–07	327.1	9.9
2007–08	369.1	12.8
2008–09	417.2	13.0
2009–10	456.1	9.3
2010–11	496.6	8.9
2011–12	526.3	6.0
2012–13	549.3	4.4
2013–14	583.1	6.2
Total	4,299.5	9.0 (average)

In the 11 years to 2013–14, expenditure on fresh blood and plasma collections has increased from \$247.8 million to \$583.1 million. Key drivers of this increase are as follows:

- \$229.7 million is due to price increases averaging 9.4 per cent per year. This includes major additional operational costs and investment in principal sites such as the Sydney and Melbourne processing centres.
- \$65.4 million is due to demand changes— principally red cells, platelets and plasma for fractionation. Importantly, there has been a reduction in demand for red cells and platelets over the last three years as a result of improved appropriate use and reduced wastage.
- \$44.7 million is due to the introduction of government-approved quality and safety measures such as the universal leucodepletion of platelets and red cells. These safety measures have resulted in an additional increase in expenditure averaging 1.8 per cent a year.

The combined effect of each of these cost increase drivers on expenditure can be seen in Figure 2.1.



FIGURE 2.1 Fresh blood product expenditure: cumulative increases on 2003–04 base year

Red blood cells

Red blood cells comprise approximately 25 per cent of total blood and blood product expenditure and are the largest single item of cost in fresh products. Figure 2.2 illustrates that there was a decline in issues of red blood cells (7.9 per cent) compared to 2012-13, with continuation of the steady decline in issues per 1,000 head of population. The decline in red cell demand is the result of the ongoing success of programmes to improve appropriate use and reduce wastage. The NBA and other blood sector stakeholders have been focused on practice improvement, including improving appropriate use through the publication and implementation of PBM Guidelines (see *Reference Development* on p.48) and decreased wastage through improved inventory management (see *Best practice tools* section on p.50).

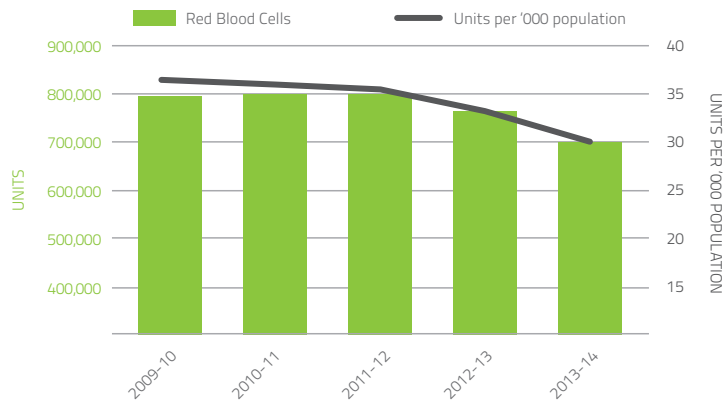


FIGURE 2.2 Red cells issued by the Blood Service, total issues and per '000 of population, 2009-10 to 2013-14

Platelets

Platelets comprise five per cent of total blood and blood product expenditure. Figure 2.3 illustrates that there was a decline in issues of platelets (three per cent) from 2012-13 and a continued decline in issues per 1,000 head of population. As with red cells, the decline is the result of the ongoing success of programmes to improve appropriate use and reduce wastage. Platelets are either derived from an apheresis collection or a whole blood collection. In 2013-14, platelets issued were 61.3 per cent whole blood pooled (62.4 per cent in 2012-13) and 38.7 per cent apheresis (37.6 per cent in 2012-13).

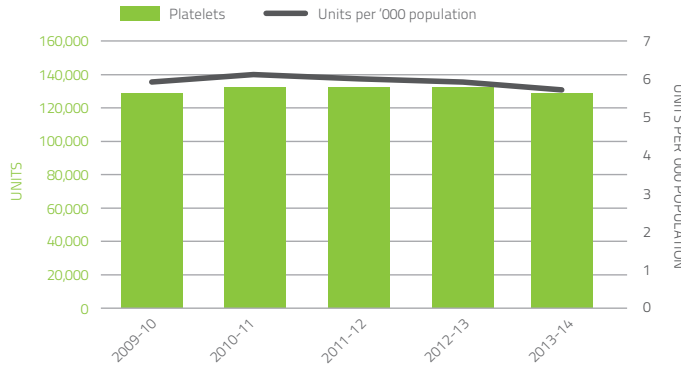


FIGURE 2.3 Platelets issued by the Blood Service, total issues and per '000 of population, 2009-10 to 2013-14

Plasma for fractionation

The Blood Service collects plasma for fractionation to supply to CSL Behring (Australia) Pty Ltd for the manufacture of plasma derived products. In 2013-14, the target for the quantity of plasma to be collected by the Blood Service was 545 tonnes, which the Blood Service successfully achieved. The growth in plasma collection by the Blood Service over the last decade is shown in Table 2.3.

TABLE 2.3 Blood Service: plasma volumes collected for fractionation (tonnes), 2004-05 to 2013-14

2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
308.1	308.4	329.3	352.8	390.7	452.4	472.3	502.2	525.2	545.1

Plasma and recombinant products

The cost of plasma derived and recombinant blood products issued under NBA arrangements in 2013-14 increased to \$488.13 million, an increase of \$24.15 million (5.2 per cent) from 2012-13. The largest proportion of this increase was due to increased product demand for intravenous immunoglobulin (IVIg). Prices for most products increased by less than two per cent, and the average unit price for domestically produced IVIg decreased by 0.6 per cent due to the favourable price structure under the CSL Australian Fractionation Agreement (CAFA).

In the 11 years to 2013-14, expenditure on plasma and recombinant products issued under NBA arrangements has increased from \$205.2 million to \$488.13 million. Key drivers of this increase are as follows:

- \$243.9 million is due to increased demand
- \$51.8 million is due to the safety based government policy decision to introduce full funding to allow access to recombinant clotting factor products (rFVIII and rFIX).

The combined effect of each of these cost increase drivers on expenditure can be seen in Figure 2.4. It is of note that the contribution of price has either been a small increase, or a small to moderate saving. On average, price changes have contributed to a reduction in expenditure of 5.7 per cent per year for the last ten years.



FIGURE 2.4 Plasma derived and overseas product expenditure: cumulative increases on 2003–04 base year

Issues of clotting factors

Clotting factors comprise 18.4 per cent of total blood and blood product expenditure. Figure 2.5 indicates that the demand for factor VIII products decreased by 0.8 per cent when compared to 2012–13. The demand for recombinant FVIII decreased by 1.3 per cent compared to the demand for 2012–13. Conversely plasma derived FVIII demand increased 3.5 per cent due to additional requirements for immune tolerisation therapy.

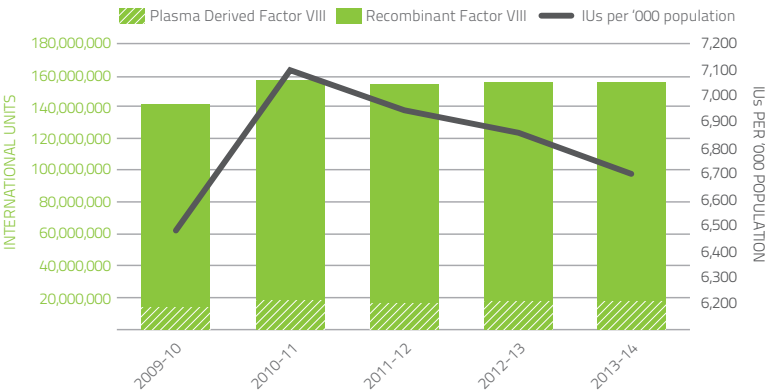


FIGURE 2.5 Issues of Factor VIII products, 2009–10 to 2013–14

Figure 2.6 indicates that demand for factor IX (FIX) products in 2013–14 increased by 8.6 per cent compared to 2012–13. Plasma derived FIX increased by 48.5 per cent due to specific patient requirements. Recombinant FIX increased 4.6 per cent largely as a result of newly diagnosed patients.

Patients commencing or ceasing participation in company clinical trials also contributed to the variability of year-to-year growth rates for both FVIII and FIX products.

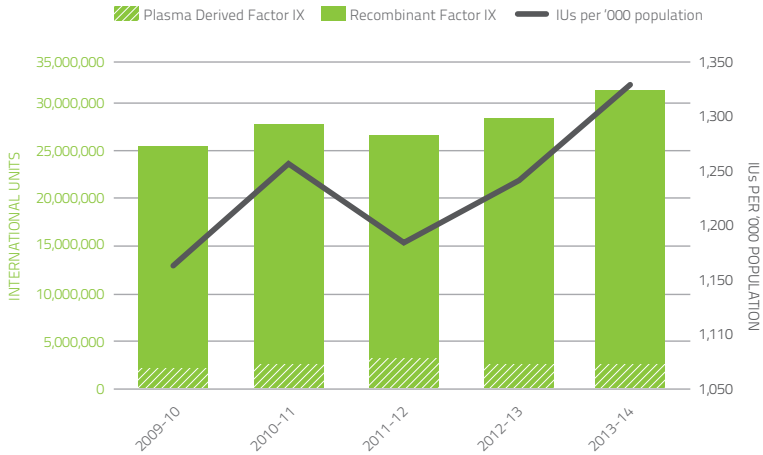


FIGURE 2.6 Issues of Factor IX products, 2009–10 to 2013–14

The demand for rFVIIa and factor VIII inhibitor bypass agent (FEIBA) may vary significantly from year to year as a result of the impact of a small number of patients experiencing very high needs from time to time. Figures 2.7 and 2.8 depict demand for the last five years. The 2013–14 level of demand for rFVIIa returned to the level of previous years and was 21 per cent lower than the unexpected demand in 2012–13. A major influence of the unusual 2012–13 demand was a higher than usual number of acquired haemophilia A patients requiring treatment. FEIBA demand increased with demand in 2013–14 exhibiting a 33.6 per cent increase compared to 2012–13.

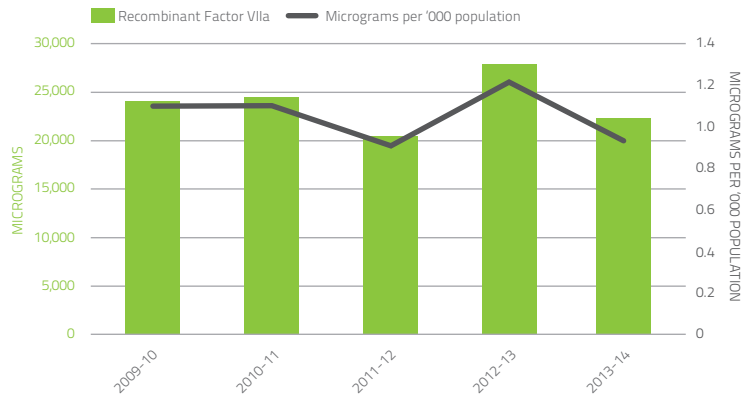


FIGURE 2.7 Issues of recombinant Factor VIIa products, 2009–10 to 2013–14

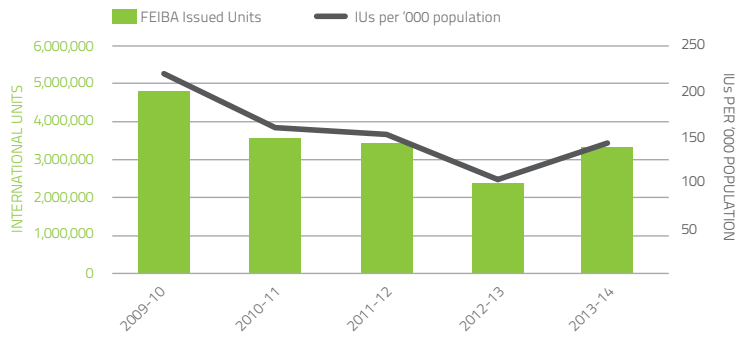


FIGURE 2.8 Issues of FEIBA, 2009–10 to 2013–14

Issues of immunoglobulin: IVIg, SCIg and Nlg

Figure 2.9 indicates that growth in demand for intravenous immunoglobulin (IVIg) has continued at around 11 per cent since 2007–08. However this demand has slowed marginally in recent years. The table below shows the year-on-year demand growth for this product.

2009–10	2010–11	2011–12	2012–13	2013–14
11.6%	11.1%	10.9%	10.7%	11.0%

In 2013–14, a total of 4.02 million grams of IVIg was issued, representing a cost of \$244 million nationally (excluding cost of plasma collections). Of this, 67.7 per cent was IVIg produced in Australia and 32.3 per cent was imported. Excluding IVIg issued under direct orders, a total of 13,981 (compared with 13,102 in 2012–13) patients nationally were issued IVIg during 122,791 treatment episodes (110,183 in 2012–13).

An analysis of IVIg use indicates that there are still considerable variations in the grams issued per treatment episode across jurisdictions for some conditions. Neurology remains the discipline using the greatest amount of IVIg and demand is still increasing. Haematology is the next largest user of IVIg but growth has slowed within this discipline. A similar decline in growth has been observed in immunology, the third largest user of IVIg. The top three indications for which IVIg is issued most frequently are chronic inflammatory demyelinating polyneuropathy, common variable immunodeficiency disease and myasthenia gravis.

The NBA produced an annual report of IVIg usage in 2013–14, in order to document the trends in the use of IVIg and provide insights into the drivers of use at the micro level.

The *Report on the Issue and Use of IVIg 2012–13* can be found on the NBA website at <http://www.blood.gov.au/data-analysis-reporting>.

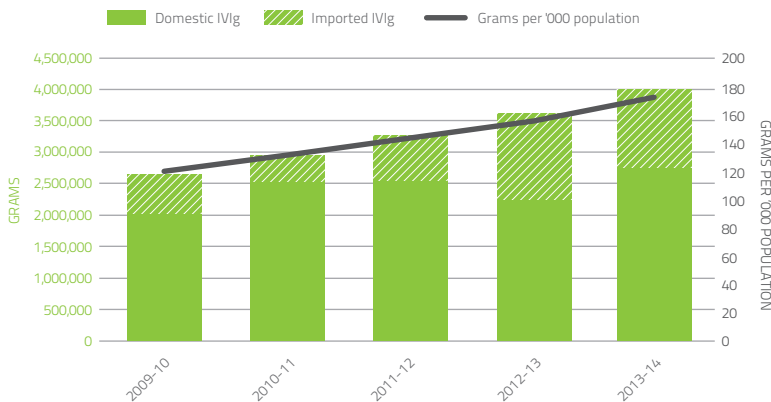


FIGURE 2.9 Issues of IVIg products, 2009–10 to 2013–14

Subcutaneous immunoglobulin

On 1 March 2013, the Jurisdictional Blood Committee (JBC) approved the introduction of subcutaneous immunoglobulin (SCIg) under the national blood arrangements through an assurance framework for the appropriate use of the product; product started distribution in September 2013.

The NBA has established arrangements for supply of the following SCIg products:

- Evogam 16% vial size 0.8g/5ml and 3.2g/20ml supplied by CSL Behring (Australia) Pty Ltd (domestic)
- Gammanorm 16% 1650mg/10ml and 3300mg/20ml supplied by Octapharma Australia Pty Ltd (imported)
- Kiovig 10% 1g/10ml, 2.5g/25ml, 5gm/50ml, 10g/100ml and 20g/200ml supplied by Baxter Healthcare (imported)

These products are authorised and distributed by the Blood Service in the same manner as IVIg. Since September 2013, 13,184 grams of SCIg have been issued.

Normal immunoglobulin

As shown in Figure 2.10, demand for normal immunoglobulin (Nlg) increased markedly over recent years largely as a result of its use as a subcutaneous alternative to IVIg. In 2013–14, as a result of the introduction of SCIg as discussed above, demand for Nlg reduced significantly by 18.8 per cent. CSL Behring (Australia) Pty Ltd produces Nlg from hyperimmune plasma specially collected by the Blood Service. The volume of product is limited by the availability of this specialised plasma, and by production scheduling arrangements in CSL Behring (Australia) Pty Ltd’s manufacturing facility.

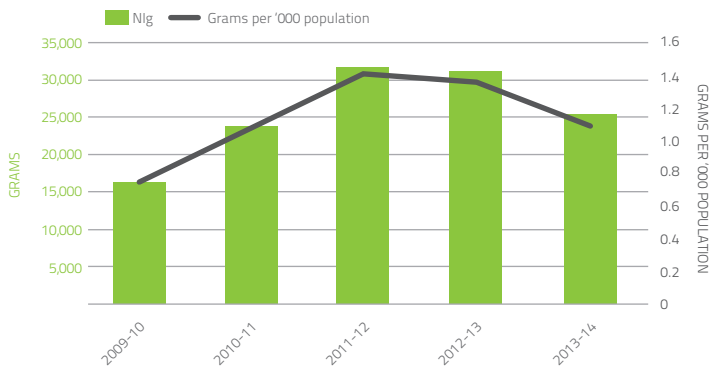


FIGURE 2.10 Issues of Nlg, 2009–10 to 2013–14

INTRAVENOUS IMMUNOGLOBULIN USE IN AUSTRALIA

INTRODUCTION & METHOD

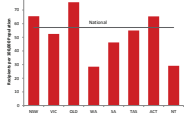
In Australia it is estimated that over 99% of all intravenous immunoglobulin (IVIg) is supplied under the national blood arrangements. For this reason, Australia is in a unique position to provide patient and population based analysis and commentary on the use of IVIg.

The Criteria for the Clinical Use of Intravenous Immunoglobulin in Australia (Criteria) identifies the conditions and circumstances for which the use of IVIg is funded under national blood arrangements. Aggregated de-identified data collected for the purpose of assessing issues against the Criteria were analysed for the ten years to 2012-13 to present a national picture of IVIg use in Australia, focusing on IVIg use for immunological conditions.

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13,102 patients
(2012-13)

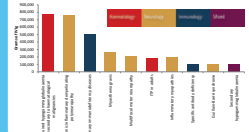
Patients by state



- The number of patients per 100,000 population varies between states from 28.5 in Western Australia to 7.7 in Queensland.
- This is illustrated by considering a few individual conditions such as Chronic inflammatory demyelinating polyneuropathy (CIDP), where there are 7 patients per 100,000 compared with 16 in Queensland. Western Australia also has lower numbers of patients per 100,000 with rheumatoid arthritis and common variable immunodeficiency, suggesting that the difference is not confined to lower rates in one clinical specialty, but across all three primary specialties responsible for management of patients requiring IVIg.
- The reason for this variation is unknown, but may be due to a variety of factors including the age of the population, access to health services and clinician behaviour.

95 clinical conditions
(2012-13)

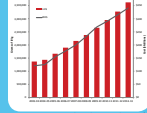
Top 10 diagnostic groups



- The top three diagnostic groups account for 57% of all IVIg issued in Australia, with the top ten comprising 88% of all IVIg issued.
- Of the top 10 diagnostic groups, two of these are managed predominantly by immunologists, with other conditions such as idiopathic thrombocytopenic purpura being primarily managed by neurologists with an overlap in immunologist care.

\$340.5 million
product cost including plasma
for fractionation (2012-13)

IVIg use and cost over 10 years

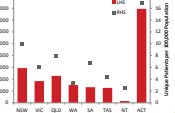


- Demand for IVIg continues to rise steadily with a growth rate of over 10% per annum. Australia's per capita use of 188 grams per 1,000 population is one of the highest among western countries. This demand places a financial burden on the Australian health system.
- While the number of grams issued increased by 11% between 2011-12 and 2012-13, the number of patients only increased by 9%, suggesting that in addition to an increasing number of patients, there is more IVIg issued to each patient than there was in the past.
- In Australia, the total cost of domestic IVIg supply comprises the cost of the plasma for fractionation collected by the Blood Service plus the cost of manufacturing the finished IVIg product from the supplied (FCS, Burell). Imported plasma is purchased at a total product cost only combined with expenditure for plasma for fractionation, IVIg accounts for 35% of the total blood budget, at a total expenditure of \$340.5 million.

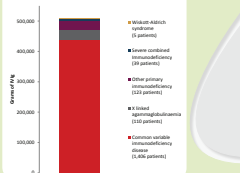
Primary Immunodeficiency Disease

1,674 patients | Median age 53 | 509,364 grams of IVIg (14.5%)

- There is more than a six fold difference between the grams per population issued in Tasmania compared with the Australian Capital Territory (ACT). This is likely to be at least in part due to cross-border patients in the ACT, as the number of patients per 100,000 population is also significantly higher.
- Within the diagnosis of primary immunodeficiency there are many clinical conditions. The data available does not identify the clinical condition for all indications, but as illustrated below, these predominantly comprise patients diagnosed with common variable immunodeficiency (CVID).
- Population based data on IVIg supply is particularly interesting for conditions where the majority of patients receive IVIg as it can provide an estimation of disease prevalence. Between 1 July 2012 and 30 June 2013 IVIg was supplied for 1,668 patients with CVID, making the prevalence of people treated with IVIg for CVID in Australia 6.13 per 100,000 population. This estimate is higher than other studies suggest with estimates between 2 and a people per 100,000 population^{1,2}. The ability to calculate accurate prevalence estimates is important for health service planning. It should be noted that the prevalence estimate is for diagnosed and treated patients only, and there is likely to be a population of undiagnosed patients who would benefit from treatment with IVIg. Of CVID patients registered in the European Society of Immunodeficiency Database the median diagnostic delay was 4.1 years³. Data on diagnostic delay was not available for Australian patients.



Conditions within PID

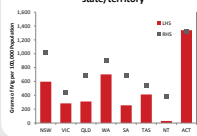


Specific Antibody Deficiency

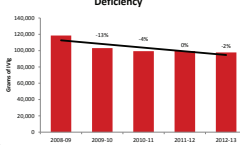
546 patients | Median age 57 | 106,484 grams of IVIg (2.96%)

- In the Criteria, specific antibody deficiency is identified as a separate diagnostic group from primary immunodeficiency disease. These numbers include 178 patients with IgG subclass deficiency who were receiving IVIg prior to the introduction of the Criteria in 2007-08. Use for this condition has been declining since 2008-09 possibly due to IVIg no longer being available for new IgG subclass deficiency patients.
- The Criteria requires patients with specific antibody deficiency to undergo a review to assess whether they have benefited from therapy, with a trial off IVIg suggested. This is important as diagnosis of this condition is difficult and defects in antibody response may resolve over time.
- Most states and territories have about a quarter (around 25%) as many specific antibody deficiency patients as they do PID patients. However, Western Australia has a much higher proportion, with over half (58%) as many patients with specific antibody deficiency as they do patients with other PID. The reason for this variation is unknown, but may warrant a review of practices to determine whether the variation is appropriate for the different patient cohorts.

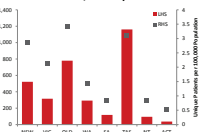
IVIg for Specific Antibody Deficiency by state/territory



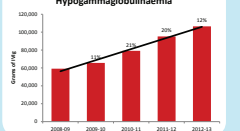
5 year trend: IVIg for Specific Antibody Deficiency



IVIg for Secondary Hypogammaglobulinaemia by state/territory



5 year trend: IVIg for Secondary Hypogammaglobulinaemia

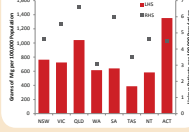


- The amount of IVIg issued for secondary hypogammaglobulinaemia has increased at a higher rate than total IVIg use, with an 80% increase over the last five years (averaging of 16% per annum).
- While this condition only represents 2.7% of supply, this increased use is significant, particularly as this condition is identified in the Criteria as having poor evidence to support its use. There is also wide variation between states and territories in both the grams of IVIg used per 100,000 population, and the number of patients per 100,000 population.
- The use in the ACT for this condition is very low, where use for the other three conditions examined in this poster was significantly above average. In contrast, the number of grams per 100,000 population in Tasmania and Queensland is significantly higher than the national average.

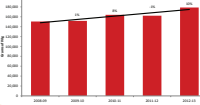
377 patients | Median age 60 | 97,749 grams of IVIg (2.72%)
Secondary Hypogammaglobulinaemia

1,176 patients | Median age 61 | 178,738 grams of IVIg (5.0%)
Idiopathic Thrombocytopenic Purpura

IVIg for ITP by state/territory



5 year trend: IVIg for ITP



- ITP in adults comprises refractory acute ITP, ITP with life-threatening haemorrhage, ITP in pregnancy, HIV associated ITP and other specific circumstances such as during surgery, where the ITP is severe or refractory to other therapies.
- The number of grams per population is less well correlated with the number of patients per 100,000 population, suggesting variations in dosing practices between states and territories. This may be indicative of different patient populations.
- The rate of growth in IVIg demand for ITP is lower than the average rate of growth at an average of 5% per annum over 5 years compared with 10% for all IVIg.

CONCLUSION

IVIg demand is rising at a rate that is unsustainable. Data and research to identify patients that most benefit from IVIg therapy, as well as research to identify more accurate biomarkers of immune deficiency and alternative therapies is important to ensure a sustainable supply of IVIg into the future. The National Blood Authority is developing a database to improve the quality and scope of data available. This will support future activities aimed to ensure that IVIg is supplied to treat the patients who benefit most from this treatment.

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1. Thompson, Ross, (2002) The many faces of common variable immunodeficiency. Pediatric Society of Immunology, The Education Program pp101-105.
2. Thompson et al, (2006) Common variable immunodeficiency: a review of the clinical presentation, diagnosis and management. J Intern Med 260: 1-12.

For the full report on the Issue and Use of IVIg 2012-13
www.blood.gov.au/data-analysis-reporting



Contract Management

Maintaining security of supply requires the NBA to manage contracts with suppliers of blood and blood products. Contracts are developed in accordance with the Commonwealth Procurement Rules, and managed in accordance with best practice guidance for contract management, including the guideline from the Australian National Audit Office (ANAO) on Developing and Managing Contracts.

In 2013-14 the NBA managed 18 blood and blood product supply contracts and arrangements.

The contracts managed by the NBA included:

- fresh blood product procurement – Australia’s fresh blood component requirements through the Deed of Agreement with the Australian Red Cross Society
- plasma and recombinant product procurement – Australia’s plasma product and recombinant product requirements through:
 - the CSL Australian Fractionation Agreement (CAFA)
 - contracts for the provision of imported IVIg, imported recombinant factors VIIa, VIII, IX, and XIII, and other imported plasma and recombinant products
- red cell diagnostic reagents product procurement.

Deed of Agreement with the Red Cross

The Deed of Agreement with the Red Cross for the supply of fresh blood products by the Blood Service is one of the most important contracts managed by the NBA. The Blood Service is the sole supplier of fresh blood products. The provision of fresh blood products under the Deed is an essential clinical service that saves lives every day. The NBA has an ongoing programme with the Blood Service to improve contract performance and accountability under the Deed.

Funding provided to the Blood Service is based on an output based funding model (OBFM) arrangement. Funding provided to the Blood Service through the Deed was \$583.1 million in 2013–14, an increase of \$34 million over the \$549.3 million provided in 2012–13.

Performance

The performance of the Blood Service is a key element in meeting blood sector objectives. Governments expect the Blood Service to deliver effective services at optimum value for money. Governments outline their expectations of the Blood Service in relation to performance through the Deed of Agreement and the Blood Service Statement of Expectations. Blood Service performance against selected indicators is outlined in Table 2.4.

TABLE 2.4 **Blood Service: selected key performance indicators, 2013–14**

Domain	Indicator		2012-13 result *	2013-14 Blood Service target	2013-14 result *
Donor management	First time donors	Whole Blood	115,188	122,343	122,343
		Apheresis Plasma	33,070	29,714	30,327
Supply chain management	Number of days within inventory bands (note: bands set by the Blood Service)		254	N/A	315
	Red cell yield (proportion of collections covered to supply)		89.3%	87%	89.5%
	Age of red cells at issue (days)		9.0	9.0	8.31
	Order fulfilment		95%	95%	98%
Quality and level of service	Health provider satisfaction with Blood Service (mean score out of 10)		8.6	8.7	8.7
Finance	Main operating programme financial result		\$12.5 million surplus	>0	\$44.9 million surplus

* As measured by the Blood Service.

Implementing improvements to current arrangements

The NBA worked with the Blood Service to deliver a range of contract improvements in 2013-14, including the following:

- implementation of the negotiated second cycle of the OBFM, which defines the products and services to be delivered under the contractual arrangements and product prices to be paid to the Blood Service
- development and agreement to Phase 1 of the National Service Requirements and Standards that will set out the Blood Service's relationships with health providers and the NBA. This includes business rules and standards for ordering, delivery, and receipt of products
- completion of the National Inventory Management Framework project for red blood cells, including proof of concept and pilots
- extension of the current Deed by mutual agreement until 30 June 2015.

Blood Service research and development

The NBA and the Blood Service implemented an agreed research and development framework in 2013-14 as part of the Deed of Agreement variation. This framework outlines strategies to ensure appropriate incorporation of government priorities and expectations in the development and implementation of the Blood Service research programme. It also describes reporting requirements that will improve the transparency to governments of activities and expenditure under the research and development programme.

Through a grant specified in the Deed of Agreement, the Blood Service received grant funding of approximately \$8.3 million for its research and development programme. The Blood Service has four research programmes:

- donor and community
- applied and developmental
- transfusion science
- clinical.

Research projects in 2013-14 included work on the development of frozen blood products. The Hon Stuart Robert MP, Assistant Minister for Defence attended a capability display in May 2014. The Blood Service also conducted research on the extension of the shelf-life of platelets from five days to seven days.

CSL Australian Fractionation Agreement

Most plasma derived products used in Australia are manufactured by CSL Behring (Australia) Pty Ltd under the CSL Australian Fractionation Agreement (CAFA) from plasma collected by the Blood Service. CSL Behring (Australia) Pty Ltd is the sole manufacturer of plasma derived blood products in Australia and the NBA is responsible for negotiating and managing the CAFA.

In 2013-14, 545.1 tonnes of Australian plasma was pooled for fractionation under the CAFA, and expenditure on CAFA products was \$205.2 million.

Performance

The 2013-14 performance by CSL Behring (Australia) Pty Ltd against the CAFA Key Performance Indicators (KPIs) is shown in Table 2.5. This table reports actual performance. Sufficient supply of all products was maintained at all times. CSL Behring (Australia) Pty Ltd's performance was within defined tolerances for each of the KPIs with a few minor exceptions. Some approvals for KPI deviations were given by the NBA where known issues were beyond the control of CSL Behring (Australia) Pty Ltd, including changes in the level of immunoglobulin in plasma, and the dynamics of supply, demand and production for some products, which affected CSL Behring (Australia) Pty Ltd's ability to meet KPI standards.

TABLE 2.5 CSL Behring (Australia) Pty Ltd's performance under the CAFA, 2013-14

Description of performance measure		Results 2013-14				
		Q1	Q2	Q3	Q4	Annual
KPI1	Plasma stewardship	Achieved	Achieved	Achieved	Achieved	Achieved
KPI2*	Production yield	4.98 g/kg	5.12 g/kg	4.91 g/kg	4.82 g/kg	4.96 g/kg
KPI3	Management of required inventory levels					
	Minimum starting plasma inventory	[Not active in 2013-14]				
	Products in CSL Behring (Australia) Pty Ltd inventory	100% Achieved	100% Achieved	97% Achieved	96% Achieved	98% Achieved
	Products in national CSL Behring (Australia) Pty Ltd reserve	100% Achieved	100% Achieved	76% Achieved	100% Achieved	94% Achieved
KPI4	Fulfilment of orders					
	Orders by distributor (Blood Service)	100% Achieved	99% Achieved	100% Achieved	99% Achieved	100% Achieved
	Orders by non-distributor	99% Achieved	99% Achieved	100% Achieved	98% Achieved	99% Achieved
KPI5**	Shelf life of national reserve products	82% Substantially achieved	86% Substantially achieved	100% Achieved	98% Achieved	92% Achieved

Note:

* The NBA and CSL Behring (Australia) Pty Ltd are considering the effects of changes in plasma collection practices on CAFA contractual provisions relating to IVlg yield

** The NBA has agreed that, as an interim measure, the minimum required shelf life of some hyperimmune products held in the National CSL Reserve is reduced to avoid surplus production. CSL Behring (Australia) Pty Ltd's Performance is substantially in line with this agreement.

Mid-Term Review

During 2013-14 the NBA conducted a mid-term review of the CAFA to confirm the agreement met governments' requirements in terms of value for money and performance. The Review Report concluded that:

- CSL Behring (Australia) Pty Ltd has satisfactorily performed its obligations under the CAFA
- the CAFA meets value for money expectations
- the CAFA provides a range of products that are generally equivalent to international products, and with a competitive yield for the leading product IVlg.

Imported intravenous immunoglobulin

IVIg is imported to meet a shortfall in domestic IVIg production against clinical demand in Australia. In addition to supply under the national blood arrangements, the NBA also supports the purchasing of small amounts of imported IVIg using jurisdictional direct orders.

Two contracts are in place for supply of imported IVIg under the national blood arrangements. The contracts commenced on 1 January 2012 for a period of three years and have provision for a one year extension. The suppliers are Baxter Healthcare Pty Ltd and Octapharma Australia Pty Ltd. In 2013-14, the NBA spent \$75.69 million for both contracts.

Performance

The 2013-14 performance of both suppliers against the contractual KPIs is shown in Table 2.6. Sufficient supply of products was maintained at all times in accordance with contractual requirements and was not affected by transient or administrative KPI deviations.

TABLE 2.6 Imported IVIg: Key performance indicators, by supplier, 2013-14

KPI	Performance	Octapharma Australia	Baxter Healthcare Pty Ltd
KPI1	In-country reserve	Substantially achieved	Substantially achieved
KPI2	Shelf life on products delivered	Substantially achieved	Substantially achieved
KPI3	Delivery performance	Fully achieved	Fully achieved
KPI4	Reporting accuracy and timeliness	Substantially achieved	Substantially achieved

Note: "Substantially achieved" denotes the contractor achieved 90 per cent or above of the contract requirements during 2013-14, but did not fully meet the contractual performance target(s).

Imported plasma derived and recombinant blood products

The NBA has contracts with suppliers for the importation of selected plasma derived and recombinant blood products to augment domestic supply where these products are not produced in Australia or domestic production cannot meet demand.

In 2013-14, the NBA managed the supply contracts for imported plasma and recombinant products with the following five companies:

- Bayer Australia Ltd
- Baxter Healthcare Pty Ltd
- CSL Behring (Australia) Pty Ltd
- Novo Nordisk Pharmaceuticals
- Pfizer Australia Pty Ltd

The supply contracts for the above suppliers expired on 30 June 2014. The NBA has exercised the option for a one year extension for the supply of Protein C, Activated Prothrombin Complex Concentrate, recombinant factor XIII, anti-Rh (D) and NovoSeven RT. Expenditure on the contracts during 2013-14 was \$165.6 million.

In 2013-14, the NBA successfully concluded a tender process for new contracts for the national supply of recombinant Factor VIII and IX products which will commence on 1 July 2014. The new contracts were awarded to Baxter Healthcare Pty Ltd and Pfizer Australia Pty Ltd and are projected to achieve annual savings in the order of \$50 million per year.

Performance

The 2013-14 performance of suppliers of imported plasma and recombinant blood products for each performance measure is shown in Table 2.7. All suppliers satisfactorily met required performance levels.

TABLE 2.7 Imported plasma and recombinant blood products: key performance indicators, by supplier, 2013-14

KPI	Performance measure	Baxter Healthcare	Bayer Australia	CSL Behring (Australia) Pty Ltd	Novo Nordisk Pharmaceuticals	Pfizer Australia
KPI1	In-country reserve	Fully achieved	Partially achieved**	Fully achieved	Fully achieved	Fully achieved
KPI2	Shelf life on products delivered	Fully achieved	Achieved*	Fully achieved	Fully achieved	Fully achieved
KPI3	Delivery performance	Partially achieved**	Achieved*	Fully achieved	Fully achieved	Achieved*
KPI4	Reporting accuracy and timeliness	Achieved*	Achieved*	Fully achieved	Achieved*	Fully achieved

*In these instances, the performance of the relevant supplier departed from the contracted requirement at some periods during the year, but without material effect on supply performance or supply security. Such instances are managed through prior approvals from the NBA, and discussion of supplier performance during the year.

** In these instances, the performance of the relevant supplier departed from the contracted requirement at some periods during the year. Performance of the relevant suppliers was nonetheless subject to contractual requirements and was managed through ongoing contract management monitoring. Where appropriate, financial consequences of not meeting contractual Key Performance Indicators were applied.



Red cell diagnostic reagent products

Red cell diagnostic reagents are used for testing to establish the blood group of human red cells, detect red cell antibodies and to control, standardise and validate routine haematology tests.

The NBA has established a standing offer arrangement with the following five suppliers for the period 1 July 2011 to 30 June 2015:

- Abacus ALS Pty Ltd
- Bio-RAD Laboratories Pty Ltd
- CSL Behring (Australia) Pty Ltd
- Grifols Australia
- Ortho-Clinical Diagnostics (Johnson & Johnson Medical Pty Ltd)

The standing offer lists more than 130 red cell diagnostic products, which are used in laboratory tests known as blood typing and cross matching. These tests ensure that when a person needs a blood transfusion, they receive blood that is compatible with their own.

Expenditure on diagnostic reagent supply is capped at \$4.8 million per year. The NBA manages the cap for all jurisdictions and suppliers.

OBJECTIVE 2. IMPROVE RISK MANAGEMENT AND BLOOD SECTOR PERFORMANCE

In 2013-14, the NBA achieved a range of objectives to improve blood sector performance and risk management, particularly in the areas of immunoglobulin (Ig) governance, evaluation of new products, ICT developments, data availability and analysis and risk and knowledge management.

Immunoglobulin (Ig) Governance

The NBA made significant progress to implement new Ig authorisation and clinical governance arrangements. These arrangements will address a range of deficiencies identified in the 2012-13 review of the management of Ig, including:

- significant variations and inefficiencies in Ig management processes nationally
- variation in dosing
- high prescription rates in some conditions compared to international rates of use
- limited transparency of price implications
- no accountability for cost with the prescriber.

Key 2013-14 achievements included:

- development and governments' approval of the business cases describing the high level functional model for new authorisation and clinical governance arrangements and the associated supporting national database
- development and implementation of new management processes for NIg and SCIg
- establishment of the National Ig Governance Advisory Committee.

New products to meet patient needs

In 2013-14, for the first time since 2003, two new product types that significantly enhance clinical treatment options were added to the national blood arrangements. The approval to add new types of blood products provided under the National Blood Arrangements requires a structured process of evaluations. A range of criteria are applied, including clinical need and clinic/patient utility, potential health benefits and risks, cost and budget implications, cost effectiveness, supply security and national self-sufficiency, feasibility of implementation, and international practice.

Generally, submissions for new products are received from relevant suppliers. The NBA manages the process of framing an initial evaluation, working together with expert advisers and relevant stakeholders. Recommendations are taken to the Jurisdictional Blood Committee (JBC) for consideration. Where a proposal is material or complex, it may be referred for evaluation by the Medical Services Advisory Committee (MSAC).

The two new products added to the National Supply List were as follows.

Subcutaneous immunoglobulin (SCIg)

Immunoglobulin products, produced from blood plasma, are important for a range of acute and potentially debilitating diseases, including a number of chronic immunodeficiency and neurological conditions. To date, patients have mainly been treated with intravenous immunoglobulin products, requiring a hospital based infusion every two to four weeks. In March 2013, JBC approved the addition of SCIg, which allows a suitable subgroup of patients to be treated through smaller, more frequent infusions into subcutaneous tissue. This treatment can then potentially be undertaken at home with appropriate patient training and ongoing monitoring and support from a suitable hospital.

Availability of SCIg commenced through a structured hospital based implementation model from September 2013. As at 30 June 2014, up to 33 hospitals across Australia have established SCIg programmes.



Fibrinogen concentrate for congenital fibrinogen deficiency

Fibrinogen is an essential protein in the bloodstream which is critical to the formation of blood clots to prevent bleeding. Congenital fibrinogen deficiency is a rare disorder where fibrinogen is not produced normally. Patients may suffer debilitating bleeding symptoms similar to haemophilia, including life threatening critical organ bleeding.

In December 2013, JBC approved the addition of fibrinogen concentrate, for patients requiring treatment for congenital fibrinogen deficiency. Supply of the product commenced from 1 July 2014, with product generally being made available through 18 haemophilia treatment centres and clinics around Australia.



Patient collecting subcutaneous immunoglobulin product from a hospital dispenser

Evaluation of new products

The working group established by the JBC, including NBA and jurisdictional representatives, progressed work on the requirements and processes for evaluations to be undertaken under Schedule 4 of the National Blood Agreement.

Following an NBA evaluation, the JBC endorsed a Schedule 4 proposal for inclusion of Fibrinogen Concentrate for congenital fibrinogen deficiency on the National Supply List. Supply of Fibrinogen Concentrate for congenital fibrinogen deficiency will commence on 1 July 2014.

Data developments

In 2013–14, the NBA continued its drive to improve data capture and analysis across all aspects of the supply chain. This area of activity is a key strategy to improve the overall efficiency and sustainability of the sector by providing a measurement for improvement.

A significant amount of data and information exists within the blood sector, however, the extent to which this data is currently available to the parties that need it, the quality of the data, and the capacity of the systems that hold it, varies widely. The adoption of a new data visualisation and analysis tool has significantly enhanced the NBA's ability to harness data across all data domains managed by the NBA.

During 2013–14, the NBA progressed the following activities identified in the National Blood Sector Data and Information Strategy and Scorecard 2013–2016:

- Discard data
 - Collected, analysed and distributed discard data from the BloodNet Fate Module to support the establishment of targets for discard rates in 2014–15 under the National Blood and Blood Product Wastage Reduction Strategy 2013–2017.
 - Specified BloodNet discard reports were launched to jurisdictions and health providers.
- Haemovigilance
 - Published the National Haemovigilance Report 2013 based on data for 2009–10 and 2010–11 collected by states and territories.
 - Developed and progressed a national haemovigilance programme options paper.
 - Developed a Consensus Guideline for the Recognition and Treatment of Acute Transfusion Events which is expected to be published in early 2014–15.
- Australian Bleeding Disorders Registry (ABDR)
 - Published the ABDR Annual Report for 2012–13.
 - Produced the Australian Haemophilia Centre Directors' Organisation (AHCDO) draft Benchmarking Report.
 - Developed a data extract for HTC staff to review as part of the data integrity process of the ABDR which will be implemented in early 2014–15.
- Red Cell Data Linkage: the NBA progressed agreements for data linkage arrangements with South Australia and Queensland. It is expected these agreements will form the prototype for the remaining jurisdictions.
- National Blood Sector Data and Information Governance Framework: the NBA developed a National Blood Sector Data and Information Governance Framework. The JBC will formally consider the framework for endorsement in late 2014.

Risk management

The management of blood sector risk remains a core element of ensuring the security and availability of the blood supply. 2013-14 saw the NBA complete two major activities to further strengthen risk management arrangements relating to:

- the National Blood Supply Contingency Plan
- blood sector risks, particularly as they relate to liability provisions under the Deed with the Red Cross.

National Blood Supply Contingency Plan (NBSCP)

The NBSCP is a cornerstone measure to manage risks to the blood supply. In 2013-14 a range of measures were implemented to further strengthen contingency management arrangements, including the following:

- The development and approval of a new annex dealing with the management of a shortage of supply of platelets. The new annex includes a range of contingency management enhancements which will form the basis of a complete revision of the parent NBSCP document.
- A formal strengthening of the interface with national horizon scanning and communicable disease management arrangements with the Commonwealth Department of Health Office of Health Protection (OHP), including:
 - NBA participation as an observer in future Communicable Disease Network Australia (CDNA) meetings.
 - Joint NBA and OHP sponsorship of a joint paper to the Australian Health Protection Principal Committee (AHPPC) meeting in the second half of 2014 as a basis for discussion of a strengthened contingency management interface.
 - Cross representation between the NBA and OHP in contingency exercises.

Review of Risk Management in the Blood Sector

In preparation for the development of a new Deed of Agreement with the Red Cross, the NBA completed an independent comprehensive *Review of Risk Management in the Blood Sector*, previously known as the National Managed Fund Action Plan Review. The Review identified changes in risks since 2000 and whether there were potential liabilities that would not be adequately met by current risk mitigations. The Review recommendations have resulted in the programming of a range of operational improvements being implemented in consultation with the Blood Service. Governments are currently considering some further strategic recommendations and, subject to endorsement, these will be reflected in the new Deed of Agreement with the Red Cross.

Information Communication Technology (ICT) developments

ICT systems development and operations continue as a key enabler of both data collection/analysis and business process reform across the sector.

The NBA continued to pursue outcomes identified in the JBC-approved National Blood Sector ICT Strategy 2013-16 designed to:

- deliver ICT capabilities to drive performance improvement
- deliver ICT capabilities to enhance collaboration and training across the sector
- increase the resilience of existing ICT capabilities
- improve ICT governance and management.

A significant 2013-14 outcome affecting all NBA ICT systems was the implementation of improved disaster recovery ICT arrangements. Further infrastructure enhancements, including improved redundancy will be commissioned in late 2014.

Australian Bleeding Disorders Registry

The Australian Bleeding Disorders Registry (ABDR) is a clinical tool in use on a daily basis by clinicians in all Australian haemophilia treatment centres to assist in the management and treatment of people with bleeding disorders. The NBA delivered a number of updates and improvements to the Registry in 2013-14, most notably including an enhanced self-service data extract capability that facilitates more detailed analysis.

A significant enhancement of the ABDR was the release of the MyABDR smartphone application for Android and iPhone on 28 February 2014. This app works as a patient interface into ABDR and exchanges a rich set of information including treatment and bleeds, inventory stock on hand and discards, weight and height, treatment plans, memos, contact, photographs, documents and delivery address information and includes a reporting module. The full deployment, including face to face HTC staff and patient/carer training sessions across Australia has concluded with sessions receiving positive feedback from both the patients and HTC staff. The MyABDR app was officially launched by Senator The Hon Fiona Nash, Assistant Minister for Health on 21 March 2014.

As highlighted on p.46, the NBA won three ACT iAwards presented by the ACT Chief Minister on 17 June 2014 for the MyABDR App development topping each of the categories of:

- Government
- Health
- Community

The iAwards State Presentations are where iAwards host organisations, local branches, sponsors and members of the local ICT industry announce the State and Territory winners and national finalists for the prestigious 2014 iAwards. These awards honour the best and most innovative solutions in each State or Territory. Winners and merit recipients of these State and Territory awards go on to represent their State or Territory at the national phase of judging which will be held in Melbourne on 29 August 2014 at the Melbourne Convention and Exhibition Centre.

BloodNet

The implementation of BloodNet across health providers continued throughout 2013-14, with 98 per cent of volume issued by the Blood Service nationally processed through BloodNet as at 30 June 2014. Significant BloodNet enhancements delivered in 2013-14 included:

- a refresh of the BloodNet Graphic User Interface (GUI) and website
- the development and release of a range of BloodNet reports that improve the management utility of the system for users, including for example, fate reports for health providers that summarise issues, transfers and discards
- development and implementation of BloodNet-Laboratory Information System (LIS) interfaces at an individual health provider level. Over 20 per cent of volume issued by the Blood Service nationally is now processed through an automated LIS interface, improving efficiency and accuracy.



Senator The Hon Fiona Nash, Assistant Minister for Health at the official launch of the MyABDR app on 21 March 2014

MyABDR – a global first – integrated patient recording for people with bleeding disorders



A secure smartphone app and web site to record treatments and bleeds

- » *Quick*
- » *Easy*
- » *Reliable*
- » *Secure*
- » *Private*



The MyABDR patient interface into the Australian Bleeding Disorders Registry (ABDR) was launched by Senator The Hon Fiona Nash, Assistant Minister for Health on 21 March 2014.

MyABDR enables people with bleeding disorders and their carers to record their bleeds, infusions and product inventory in real-time, enabling them to assume greater control of their own health.

All data entered into MyABDR is stored in the ABDR in real-time, which enables patients and the health professionals caring for them to have access to the latest information in a single system.

Since its launch, over 300 patients have already registered and commenced using the app, with additional patients joining the system every day.

In addition to receiving high praise from users and health professionals across Australia, MyABDR was also recognised by the ICT industry. MyABDR was awarded three different awards in the ACT division of the iAwards for the categories of government, community and health.



Peter O'Halloran and Michael Linegar from the NBA receive the iAward from ACT Chief Minister Katy Gallagher

Sector monitoring

In 2013-14, the NBA further strengthened its horizon scanning of international developments that may influence the management of blood and blood products in Australia. This monitoring activity informs the provision of current, proactive and informed analysis to governments to enable the NBA to fulfil its functions under the National Blood Agreement.

Our focus in 2013-14 was:

- new product developments and applications
- global regulatory and blood practice trends, including donor safety
- scientific and clinical research with implications for future supply or demand in the sector
- business events that may have an impact on global supply, demand and pricing, such as changes in company structure, financial outlook, production capacity, organisation, ownership, and marketing and contractual arrangements
- diseases or pandemics that may have an impact on supply or risks to the safety of products
- developments in testing methods, vaccines and disease control strategies that could potentially mitigate risks to supply
- any other emerging risks that could potentially put financial or other pressures of any kind on the Australian sector.

The NBA regularly posts to its website a selection of items from this horizon scanning process, illustrating the wide range of factors which may influence industry operations and patient outcomes. This information is available from www.blood.gov.au/monitoring-international-trends-blood-sector. It includes a June 2014 paper on trends in infectious diseases of potential interest to the blood sector.

During 2013-14 the NBA closely monitored a number of key developments, including:

- discussion of fresh blood and its constituents included increasing acceptance of a restrictive transfusion policy
- issues debated in patient blood management emphasised transfusion protocols in specific contexts such as major trauma (including brain injury) and various surgical specialties
- suppliers continued to develop and trial longer acting clotting factors for patient convenience; some of these products received their first regulatory approval somewhere in the world
- researchers continued to seek treatments for haemophilia other than the administration of clotting factors. These included gene therapy and the administration of RNAi therapeutics
- stem cell research continues to have relevance to the blood sector in its potential to lead to transfusable product and to lead to changes in the surgical contexts in which transfusion may be considered
- CSL opened the CSL Behring (Australia) Pty Ltd biotechnology manufacturing facility in Melbourne, and Grifols opened its major new plasma fractionation facility in North Carolina.

OBJECTIVE 3. PROMOTE THE SAFE AND EFFICIENT USE OF BLOOD AND BLOOD PRODUCTS

In 2013-14, the NBA increased its efforts to promote the safe and efficient use of blood and blood products, including the delivery of a range of key reference material and accelerated supporting implementation activities in relation to reducing wastage and improved fresh blood use based on the NBA developed *Patient Blood Management (PBM) Guidelines*.

Reference Development

In 2013-14, the NBA focused reference development on progressing Modules 5 and 6 of the PBM Guidelines and new National Haemophilia Guidelines. The NBA also completed a review of the process for updating the PBM Guidelines, scheduled to commence for the first modules in 2015. The NBA will seek to optimise the efficiency and timeliness of the Guideline updating process.

PBM Guidelines

Over 100,000 copies of the PBM modules 1 to 4 have been either issued in hard copy or downloaded in over 60 countries. They provide evidence based guidance on optimisation of the patient's own blood, non-transfusion strategies to minimise blood loss and bleeding and strategies to manage anaemia. In 2013-14 the NBA progressed the development of the PBM Guidelines: Module 5 Obstetrics and Maternity and Module 6 Paediatric and Neonatal. The public consultation draft of Module 5 was provided to the National Health and Medical Research Council (NHMRC) and is expected to be published in early 2015. Module 6 progressed to the Clinical/Consumer Reference Group examination of evidence related to the first of four questions. Module 6 is scheduled for publication in 2016.

National Haemophilia Guidelines

The NBA has worked closely with the Australian Haemophilia Centre Directors' Organisation (AHCDO) during 2013-14 to progress the new National Haemophilia Guidelines to replace the existing *Clinical Practice Guidelines for the Use of Recombinant and Plasma-Derived Factor VIII and Factor IX products* published in 2006. The revised guidelines will provide more comprehensive, patient-focused guidance to support the management of patients with haemophilia. The revised guidelines are expected to be published in 2015.

Implementation

A core element of ensuring reference material influences the safe and efficient use of blood and blood products are activities that support their implementation. In 2013-14, the NBA accelerated activities to support implementation of measures to reduce wastage of blood and improve appropriate use through PBM as defined in the JBC approved National Blood and Blood Product Wastage Reduction Strategy 2013-2017 and the National Patient Blood Management Guidelines Implementation Strategy 2013-2017. The strategies address a significant proportion of requirements identified in the 2010 Australian health ministers' *Statement on national stewardship expectations for the supply of blood and blood products*. Although the strategies differ in terms of specific outcomes, the strategies share key common elements including the development of:

- best practice tools
- promotional and communication activities
- supporting education and training
- data to support implementation of improvement.

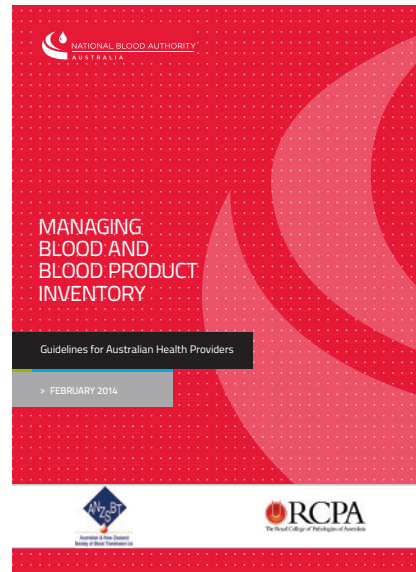


PBM Guidelines publication covers

Best practice tools

In 2013-14 the NBA intensified its development of best practice tools to support health providers to implement improvements in the management and use of blood and blood products, including development of:

- guidance for the implementation of a PBM programme
- materials for the implementation of a single unit policy
- guidance for the provision of intraoperative cell salvage
- a guidance module for inter-hospital transfers as part of the Managing Blood and Blood Product Inventory Guidelines for Australian Health Providers
- guidance on acute transfusion reaction, recognition and management chart
- red blood cell and massive transfusion protocol clinical audit tools
- a case study on preoperative anaemia identification, assessment and management
- a case study on the Prince Charles Hospital implementing point of care testing
- promotional products for use within hospitals to raise awareness of wastage of blood and blood products.



Promotion and communication

With the increased focus on appropriate use of fresh blood products, opportunities to promote the guidelines and NBA's key messages at conferences and sector events were leveraged in 2013–14. Through trade stands, presentations or conference advertising, NBA initiatives were promoted at the following key events:

- Australian Society of Anaesthetists National Scientific Congress, Canberra, September 2013
- Australian and New Zealand Intensive Care Society (ANZICS) Annual Scientific Meeting, Hobart, October 2013
- 2013 Annual Scientific Meetings of the Haematology Society of Australia and New Zealand, Australian & New Zealand Society of Blood Transfusion and the Australasian Society of Thrombosis and Haemostasis (HAA), Gold Coast, October 2013
- Australian Private Hospitals Association (APHA) 33rd National Congress, Melbourne, March 2014
- Combined Royal Australian College of Surgeons (RACS) Annual Scientific Congress and Australian and New Zealand College of Anaesthetists (ANZCA) Annual Scientific Meeting, Singapore, May 2014
- World Federation of Haemophilia Congress, Melbourne, May 2014
- Blood Service Transfusion Update, Melbourne, May 2014

The NBA also sponsored a number of stand-alone events designed to improve awareness and understanding of improvements required in the management and use of blood and blood products.

- The NBA engaged the Australian Commission on Safety and Quality in Health Care (ACSQHC) to co-brand a series of National Blood Symposia held in September 2013 in Sydney, Melbourne and Adelaide. The symposia, attended in total by more than 650 health professionals, were focused on supporting the implementation of Standard 7 Blood and Blood Products of the National Safety and Quality Health Service Standards (NSQHS).
- The NBA joined the Western Australian Department of Health to co-sponsor the inaugural National Patient Blood Management Conference, titled "Patient Blood Management as a standard of care in Australia: Past, Present and Future" (see p.53). The conference agenda included presentations from a cross section of international, national and local experts. The conference was acclaimed by over 300 attendees as highly successful with a strong demand for further events focused on PBM.

In 2013–14 members of the NBA Clinical/Consumer Reference Group presented on the PBM Guidelines at numerous international, national and local meetings.

Education and Training

National Blood Sector Education and Training Strategy

With the publication of the PBM Guidelines and the implementation of Standard 7 Blood and Blood Products, the demand for supportive education, training and information resources has risen. In 2013-14, the NBA developed the JBC approved *National Blood Sector Education and Training Strategy 2013-2016*. The strategy outlines a plan to work with current education and training providers to address the growing demand for high quality, well-tailored education, training and health promotion materials to support the implementation of evidence-based practice and attainment of health service accreditation under the new standards.

BloodSafe eLearning Australia

BloodSafe eLearning Australia is funded by all Australian governments. The online site offers a range of courses relating to clinical transfusion practice including PBM, blood specimen collection and product handling. The suite of courses has proved to be very popular with 252,217 registered users and 65,284 new registrations in 2013-14. On average the site attracts about 5,500 new registrations and 10,500 course completions per month.

There were 31 per cent repeat registered users during 2013-14 demonstrating that existing users continue to return to the site to participate in new educational offerings.

The following enhancements were made to BloodSafe eLearning Australia during 2013-14:

- release two new modules, one on PBM and one on Perioperative which was based on the NBA's Perioperative module of the PBM Guidelines
- update of the website to improve access including compatibility with mobile devices at www.bloodsafelearning.org.au
- Critical Bleeding and Postpartum Haemorrhage courses recognised as an emergency response activity for ANZCA Continuing Professional Development programme
- review of the Iron Deficiency Anaemia module in response to clinical feedback
- commencement on the development of a new module based on Module 4 Medical of the PBM Guidelines.

National Safety and Quality Health Service Standards

As part of the National Health Reforms, the ACSQHC has developed the NSQHS Standards. These standards are intended to drive improvement in safety and quality for patients. They also provide a clear statement of the level of care consumers can expect from health services. Accreditation against the standards commenced in January 2013. The NBA is committed to supporting health service organisations meeting the requirements under Standard 7 Blood and Blood Products. During 2013-14 the NBA worked with the Commission and other stakeholders to develop resources to support implementation of the Standard.

At the request of the Commission, the NBA also led a second series of webinars in October 2013 to provide an overview of the expectations outlined within Standard 7.

June 2014: Inaugural Patient Blood Management Conference



The Western Australian Department of Health and the NBA co-sponsored the inaugural Patient Blood Management (PBM) conference in Perth on 20-21 June 2014. The conference, entitled "Patient Blood Management as a standard of care in Australia: Past, Present and Future", included both International and Australian speakers.

The international speakers were: Stephan von Haehling from Berlin whose primary research interest is iron deficiency and cardiac failure; Michael Lill from Cedars-Sinai whose research interests focus on myelodysplastic syndrome and Axel Hoffmann who presented on "what is the cost of a blood transfusion?"



The Australian speakers, all PBM champions in their own right, presented on topics such as anaemia management and treatment, cardiac surgery, orthopaedic surgery, paediatrics, gastroenterology research, preoperative patient screening and scheduling, intraoperative cell salvage, goal directed therapy for managing coagulopathies, data and the tensions for PBM between a patient focus and a product focus.

The conference had 315 enthusiastic registrants and the audience comprised clinicians, nurses and pathology providers from the public and private sectors as well as representatives from consumer organisations, government and sponsors. The evaluation feedback received from the attendees was very positive with many suggesting the PBM conference should become an annual event.

Research and Development

National Blood Sector Research and Development Priorities

Under the National Blood Agreement the NBA is charged ‘...to facilitate and fund appropriate research, policy development or other action in relation to new developments by relevant government or non-government persons or bodies.’ In 2012–13 NBA worked with stakeholders to release the *National Blood Research and Development Strategic Priorities 2013–2016*. The purpose of the publication is to provide a useful resource to guide priority setting for research. It may be used by researchers to support funding requests, by identifying that their research aligns with priorities communicated by governments.

In 2013–14 the NBA partnered with the Transfusion Outcomes Research Collaborative (TORC) on a successful NHMRC project grant application to improve outcomes for patients with critical haemorrhage requiring massive transfusion. The project is consistent with the national research and development strategic priorities in that it seeks to:

- systematically measure and monitor transfusion practice and outcomes in patients with critical bleeding requiring massive transfusion. This will be achieved using data generated by the bi-national expansion of the Massive Transfusion Registry (MTR), which has already been successfully piloted at six Australian sites
- provide robust national data on blood utilisation for massive transfusion to inform blood supply planning and inventory management and thereby improve equity of access to blood products
- inform development of future clinical studies of patients with critical bleeding and provide a mechanism to support and measure translation of new findings into practice.



3

MANAGEMENT AND ACCOUNTABILITY

GOVERNANCE STRUCTURE

OPERATIONAL PLANNING

CUSTOMER SERVICE CHARTER

EXTERNAL SCRUTINY

FRAUD CONTROL

HUMAN RESOURCES AND PEOPLE MANAGEMENT

GOVERNANCE STRUCTURE

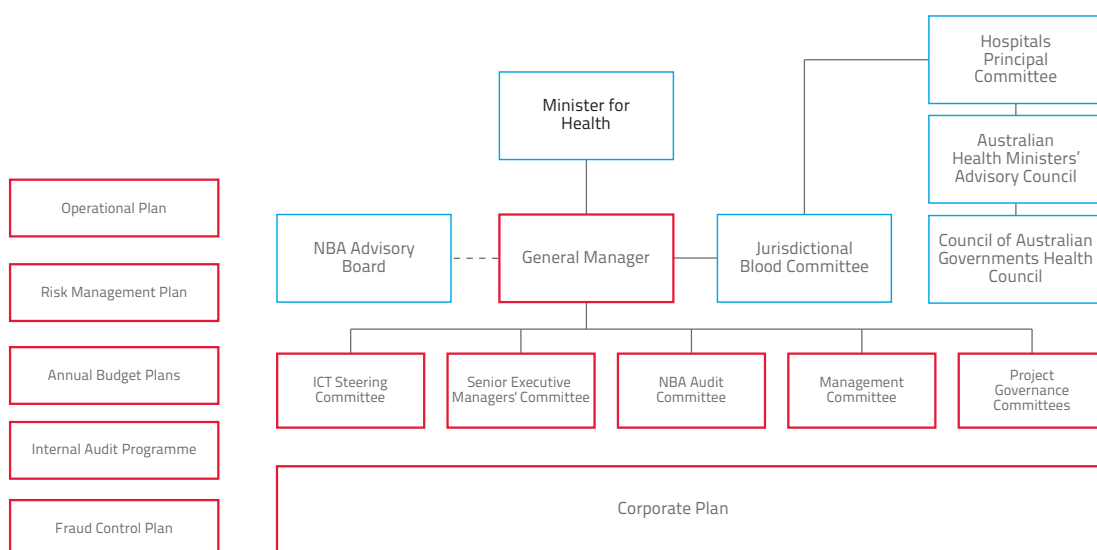


FIGURE 3.1 NBA Governance structure

Governance Committees

An overview of the NBA Governance structure is shown in Figure 3.1.

Five governance committees assist the NBA General Manager to plan and manage corporate governance, outcome delivery, strategic projects and stakeholder interests:

- The **Senior Executive Managers' Committee** is the NBA's primary policy and process decision-making body and comprises the senior executive management team. The committee meets once a week and supports the General Manager in operational matters relating to outcome delivery, risk management, stakeholder management, ethics and governance of the NBA.
- The **Management Committee** is a wider group of managers made up of direct reports to the General Manager and Executive Level 2 Directors and meets once a month to discuss and progress operational and performance issues.
- The **ICT Steering Committee**, chaired by the NBA General Manager, provides strategic direction and oversight of the NBA's information, communications, technology and knowledge management activities. Membership of the committee includes Senior Executive Management, the Chief Finance Officer and the Deputy Chief Information Officer.

- The **Project Governance Committees**, chaired by the NBA General Manager, provide governance oversight of major strategic projects of material significance. The terms of reference and membership of each committee is specific to the project. Project Governance Committees operated in 2013-14 for the following projects:
 - MyABDR Development and Implementation
 - BloodNet/ABDR Development and Enhancement
 - Immunoglobulin Governance Project
 - Immunoglobulin Governance Database
- The **Audit Committee** provides independent assurance and advice to the General Manager on strategies to enhance the organisation's governance control and risk management framework, the planning and conduct of the NBA internal audit programme and support financial and legislative compliance. The Committee met six times in 2013-14. Its membership in 2013-14 was as follows:
 - Ms Jennifer Morison (Chair) (retired 11 October 2013)
 - Mr Ken Barker (Member until 11 October 2013; Chair from 12 October 2013)
 - Mr Mick Roche
 - Mr Paul Bedbrook (Member from 25 November 2013)
 - Representatives from the ANAO and the NBA internal auditors (KPMG) also attend meetings as observers for most matters.

NBA Management

During 2013-14 the NBA senior executive management team comprised the following:

- General Manager - Mr Leigh McJames
- Deputy General Manager and General Counsel - Mr Michael Stone
- Executive Director Fresh Blood, Data & Clinical Development - Ms Sandra Cochrane
- Executive Director Health Provider Engagement and Chief Information Officer - Mr Peter O'Halloran

As at 30 June 2014, the NBA comprised the following 13 teams/business streams:

- Blood Sector Clinical Development
- Secretariat and Communications
- Data and Information Analysis
- Finance and Risk Management
- Health Provider Engagement
- Horizon Scanning
- Human Resources and Corporate Support
- iBlood Applications Development
- iBlood Infrastructure

- Ig Governance
- Legal Services
- Supply Management – Fresh Blood
- Supply Management - Plasma and Recombinant Products

Internal Audit

The NBA's internal audit programme, guided by the Audit Committee, plays a key part in risk mitigation. The NBA has a comprehensive risk management framework that includes a living risk register and an annual bottom-up hierarchical risk review process. The Audit Committee reviews the risk register on an annual basis as a key input in developing the internal audit programme.

KPMG conducted a range of audits and reviews in line with the work programme developed in conjunction with the Audit Committee. The 2013-14 work programme encompassed reviews on risk management, governance arrangements, imported plasma and recombinant products procurement, credit cards and protective security policy framework.

The Audit Committee continued to monitor the implementation of internal audit report recommendations through status reports.

OPERATIONAL PLANNING

The NBA has established a comprehensive three year planning framework (2013-16) as depicted in Figure 3.2. The NBA Operational Plan outlines the supporting work programme for the first year of this framework and is structured to align with the goals and objectives identified in the approved JBC Strategic Plan 2013-15 and NBA Corporate Plan 2013-16. Other key documents the work programme takes into account include:

- JBC-approved National Blood Sector Data and Information Strategy and Scorecard 2013-2016
- JBC-approved National Blood Sector ICT Strategy 2013-2016
- JBC-approved National Blood and Blood Product Wastage Reduction Strategy 2013-2017
- JBC-approved National Patient Blood Guidelines Implementation Strategy 2013-2017
- National Blood Sector Education and Training Strategy 2013-2016
- NBA Risk Management Register.

Progress against the Operational Plan is monitored and reported on by Executive Members and the General Manager on a quarterly basis. The quarterly report on progress against key actions is provided to the NBA Board and Audit Committee.

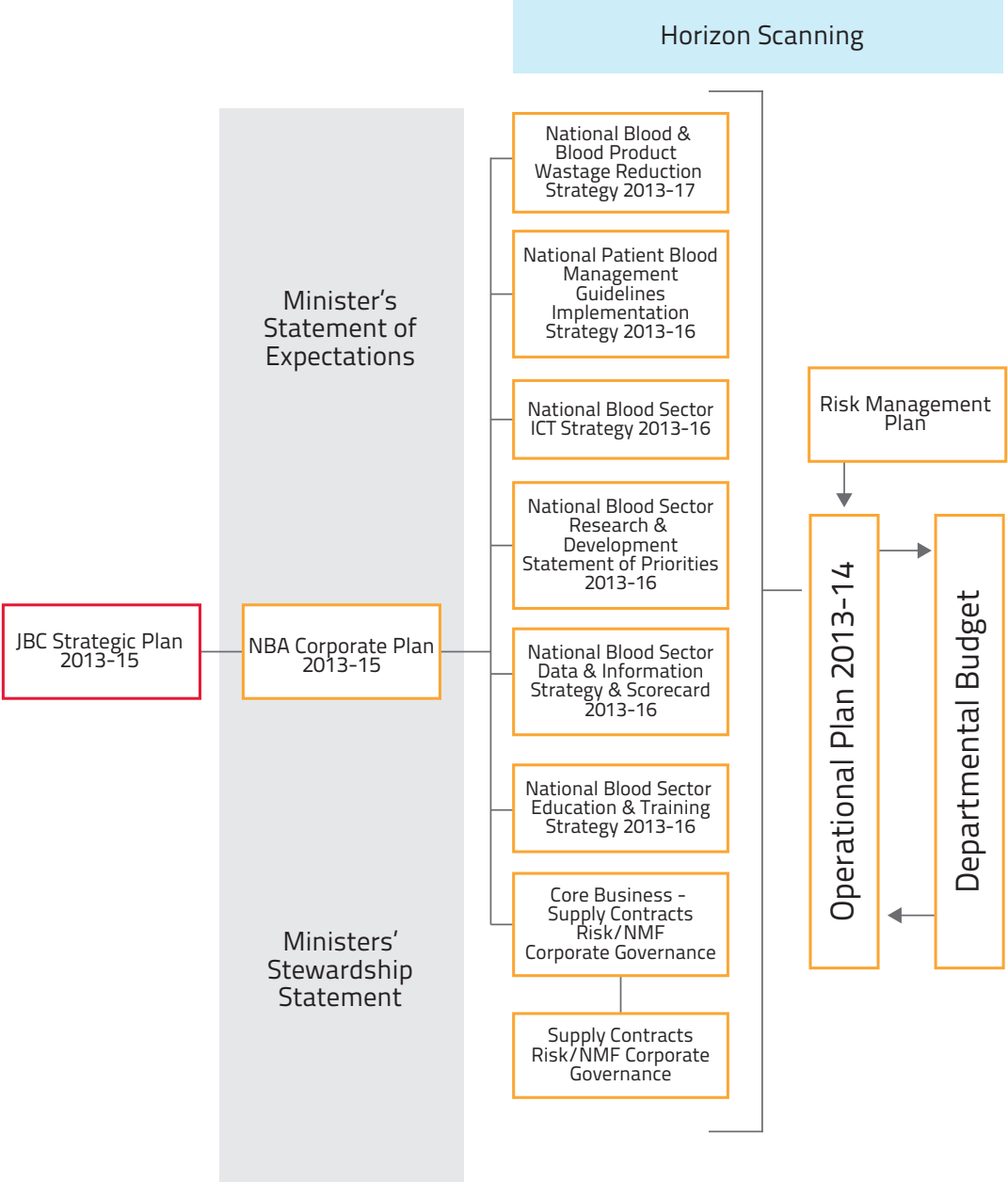


FIGURE 3.2 NBA Planning Framework

In 2013–14, the NBA delivered 96 per cent of activities against the planned outcomes. Table 3.1 demonstrates the overall trend in the NBA’s delivery against our operational plans over the past three years.

TABLE 3.1 NBA’s performance in achieving operational plan objectives, 2011–12 to 2013–14

Year	2011–12	2012–13	2013–14
Performance (%)	87%	91%	96%

Key operational achievements for 2013–14 included:

- national rollout of MyABDR, a unique app that allows patients to interface with their medical record in the Australian Bleeding Disorders Registry
- national tender for recombinant products achieves an annual saving of \$50 million per annum
- an array of best practice tools and case studies supporting the implementation of PBM and improved inventory management developed and published
- BloodNet interfaces with hospital laboratory information systems established to cover 20 per cent of all orders for blood and blood products
- comprehensive national review of risk in the blood sector completed
- inaugural national blood symposiums conducted in Sydney, Melbourne and Adelaide to support implementation of the National Safety and Quality Health Service Standard 7 on Blood and Blood Products
- inaugural PBM conference held in Perth.

2014–15 Operational Plan

The NBA finalised the 2014–15 operational plan in June 2014. The plan outlines the supporting work programme for the second year of the three year planning framework.

CUSTOMER SERVICE CHARTER

The NBA Customer Service Charter sets out the standards of service people engaging with the NBA can expect. The NBA is committed to providing a professional, high quality and efficient service to clients, stakeholders and the general public, in accordance with the *Public Service Act 1999*. Our roles and responsibilities in dealing with external clients, and their rights in dealing with us, are described in the charter, which is available on the NBA website at www.blood.gov.au/charter.

We invite feedback and during 2013-14 the NBA received 12 formal responses, commenting positively on NBA initiatives.



EXTERNAL SCRUTINY

There have been no judicial decisions, decisions of administrative tribunals or decisions of the Australian Information Commissioner in 2013-14 that have had, or may have, a significant impact on the operations of the NBA. There were no legal actions lodged against the NBA in 2013-14.

There have been no reports on the operations of the NBA by the Auditor-General (other than the reports on financial statements), or a Parliamentary committee or the Commonwealth Ombudsman in 2013-14.

FRAUD CONTROL

The *Commonwealth Fraud Control Guidelines* require agencies to conduct a fraud risk assessment and develop a fraud control plan every two years. The NBA updated its fraud risk assessment in 2013-14.

Fraud awareness training was conducted with NBA staff during 2013-14.

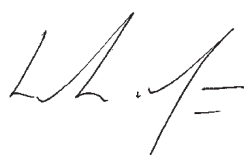
Under the current fraud control plan, the NBA continually monitors accountability and control frameworks to meet the specific needs of the agency, and ensures that it complies with the *Commonwealth Fraud Control Guidelines*.

No instances of fraud were detected during the reporting year.

Certification of fraud control arrangements

I, Leigh McJames, certify that I am satisfied that for 2013-14, the National Blood Authority has:

- prepared appropriate fraud risk assessments and a fraud control plan that complies with the *Commonwealth Fraud Control Guidelines*
- appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes in place that meet the specific needs of the NBA
- taken all reasonable measures to minimise the incidence of fraud in the NBA and to investigate and recover the proceeds of fraud against the NBA.



Leigh McJames
General Manager
National Blood Authority



HUMAN RESOURCES AND PEOPLE MANAGEMENT

During 2013-14, the NBA continued its commitment to managing and developing its employees to meet organisational objectives. The results of the 2013-14 Australian Public Service Commission (APSC) State of the Service report indicate the success of the NBA in developing and maintaining a strong team culture focused on outcome delivery, including recognition of the NBA as:

- having the second lowest rate of unscheduled leave across the entire Australian Public Service (APS) (5.8 days per year per employee)
- having the second highest rate of women in senior leadership (direct reports to the Agency Head) across small agencies.

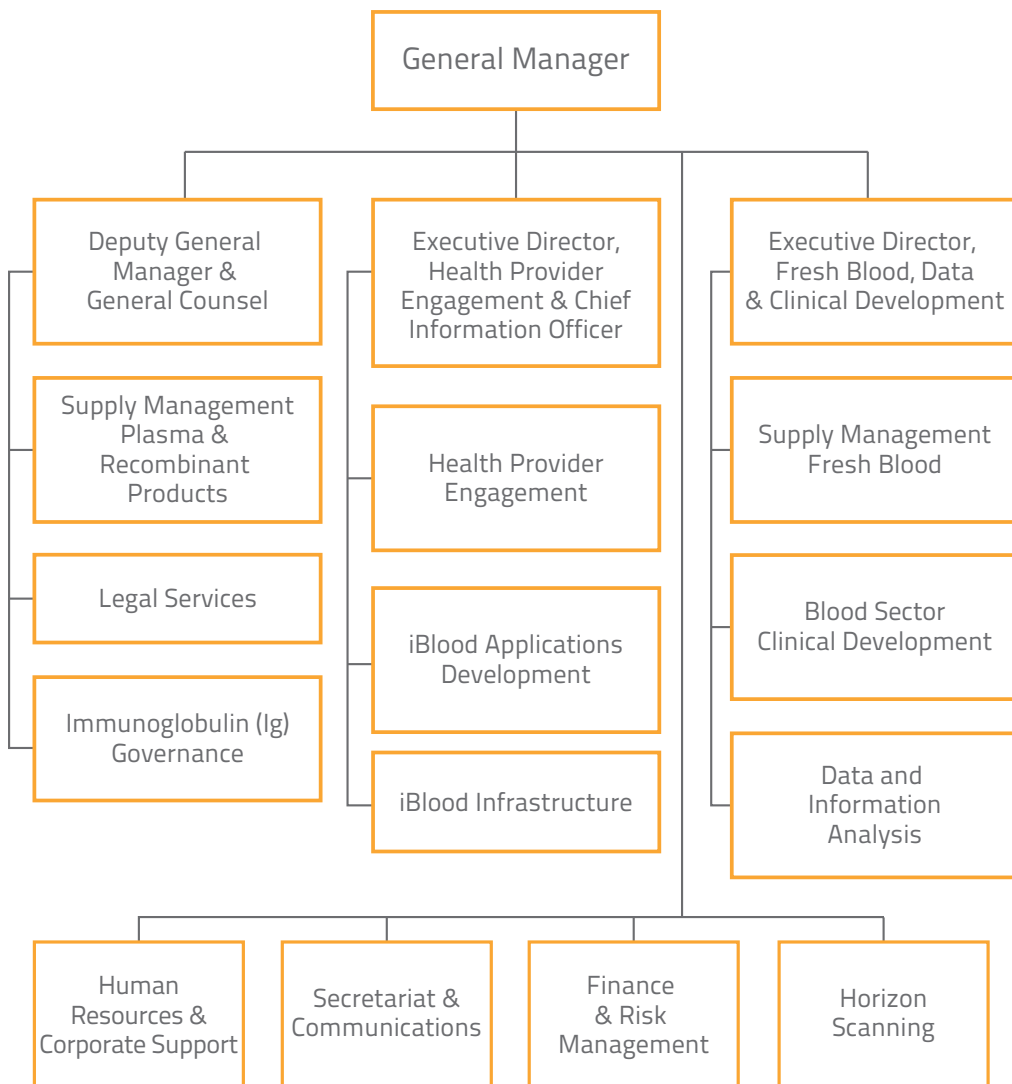


FIGURE 3.3 NBA Organisation Chart

Our values

The roll-out of the new APS Values, Employment Principles and Code of Conduct was delivered in mandatory sessions to all staff in early 2013-14. The NBA strongly endorses the philosophy of the new APS Values, Employment Principles and Code of Conduct and it's this basis which forms the expectations for the behaviour and conduct from all of our staff. Employees at the NBA understand their responsibilities associated with being a member of the APS and being a representative of the Australian Government.

Staffing information

The total number of staff employed in the NBA remained constant from the previous year with 56 employees (54.11 full time equivalent) at the end of June 2014. Of these 56 employees, four people were on long-term leave. Tables 3.2 & 3.3 provide a breakdown of NBA staff numbers by classification, gender and employment type.

We have a diverse workforce with 28.5 per cent of NBA employees identifying as being from non-English speaking backgrounds and/or born outside of Australia.

TABLE 3.2 Number of NBA staff at 30 June 2014

Substantive Role Classification	Female (Full- Time)	Female (Part-Time)	Male (Full-Time)	Male (Part-Time)	Total
Statutory office holder	Nil	Nil	1	Nil	1
Senior Executive Service	Nil	Nil	1	Nil	1
EL 2	3	Nil	3	Nil	6
EL1 Legal	Nil	1	Nil	Nil	1
EL 1	13	1	9	Nil	23
APS 6	9	2	1	Nil	12
APS 5	4	1	1	1	7
APS 4	1	1	2	Nil	4
APS 3	Nil	1	Nil	Nil	1
Total	29	8	18	1	56

TABLE 3.3 Breakdown of ongoing and non-ongoing NBA staff at 30 June 2014

Substantive Classification	Ongoing	Non-ongoing
Statutory office holder	1	Nil
Senior Executive Service	1	Nil
EL 2	6	Nil
EL 1 Legal	1	Nil
EL 1	22	1
APS Level 6	8	4
APS Level 5	5	2
APS Level 4	2	2
APS Level 3	1	Nil
Total	47	9

The average age of NBA staff is 42.4 years. Table 3.4 provides a breakdown of the age demographic of NBA employees.

TABLE 3.4 Age demographic of NBA staff at 30 June 2014

Age profile	Number of employees
20 – 25	2
26 – 30	7
31 – 35	4
36 – 40	10
41 – 45	15
46 – 50	5
51 – 55	7
56 – 60	4
61 – 65	1
66 – 70	Nil
71+	1

NBA Enterprise Agreement

The current enterprise agreement (EA) was approved on 24 June 2011. The table below details salary levels of staff by classification for 2013–14.

TABLE 3.5 Salary levels of NBA staff by classification at 30 June 2014

Classification	Minimum (\$)	Maximum (\$)
EL 2	111,677	125,823
EL 1	93,974	106,732
EL1 Legal	93,568	113,287
APS Level 6	76,139	85,895
APS Level 5	69,019	72,846
APS Level 4	63,456	67,051
APS Level 3	56,008	62,083

TABLE 3.6 Numbers of NBA staff on types of employment agreements

Staff	Enterprise Agreement	Common law or Section 24 Agreement
Principal Executive Officer	0	1
SES	0	1
Non-SES	54	0

Non-salary benefits

The EA and other employment arrangements provide a range of non-salary benefits in addition to those consistent with national employment standards and the *Fair Work Act 2009*. The benefits provided are very similar to those provided by many other agencies and are detailed in the EA and available on the NBA website at www.blood.gov.au/employment-benefits.

TABLE 3.7 List of non-SES and SES non-salary benefits

Non-SES employees may have access to the following non-salary benefits

- access to the Employee Assistance Programme (EAP)
- maternity and adoption leave
- parental leave
- leave for compassionate purposes
- access to leave at half pay
- flex-time (for APS level employees)
- flexible working arrangements with time off in lieu (TOIL) where appropriate (for Executive Level employees only)
- access to home-based work, laptop computers, dial-in facilities, and mobile phones
- financial and/or paid leave to support professional and personal development
- provision of eyesight testing and reimbursement of prescribed eyewear costs specifically for use with screen-based equipment
- access to the NBA's health and wellbeing programme
- influenza vaccinations for staff and their immediate family members
- annual Christmas close-down
- access to purchase an additional four weeks annual leave per year.

SES non-salary benefits include all of the above (except flex-time and TOIL) plus

- onsite car parking
- airport lounge membership
- cash in lieu of vehicle leasing arrangements.



Workforce planning, staff turnover and retention

Staff turnover in 2013–14 was 19.6 per cent, a reduction of 4.8 per cent from the previous year. The average length of service for NBA staff is approximately 3.02 years, an increase from 2.92 years in 2012–13 and 25 per cent of staff have been employed with the NBA for more than five years.

The impact of the interim arrangements for recruitment in the APS has provided its challenges, but conversely it has allowed the NBA to offer new and exciting opportunities to internal and ongoing APS employees.

Productivity gains

During the year, the NBA continued its rationalisation of staffing levels resulting in an overall reduction of Executive Level and higher APS classifications positions contributing towards the government's efficiency dividend strategy. This rationalisation strategy will continue to be implemented throughout the 2014–15 year.

Throughout 2013–14, the NBA continued to implement productivity gains with the extension of the Aurion contract for the outsourcing of payroll services and utilising a number of other Commonwealth panel arrangements for the provision of services such as recruitment, training and EAP.

Employee and agency census

The surveys undertaken by the NBA in 2013–14 were the APSC State of the Service Employee Census and the APS State of the Service Agency Survey. The APSC set a target rate of 65 per cent of APS employee participation for the Employee Census and the NBA exceeded this with a 76 per cent return, eight per cent higher than the APS participation rate.

The overall employee census outcomes for the NBA were very pleasing, indicating the organisation has a happy and motivated workforce, however areas for improvement relate to addressing under performance and increasing opportunities for talent management/career progression and innovation.

Remuneration and performance pay

Total remuneration for senior executive officers is determined through negotiation between individual officers and the General Manager, taking into account the broader Government economic environment as well as APS and Remuneration Tribunal benchmark data. Performance pay is not applicable to NBA staff.

Professional and personal development

The NBA recognises the importance of ensuring that staff continue to develop their skills and this is facilitated through sourced internal training, delivery of internal Knowledge Management forums, as well as external training such as conferences, seminars, accredited training organisations and learning institutions. Significant changes to Australia's privacy legislation came into effect on 12 March 2014. The NBA implemented internal processes to account for these changes, and provided staff with training on the new requirements during early 2014.

As part of its role in the health sector, the NBA is encouraged to attend a number of health conferences to promote blood usage awareness. Opportunities were offered to staff from all areas of the NBA, to attend a number of conferences as there is a view that any NBA employee should be able to represent the NBA at any forum.

Part E of the EA states that the NBA will work to identify, assess and cost a range of initiatives to further enhance its organisational productivity, build team cohesion, improve cross team communications, increase staff retention and further build and promote our positive, collegiate culture. A planning afternoon was held on-site in December 2013 for all staff and was a successful exercise in team-building as well as reinforcing and embedding the NBA's direction for the 2013-14 year.

Staff health and wellbeing

The NBA recognises the value of encouraging a work environment that supports the health and fitness of its employees. During 2012-13, the NBA Health and Fitness Promotion Programme expanded its range of activities. The eligible activities which are now open to staff include:

- classes and activities such as in-house yoga and self-defence
- health memberships
- special events such as the 12-week 10,000 step challenge
- specialist advice/programmes
- sporting clothing and equipment

Information relating to Work Health and Safety is located at Appendix 4.



4

PART 4

FINANCIAL MANAGEMENT

FINANCIAL MANAGEMENT

FINANCIAL PERFORMANCE

ASSETS MANAGEMENT

PURCHASING

FINANCIAL STATEMENTS



FINANCIAL MANAGEMENT

Funding

The functions of the NBA are outlined in the *National Blood Authority Act 2003* and the National Blood Agreement. As a material statutory agency, the NBA has a range of corporate and compliance responsibilities under the *National Blood Authority Act 2003*, the *Financial Management and Accountability Act 1997*, and the *Australian Public Service Act 1999*, along with a responsibility to meet ministerial, parliamentary and financial reporting requirements.

Under the National Blood Agreement between the Australian Government and the states and territories, 63 per cent of NBA funding is provided by the Australian Government and the remaining 37 per cent is provided by the state and territory governments. The funding covers both the national blood supply and the operations of the NBA.

Special accounts

The NBA operates through two special accounts, the National Blood Account and the National Managed Fund (NMF) (Blood and Blood Products) Special Account.

Special accounts are held in the Consolidated Revenue Fund and are used for setting aside and recording amounts to be used for specified purposes. Funding received from the Australian Government and the states and territories is held within the special accounts and expended as required.

Funding for the supply of blood and blood products and the operation of the NBA is included in the National Blood Account, established under section 40 of the *National Blood Authority Act 2003*.

The NMF (Blood and Blood Products) Special Account was established under section 20 of the *Financial Management and Accountability Act 1997* to accumulate funds required to meet potential product liability claims against the Blood Service. Contributions to the account are made by all governments and the Blood Service. In addition, interest is received on special account balances.

For budgeting and accounting purposes, the NBA's financial transactions are classified as either departmental or administered revenues or expenses:

- assets, liabilities, revenues and expenses controlled by the NBA for its operations are classified as departmental revenues and expenses
- activities and expenses controlled or incurred by the NBA on behalf of governments, mainly for the procurement of the requested products and services, are classified as administered revenues and expenses.

Transactions in the National Blood Account are separated into departmental and administered components. All balances in the NMF (Blood and Blood Products) Special Account are administered funds.

The NBA's agency resource statement and total resources for outcome tables are given in Appendix 4. Table 4.1 summarises the NBA's revenue and expenditure for 2013–14.

TABLE 4.1 Overall funding and expenditure for the NBA in 2013–14: a summary

	Funding Incl. Appropriations (\$M)	Expenditure (\$M)
Departmental - NBA Operations	10.203	10.438
Administered - national blood and blood product supply	1,101.410	1,044.914

FINANCIAL PERFORMANCE

This section provides a summary of the NBA's financial performance for 2013–14. Details of departmental and administered results are shown in the audited financial statements (see pages 82–146), and this summary should be read in conjunction with those statements.

Audit report

The NBA received an unqualified audit report for 2013–14.

Departmental finances

The NBA's departmental finances cover the NBA's operations.

Operating result

The NBA's income statement reports a 2013–14 operating deficit of \$0.235 million, compared with an operating deficit of \$0.642 million in 2012–13. Table 4.2 shows the key results for the period 2009–10 to 2013–14.

TABLE 4.2 Key results in financial performance, 2009–10 to 2013–14

Revenue & expenses	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)
Contributions from the Australian Government	5.712	5.948	5.686	6.201	6.090
Contributions from States and Territories and other revenue	3.812	4.074	4.030	4.106	4.113
Total revenue	9.524	10.022	9.716	10.307	10.203
Employee expenses	5.636	5.869	6.776	6.490	6.632
Supplier expenses	2.677	3.114	2.840	3.569	3.149
Other expenses	1.162	0.801	0.764	0.890	0.657
Total expenses	9.475	9.784	10.380	10.949	10.438
Operating result	0.049	0.238	(0.664)	(0.642)	(0.235)

Revenue

Total departmental revenue received in 2013–14 amounted to \$10.203 million: \$6.090 million in funding from the Australian Government; \$4.113 million in contributions received from the states and territories and other revenue; and \$0.094 million for resources received free of charge. This represents a decrease of \$0.104 million (1.0 per cent) on revenue received in 2012–13. Other revenue refers to contributions arising from officers transferring from other agencies.

Expenses

The NBA's expenses for 2013–14 amounted to \$10.438 million, five per cent lower than in 2012–13. The Commonwealth Government restrictions in relation to recruitment actions were a significant factor in this reduction in expenses.

Balance sheet

Details of the NBA's assets and liabilities are presented in the audited financial statements in this report.

Financial assets

The NBA held cash of \$0.029 million at 30 June 2014. Funds received from all jurisdictions are transferred to the Official Public Account held by the Department of Finance until required for expenditure.

Non-financial assets

There was no significant change in the carrying amount of non-financial assets during the financial year.

Payables

Payables to suppliers and other payables increased by \$0.252 million, up from \$0.999 million in 2012–13.

Provisions

Employee provisions, which cover annual and long service leave entitlements, decreased slightly by \$0.055 million to \$1.317 million.

Administered finances

The NBA's administered finances include contributions from all states and territories and the Australian Government for the supply of blood and blood products. Each year the Council of Australian Governments (COAG) Health Council approves an annual National Supply Plan and Budget, which is formulated by the NBA from demand estimates provided by the states and territories.

Revenue

Total revenue for 2013–14 is presented in Table 4.3. Total revenue increased by \$43.1 million (a four per cent increase, up from two per cent the prior year) for the current financial year.

TABLE 4.3 Administered revenue, 2009–10 to 2013–14

Administered revenue	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)
Funding for supply of blood and blood products	871.195	939.212	1,015.586	1,049.337	1,095.922
Total administered revenues	872.549	941.016	1,034.910	1,058.281	1,101.410

Expenses

Total administered expenses for 2013–14 including grants and rendering of goods and services is presented in Table 4.4. Administered expenses for 2013–14 increased by 3.2 per cent over those for 2012–13. Key contributors to the outcome were a marked reduction in the demand for fresh blood products as a result of improvements in appropriate use, reduced wastage as a result of improved inventory management and increased value for money contract outcomes.

TABLE 4.4 Key results of administered expenses, 2009–10 to 2013–14

Administered expense	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)
Grants to the private sector - non-profit organisation	456.881	Nil	7.773	8.092	8.331
Rendering of goods and services - external entities	402.143	937.954	947.820	1,003.772	1,035.847
Other	0.128	0.310	0.291	0.493	0.736
Total administered expenses	859.152	938.264	955.884	1,012.357	1,044.914

Administered assets and liabilities

Administered assets comprise the following:

- funds held in the Official Public Account
- investments made in relation to the NMF
- Goods and Services Tax (GST) receipts from the Australian Taxation Office and payment to suppliers for products
- blood and blood product inventory held for distribution, including the national reserve of blood products
- a prepayment to the Blood Service as part of the transition to the OBFM.

Administered liabilities comprise payables to suppliers.

As a result of the surplus described above, net administered assets increased by \$64.1 million during 2013–14.



ASSETS MANAGEMENT

Physical assets are not a significant aspect of the NBA's strategic management. The NBA has developed an asset replacement strategy to ensure that it has adequate funding for the replacement of assets as these come to the end of their useful life.



PURCHASING

NBA adheres to the *Commonwealth Procurement Rules and Best Practice Guidance* when undertaking procurements. The guidelines are applied to the NBA's activities through chief executive and management instructions and key business processes.

The NBA has developed business processes to ensure that the knowledge and best practices developed within the agency for our key purchasing activities are captured and made available to new staff and that relevant procedures and processes are documented and followed.

Over recent years several internal audit programmes have tested these processes to ensure that they meet government policy and better practice. The audit findings have been consistently favourable in relation to complying with mandatory processes, but have also recommended opportunities to improve processes; these have been implemented.

The key business processes are constantly reviewed and refined as part of the NBA's own requirement for continual improvement in the management of its core business functions.

Exempt contracts

The General Manager did not issue any exemptions from the required publication of any contract or standing offer in the purchasing and disposal gazette.

Competitive tendering and contracting

There were no contracts of \$100,000 or more (inclusive of GST) let in 2013–14 that did not provide for the Auditor-General's access to the contractor's premises.

Consultants

The selection and engagement of consultants was treated in the same way as the procurement of other property and services and was conducted in accordance with the *Financial Management and Accountability Act 1997*, Commonwealth Procurement Rules and internal policies and procedures. During 2013–14, 20 new consultancy contracts were entered into involving total actual expenditure of \$587,535 (GST inclusive). In addition, ten ongoing consultancy contracts were active during the 2013–14 year, involving actual expenditure of \$1,689,499 (GST inclusive). Total expenditure on consultancies in 2013–14 was \$2,277,034 (GST inclusive).

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website, www.tenders.gov.au. No contracts were entered into that were exempt from reporting on the AusTender website.

Table 4.5 shows total expenditure on all consultancy services from 2009–10 to 2013–14, covering both new contracts let in the applicable year and ongoing contracts let in previous years.

TABLE 4.5 Expenditure on consultancy services, 2009–10 to 2013–14

Years	No. let	Total expenditure on new and existing consultancies (\$)
2009–10	3	492,033
2010–11	9	1,399,091
2011–12	15	2,023,951
2012–13	11	1,658,232
2013–14	20	2,277,034

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Assistant Minister for Health

I have audited the accompanying financial statements of the National Blood Authority for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes to and forming part of the Financial Statements including a Summary of Significant Accounting Policies.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the National Blood Authority is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the National Blood Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Blood Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the National Blood Authority, as well as evaluating the overall presentation of the financial statements.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the National Blood Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders, including the National Blood Authority's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Kristian Gage

Acting Executive Director

Delegate of the Auditor-General

Canberra

18 August 2014


NATIONAL BLOOD AUTHORITY
FINANCIAL STATEMENTS
For the year ended 30 June 2014

Statement by the Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.


.....
Leigh McJames
Chief Executive Officer

18 August 2014


.....
Ashley Jackson
Chief Financial Officer

18 August 2014

NATIONAL BLOOD AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	6 632	6 490
Suppliers	3B	3 149	3 569
Depreciation and amortisation	3C	649	849
Finance costs	3D	7	3
Losses from asset sales	3E	1	38
Total expenses		10 438	10 949
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	4A	33	102
Other revenue	4B	3 867	3 910
Total own-source revenue		3 900	4 012
Gains			
Reversals of previous asset write-downs	4C	119	-
Other gains	4D	94	94
Total gains		213	94
Total own-source income		4 113	4 106
Net cost of services		6 325	6 843
Revenue from Government	4E	6 090	6 201
Surplus (Deficit)		(235)	(642)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		153	-
Total other comprehensive income		153	-
Total comprehensive income (loss)		(82)	(642)

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A, 10	29	29
Trade and other receivables	6B	8 904	8 225
Total financial assets		8 933	8 254
Non-Financial Assets			
Leasehold improvements	7A, 7C	1 034	864
Property, plant and equipment	7B, 7C	529	639
Intangibles	7D, 7E	233	426
Other non-financial assets	7F	100	134
Total non-financial assets		1 896	2 063
Total assets		10 829	10 317
LIABILITIES			
Payables			
Suppliers	8A	497	589
Other payables	8B	754	410
Total payables		1 251	999
Provisions			
Employee provisions	9A	1 317	1 372
Other provisions	9B	412	130
Total provisions		1 729	1 502
Total liabilities		2 980	2 501
Net assets		7 849	7 816
EQUITY			
Contributed equity		2 578	2 463
Reserves		359	206
Retained surplus		4 912	5 147
Total equity		7 849	7 816

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2014

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Opening balance								
Balance carried forward from previous period	5 147	5 789	206	206	2 463	1 366	7 816	7 361
Adjusted opening balance	5 147	5 789	206	206	2 463	1 366	7 816	7 361
Comprehensive Income								
Other comprehensive income	-	-	153	-	-	-	153	-
Surplus / (Deficit) for the period	(235)	(642)	-	-	-	-	(235)	(642)
Total comprehensive income	(235)	(642)	153	-	-	-	(82)	(642)
Transactions with owners								
<i>Contributions by owners</i>								
Departmental capital budget	-	-	-	-	115	1 097	115	1 097
Sub-Total transactions with owners	-	-	-	-	115	1 097	115	1 097
Closing balance as at 30 June	4 912	5 147	359	206	2 578	2 463	7 849	7 816

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
CASH FLOW STATEMENT
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		6 090	6 201
Sales of goods and rendering of services		3 893	4 639
Net GST received		241	485
Total cash received		10 224	11 325
Cash used			
Employees		6 185	6 064
Suppliers		3 246	4 311
Section 31 receipts transferred to OPA		23	184
Cash transferred to the Official Public Account		664	207
Total cash used		10 118	10 766
Net cash from operating activities	10	106	559
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		-	5
Total cash received		-	5
Cash used			
Purchase of property, plant and equipment		101	1 315
Purchase of intangibles		144	213
Total cash used		245	1 528
Net cash (used by) investing activities		(245)	(1 523)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - Departmental capital budget		139	963
Total cash received		139	963
Net cash from financing activities		139	963
Net increase / (decrease) in cash held		-	(1)
Cash and cash equivalents at the beginning of the reporting period		29	30
Cash and cash equivalents at the end of the reporting period	6A	29	29

The above statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
SCHEDULE OF COMMITMENTS
as at 30 June 2014

	2014 \$'000	2013 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	479	589
<i>Total commitments receivable</i>	<u>479</u>	<u>589</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	(21)	-
Intangibles	(209)	(138)
<i>Total capital commitments ¹</i>	<u>(230)</u>	<u>(138)</u>
Other commitments		
Operating leases	(4 584)	(5 009)
Other	(459)	(1 328)
<i>Total other commitments ²</i>	<u>(5 043)</u>	<u>(6 337)</u>
<i>Net commitments by type</i>	<u>(4 794)</u>	<u>(5 886)</u>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	94	132
From one to five years	206	223
Over five years	180	234
<i>Total other commitments receivable</i>	<u>480</u>	<u>589</u>
Commitments payable		
Capital commitments		
One year or less	(185)	(138)
From one to five years	(69)	-
<i>Total capital commitments ¹</i>	<u>(254)</u>	<u>(138)</u>
Operating lease commitments		
One year or less	(441)	(395)
From one to five years	(2 169)	(2 040)
Over five years	(1 975)	(2 574)
<i>Total operating lease commitments</i>	<u>(4 585)</u>	<u>(5 009)</u>
Other commitments		
One year or less	(407)	(918)
From one to five years	(28)	(410)
<i>Total other commitments ²</i>	<u>(435)</u>	<u>(1 328)</u>
<i>Net commitments by maturity</i>	<u>(4 794)</u>	<u>(5 886)</u>

Note: Commitments are GST inclusive where relevant.

¹ The nature of capital commitments is development of internally developed software.

² Operating leases included are effectively non cancellable and comprise:

The lease for office accommodation at 243 Northbourne Ave, Lyneham expires on 22 November 2022.

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
NET COST OF SERVICES			
Expenses			
Employee Benefits	16A	190	-
Suppliers	16B	1 035 847	1 003 772
Grants	16C	8 331	8 092
Depreciation and amortisation	16D	546	493
Total expenses		1 044 914	1 012 357
Income			
Revenue			
Non-taxation revenue			
Funding from governments	17A	1 095 922	1 049 337
Interest	17B	4 979	5 179
Other revenue	17C	509	3 765
Total non-taxation revenue		1 101 410	1 058 281
Total revenue		1 101 410	1 058 281
Net (cost of) / contribution by services		(56 496)	(45 924)
Surplus		56 496	45 924
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		27	-
Total other comprehensive income		27	-
Total comprehensive income		56 523	45 924

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	19A, 22	335	324
Trade and other receivables	19B	300 454	247 926
Other investments	19C	110 368	106 037
<i>Total financial assets</i>		<u>411 157</u>	<u>354 287</u>
Non-financial assets			
Inventories	20A	86 056	67 654
Property, plant and equipment	20B	149	267
Intangibles	20D	1 199	1 424
Other non-financial assets	20F	76 032	76 031
<i>Total non-financial assets</i>		<u>163 436</u>	<u>145 376</u>
Total assets administered on behalf of Government		<u>574 593</u>	<u>499 663</u>
LIABILITIES			
Payables			
Suppliers	21A	78 031	67 168
<i>Total payables</i>		<u>78 031</u>	<u>67 168</u>
Total liabilities administered on behalf of Government		<u>78 031</u>	<u>67 168</u>
Net assets		<u>496 562</u>	<u>432 495</u>

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
ADMINISTERED RECONCILIATION SCHEDULE
as at 30 June 2014

	2014 \$'000	2013 \$'000
Opening administered assets less administered liabilities as at 1 July	432 495	378 213
Net (cost of)/contribution by services		
Income	1 101 410	1 058 281
Expenses	(1 044 914)	(1 012 357)
Other comprehensive income		
Revaluations transferred to reserves	27	-
Transfers (to)/from Australian Government:		
Appropriation transfers from Official Public Account:		
Annual appropriations	7 544	8 358
Closing assets less liabilities as at 30 June	496 562	432 495

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
ADMINISTERED CASHFLOW STATEMENT
for the year ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Cash received			
Commonwealth contributions		714 411	674 348
State and territory contributions		381 494	374 989
Interest		5 418	5 245
Net GST received		99 056	100 889
Other		1 490	4 142
Total cash received		1 201 869	1 159 613
Cash used			
Employees		190	-
Grants		9 164	8 901
Suppliers		1 149 633	1 106 732
Total cash used		1 158 987	1 115 633
Net cash from operating activities	22	42 882	43 980
INVESTING ACTIVITIES			
Cash received			
Investments		47 870	71 615
Total cash received		47 870	71 615
Cash used			
Purchase of property, plant & equipment		-	12
Purchase of intangibles		176	706
Investments		52 200	89 317
Total cash used		52 376	90 035
Net cash (used by) investing activities		(4 506)	(18 420)
Net increase in cash held		38 376	25 560
Cash and cash equivalents at the beginning of the reporting period		324	5 340
Cash from Official Public Account for:			
- Appropriations		7 544	8 358
- Special accounts		1 182 974	1 215 610
Total cash from OPA		1 190 518	1 223 968
Cash to Official Public Account for:			
- Special accounts		(1 228 883)	(1 254 544)
Total cash to OPA		(1 228 883)	(1 254 544)
Cash and cash equivalents at the end of the reporting period	19A	335	324

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
SCHEDULE OF ADMINISTERED COMMITMENTS
as at 30 June 2014

	2014 \$'000	2013 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	230 656	238 391
<i>Total commitments receivable</i>	<i>230 656</i>	<i>238 391</i>
Commitments payable		
Other commitments		
Other	(2 537 219)	(2 622 299)
<i>Total other commitments¹</i>	<i>(2 537 219)</i>	<i>(2 622 299)</i>
<i>Net commitments by type</i>	<i>(2 306 563)</i>	<i>(2 383 908)</i>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	98 100	116 743
From one to five years	132 556	121 648
Over five years	-	-
<i>Total other commitments receivable</i>	<i>230 656</i>	<i>238 391</i>
Commitments payable		
Other commitments		
One year or less	(1 079 097)	(1 284 177)
From one to five years	(1 458 122)	(1 338 122)
Over five years	-	-
<i>Total other commitments¹</i>	<i>(2 537 219)</i>	<i>(2 622 299)</i>
<i>Net commitments by maturity</i>	<i>(2 306 563)</i>	<i>(2 383 908)</i>

Note: All commitments are GST inclusive where relevant.

¹ Other commitments relate to amounts payable under agreements or contracts in respect of which the grantee or supplier has yet to provide goods or services for blood or blood related products required under the agreement or contract to meet demand under the National Supply Plan and Budget.

The above schedule should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2014

	2014 \$'000	2013 \$'000
Contingent liabilities		
Indemnities	246 712	266 800
Total contingent liabilities	246 712	266 800

The Deed of Indemnity between the Red Cross and the NBA indemnifies the Red Cross in relation to the Sydney Processing Centre (SPC) and the Melbourne Processing Centre (MPC) funding arrangements. If the SPC or MPC funding arrangements cease in respect of an SPC or MPC contract for any reason, the NBA indemnifies the Red Cross in respect of the liability of the Red Cross to make payments of a Funded Obligation, to the extent that the payments become due and payable under the terms of the SPC or MPC contract after the date when the Red Cross no longer has sufficient SPC or MPC funding to meet the funded obligations as a result of the cessation of the SPC or MPC funding.

Information on significant remote contingencies and contingencies that cannot be quantified is disclosed in Note 23: Administered - Contingent Assets and Liabilities.

The above schedule should be read in conjunction with the accompanying notes

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NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 1 Summary of Significant Accounting Policies

1.1 Objectives of the National Blood Authority

The National Blood Authority (NBA) is an Australian Government statutory authority which was established on 1 July 2003 with the principal role of managing national blood arrangements, ensuring sufficient supply and providing a new focus on the quality and appropriateness of blood products. It is a not-for-profit entity.

The NBA is structured to meet one outcome:

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.

The continued existence of the NBA in its present form, and with its present programs, is dependent on Government policy, the enabling legislation *National Blood Authority Act 2003*, and on continuing funding by Parliament and contributions from States and Territories for the NBA's administration and programs.

In the 2014-15 Commonwealth budget the Government announced it will merge the functions of the NBA with the Australian Organ and Tissue Donation and Transplantation Authority (AOTDTA) with a view to establishing a new independent authority by 1 July 2015. This will consolidate the management of critical clinical suppliers, in collaboration with States, Territories, the Commonwealth and the private health system.

NBA activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the NBA in its own right. Administered activities involve the management or oversight by the NBA, on behalf of the Government, of items controlled or incurred by the Government.

The NBA conducts the following administered activities on behalf of the Government: management and coordination of Australia's blood supply in accordance with the National Blood Agreement agreed by the Australian Government and the governments of the states and territories. Under this agreement, the Australian Government contributes 63 per cent of blood supply funding and state and territory governments provide 37 per cent.

The NBA operates under a special account - the National Blood Account. Revenues and expenses associated with the funding and supply of blood and blood products, as well as the operations of the NBA are recorded in this special account.

The NBA also operates a special account - the National Managed Fund (Blood and Blood Products) Special Account which is intended to meet potential blood and blood products liability claims against the Australian Red Cross Blood Service.

Details of planned activities for the year can be found in the Agency Portfolio Budget Statements for 2013-14 which have been tabled in Parliament.

1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by Section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the NBA or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgments and Estimates

In the process of applying the accounting policies listed in this note, the NBA has made no judgements that have a significant impact on the amounts recorded in the financial statements.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following revised standards and interpretations were issued prior to the sign-off date, are applicable to the current reporting period and had a financial impact on the NBA's financial statements:

- AASB 119 Employee benefits
- AASB 2011-10 Amendment to Australian Accounting Standards arising from AASB 119

Future Australian Accounting Standard Requirements

The following new standards and revised standards were issued by the Australian Accounting Standards Board prior to the sign-off date, and are expected to have a financial impact on the NBA for future reporting periods:

- AASB 13 *Fair Value Measurement*
- AASB 1055 *Budgetary Reporting*
- AASB 9 *Financial Instruments*

Other new standards, revised standards, interpretations or amending standards that were issued prior to the sign off date and are applicable to the future reporting period are not expected to have a future financial impact on the NBA.

1.5 Revenue

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits associated with the transaction will flow to the NBA.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Funding from State and Territory governments is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits with the transaction will flow to the NBA.

The stage of completion of contracts at the reporting date is determined by reference to services performed to date as a percentage of total services to be performed.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the NBA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case, revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Sale of Assets

Gains from the disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

1.8 Employee Benefits

Liabilities for 'short term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the NBA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the NBA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to FMO 43.2 using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The NBA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS Accumulation Plan (PSSap), the Australian Government Employee Superannuation Trust (AGEST) or other non-government superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap, AGEST and the non-government superannuation funds are defined contribution schemes.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

The NBA makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The NBA accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions as at 30 June 2014.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Fair Value Measurement

The NBA's policy is to recognise transfers out of fair value hierarchy levels as at the end of the reporting period.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- c) cash held by outsiders; and
- d) cash in special accounts.

1.12 Financial Assets

The NBA classifies its financial assets in the following categories:

- a) held-to-maturity investments; and
- b) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis.

Held-to-Maturity Investments

Non derivative financial assets with fixed or determinable payments and fixed maturity dates that the NBA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial assets carried at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.13 Financial Liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Quantifiable contingencies for the current or immediately preceding reporting periods are disclosed in the Statement of Contingencies. Information on significant remote contingencies and contingencies that cannot be quantified is disclosed in Note 10: Contingent Assets and Liabilities.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than the thresholds listed below for each class of asset, which are expensed in the year of acquisition acquisition (other than where they form part of a group of similar items which are significant in total).

Asset class	Recognition Threshold
Infrastructure, Plant and Equipment	\$2,000
Purchased Software	\$5,000
Leasehold improvements	\$10,000
Internally Developed Software	\$50,000

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the NBA where there exists an obligation to restore the property to its original condition. These costs are included in the value of the NBA's leasehold improvements with a corresponding provision for the 'make good' recognised.

NATIONAL BLOOD AUTHORITY
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Revaluations

Fair values for each class of asset are determined as shown below.

<i>Asset class</i>	<i>Fair value measured at</i>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the NBA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

<i>Asset class</i>	2014	2013
Infrastructure, Plant and Equipment	3 to 7 years	3 to 7 years
Leasehold improvements	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2014. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the NBA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

1.17 Intangibles

The NBA's intangibles comprise internally developed software and purchased software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

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Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the NBA's software are:

Type	2014	2013
Purchased software	3 years	3 years
Internally developed software	5 years	5 years

All software assets were assessed for indications of impairment at 30 June 2014.

1.18 Taxation

The NBA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, liabilities and assets are recognised net of GST except:

- a) where the amount of the GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

1.19 Impact of *Williams v Commonwealth*

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the NBA for use by the Government rather than the NBA is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the NBA on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the NBA on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual agency that oversees distribution or expenditure of the funds as directed. Collectability of debts is reviewed at end of the reporting period. Impairment allowances are made when collectability of the debt is judged to be less, rather than more, likely.

Loans and Receivables

Where loans and receivables are not subject to concessional treatments, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit and loss.

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Inventories

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) raw materials and stores - purchase cost on a first-in-first-out basis; and
- b) finished goods and work-in-progress - cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

Indemnities

The maximum amounts payable under the indemnities given is disclosed in Note 21 the schedule of administered items - contingencies. At the time of completion of the financial statements, there was no reason to believe that the indemnities would be called upon, and no recognition of any liability was therefore required.

Grants

The NBA administers a number of grant schemes on behalf of government.

Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

National Managed Fund

The National Managed Fund was established to manage the liability risks of the Australian Red Cross Blood Service in relation to the provision of blood and blood products. The National Managed Fund was reported in 2003-04 by the Department of Health and Ageing under "Services for Other Governments and Non-Departmental Bodies Special Account". The NBA now manages this fund on behalf of the Australian Government and States and Territories. To facilitate the transfer of the fund to the NBA a special account under Section 20 of the *Financial Management and Accountability (FMA) Act 1997* was established, and this fund was transferred to the NBA for reporting.

The Fund came into effect on 1 July 2000 and to date, no claims have been made against it. The balance of the fund as at 30 June 2014 is \$111,027,890 (30 June 2013: \$106,541,621) made up of a combination of cash, investments and balance of the special account.

NATIONAL BLOOD AUTHORITY
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NOTE 2: Events after the Reporting Period

Departmental

There were no events occurring after 30 June 2014 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

Administered

There were no events occurring after 30 June 2014 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

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	2014 \$'000	2013 \$'000
NOTE 3: Expenses		
Note 3A: Employee Benefits		
Wages and salaries	4 552	4 563
Superannuation:		
Defined contribution plans	405	407
Defined benefit plans	363	351
Leave and other entitlements	788	903
Separation and redundancies	322	-
Other employee benefits	202	266
Total employee benefits	6 632	6 490
Note 3B: Suppliers		
Goods and services supplied and rendered		
Consultants	598	177
Contractors	109	242
Travel	334	306
Legal	40	140
IT services	691	956
Other	806	788
Total goods and services supplied or rendered	2 578	2 609
Goods supplied in connection with		
External parties	299	216
Total goods supplied	299	216
Services rendered in connection with		
Related parties	337	526
External parties	1 942	1 867
Total services rendered	2 279	2 393
Total goods and services supplied or rendered	2 578	2 609
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	483	883
Workers compensation expenses	88	77
Total other suppliers	571	960
Total suppliers	3 149	3 569
Note 3C: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	220	184
Leasehold improvements	92	41
Total depreciation	312	225
Amortisation:		
Intangibles	337	624
Total amortisation	337	624
Total depreciation and amortisation	649	849

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	2014 \$'000	2013 \$'000
NOTE 3: Expenses		
Note 3D: Finance Costs		
Unwinding of discount	7	3
Total finance costs	7	3
Note 3E: Losses from Asset Sales		
Property, plant and equipment:		
Proceeds from sale	-	5
Carrying value of assets sold	1	43
Total losses from asset sales	1	38
NOTE 4: Income		
OWN-SOURCE REVENUE		
Note 4A: Sale of Goods and Rendering of Services		
Rendering of services in connection with		
Related parties	-	66
External parties	33	36
Total rendering of services	33	102
Note 4B: Other Revenue		
Funding from State and Territory governments	3 867	3 910
Total other revenue	3 867	3 910
GAINS		
Note 4C: Reversal of Previous Asset Write-Downs		
Revaluation increments		
Property, plant and equipment	7	-
Leasehold improvements	112	-
Total reversals of previous asset write-downs	119	-
Note 4D: Other Gains		
Resources received free of charge	94	94
Total other gains	94	94
REVENUE FROM GOVERNMENT		
Note 4E: Revenue from Government		
Appropriations:		
Departmental appropriations	6 090	6 201
Total revenue from Government	6 090	6 201

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NOTE 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for non-financial assets in 2014

	Fair Value \$'000	Fair value measurements at the end of the reporting period using		
		Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
Non-financial assets:				
Leasehold improvements	1 034	-	-	1 034
Property, plant and equipment	529	-	449	80
Total non-financial assets	1 563	-	449	1 114
Total fair value measurements of assets in the statement of financial position	1 563	-	449	1 114

Assets not measured at fair value in the statement of financial position:

The NBA did not measure any non-financial assets at fair value on a non- recurring basis as at 30 June 2014.

Fair value measurements - highest & best use differs from current use for non-financial assets (NFAs)

The NBA's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

Note 5B: Level 1 and Level 2 transfers for recurring fair value measurements

Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities:

There have been no transfers between levels of the hierarchy during the year.

The NBA's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

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NOTE 5: Fair Value Measurements

Note 5C: Valuation technique and inputs for Level 2 and Level 3 fair value measurements
Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets in 2014

	Category (Level 2 or Level 3)	Fair value \$'000	Valuation technique(s) ¹	Inputs used	Range (weighted average) ²
Non-financial assets:					
Leasehold improvements	3	1 034	Depreciated Replacement Cost (DRC)	Replacement Cost New/price per square metre	
Property, plant and equipment	2	449	Market Approach	Consumed economic benefit / Obsolescence of asset Adjusted market transactions	25.0% - 25.0% (25.0%) per annum
Property, plant and equipment	3	80	Depreciated Replacement Cost (DRC)	Replacement Cost New Consumed economic benefit / Obsolescence of asset	12.5% - 16.7% (15.2%) per annum

1. There has been no changes to valuation techniques.
2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

Recurring and non-recurring Level 3 fair value measurements - valuation processes

The NBA procured the service of the Australian Valuation Office (AVO) to undertake a comprehensive valuation of all non-financial assets at 30 June 2010. The entity tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The entity has engaged Australian Valuation Solutions (AVS) to provided written assurance that the models developed comply with AASB 13.

There is no change in the valuation technique since the prior year.

Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:

Leasehold Improvements - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

Recurring Level 3 fair value measurements - sensitivity of inputs

Leasehold Improvements & Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

The significant unobservable inputs used in the fair value measurement of the NBA's leasehold improvements and property, plant and equipment asset classes relate to the consumed economic benefit / asset obsolescence. A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 5: Fair Value Measurements

Note 5D: Reconciliation for recurring Level 3 fair value measurements

	Non-financial assets		
	Leasehold improvements	Property, plant & equipment	Total
	2014 \$'000	2014 \$'000	2014 \$'000
Opening balance ¹	796	83	879
Total gains/(losses) in accumulated depreciation	238	(3)	235
Closing balance	1 034	80	1 114

1. Opening balance as determined in accordance with AASB 13

The entity's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2014 \$'000	2013 \$'000
NOTE 6: Financial Assets		
Note 6A: Cash and Cash Equivalents		
Special Account - cash on hand or on deposit	29	29
Total cash and cash equivalents	29	29
Note 6B: Trade and Other Receivables		
Goods and Services receivables in connection with:		
Goods and services - related entities	11	-
Total goods and services receivables	11	-
Appropriations receivable:		
For existing programs	485	509
Total appropriations receivable	485	509
Other receivables:		
GST receivable from the Australian Taxation Office	85	58
Special Account - cash held in the OPA	8 323	7 658
Total other receivables	8 408	7 716
Total trade and other receivables (gross)	8 904	8 225
Total trade and other receivables (net)	8 904	8 225
Receivables are expected to be recovered in:		
No more than 12 months	8 904	8 225
Total trade and other receivables (net)	8 904	8 225
Receivables (gross) are aged as follows:		
Not overdue	8 893	8 225
Overdue by:		
61 to 90 days	11	-
Total receivables (gross)	8 904	8 225

Credit terms for goods and services were within 30 days (2013: 30 days)

NATIONAL BLOOD AUTHORITY
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	2014 \$'000	2013 \$'000
NOTE 7: Non-Financial Assets		
Note 7A: Leasehold improvements		
Fair value	1 034	905
Accumulated depreciation	-	(41)
Total leasehold improvements	1 034	864
No indicators of impairment were found for leasehold improvements.		
No leasehold improvements are expected to be sold or disposed of within the next 12 months.		
Note 7B: Property, Plant and Equipment		
Other property, plant and equipment:		
Fair Value	529	932
Accumulated depreciation	-	(293)
Total property, plant and equipment	529	639

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30/06/14, an independent valuer conducted the revaluations.

A revaluation increment for leasehold improvements of \$133,853 (2013: \$nil) and an increment for property, plant and equipment of \$19,350 (2013: \$nil) were credited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position. Revaluation increments for leasehold improvements of \$111,774 (2013: \$nil) and for property, plant and equipment of \$7,607 (2013: \$nil) reversed previous asset write-downs and were recognised as a gain in the Statement of Comprehensive Income.

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2013-14)

	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2013			
Gross book value	905	932	1 837
Accumulated depreciation and impairment	(41)	(293)	(334)
Net book value 1 July 2013	864	639	1 503
Additions:			
By purchase	16	85	101
Revaluations recognised in other comprehensive income	134	19	153
Revaluations recognised in net cost of services	112	7	119
Depreciation expense	(92)	(220)	(312)
Disposals:			
Other	-	(1)	(1)
Net book value 30 June 2014	1 034	529	1 563
Net book value as of 30 June 2014 represented by:			
Gross book value	1 034	529	1 563
Accumulated depreciation and impairment	-	-	-
	1 034	529	1 563

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NOTE 7: Non-Financial Assets

Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012-13)

	Leasehold improvements \$'000	Infrastructure plant and equipment \$'000	Total Property, Plant and Equipment \$'000
As at 1 July 2012			
Gross book value	157	601	758
Accumulated depreciation and impairment	(157)	(248)	(405)
Net book value 1 July 2012	-	353	353
Additions:			
By purchase	905	513	1 418
Depreciation expense	(41)	(184)	(225)
Other movements	-	(18)	(18)
Disposals:			
Other disposals	-	(43)	(43)
Net book value 30 June 2013	864	621	1 485
Net book value as of 30 June 2013 represented by:			
Gross book value	905	932	1 837
Accumulated depreciation and impairment	(41)	(293)	(334)
	864	639	1 503

Note 7D: Intangibles

Computer software:

	2014 \$'000	2013 \$'000
Internally developed - in use	2 828	2 699
Purchased	723	708
Accumulated amortisation	(3 318)	(2 981)
Total intangibles	233	426

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

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NOTE 7: Non-Financial Assets

Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2013-14)

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2013			
Gross book value	2 699	708	3 407
Accumulated amortisation and impairment	(2 433)	(548)	(2 981)
Net book value 1 July 2013	266	160	426
Additions:			
By purchase or internally developed	129	15	144
Amortisation	(243)	(94)	(337)
Net book value 30 June 2014	152	81	233
Net book value as of 30 June 2014 represented by:			
Gross book value	2 828	723	3 551
Accumulated amortisation and impairment	(2 676)	(642)	(3 318)
	152	81	233

Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2012-13)

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2012			
Gross book value	2 674	542	3 216
Accumulated amortisation and impairment	(1 969)	(410)	(2 379)
Net book value 1 July 2012	705	132	837
Additions:			
By purchase or internally developed	25	188	213
Amortisation	(464)	(160)	(624)
Other Disposals:			
Cost	-	(22)	(22)
Accumulated amortisation	-	22	22
Net book value 30 June 2013	266	160	426
Net book value as of 30 June 2013 represented by:			
Gross book value	2 699	708	3 407
Accumulated amortisation and impairment	(2 433)	(548)	(2 981)
	266	160	426

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2014 \$'000	2013 \$'000
NOTE 7: Non-Financial Assets		
Note 7F: Other Non-Financial Assets		
Prepayments	100	134
Total other non-financial assets	100	134
Total other non-financial assets are expected to be recovered in :		
No more than 12 months	100	134
Total other non-financial assets	100	134
No indicators of impairment were found for other non-financial assets.		
NOTE 8: Payables		
Note 8A: Suppliers		
Trade creditors and accruals	497	589
Total suppliers payables	497	589
Suppliers expected to be settled		
No more than 12 months	497	589
Total suppliers	497	589
Suppliers in connection with		
Related parties	4	90
External parties	493	499
Total suppliers	497	589
Settlement was usually made within 30 days.		
Note 8B: Other Payables		
Wages and salaries	166	137
Superannuation	24	24
Lease incentive	564	249
Total other payables	754	410
Other payables expected to be settled		
No more than 12 months	190	410
More than 12 months	564	-
Total other payables	754	410
NOTE 9: Provisions		
Note 9A: Employee Provisions		
Leave	1 317	1 372
Total employee provisions	1 317	1 372
Employee provisions are expected to be settled in:		
No more than 12 months	544	561
More than 12 months	773	811
Total employee provisions	1 317	1 372

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	2014 \$'000	2013 \$'000
NOTE 9: Provisions		
Note 9B: Other Provisions		
Provision for restoration	137	130
Provision for redundancy	275	-
Total other provisions	412	130
Other provisions are expected to be settled in:		
No more than 12 months	275	-
More than 12 months	137	130
Total other provisions	412	130

	Provision for redundancy \$'000	Provision for restoration \$'000	Total \$'000
Carrying amount 1 July 2013		130	130
Additional provisions made	275	-	275
Unwinding of discount or change in discount rate		7	7
Closing balance 2014	275	137	412

	Provision for redundancy \$'000	Provision for restoration \$'000	Total \$'000
Carrying amount 1 July 2012	-	-	-
Additional provisions made	-	127	127
Unwinding of discount or change in discount rate	-	3	3
Closing balance 2013	-	130	130

The NBA currently has 1 agreement (2013: 1) for the leasing of premises which have provisions requiring the NBA to restore the premises to their original condition at the conclusion of the lease. The NBA has made a provision to reflect the present value of this obligation.

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NOTE 10: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement

	2014 \$'000	2013 \$'000
Cash and cash equivalents as per:		
Cash flow statement	29	29
Statement of Financial Position	29	29
<i>Difference</i>	-	-

Reconciliation of net cost of services to net cash from operating activities:

Net cost of services	(6 325)	(6 843)
Revenue from Government	6 090	6 201
Adjustments for non-cash items:		
Depreciation / amortisation	650	848
Net write-down of non-financial assets	(119)	-
Loss on disposal of assets	1	38
Changes in assets and liabilities:		
(Increase) Decrease in net receivables	(703)	(98)
(Increase) in non-financial assets	34	(47)
Increase (Decrease) in employee provisions	(55)	155
Increase (Decrease) in supplier payables	(93)	(85)
Increase (Decrease) in other payables	344	260
Increase (Decrease) in other provisions	282	130
<i>Net cash from operating activities</i>	106	559

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 11: Contingent Assets and Liabilities

Quantifiable Contingencies

There were no quantifiable contingent assets or liabilities in this reporting period.

Unquantifiable Contingencies

There were no unquantifiable contingent assets or liabilities in this reporting period.

Significant Remote Contingencies

The Australian Government has indemnified the lessor of the National Blood Authority's premises for negligent acts committed by the National Blood Authority up to the value of \$1,000,000.

NOTE 12: Senior Executive Remuneration

Note 12A: Senior Executive Remuneration Expense for the Reporting Period

	2014 \$	2013 \$
Short-term employee benefits:		
Salary	760 431	723 726
Vehicle allowances	22 921	50 721
Performance bonuses	20 000	-
Retention bonuses	12 000	20 000
Total short-term employee benefits	815 352	794 447
Post-employment benefits:		
Superannuation	108 895	104 687
Total post-employment benefits	108 895	104 687
Other long-term benefits:		
Annual leave accrued	26 981	34 700
Long-service leave	29 241	33 193
Total other long-term benefits	56 222	67 893
Total senior executive remuneration expenses	980 469	967 027

Notes

- Note 12A is prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 12B).
- Note 12A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$195,000. In 2014, there were no SES on acting arrangements (2013: 1 SES).

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period
2014

	Substantive Senior Executives	No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	Total reportable remuneration
			\$	\$	\$	\$	\$
Average annual reportable remuneration ¹							
Total reportable remuneration (including part-time arrangements):							
\$225,000 to \$254,999		1	204 969	32 392	-	-	237 361
\$285,000 to \$314,999		1	261 142	29 598	-	-	290 740
Total number of substantive senior executives		2					

2013

	Substantive Senior Executives	No.	Reportable salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	Total reportable remuneration
			\$	\$	\$	\$	\$
Average annual reportable remuneration ¹							
Total remuneration (including part-time arrangements):							
\$225,000 to \$254,999		1	200 001	31 448	-	-	231 449
\$255,000 to \$284,999		1	242 679	27 690	-	-	270 369
Total number of substantive senior executives		2					

Notes

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
 - reportable employer superannuation contributions; and
 - exempt foreign employment income.
- The 'contributed superannuation' amount is the average cost to the NBA for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the NBA during the financial year.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 12C: Average Annual Reportable Remuneration paid to other Highly Paid Staff during the reporting period

	2014				
	Other highly paid staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Total \$
Average annual reportable remuneration ¹	2	181 757	23 452	-	205 209
Total reportable remuneration (including part-time arrangements): \$195,000 to \$224,999					
Total number of other highly paid staff	2				

	2013				
	Other highly paid staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Total \$
Average annual reportable remuneration ¹	1	181 065	20 697	-	201 762
Total reportable remuneration (including part-time arrangements): \$195,000 to \$224,999					
Total number of other highly paid staff	1				

Notes

1. This table reports staff:

- a) who were employed by the NBA during the reporting period;
- b) whose reportable remuneration was \$195,000 or more for the financial period; and
- c) were not required to be disclosed in Note 12B.

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:

- a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
- b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
- c) reportable employer superannuation contributions; and
- d) exempt foreign employment income.

3. The 'contributed superannuation' amount is the average cost to the NBA for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the NBA during the financial year.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

2014
\$'000

2013
\$'000

NOTE 13: Remuneration of Auditors

Financial statement audit services were provided free of charge to the NBA by the Australian National Audit Office (ANAO).

Fair value of the services received

Financial statement audit services	94	94
Total	94	94

No other services were provided by the auditors of the financial statements.

NOTE 14: Financial Instruments

NOTE 14A: Categories of Financial Instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	29	29
Trade and other receivables	11	-

Carrying amount of financial assets	40	29
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Financial Liabilities

At amortised cost:

Trade and other creditors	497	589
---------------------------	-----	-----

Carrying amount of financial liabilities	497	589
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Note 14B: Fair Value of Financial Instruments

Financial assets

The fair values of all monetary financial assets approximate their carrying amounts.

Financial liabilities

The fair values of all monetary financial liabilities approximate their carrying amounts. All financial liabilities are current, therefore a maturity analysis is not required.

Note 14C: Credit Risk

The NBA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position. The NBA has no significant exposures to any concentrations of credit risk.

Note 14D: Liquidity Risk

The NBA's financial liabilities are trade and other creditors. The exposure to liquidity risk is based on the notion that the NBA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the NBA (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities in 2014

	Within 1 year \$'000	Total \$'000
Trade and other creditors	497	497
Total	497	497

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2014

NOTE 14: Financial Instruments

Note 14D: Liquidity Risk

Maturities for non-derivative financial liabilities in 2013

	Within 1 year	Total
	\$'000	\$'000
Trade and other creditors	589	589
Total	589	589

Note 14E: Market Risk

The NBA does not hold basic financial instruments that expose it to certain market risks. The NBA is not exposed to 'interest rate risk', 'currency risk' or 'other price risk'.

	2014 \$'000	2013 \$'000
NOTE 15: Financial Assets Reconciliation		
<u>Financial Assets</u>		
Total financial assets as per balance sheet	8 933	8 254
Less: non-financial instrument components:		
Appropriations receivable	485	509
GST receivable from the Australian Taxation Office	85	58
Special Account - cash held in the OPA	8 323	7 658
Total financial assets as per financial instruments note	40	29

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 16: Administered - Expenses		
Note 16A: Employee Benefits		
Wages and salaries	161	-
Superannuation:		
Defined contribution plans	11	-
Defined benefit plans	14	-
Other employee benefits	4	
Total employee benefits ¹	190	-
Note 16B: Suppliers		
Goods and services supplied or rendered		
Purchases of blood and blood products	1 030 894	999 690
Consultants	2 700	1 883
Contractors	1 862	1 501
Travel	61	53
IT services	143	486
Other	187	159
Total goods and services supplied or rendered	1 035 847	1 003 772
Goods supplied in connection with		
External parties	1 031 065	999 842
Total goods supplied	1 031 065	999 842
Services rendered in connection with		
External parties	4 782	3 930
Total services rendered	4 782	3 930
Total goods and services supplied or rendered	1 035 847	1 003 772
Note 16C: Grants		
Private sector:		
Non-profit organisations (Australian Red Cross Blood Service)	8 331	8 092
Total grants	8 331	8 092
Note 16D: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	146	149
Amortisation:		
Intangibles	400	344
Total depreciation and amortisation	546	493

¹ These salaries relate to a taskforce established to implement a program of work to improve governance and management of immunoglobulin products funded and supplied under the National Blood Agreement.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 17: Administered - Income		
Non-Taxation Revenue		
Note 17A: Funding from Governments		
Commonwealth contributions	714 411	674 348
State & Territory contributions	381 511	374 989
Total funding from governments	1 095 922	1 049 337
Note 17B: Interest		
Deposits	4 979	5 179
Total interest	4 979	5 179
Note 17C: Other Revenue		
Other contributions ¹	509	3 765
Total other revenue	509	3 765
¹ Other contributions relate principally to the return of the prior year surplus from the Blood Service under the Deed of Agreement.		

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 18: Administered Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 18A: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for non-financial assets in 2014

	Fair Value \$'000	Fair value measurements at the end of the reporting period using		
		Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
Non-financial assets:				
Property, plant and equipment	149	-	103	46
Total non-financial assets	149	-	103	46
Total fair value measurements of assets in the statement of financial position	149	-	103	46

Assets not measured at fair value in the administered schedule of assets and liabilities:

The NBA did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2014.

Fair value measurements - highest & best use differs from current use for non-financial assets (NFAs)

The NBA's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

Note 18B: Level 1 and Level 2 transfers for recurring fair value measurements

Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities:

There have been no transfers between levels of the hierarchy during the year.

The NBA's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 18: Fair Value Measurements

Note 18C: Valuation technique and inputs for Level 2 and Level 3 fair value measurements

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets in 2014

	Category (Level 2 or Level 3)	Fair value \$'000	Valuation technique(s) ¹	Inputs used	Range (weighted average) ²
Non-financial assets:					
Property, plant and equipment	2	103	Market Approach	Adjusted market transactions	25.0% - 25.0% (25%) per annum
Property, plant and equipment	3	46	Depreciated Replacement Cost (DRC)	Replacement Cost, New Obsolescence of asset	

1. There has been no changes to valuation techniques.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

There were no significant inter-relationships between unobservable inputs that materially affect fair value.

Recurring and non-recurring Level 3 fair value measurements - valuation processes

The entity procured the service of the Australian Valuation Office (AVO) to undertake a comprehensive valuation of all non-financial assets at 30 June 2010. The entity tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The entity has engaged Australian Valuation Solutions (AVS) to provided written assurance that the models developed comply with AASB 13. There is no change in the valuation technique since the prior year.

Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:

Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated Depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration. The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Recurring Level 3 fair value measurements - sensitivity of inputs

Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

The significant unobservable inputs used in the fair value measurement of the NBA's property, plant and equipment asset classes relate to the consumed economic benefit / asset obsolescence. A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 18: Fair Value Measurements

Note 18D: Reconciliation for recurring Level 3 fair value measurements

	Non-financial assets	
	Property, plant & equipment	Total
	2014 \$'000	2014 \$'000
Opening balance ¹	41	41
Total gains/(losses) in accumulated depreciation	5	5
Closing balance	46	46

1. Opening balance as determined in accordance with AASB 13

The entity's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2014 \$'000	2013 \$'000
NOTE 19: Administered - Financial Assets		
Note 19A: Cash and Cash Equivalents		
Special Account - cash on hand or on deposit	335	324
Total cash and cash equivalents	335	324
Note 19B: Trade and Other Receivables		
Goods and services in connection with:		
External parties	3 054	3 037
Total goods and services receivables	3 054	3 037
Other receivables:		
Special Account - cash held in the OPA	276 256	230 348
Interest	2 313	2 752
GST receivable from Australian Taxation Office	21 868	14 826
Total other receivables	300 437	247 926
Total trade and other receivables (gross)	303 491	250 963
Less impairment allowance:		
Goods and services	(3 037)	(3 037)
Total trade and other receivables (net)	300 454	247 926
Trade and other receivables are expected to be recovered in:		
No more than 12 months	300 454	247 926
Total trade and other receivables (net)	300 454	247 926
Trade and other receivables (gross) were aged as follows:		
Not overdue	300 454	247 926
Overdue by:		
More than 90 days - Department of Health - NSW	3 037	3 037
Total trade and other receivables (gross)	303 491	250 963
The impairment allowance is aged as follows:		
Overdue by:		
More than 90 days	(3 037)	(3 037)
Total impairment allowance account	(3 037)	(3 037)
Credit terms are within 30 days from date of invoice (2013: 30 days).		
Reconciliation of the Impairment Allowance Account		
Movements		
Other Receivables		
Opening balance	(3 037)	(3 037)
Increase/decrease recognised in net surplus	-	-
Closing balance	(3 037)	(3 037)

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 19: Administered - Financial Assets		
Note 19C: Other Investments		
Deposits ¹	110 368	106 037
Total other investments	110 368	106 037
Other investments are expected to be recovered in:		
No more than 12 months	41 356	38 870
More than 12 months	69 012	67 167
Total other investments	110 368	106 037
¹ Monies invested in term deposits with various approved institutions under Section 39 of the Financial Management and Accountability Act 1997.		
NOTE 20: Administered - Non Financial Assets		
Note 20A: Inventories		
National Reserve inventory held for distribution	48 939	41 543
Other inventory held for distribution	37 117	26 111
Total inventories	86 056	67 654
During 2013-14, \$341,555 of inventory held for distribution related to a net write-off of damaged and expired stock and was recognised as an expense (2013: \$788,280). No items of inventory were recognised at fair value less cost to sell. All inventory is expected to be distributed in the next 12 months.		
Note 20B: Property, plant and equipment		
Property, plant and equipment:		
Fair value	149	455
Accumulated depreciation	-	(188)
Total property, plant and equipment	149	267
No indicators of impairment were found for property, plant and equipment. No property, plant or equipment is expected to be sold or disposed of within the next 12 months.		
Revaluations of non-financial assets		
All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30/06/14, an independent valuer conducted the revaluations.		
A revaluation increment for property, plant and equipment of \$27,499 (2013: \$nil) were credited to the asset revaluation surplus by asset class and included in the other comprehensive income section of the Administered Schedule of Comprehensive Income; no decrement was expensed (2013: \$nil).		

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 20: Administered - Non Financial Assets		
Note 20C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2013-14)		
	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2013		
Gross book value	455	455
Accumulated depreciation and impairment	(188)	(188)
Net book value 1 July 2013	267	267
Revaluations recognised in other comprehensive income	27	27
Depreciation	(145)	(145)
Net book value 30 June 2014	149	149
Net book value as of 30 June 2014 represented by:		
Gross book value	482	482
Accumulated depreciation and impairment	(333)	(333)
	149	149
Note 20C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012-13)		
	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2012		
Gross book value	443	443
Accumulated depreciation and impairment	(39)	(39)
Net book value 1 July 2012	404	404
Additions:		
By purchase	12	12
Depreciation	(149)	(149)
Net book value 30 June 2013	267	267
Net book value as of 30 June 2013 represented by:		
Gross book value	455	455
Accumulated depreciation and impairment	(188)	(188)
	267	267
Note 20D: Intangibles	2014	2013
	\$'000	\$'000
Computer software:		
Internally developed - in progress	93	-
Internally developed - in use	1 816	1 733
Purchased	147	147
Accumulated amortisation	(857)	(456)
Total computer software	1 199	1 424
Total intangibles	1 199	1 424
No indicators of impairment were found for intangible assets.		
No intangibles are expected to be sold or disposed of with the next 12 months.		

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 20: Administered - Non Financial Assets

NOTE 20E: Reconciliation of the Opening and Closing Balances of Intangibles (2013-14)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2013			
Gross book value	1 733	147	1 880
Accumulated amortisation and impairment	(386)	(70)	(456)
Net book value 1 July 2013	1 347	77	1 424
Additions:			
By purchase or internally developed	176	-	176
Amortisation	(352)	(49)	(401)
Net book value 30 June 2014	1 171	28	1 199
Net book value as of 30 June 2014 represented by:			
Gross book value	1 909	147	2 056
Accumulated amortisation and impairment	(738)	(119)	(857)
	1 171	28	1 199

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 20: Administered - Non Financial Assets			
NOTE 20E: Reconciliation of the Opening and Closing Balances of Intangibles (2012-13)			
	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2012			
Gross book value	1 669	147	1 816
Accumulated amortisation and impairment	(734)	(21)	(755)
Net book value 1 July 2012	935	126	1 061
Additions:			
By purchase or internally developed	707	-	707
Amortisation	(295)	(49)	(344)
Disposals:			
Cost	(643)	-	(643)
Accumulated amortisation	643	-	643
Net book value 30 June 2013	1 347	77	1 424
Net book value as of 30 June 2013 represented by:			
Gross book value	1 733	147	1 880
Accumulated amortisation and impairment	(386)	(70)	(456)
	1 347	77	1 424
		2014 \$'000	2013 \$'000
Note 20F: Other Non-Financial Assets			
Prepayments		76 032	76 031
Total other non-financial assets		76 032	76 031
No indicators of impairment were found for other non-financial assets.			
Total other non-financial assets are expected to be recovered in:			
No more than 12 months		76 032	76 031
Total other non-financial assets		76 032	76 031
NOTE 21: Administered - Payables			
Note 21A: Suppliers			
Trade creditors and accruals		78 031	67 168
Total suppliers		78 031	67 168
Suppliers expected to be settled			
No more than 12 months		78 031	67 168
Total suppliers		78 031	67 168
Suppliers in connection with			
External parties		78 031	67 168
Total suppliers		78 031	67 168
Settlement was usually made within 30 days			

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	2014 \$'000	2013 \$'000
NOTE 22: Administered Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	335	324
Schedule of administered assets and liabilities	335	324
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net contribution by services	56 496	45 924
Adjustments for non-cash items		
Depreciation / amortisation	546	493
Movements in assets and liabilities:		
(Increase) in net receivables	(6 620)	(609)
(Increase) in inventories	(18 402)	(7 481)
(Increase) / decrease in non-financial assets	-	36
Increase / (decrease) in supplier payables	10 862	5 617
Net cash from operating activities	42 882	43 980

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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NOTE 23: Administered - Contingent Assets and Liabilities

Unquantifiable Administered Contingencies

Under certain conditions the Australian Government and the States/Territories jointly provide indemnity for the the Australian Red Cross Blood Service (the Blood Service) through a cost sharing arrangement for claims, both current and potential, regarding personal injury and loss of damage suffered by a recipient of certain blood products. The Australian Government's share of any liability is limited to sixty three percent of any agreed net cost.

The Deed of Agreement between the Australian Red Cross Society (the Red Cross) and the NBA in relation to the operation of the Blood Service includes certain indemnities and a limit of liability in favour of the Red Cross. These cover a defined set of potential business, product and employee risks and liabilities arising from the operations of the Blood Service. The indemnities and limitation of liability only operate in the event of the expiry and non-renewal, or the earlier termination, of the Deed of Agreement, and only within a defined scope. They are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

In the event of the occurrence of the contingent liability disclosed in the Schedule of Administered Contingencies, the Commonwealth, or its nominee, would be assigned ownership of the ARCBS Melbourne Processing Centre building.

NOTE 24: Administered - Investments

The principal activities of each of the NBA's administered investments were as follows:

Other Investments - The NBA has funds invested in term deposits with various approved institutions under Section 39 of the *Financial Management and Accountability Act 1997* for the purposes of receiving passive investment income.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

	2014 \$'000	2013 \$'000
NOTE 25: Administered - Financial Instruments		
NOTE 25A: Categories of Financial Instruments		
Financial assets		
Held-to-maturity investments:		
Deposits	110 368	106 037
Total held to maturity investments:	110 368	106 037
Loans and receivables:		
Cash and cash equivalents	335	324
Trade and other receivables	2 330	2 752
Total loans and receivables:	2 665	3 076
Total financial assets	113 033	109 113
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade and other creditors	78 031	67 168
Total financial liabilities	78 031	67 168
Note 25B: Net Gains or Losses on Financial Assets		
Held-to-maturity investments		
Interest Revenue	4 973	5 131
Net gain on held-to-maturity investments	4 973	5 131
Loans and receivables		
Interest Revenue	6	48
Net gain on loans and receivables	6	48
Net gain on financial assets	4 979	5 179

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 25: Administered - Financial Instruments

Note 25C: Fair Value of Financial Instruments

Financial assets

The fair values of all monetary financial assets approximate their carrying amounts.

Financial liabilities

The fair values of all monetary financial liabilities approximate their carrying amounts.

Note 25D: Credit Risk

The NBA is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets in the Balance Sheet. The NBA has no significant exposures to any concentrations of credit risk.

The credit quality of financial instruments individually determined as impaired is \$3,037,236 (2013: \$3,037,236). Refer to Note 19B.

Factors that have been used in assessing the asset to be impaired include the age and recoverability of the debt.

Note 25E: Liquidity Risk

The NBA's financial liabilities are trade and other creditors. The exposure to liquidity risk is based on the notion that the NBA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to special account funding and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities in 2014

	Within 1 year \$'000	Total \$'000
Trade and other creditors	78 031	78 031
Total	78 031	78 031

Note 25F: Market Risk

The NBA holds basic financial instruments that do not expose it to certain market risks. The NBA is not exposed to 'interest rate risk', 'currency risk', or 'other price risk'.

2014 \$'000	2013 \$'000
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NOTE 26: Administered Financial Assets Reconciliation

Financial Assets

Total financial assets per schedule of administered assets and liabilities	411 157	354 287
Less: non-financial instrument components:		
GST receivable from Australian Taxation Office	21 868	14 826
Special Account - cash held in the OPA	276 256	230 348
Total financial assets as per administered financial instruments note	113 033	109 113

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 27 Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2014 Appropriations						Appropriation applied in 2014 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced (a) \$'000	AFM (b) \$'000	Section 30 \$'000	Section 31 \$'000			
DEPARTMENTAL								
Ordinary annual services	6 205	-	-	-	23	-	6 228	141
Other services	-	-	-	-	n/a	-	-	-
Equity	-	-	-	-	-	-	-	-
Total departmental	6 205	-	-	-	23	-	6 228	141
ADMINISTERED								
Ordinary annual services	7 544	-	-	-	n/a	-	7 544	-
Administered items	-	-	-	-	-	-	-	-
Total administered	7 544	-	-	-	n/a	-	7 544	-

Notes:

(a) Appropriations reduced under Appropriation Acts (Nos. 1,385) 2013-14: sections 10,11 and 12 and under Appropriation Acts (Nos. 2,466) 2013-14: sections 12,13 and 14. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos 1,385) 2013-14 and section 12 of Appropriation Acts (Nos 2,486) 2013-14, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

(b) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1,385) 2013-14: section 13 and Appropriation Acts (Nos. 2,466) 2013-14: section 15.

(c) Table A includes Ordinary annual services - Departmental Capital Budget and Payments for non-financial assets as disclosed in Table B.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 27 Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2013 Appropriations						Appropriation applied in 2013 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	AFM ^(b) \$'000	Section 30 \$'000	Section 31 \$'000			
DEPARTMENTAL								
Ordinary annual services	7 298	-	-	-	184	-	7 482	134
Other services	-	-	-	-	n/a	-	-	-
Equity	-	-	-	-	-	-	-	-
Total departmental	7 298	-	-	-	184	-	7 482	134
ADMINISTERED								
Ordinary annual services	8 358	-	-	-	n/a	-	8 358	-
Administered items	-	-	-	-	-	-	-	-
Total administered	8 358	-	-	-	n/a	-	8 358	-

Notes:

- (a) Appropriations reduced under Appropriation Acts (Nos. 1 & 3) 2012-13: sections 10, 11, 12 and 15 and under Appropriation Acts (Nos. 2 & 4) 2012-13: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
- As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos 1, 3 & 5) 2012-13 and section 12 of Appropriation Acts (Nos 2, 4, & 6) 2012-13, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.
- (b) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1 & 3) 2012-13: section 13 and Appropriation Acts (Nos. 2 & 4) 2012-13: section 15.
- (c) Table A includes Ordinary annual services - Departmental Capital Budget and Payments for non-financial assets as disclosed in Table B.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 27 Appropriations

Table B: Departmental and Administered Capital Budgets (Recoverable GST exclusive)

	2014 Capital Budget Appropriations				Capital Budget Appropriations applied in 2014 (current and prior years)				Variance
	Appropriation Act		FMA Act		Total Capital Budget Appropriations \$'000	Payments for non-financial assets (c)		Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced (b) \$'000	Section 32 \$'000	Payments for other purposes \$'000					
DEPARTMENTAL									
Ordinary annual services - Departmental Capital Budget (a)	115	-	-	-	115	154	-	154	(39)
ADMINISTERED									
Ordinary annual services - Administered Capital Budget (a)	-	-	-	-	-	-	-	-	-

Notes:

- (a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
- (b) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2013-14: sections 10,11,12 and 15 or via a determination by the Finance Minister.
- (c) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition and the and the capital repayment component of finance leases.

Table B: Departmental and Administered Capital Budgets (Recoverable GST exclusive)

	2013 Capital Budget Appropriations				Total Capital Budget Appropriations	Capital Budget Appropriations applied in 2013			Variance
	Appropriation Act		FMA Act			Payments for non-financial assets (c)	Payments for other purposes	Total payments	
	Annual Capital Budget	Appropriations reduced (b)	Section 32						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL									
Ordinary annual services - Departmental Capital Budget (a)	1 097	-	-	-	1 097	963	-	963	134
ADMINISTERED									
Ordinary annual services - Administered Capital Budget (a)	-	-	-	-	-	-	-	-	-

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Notes:

- (a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
- (b) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2012-13: sections 10,11,12 and 15 or via a determination by the Finance Minister.
- (c) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition and the capital repayment component of finance leases.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 27 Appropriations

Table C: Unspent Annual Appropriations (Recoverable GST exclusive)

Authority	2014	2013
DEPARTMENTAL	\$'000	\$'000
Cash	29	29
Appropriation Act (No.1) 2012-13	485	509
Total	514	538

Table D: Special Appropriations (Recoverable GST exclusive)

Table D is blank for financial years 2013 and 2014.

Table E: Disclosure by Agent in Relation to Annual and Special Appropriations (Recoverable GST exclusive)

Table E is blank for financial years 2013 and 2014.

Table F: Reduction in Administered Items (Recoverable GST exclusive)

2014	Amount required ³ - by Appropriation Act		Total amount required ³	Total amount appropriated ⁴	Total reduction ⁵
Ordinary Annual Services	Act (No.1)	Act (No.3)	Act (No.5)		
Outcome 1	\$ 7,544,000.00	-	\$ 7,544,000.00	\$ 7,544,000.00	-

Notes:

- Numbers in this section are disclosed to the cent.
- Administered items for 2014 were reduced to these amounts when these financial statements were tabled in Parliament as part of the NBA's 2014 annual report. This reduction was effective in 2015, but the amounts were reflected in Table A in the 2014 financial statements in the column 'Appropriations reduced' as they were adjustments to 2014 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
- Total amount appropriated in 2014.
- Total reduction effective in 2015.

2013	Amount required ² - by Appropriation Act		Total amount required ²	Total amount appropriated ³	Total reduction ⁴
Ordinary Annual Services	Act (No.1)	Act (No.3)	Act (No.5)		
Outcome 1	\$ 8,358,000.00	-	\$ 8,358,000.00	\$ 8,358,000.00	-

Notes:

- Numbers in this section are disclosed to the cent.
- Administered items for 2013 were reduced to these amounts when these financial statements were tabled in Parliament as part of the NBA's 2013 annual report. This reduction was effective in 2014, but the amounts were reflected in Table A in the 2013 financial statements in the column 'Appropriations reduced' as they were adjustments to 2013 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
- Total amount appropriated in 2013.
- Total reduction effective in 2014.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 28: Special Accounts and FMA Act Section 39

Note 28A: Special Accounts (Recoverable GST exclusive)

	The National Blood Account ¹		National Managed Fund (Blood and Blood Products) ²	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance brought forward from previous period	247 370	207 158	180	307
Increases:				
Appropriation credited to special account	13 749	15 522	-	-
Costs recovered	-	-	-	-
Realised investments	-	-	47 864	76 631
Other receipts - Commonwealth contributions	714 411	669 242	-	5 106
Other receipts - State and territory contributions	385 361	376 445	-	2 999
Other receipts - External parties	531	3 784	5 418	5 410
Total increases	1 114 052	1 064 993	53 282	90 146
Available for payments				
Decreases:				
Departmental				
Payments made to employees	6 195	6 076	-	-
Payments made to suppliers	3 203	5 512	-	-
Total departmental decreases	9 398	11 588	-	-
Administered				
Payments made to employees	190			
Payments made to suppliers	1 051 906	1 013 193	931	956
Investments made from the special account (FMA Act section 39)	-	-	52 200	89 317
Total administered decreases	1 052 096	1 013 193	53 131	90 273
Total decreases	1 061 494	1 024 781	53 131	90 273
Total balance carried forward to the next period	299 928	247 370	331	180

¹ *Appropriation:* Financial Management and Accountability Act 1997 section 21

Establishing Instrument: National Blood Authority Act 2003

Purpose: The National Blood Authority was established on 1 July 2003 with the principal role of managing the national blood arrangements, ensuring sufficient supply and to provide a new focus on the safety and quality of blood and blood products. The funding for blood and blood products is funded from a special account established under the National Blood Authority Act 2003, section 40. The NBA's activities contributing to its outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled by the agency in its own right. Administered activities involve the management or oversight by the NBA on behalf of the Government of items controlled or incurred by the Government.

² *Appropriation:* Financial Management and Accountability Act 1997 section 20

Establishing Instrument: Financial Management and Accountability Act 1997 section 20

Purpose: For the receipt of monies and payment of all expenditure related to the management of blood and blood products liability claims against the Australian Red Cross Society (ARCS) in relation to the activities undertaken by the operating division of the ARCS known as the Australian Red Cross Blood Service.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 28: Special Accounts and FMA Act Section 39

Note 28B: Investments made under section 39 of the FMA Act (Recoverable GST exclusive)

2014	Balance brought forward from previous period \$'000	Investments made \$'000	Investment income \$'000	Transactional charges \$'000	Investments realised \$'000	Total balance carried to the next period \$'000
Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009 - Amendment No. 2 2010	106,361	46,782	5,418	-	47,864	110,697
Total	106,361	46,782	5,418	-	47,864	110,697

On 28 June 2010, the Finance Minister delegated to NBA investment powers under Section 39 of the FMA Act. An analysis of the risk profile, desired investment returns and length of investment was independently performed by expert consultants in developing an approved investment strategy. During the year all investments were made in accordance with the approved investment strategy.

2013	Balance brought forward from previous period \$'000	Investments made \$'000	Investment income \$'000	Transactional charges \$'000	Investments realised \$'000	Total balance carried to the next period \$'000
Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009 - Amendment No. 2 2010	93,675	84,072	5,245	-	76,631	106,361
Total	93,675	84,072	5,245	-	76,631	106,361

On 28 June 2010, the Finance Minister delegated to NBA investment powers under Section 39 of the FMA Act. An analysis of the risk profile, desired investment returns and length of investment was independently performed by expert consultants in developing an approved investment strategy. During the year all investments were made in accordance with the approved investment strategy.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

NOTE 29: Compensation and Debt Relief

Departmental

No 'Act of Grace' payments were expensed during the reporting period (2013: no expenses).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2013: no waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) during the reporting period (2013: no payments).

No ex gratia payments were provided for during the reporting period (2013: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period (2013: no payments).

Administered

No 'Act of Grace' expenses were incurred during the reporting period (2013: no expenses).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34 (1) of the *Financial Management and Accountability Act 1997* (2013: no waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) during the reporting period (2013: no payments).

No ex gratia payments were provided during the reporting period (2013: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period (2013: no payments).

NOTE 30: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance provided information to all agencies in prior years regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts.

In the prior year, the NBA developed a plan to review exposure to risks of not complying with statutory conditions on payments from appropriations. The plan involved:

- identifying each special account;
- determining the risk of non-compliance by assessing the difficulty of administering the statutory conditions and
- determining procedures to confirm risk assessments in medium risk cases and to quantify the extent of non-compliance, if any, in higher risk situations;
- obtaining legal advice as appropriate to resolve questions of potential non-compliance; and
- considering legislative or procedural changes to reduce the risk of non-compliance in the future to an acceptably low level.

The NBA identified 2 appropriations involving statutory conditions for payment, comprising two special accounts:

- The National Blood Account
- National Managed Fund (Blood and Blood Products)

As at 30 June 2012, this work was completed in respect of all appropriations with statutory conditions for payment. The work conducted identified no issues of compliance with Section 83.

During 2012/13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. In 2013/14 the NBA reviewed its processes and controls over payments for these items and identified no issues.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Note 31: Reporting of Outcomes

Note 31A: Net Cost of Outcome Delivery

	Outcome 1	
	2014	2013
	\$'000	\$'000
Departmental		
Expenses	10 438	10 949
Own-source income	4 113	4 106
Administered		
Expenses	1 044 914	1 012 357
Own-source income	386 999	383 933
Net cost of outcome delivery¹	664 240	635 267

Note 31B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes

The NBA has only one Outcome. Refer to the Statement of Comprehensive Income and the Balance Sheet. Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that were eliminated in calculating the actual Budget Outcome.
Refer to Outcome 1 Resourcing Table in this Annual Report.

Note 31C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcomes

The NBA has only one Outcome. Refer to the Administered Schedule of Comprehensive Income and the Administered Schedule of Assets and Liabilities.
Outcome 1 is described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome.

	2014	2013
	\$'000	\$'000
NOTE 32: Net Cash Appropriation Arrangements		
Total comprehensive (loss) less depreciation/amortisation expenses previously funded through revenue appropriations ²	567	207
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	649	849
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(82)	(642)

¹ The net cost of outcome delivery reflects the cost of the Australian Government only.

² From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. However, the NBA was granted an exemption until the 2011-12 year. The NBA now receives a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.





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APPENDICES

APPENDIX 1. COMMITTEE AND BOARD MEMBER PROFILES

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APPENDIX 1. COMMITTEE AND BOARD MEMBER PROFILES

NBA Board Continuing Members

Ms Gayle Ginnane — chair

Ms Gayle Ginnane was CEO of the Private Health Insurance Administration Council, a government agency reporting to the Minister for Health and Ageing, with financial and regulatory responsibility for the private health insurance industry until May 2008 and has broad experience as a senior manager in an insurance and regulatory environment, and an in depth understanding of governance, risk management and finance.

Ms Ginnane has considerable experience as an independent director on a number of boards, both commercial and not for profit, in the voluntary, government and private sectors. As well as Chair of the NBA Board, Ms Ginnane is a councillor on the Australian Pharmacy Council, a director of the ACT Medicare Local, and Police Health. She has also contributed to a number of voluntary organisations at senior and Board levels including Scouts ACT, the Arthur Shakespeare Foundation for Scouting and the Community Living Project.

Ms Ginnane is a member of the Institute of Public Administration, a fellow of the Australian Institute of Company Directors and an affiliate member of the Institute of Actuaries of Australia.

Ms Ginnane was appointed Chair of the NBA Board in May 2011.

Mr Paul Bedbrook — financial expert

Mr Paul Bedbrook has had a connection with blood issues via his personal involvement with haemophilia for over two decades. He is the father of two adult sons with haemophilia. For much of those two decades Mr Bedbrook has been involved with the Haemophilia Foundation NSW (HFNSW) and the Haemophilia Foundation Australia (HFA). He is a past President of HFNSW and past Treasurer of HFA. He brings his personal experiences with blood issues to the Board as well as feedback from a community of individuals who rely on the blood and plasma products distributed to Australia's health services under the auspices of the NBA.

Professionally, Mr Bedbrook has over 30 years of experience in financial services. He was a senior executive for over 20 years with the Dutch global banking, insurance and investment group, ING. His early career was as an investment analyst and investment portfolio manager and he was the General Manager Investments and Chief Investment Officer for the Mercantile Mutual (ING) Group in Sydney from 1987 to 1995. In the decade to 2010, he was President and CEO, INGDIRECT, Canada; CEO and director of ING Australia and Regional CEO, ING Asia Pacific based in Hong Kong. His current roles include: independent non-executive director of Zurich Financial Services Australia Ltd, Credit Union Australia (CUA) Ltd, Independent Chairman of ASX listed Elanor Investors Group and Chairman of Disability Sports Australia.

Mr Bedbrook was appointed community representative on the NBA Board from May 2011 to August 2013. Mr Bedbrook was appointed financial expert on the NBA Board in August 2013 and is a member of the NBA Audit Committee.

Professor Chris Brook PSM—state and territory representative (large jurisdiction)

Professor Chris Brook is currently in the office of Chief Advisors and Transformation for the Victorian Department of Health. This role is flexible and relates to indepth analysis and thinking about major policy issues, separate from day-to-day operations. Examples include Clinical Trials, Quality and Safety, Innovation and Transformation approaches to improve services to all Victorians.

As a personal appointment, Professor Brook is also the State Health and Medical Commander (Emergency Management). This position provides the command and coordination across the whole of DH services, encompassing all hospitals; ambulances; and others when a large scale emergency event occurs.

Professor Brook also sits on the Clinical Trials Advisory Committee auspiced by the Commonwealth Department of Industry and was recently re-appointed as a member of the Advisory Board of the Australian Commission on Safety and Quality in Health Care.

Professor Brook was appointed to the NBA Board in May 2011.

Dr Stephen Christley — state and territory representative (small jurisdiction)

Dr Stephen Christley is Chief Public Health Officer and Executive Director of Public Health and Clinical Systems in the South Australian Department for Health and Ageing. He has previously served as a CEO of three separate area health services in New South Wales. He is a medical practitioner and has worked in rural, public health and community settings.

Dr Christley's interests are public health, health system improvement and safety and quality. He has been a member of a number of research/fundraising foundation boards and is a member of the Australian Health Protection Principal Committee of the Australian Health Ministers' Advisory Council (AHMAC).

Dr Christley was appointed state and territory representative on the NBA Board in March 2009.

Ms Mary Murnane — Australian Government representative

Ms Mary Murnane is a former Deputy Secretary of the Department of Health. She is retired but continues to work part-time providing strategic and policy support to the Department of Health. Ms Murnane is a member of the Human Genetics Advisory Committee of the National Health and Medical Research Council.

She was reappointed as Commonwealth representative to the NBA Board in May 2011.

Professor George Rubin MB BS (Hons) FRACP FAFPHM FACHAM—public health expert

Professor Rubin is Director of Clinical Governance with the South Eastern Sydney Local Health District and is Professor of Public Health at both the University of Sydney and the University of New South Wales. He is a past President of the Australasian Faculty of Public Health Medicine and Board member of the Royal Australasian College of Physicians.

While Professor Rubin practices clinically in addiction medicine in Sydney, he has worked internationally in the Americas and Asia and has published more than 150 scientific papers in the peer reviewed literature including reports on the appropriateness of use of blood products. He has served as Director of Epidemiology and Health Services Evaluation and as Chief Health Officer with NSW Health where he was instrumental in developing public health infrastructure and education. For ten years he was a medical epidemiologist working in reproductive health with the United States Centers for Disease Control and Prevention and with the Ford Foundation in Bangladesh.

Professor Rubin was appointed to the NBA Board in May 2011.

New Member

Ms Patricia (Patti) Warn — community representative

Trained originally as a secondary school teacher in Tasmania, Ms Warn was a social and political researcher for the ABC's Four Corners programme in Sydney for several years before becoming a Ministerial Advisor in Canberra across social security, health, community services and immigration. She organised national community consultations to inform policy development in reforming disability services, women's health, HIV/AIDS, Creutzfeldt–Jakob disease awareness and aged care.

Ms Warn was a member of the Commonwealth Immigration Review Tribunal for five years.

In retirement Ms Warn was appointed to the NSW Ministerial Advisory Committee on Ageing and became an official visitor to mental health facilities under the *NSW Mental Health Act*. She served for seven years as a Board member of Uniting Care Ageing's Sydney region and remains on its Advisory Council.

Ms Warn has been a lay member of the NSW Law Society's Professional Conduct Committee for a decade and has represented consumer interests on committees of the Australian Commission on Safety and Quality in Health Care, Health Workforce Australia, the Australian Council on Health Care Standards and the Australian Health Practitioner Registration Agency.

Ms Warn's personal commitment to the NBA stems from her mother's life being saved by massive blood transfusions following a postpartum haemorrhage 40 years ago.

Ms Warn was appointed to the NBA Board as the community representative in August 2013.

Retiring Member

Mr Ken Barker — financial expert



Until 2009 Mr Barker had some 42 years of experience in the New South Wales Government. He worked for New South Wales Health for 24 years where his last appointment was as Chief Financial Officer. He is now director of his own company, which specialises in financial management and provision of strategic advice, mainly to government agencies. He is also a member of a number of state government governance boards and of several New South Wales agency audit and risk committees.

Mr Barker has worked with the former New South Wales Blood Transfusion Service, and has made important contributions to many of the key decisions and events that have shaped the current Australian blood sector:

the establishment of the Australian Red Cross Blood Service and the NBA; provision of national indemnity arrangements for blood and blood products; the *Stephen Review of the Australian Blood Banking and Plasma Product Sector*; and the 2008 KPMG business study of the Blood Service.

Mr Barker was appointed to the NBA Interim Board and has served as a full Board member since the inception of the NBA. He was reappointed in May 2011 and his term extended until August 2013. He served as Chair of the NBA Audit Committee between 2003 and 2007 and continued to serve as an Audit Committee member, until his appointment as Chair in October 2013.

Audit Committee Chair


Mr Ken Barker (Chair from October 2013)

Please refer to the biography details under the Board Member profiles (page 154).

Ms Jennifer Morison FCA, FCPA, FAIM (Chair from July to October 2013)



Jennifer Morison is a chartered accountant with 33 years of broad experience in the profession and in commerce. Her career has included audit, taxation, management consulting, corporate advisory work, and consulting to government. She is a leading consultant in the area of public sector financial management reform in Australia and is an independent member and chair of a number of Commonwealth and ACT government audit and risk committees. She was awarded the Centenary medal for services to the accounting profession in 2000. Ms Morison was appointed Chair of the NBA's Audit Committee in 2007, having been a member of the committee since 2004. Ms Morison retired from the Audit Committee in October 2013.



APPENDIX 2. FRESH BLOOD COMPONENTS SUPPLIED UNDER CONTRACT BY THE BLOOD SERVICE IN 2013-14

TABLE 5.1 Fresh blood components supplied under contract by the Blood Service, 2013-14

Product Type	Name	Presentation	IBC Price
Red blood cells	Whole blood (WB) red cells leucodepleted	>200ml ¹	\$345.14
	WB paediatric red cells leucodepleted (set of 4)	25-100ml ¹	\$243.24
	WB washed red cells leucodepleted	>130ml ¹	\$281.24
Platelets	WB platelet pool leucodepleted	>160ml ¹	\$356.62
	Apheresis platelet leucodepleted	100-400ml ¹	\$501.09
	Paediatric apheresis platelet leucodepleted (set of 4)	40-60ml ¹	\$500.09
Clinical fresh frozen plasma (FFP)	WB clinical FFP	295ml+/-10% ¹	\$279.29
	WB paediatric clinical FFP (set of 4)	60-80mL ¹	\$61.49
	Apheresis clinical FFP	295ml +/-10% ¹	\$313.41
Cryoprecipitate	WB cryoprecipitate	30-40ml ¹	\$51.61
	Apheresis cryoprecipitate	54-66mL ¹	\$274.16
Cryo-depleted plasma	WB cryo-depleted plasma	215-265mL ¹	\$22.13
	Apheresis cryo-depleted plasma	495-605mL ¹	\$119.70
Other products	Autologous donation	NA	\$380.69
	Directed donation complying with AHMAC guidelines	NA	\$346.25
	Serum eye drops	Single Collection	\$441.32
Plasma for Fractionation	Plasma for Fractionation ²	Presentation size NA, but costed per kg	\$350.76

¹ The presentation volume for a typical unit content is specified in the Australian Red Cross Blood Service Blood Component Information, 2012. URL: <http://resources.transfusion.com.au/cdm/ref/collection/p16691coll1/id/18>

²Plasma for Fractionation is supplied to CSL for manufacturing plasma derived products

APPENDIX 3. PLASMA AND RECOMBINANT PRODUCTS SUPPLIED UNDER CONTRACT IN 2013-14

TABLE 5.2 Plasma and recombinant products supplied under contract, 2013-14

Product Type	Name	Presentation	Supplier	Price
Albumin (plasma derived - domestic)	Albumex	20% 10ml	CSL Behring (Australia) Pty Ltd	\$14.95
		20% 100ml		\$65.24
		4% 50ml		\$14.95
		4% 500ml		\$65.24
Factor VII (plasma derived - imported)	Factor VII Concentrate	600 IU	Baxter Healthcare Pty Ltd	\$438.00
Factor VIIa (recombinant - imported)	NovoSeven	1mg	Novo Nordisk Pharmaceuticals Pty Ltd	\$1,235.70
		2mg		\$2,471.41
		5mg		\$6,178.52
		8mg		\$9,885.60
Factor VIII Anti-Inhibitor (plasma derived - imported)	FEIBA	500 IU	Baxter Healthcare Pty Ltd	\$1,200.00
		1000 IU		\$2,400.00
		NF 500 IU		\$1,200.00
		NF 1000 IU		\$2,400.00
		NF 2500IU		\$6,000.00

Product Type	Name	Presentation	Supplier	Price
Factor VIII (plasma derived - domestic)	Biostate	250 IU	CSL Behring (Australia) Pty Ltd	\$210.48 ¹
		500 IU		\$420.96 ¹
		1000 IU		\$841.93 ¹
Factor VIII (recombinant - imported)	Kogenate FS	250 IU	Bayer Australia Limited	\$145.00
		500 IU		\$290.00
		1000 IU		\$580.00
		2000 IU		\$1,160.00
		3000 IU		\$1,740.00
Factor VIII (recombinant - imported)	Xyntha	250 IU	Pfizer Australia Pty Ltd	\$199.48
		500 IU		\$398.95
		1000 IU		\$797.90
		2000 IU		\$1,595.80
		3000 IU		\$2,393.70
Factor IX (plasma derived - domestic)	MonoFIX	500 IU	CSL Behring (Australia) Pty Ltd	\$420.96 ¹
		1000 IU		\$841.93 ¹
Factor IX (recombinant - imported)	BeneFIX	250 IU	Pfizer Australia Pty Ltd	\$301.18
		500 IU		\$602.35
		1000 IU		\$1,204.70
		2000 IU		\$2,409.40
		3000 IU		\$3,614.10
Factor XI (plasma derived - imported)	Factor XI	1 IU	CSL Behring (Australia) Pty Ltd	\$11.41
Factor XIII (plasma derived - imported)	Fibrogammin P	250 IU	CSL Behring (Australia) Pty Ltd	\$131.51
		1250 IU		\$657.54
Human prothrombin complex (plasma derived - domestic)	Prothrombinex	500 IU	CSL Behring (Australia) Pty Ltd	\$268.37 ¹
Protein C concentrate (plasma derived - imported)	Ceprotin	500 IU	Baxter Healthcare Pty Ltd	\$1,075.00
		1000 IU		\$2,150.00
Antithrombin III concentrate (plasma derived - domestic)	Thrombotrol	1000 IU	CSL Behring (Australia) Pty Ltd	\$1,357.61 ¹

Product Type	Name	Presentation	Supplier	Price
Intravenous immunoglobulin (IVIg) (plasma derived – domestic)	Intragam P	50ml	CSL Behring (Australia) Pty Ltd	\$187.36 ¹
		200ml		\$749.49 ¹
IVIg or subcutaneous immunoglobulin (SCIg) (plasma derived – domestic and imported)	Kiovig	1gm/10ml	Baxter Healthcare Pty Ltd	\$56.39
		2.5gm/25ml		\$140.98
		5gm/50ml		\$281.95
		10gm/100ml		\$563.90
	Evogam	20gm/200ml	CSL Behring (Australia) Pty Ltd	\$1,127.80
		16% 0.8g/5ml		\$50.21
		16% 3.2g/20ml		\$200.84
		16.5% 1.65/10ml		\$93.04
	Gammanorm	16.5% 3.3g/20ml	Octapharma Australia Pty Ltd	\$186.09
	Octagam	5% 1g/20ml	Octapharma Australia Pty Ltd	\$56.39
		5% 2.5g/50ml		\$140.98
		5% 2.5g/100ml		\$281.95
		5% 10g/200ml		\$563.90
		10% 2g/20ml		\$112.78
		10% 5g/50ml		\$281.95
		10% 10g/100ml		\$563.90
		10% 20g/200ml		\$1,127.80
Normal immunoglobulin (NIg) (plasma derived – domestic)	Normal Immunoglobulin VF	2VI 2ml(0.32gm)	CSL Behring (Australia) Pty Ltd	\$30.55 ¹
		2VI 5ml (0.80gm)		\$50.08 ¹
CMV immunoglobulin (plasma derived – domestic)	CMV Immunoglobulin	1.5 million units	CSL Behring (Australia) Pty Ltd	\$1,160.87 ¹
Hepatitis B immunoglobulin (plasma derived – domestic)	Hepatitis B Immunoglobulin 2VI	100 IU (2ml)	CSL Behring (Australia) Pty Ltd	\$42.43 ¹
		400 IU (5ml)		\$97.14 ¹
RhD immunoglobulin (plasma derived – imported)	Rhophylac	1500 IU	CSL Behring (Australia) Pty Ltd	\$372.45
RhD immunoglobulin (plasma derived – domestic)	RhD Immunoglobulin VF	250 IU	CSL Behring (Australia) Pty Ltd	\$28.74 ¹
		625 IU		\$71.83 ¹
Tetanus immunoglobulin (plasma derived – domestic)	Tetanus Immunoglobulin VF	250 IU	CSL Behring (Australia) Pty Ltd	\$41.94 ¹
		4000 IU		\$671.05 ¹
Zoster immunoglobulin (plasma derived – domestic)	Zoster Immunoglobulin VF	200 IU	CSL Behring (Australia) Pty Ltd	\$266.06 ¹

¹ The price does not include the starting plasma provided to CSL by the Australian Red Cross Blood Service.

APPENDIX 4.

MANDATORY REPORTING

Work health and safety

Workplace health and safety matters are standing agenda items that are routinely discussed at a variety of organisational reporting meetings such as quarterly HR reporting to the Senior Executive Management group, the Operational Plan and the Staff Participation Forum.

In 2013-14 as part of the relocation to the new building at 243 Northbourne Avenue, Lyneham, the NBA underwent a Work Health Safety Management System Review to ascertain any workplace safety risks or areas of concern. Leading from the review were 10 recommendations which were relatively minor and were easily achieved with little change and at limited cost. In summary the NBA was noted as *having taken a strong commitment to the provision of a high standard of Work Health and Safety (WHS) in establishing arrangements in the new office and is to be highly commended for its current level of performance in relation to WHS performance.*

The NBA purchased an Automated External Defibrillator (AED) for the NBA to use in an emergency situation where one of our employees or visitors may need its use. There is no legislative requirement for the NBA to have a defibrillator on its premises; however, Comcare recognises that it is good practice for organisations to have an AED on site that is easily accessible and clearly signed.

There were no reportable incidents lodged with Comcare during the reporting year.

Initiatives that were undertaken by the NBA during the year to maintain its ongoing commitment to a safe and secure workplace included:

- the continued availability of workstation assessments for all new starters as well as assessments for existing staff who felt it necessary for their wellbeing
- access to the employee assistance programme.



Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires particulars of all amounts greater than \$12,400 paid during a financial year to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations. The NBA made no payments of this kind in 2013–14.

Ecologically sustainable development and environmental performance

The NBA continued to pursue activities that support the ecologically sustainable principles outlined in Section 3A of the *Environment Protection and Biodiversity Conservation Act 1999*.

During 2013–14, this included the following examples:

- recycling into three streams of waste – co-mingled material, paper and printer cartridges
- purchasing 100 per cent GreenPower for electricity use and offsetting air travel through the GreenFleet programme
- encouraging staff to recycle and re-use existing stationery before ordering new supplies
- maintaining paper use reduction initiatives such as defaulting printer settings to print double sided and in black and white and using 100 per cent recycled paper
- running the air conditioning systems on timers and occupancy sensors to ensure operation only during business hours when the immediate area is occupied
- participating in Earth Hour – the office was fully compliant and all staff were encouraged to participate
- ensuring that through purchasing activities further improvements were made within blood product supply contracts
- implemented an electronic document and records management system
- as a result of moving into a new tenancy in February 2013 and introducing new measures, the average monthly power consumption has reduced from approximately 15,380 kWh to 11,323 kWh.

In summary, Table 5.3 provides information on the impact the NBA's activities have on the natural environment. The NBA continues to look at ways to further reduce the impact on the environment.

TABLE 5.3 NBA Environmental performance indicators

Theme	Performance measure	Indicator(s)	2011-12 ¹	2012-13 ²	2013-14 ³
Energy efficiency	Total consumption of energy	Amount of electricity consumed (kWh)	154,160 kWh	184,564 kWh	135,882 kWh
		Amount of gas consumed (MJ)	0 MJ	0 MJ	0 MJ
		Amount of other fuels consumed (\$/kWh/MJ/L)	0	0	0
		Air travel distances (km)	743,949 kms	703,227 kms	878,974 kms
	Total consumption of green energy	Amount of green energy purchased/consumed (\$/kWh)	154,160 kWh	184,564 kWh	135,882 kWh
	Greenhouse gas emissions	Amount of greenhouse gases produced (tonnes)	0 tonnes ⁴	0 tonnes ⁵	0 tonnes ⁶
	Relative energy uses	Amount of green energy purchased divided by the amount of electricity consumed	100%	100%	100%
		Amount of total energy consumed (kWh) per employee	2,964 kWh	3,025 kWh	2,123 kWh

¹ Calculations for per employee figures have been based on 52 FTE.

² The NBA moved to a new tenancy in February 2013; however, the lease for the old tenancy was still effective as at 30 June 2013. Calculations for per employee figures have been based on 53 FTE and 8 contractors.

³ Calculations for per employee figures have been based on 64 people (49 FTE and 15 contractors).

⁴ Electricity fully off-set through 100% green energy purchased and the NBA off-set 743,949 kms in air travel through the GreenFleet programme.

⁵ Electricity fully off-set through 100% green energy purchased and the NBA off-set 703,227 kms in air travel through the GreenFleet programme.

⁶ Electricity fully off-set through 100% green energy purchased and the NBA off-set 878,974 kms in air travel through the GreenFleet programme.

Theme	Performance measure	Indicator(s)	2011-12 ¹	2012-13 ²	2013-14 ³
Waste	Total waste production	Amount of waste produced (tonnes)	7.09 tonnes	9.93 tonnes	9.88 tonnes
	Un-recyclable waste production	Amount of waste going to landfills (tonnes)	3.69 tonnes	2.95 tonnes	2.95 tonnes
	Recyclable waste production (excluding office paper)	Amount of waste going to recycling facilities (tonnes)	0.486 tonnes	1.071 tonnes	1.162 tonnes
	Paper waste production	Amount of waste paper going to recycling facilities (tonnes)	2.918 tonnes	5.909 tonnes ⁷	5.77 tonnes
		Amount of paper sourced from recyclable sources (tonnes)	2.075 tonnes	0.925 tonnes	1.474 tonnes
		Percentage of paper sourced from recyclable sources (per cent)	96%	43% ⁸	96% ⁹
	Use of renewable/recyclable products	Amount of products sourced from renewable/recyclable sources (tonnes)	96%	43%	1.533 tonnes ¹⁰
Water	Relative waste production	Amount of total waste (tonnes) per employee	0.136 tonnes	0.16 tonnes	0.15 tonnes
	Total consumption of water	Amount of water consumed (L)	369,999 L	393,846 L	400,000 L
	Grey water/rainwater capture and use	<i>Not applicable to NBA tenancies</i>	na	na	na
	Relative consumption/use of water	Amount of total water use (L) per employee	7,115 L	6,456 L	6,250 L

⁷ Increase due to office relocation in February 2013 and consolidation of material.

⁸ The significant decrease is due to the majority of paper purchased being certified carbon neutral under the National Carbon Offset Standard Carbon Neutral Programme - <http://www.climatechange.gov.au/climate-change/carbon-neutral/national-carbon-offset-standard-ncos>

⁹ Majority of paper sourced was 100% recycled

¹⁰ Previous years data provided as a percentage when it should have been provided in tonnes

Grant programmes

Information on grants awarded by the NBA during the period 1 July 2013 to 30 June 2014 is available at www.blood.gov.au/governmental-compliance.

The NBA did not administer any discretionary grants during 2013–14.

Disability reporting

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010–11, departments and agencies were no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2014, and can be found at www.dss.gov.au.

Information Publication Scheme statement

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

A copy of the NBA IPS Plan and associated published documents can be located at <http://www.blood.gov.au/ips>.

Errata

2012–13 NBA Annual Report

- p.21 **Table 2.1** Blood and blood products purchased, by suppliers, 2008–09 to 2012–13
The 2011–12 figure for Bayer Australia Limited Imported Plasma and Recombinant Products of 18.67 is incorrect and should be 11.30.
- p.23 **Table 2.2** Fresh blood expenditure: increases on 2003–04 base year
The total average growth (%) value of 8.4 is incorrect and should be 9.3.

Agency resource statements

The agency resource statement provides details of the funding sources that the NBA drew upon in 2013-14. In addition, it provides information about special accounts balances to be carried over to 2014-15.

	Actual available appropriation for 2013-14 \$'000	Payments made 2013-14 \$'000	Balance remaining 2013-14 \$'000
	(a)	(b)	(a) - (b)
Ordinary Annual Services¹			
Departmental appropriation ²	6,228	6,087	141
Total	6,228	6,087	141
Administered expenses			
Outcome 1 ³	7,544	7,544	
Total	7,544	7,544	
Total ordinary annual services	13,772	13,631	
Special Accounts⁴			
Opening balance	247,550		
Appropriation receipts ⁵	13,749		
Non-appropriation receipts to Special Accounts	1,153,385		
Payments made		1,114,625	
Total Special Account	1,414,684	1,114,625	300,059
Total resourcing and payments	1,428,456	1,128,256	

¹ Appropriation Bill (No. 1) 2013-14 and Appropriation Bill (No. 3) 2013-14. This may also include Prior Year departmental appropriation and section 31 relevant agency receipts.

² Includes an amount of \$0.115 million in 2013-14 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

³ Includes an amount of \$Nil in 2013-14 for the Administered Capital Budget.

⁴ Does not include 'Special Public Money' held in accounts like Other Trust Monies account (OTM). Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM).

⁵ Appropriation receipts from National Blood Authority annual appropriations for 2013-14 included above.

Resource for outcomes

This table provides details of the total funding for each outcome. In 2013-14 the NBA operated under a single outcome.

Outcome 1: Australia's blood supply is secure and well managed	Budget* 2013-14 \$'000	Actual Expenses 2013-14 \$'000	Variation 2013-14 \$'000
	(a)	(b)	(a) - (b)
Programme 1.1: National blood agreement management			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No. 1)	7,544	7,544	-
Special Accounts	1,127,414	1,052,096	75,318
Departmental expenses			
Departmental appropriation ¹	6,205	6,087	118
Special Accounts	9,589	9,398	191
Expenses not requiring appropriation in the Budget year	761	1,289	(528)
Total for Programme 1.1	1,151,513	1,076,414	75,099
Total expenses for Outcome 1	1,151,513	1,076,414	75,099
		2012-13	2013-14
Average Staffing Level (number)		51.5	53.5

* Full year budget, including any subsequent adjustment made to the 2013-14 Budget.

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (section 31)".

APPENDIX 5.

LIST OF REQUIREMENTS

Outlined in this section is the location of information provided in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* issued by the Department of the Prime Ministers and Cabinet as of 29 May 2014.

na denotes that the requirement was not applicable to the NBA during 2013-14.

nil denotes that this aspect was not reported on for the NBA in 2013-14.

Description	Requirement	Page
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	iv
Index	Mandatory	177-182
Glossary	Mandatory	174-176
Contact officer(s)	Mandatory	ii
Internet home page address and Internet address for report	Mandatory	ii

Review by General Manager

Description	Requirement	Page
Review by departmental secretary	Mandatory	8-11
Summary of significant issues and developments	Suggested	8-11, 12-14
Overview of department's performance and financial results	Suggested	6-11, 18-19, 74-78
Outlook for following year	Suggested	11, 14
Significant issues and developments – portfolio	Portfolio departments – suggested	na

Departmental Overview

Description	Requirement	Page
Role and functions	Mandatory	2-3
Organisational structure	Mandatory	4, 66
Outcome and programme structure	Mandatory	18-20
Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	na
Portfolio structure	Portfolio departments – Mandatory	na

Report on Performance

Description	Requirement	Page
Review of performance during the year in relation to programmes and contribution to outcomes	Mandatory	18-55
Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	18-19
Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	na
Narrative discussion and analysis of performance	Mandatory	18-55
Trend information	Mandatory	3, 22-32, 34, 62, 76, 78
Significant changes in nature of principal functions/services	Suggested	na
Performance of purchaser/provider arrangements	If applicable, suggested	na

Report on Performance

Description	Requirement	Page
Factors, events or trends influencing departmental performance	Suggested	8-10, 18-55
Contribution of risk management in achieving objectives	Suggested	43, 64
Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	63
Discussion and analysis of the department's financial performance	Mandatory	76 -78
Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	Mandatory	na
Agency resource statement and summary resource tables by outcomes	Mandatory	166-167

Management and Accountability

Corporate Governance

Description	Requirement	Page
Agency heads are required to certify that their agency complies with the 'Commonwealth Fraud Control Guidelines'	Mandatory	64
Statement of the main corporate governance practices in place	Mandatory	58-60
Names of the senior executive and their responsibilities	Suggested	59
Senior management committees and their roles	Suggested	58-60
Corporate and operational plan and associated performance reporting and review	Suggested	58-62
Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	60
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	66
How nature and amount of remuneration for SES officers is determined	Suggested	70

External Scrutiny

Description	Requirement	Page
Significant developments in external scrutiny	Mandatory	63
Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	63
Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or agency capability review	Mandatory	63

Management of Human Resources

Description	Requirement	Page
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	65-71
Workforce planning, staff retention and turnover	Suggested	70
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	68-69
Training and development undertaken and its impact	Suggested	71
Work health and safety performance	Suggested	71
Productivity gains	Suggested	70
Statistics on staffing	Mandatory	67-68
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	68-69
Performance pay	Mandatory	70

Assets Management

Description	Requirement	Page
Assessment of effectiveness of assets management	If applicable, mandatory	79

Purchasing

Description	Requirement	Page
Assessment of purchasing against core policies and principles	Mandatory	80-81

Consultants

Description	Requirement	Page
The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	81

Australian National Audit Office Access Clauses

Description	Requirement	Page
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	80

Exempt contracts

Description	Requirement	Page
Contracts exempted from publication in AusTender	Mandatory	80


Financial Statements

Description	Requirement	Page
Financial Statements	Mandatory	82-146

Other Mandatory Information

Description	Requirement	Page
Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	161
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	162
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	162-164
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	na
Grant programmes	Mandatory	165
Disability reporting explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory	165
Information Publication Scheme statement	Mandatory	165
Correction of material errors in previous annual report	If applicable, mandatory	165
Agency Resource Statements and Resources for Outcomes	Mandatory	166-167
List of Requirements	Mandatory	168-172





APPENDIX 6.

ACRONYMS AND ABBREVIATIONS

ABDR	Australian Bleeding Disorders Registry
ACSQHC	Australian Commission on Safety and Quality in Health Care
ACT	Australian Capital Territory
AED	Automated External Defibrillator
AHCDO	Australian Haemophilia Centre Directors' Organisation
AHMAC	Australian Health Ministers' Advisory Council
AHPPC	Australian Health Protection Principal Committee
ANAO	Australian National Audit Office
ANZCA	Australian and New Zealand College of Anaesthetists
ANZICS	Australian and New Zealand Intensive Care Society
ANZSBT	Australia and New Zealand Society of Blood Transfusion
APHA	Australian Private Hospitals Association
APS	Australian Public Service
APSC	Australian Public Service Commission
Blood Service	Australian Red Cross Blood Service
CAFA	CSL Australian Fractionation Agreement
CDNA	Communicable Disease Network Australia
COAG	Council of Australian Governments
CUA	Credit Union Australia
DoH	Department of Health
EA	Enterprise Agreement
EAP	Employee Assistance Programme
FEIBA	factor eight inhibitor bypass agent
FFP/FP	fresh frozen plasma/frozen plasma
FTE	full-time equivalent
FVIII	factor eight
FIX	factor nine
FX	factor ten

GST	goods and services tax
GUI	Graphic User Interface
HAA	annual scientific meeting of the HAA—Haematology Society of Australia and New Zealand—HSANZ, the Australian & New Zealand Society of Blood Transfusion—ANZSBT, and the Australasian Society of Thrombosis and Haemostasis—ASTH
HAC	Haemovigilance Advisory Committee
HFA	Haemophilia Foundation Australia
HSMA	Health and Safety Management Arrangement
HTC	Haemophilia Treatment Centre
ICT	Information Communicator Technology
Ig	Immunoglobulin
IPS	Information Publication Scheme
IU	International Units
IVIg	intravenous immunoglobulin
JBC	Jurisdictional Blood Committee
KPI	key performance indicator
kWh	kilowatt hour
LIS	Laboratory Information System
MSAC	Medical Services Advisory Committee
MTR	Massive Transfusion Registry
NBA	National Blood Authority
NBSCP	National Blood Supply Contingency Plan
NHMRC	National Health and Medical Research Council
Nlg	normal immunoglobulin
NIMF	National Inventory Management Framework
NMF	National Managed Fund
NSQHS	National Safety and Quality Health Service
NSP&B	National Supply Plan and Budget
OBFM	output based funding model



OHP	Office of Health Protection
PBM	patient blood management
RACS	Royal Australian College of Surgeons
Red Cross	The Australian Red Cross Society
rFVIIa	recombinant factor seven (A)
rFVIII	recombinant factor eight
rFIX	recombinant factor nine
SCIg	subcutaneous immunoglobulin
SES	Senior Executive Service
TOIL	time off in lieu
TORC	Transfusion Outcomes Research Collaborative
WB	Whole Blood
WHS	Work Health and Safety

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