



NATIONAL
BLOOD
AUTHORITY
AUSTRALIA



ANNUAL
REPORT
2014-15



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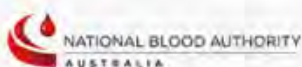
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LETTER OF TRANSMITTAL



Senator the Hon Fiona Nash
Minister for Rural Health
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the 2014-15 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 46 of the *Public Governance, Performance and Accountability Act 2013* and the June 2015 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 a fraud control plan and has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the agency. I also certify that the NBA has taken all reasonable measures to appropriately deal with fraud.

Yours sincerely

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

Leigh McJames
General Manager
National Blood Authority

7 October 2015



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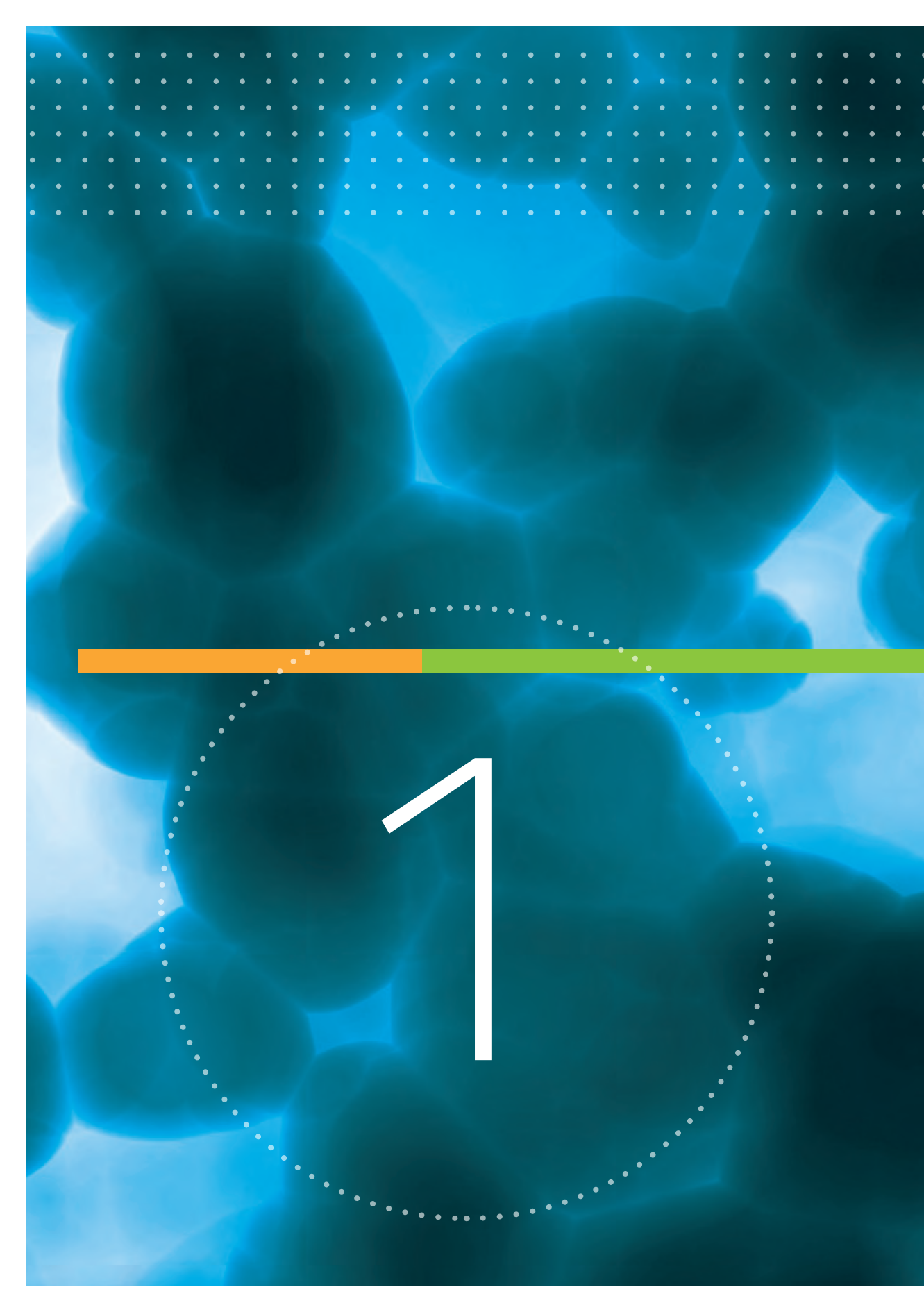
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OVERVIEW

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 Rural 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 \$8,644.6 million for the supply of blood and blood products as detailed in Table 1.1. In 2014-15, the total amount provided was \$922.7 million. Governments provided funding of \$10.2 million in 2014-15 for the operation of the NBA.

TABLE 1.1 Government funding for the supply of blood and blood products, 2005-06 to 2014-15

Year	Amount (\$M)	Growth (%)
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
2014-15	922.7	-15.8
Total	8,644.6	5.9 (average)

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

Our Staff

As at 30 June 2015, the NBA had 43 ongoing and 13 non-ongoing staff. The organisational structure is shown at Figure 1.1.

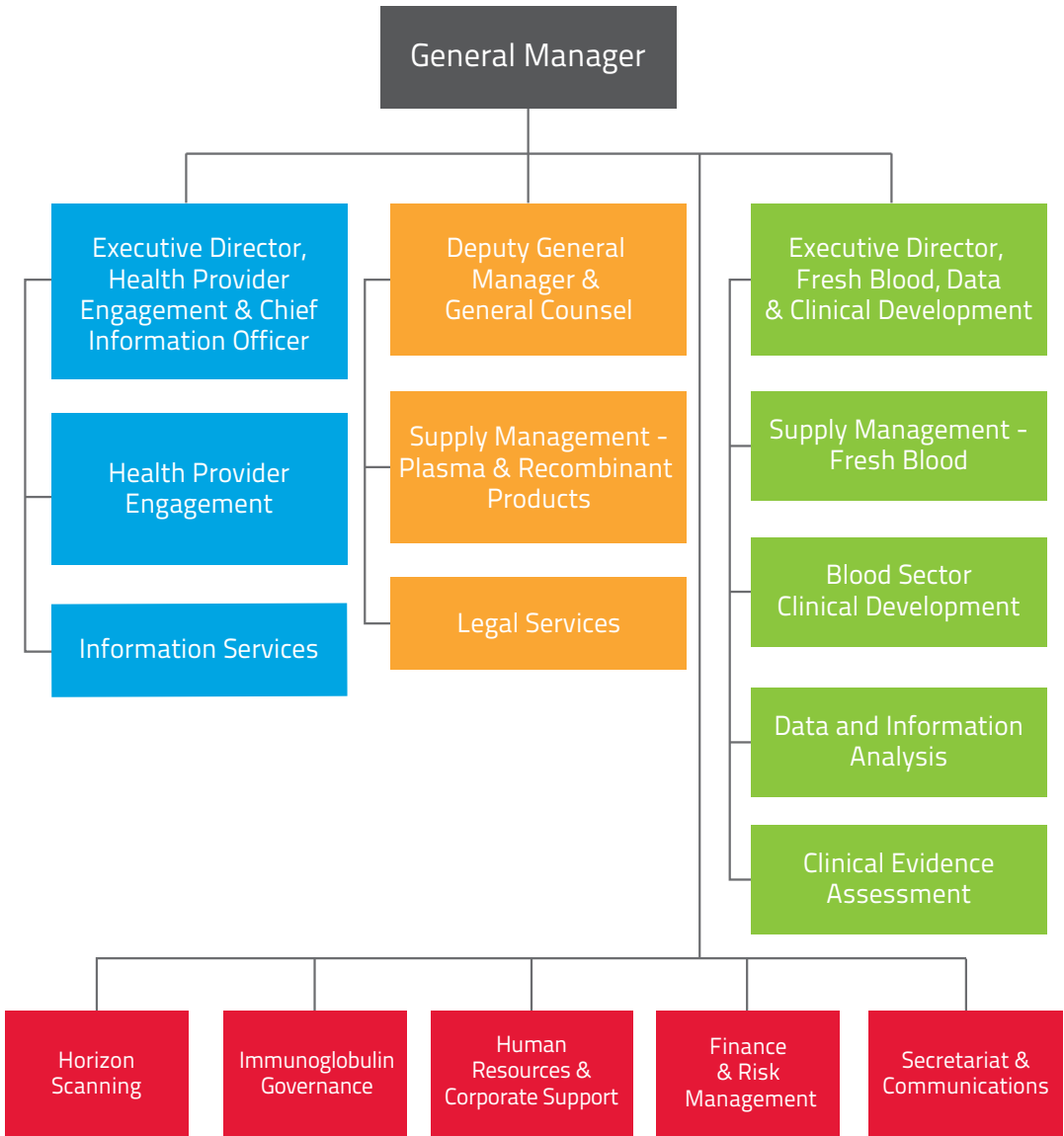


FIGURE 1.1 NBA Organisation Chart

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 | NBA executed a Deed of Agreement with the Australian Red Cross Society for the provision of fresh blood products

NBA won the Prime Minister's Silver Award for Excellence in Public Sector Management for procurement of recombinant (manufactured) products |
| 2007 | First edition of <i>Criteria for the clinical use of IVIg in Australia</i> was approved |
| 2008 | Launch of the National Blood Supply Contingency Plan (NBSCP) to provide clear governance for managing blood shortages

Launch of the redeveloped Australian Bleeding Disorders Registry (ABDR) to better support planning and clinical management of people with bleeding disorders |
| 2009 | Establishment of the Australian National Haemovigilance Program to report on serious transfusion related adverse events

NBA was awarded the Australian Government Comcover Award for Excellence in Risk Management for the NBSCP |
| 2010 | New CSL Australian Fractionation Agreement came into effect

NBA won a United Nations Public Service Award in the Advancing Knowledge Management in Government category |
| 2011 | National rollout of BloodNet, an online web based blood ordering system

Release of the first module (Critical Bleeding/Massive Transfusion) of the Patient Blood Management (PBM) Guidelines |
| 2012 | Release of PBM Guidelines Module 2 Perioperative and Module 3 Medical

Second edition of <i>IVIg Criteria in Australia</i> was published |
| 2013 | Release of PBM Guidelines Module 4 Critical Care

Inaugural National Blood Symposiums conducted in Sydney, Melbourne and Adelaide |
| 2014 | National rollout of MyABDR

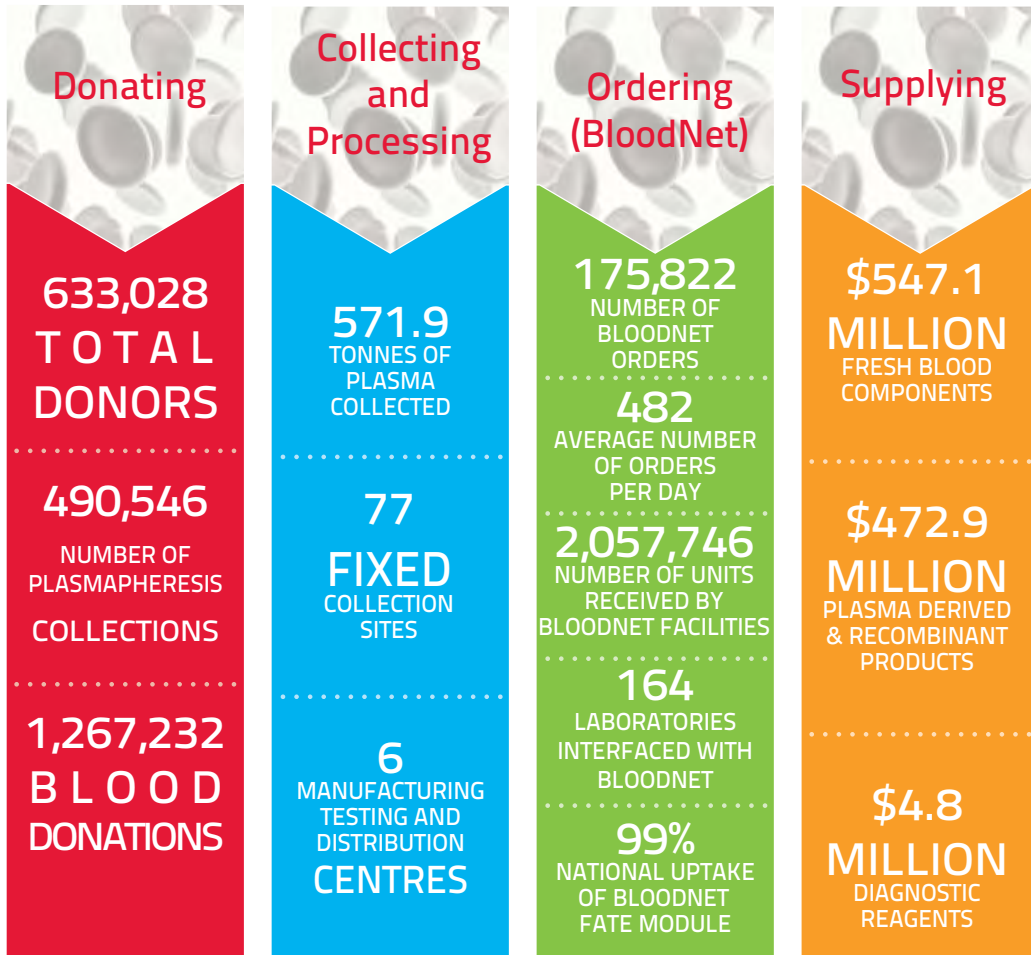
Inaugural PBM Conference held in Perth

Immunoglobulin governance programme and National Immunoglobulin Governance Advisory Committee established |
| 2015 | NBA won ACT iAwards in three categories for innovation surrounding the development of BloodNet interfaces with health provider laboratory information systems

National Blood Symposium held in Brisbane, including the presentation of the inaugural National Blood Awards for Excellence in the Management of Blood

Release of PBM Guidelines Module 5 Obstetrics and Maternity |

Year at a Glance: Snapshot of the blood sector in 2014-15

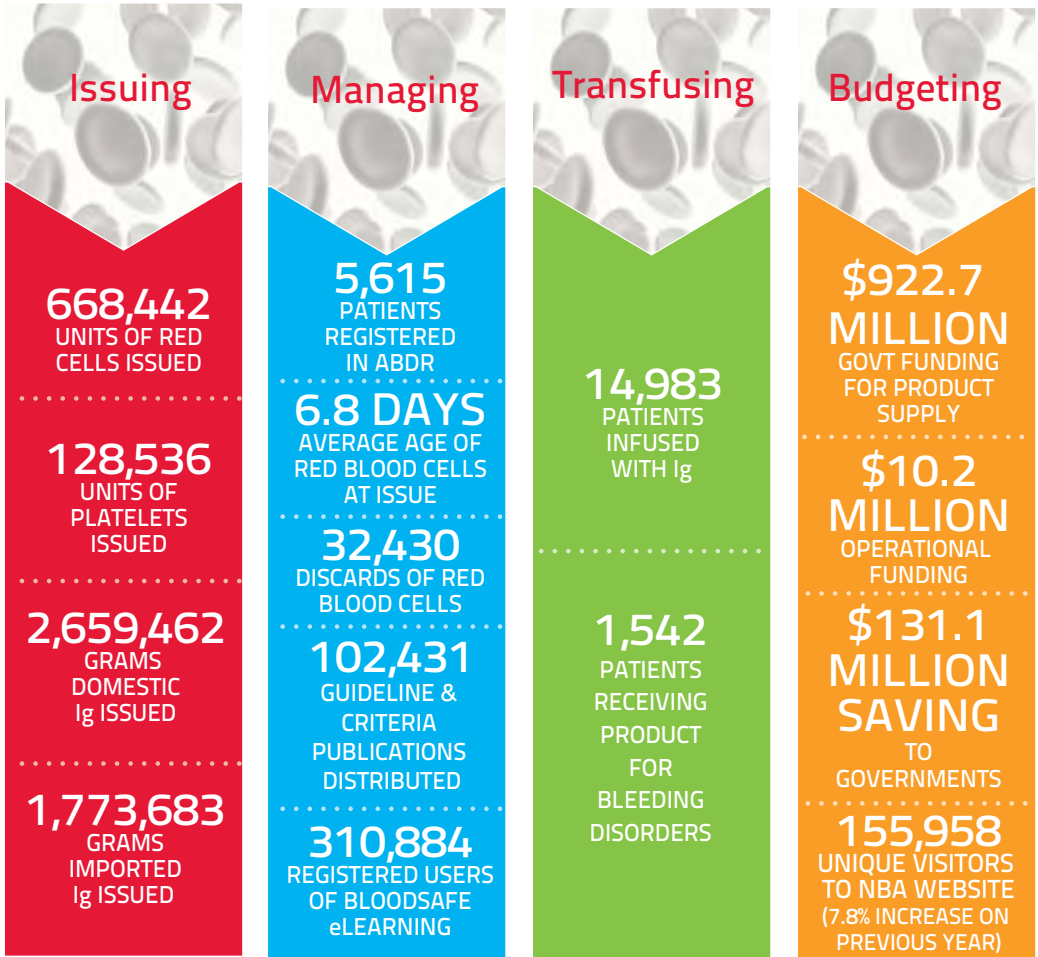


KEY ACHIEVEMENTS

DELIVERY OF UNINTERRUPTED SUPPLY TO MEET CLINICAL DEMAND AT A SIGNIFICANT SAVING OF \$ 131.1 MILLION

A REDUCTION IN RED CELL WASTAGE FROM 4.9% TO 3.9% SAVING \$2.8 MILLION

NATIONAL TENDER FOR IMPORTED IMMUNOGLOBULIN PRODUCTS ACHIEVES SAVINGS OF \$30 MILLION PER ANNUM



KEY ACHIEVEMENTS

BLOODNET INTERFACES WITH HOSPITAL LABORATORY INFORMATION SYSTEMS ESTABLISHED TO COVER 24 PER CENT OF ISSUED VOLUME OF BLOOD AND BLOOD PRODUCTS

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

GENERAL MANAGER'S REVIEW




Outcome delivery again characterised 2014-15 for the NBA. This financial year marks the end of a three year work programme assigned to the NBA by governments in the JBC Strategic Plan 2013-15. A reconciliation of achievements against the Plan confirms that 2014-15 was the culmination of a programme delivering achievements that met or exceeded almost all objectives and targets set. This included governments' priorities to:

- minimise wastage
- improve clinical use
- improve national information collection, management and analysis
- enhance the sustainability and security of supply arrangements, including improved value for money.

Ensuring supply

The NBA again delivered on its primary responsibility to ensure Australia has an adequate, safe, secure and affordable supply of blood and blood related products to meet clinical demand. The clinical demand for blood and blood related products in Australia was met without interruption and at a saving of \$131.1 million. This saving brings the total amount of funding returned to governments over the last three years to \$355.8 million.

There were a range of measures that contributed to the excellent supply budget outcome. Key amongst them was the further improvement in the appropriate use of fresh blood. The 2014 -15 demand for red cells decreased by 5 per cent and platelets decreased by close to 2 per cent. This result builds on the progress already made in this strategic planning cycle to bring the total reduction in red cell demand over the last three years to 18 per cent, realising significant improvements in patient outcomes and financial savings in excess of \$78 million. This is in sharp contrast to general hospital activity which has increased by over 15 per cent in the same period.



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 \$34 million and will return a 2014-15 saving of approximately \$29 million to governments under the Output Based Funding Model (OBFM) agreed with the Blood Service. Performance management arrangements around service delivery were also significantly strengthened with the completion and agreement of Phase 1 of the National Service Requirements and Standards (NSRS). The NSRS 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.

In relation to commercial overseas supply operations, the NBA undertook a highly successful tender for imported Ig products that will realise annual savings of approximately \$30 million per year from 1 January 2016. The new contracts achieved a world value for money benchmark that also embeds a number of improved supply performance provisions.

Security of supply

The NBA completed a range of actions that will further strengthen security of supply arrangements. The recommendations from an exhaustive Review of Risk Management in the Blood Sector were approved by all Health Ministers through the COAG Health Council. The Review concluded that the overall level of risk in the blood sector has reduced over the last decade due to a range of factors, including supply security improvements undertaken by the NBA. The recommendations approved by Ministers will further strengthen supply security and address some outstanding Red Cross concerns relating to risk exposure in negotiating a new Deed of Agreement.

The NBA completed a Supply Risk and Mitigation Project to review supply security arrangements for all plasma and recombinant products. This included the validation of existing stock and contractual supply reserves. In addition, the NBA completed a comprehensive revision of the National Blood Supply Contingency Plan to take into account a range of contingency management enhancements approved by the JBC in relation to a new annex dealing with the management of a shortage of supply of platelets. The new arrangements for the management of platelets were subject to a joint contingency exercise with the Blood Service in April 2015.

Implementing blood stewardship

The NBA continued its aggressive programme of activities supporting the implementation of the health ministers' *Statement on national stewardship expectations for the supply of blood and blood products*. The programme is targeted at health providers to contribute to the sustainability of the blood supply by improving the management and use of blood products.

Significant 2014-15 outcomes included:

- the development and implementation of BloodNet-Laboratory Information System (LIS) interfaces at an individual health provider level. Over 24 per cent of volume issued by the Blood Service nationally is now processed through an automated LIS interface, improving efficiency and accuracy. The innovation in its development was recognised with the BloodNet LIS project receiving three awards in the ACT 2015 iAwards (see p.38)
- the publication of national PBM Guidelines Module 5 on Obstetrics and Maternity and development of Module 6 on Neonatal and Paediatrics for release early in 2016. The PBM Guidelines provide a key reference at health provider level and have underpinned the significant improvements in appropriate use of blood
- the development and implementation of a health provider Charter requiring a formal commitment at a CEO level to measures that improve the management and use of blood and blood products
- 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 and Queensland Department of Health of a National Symposium supporting the implementation of the *National Safety and Quality Healthcare Standard 7* dealing with blood and blood products (see Objective 3 p.47).





National Blood Symposium 2015
Brisbane 11-12 June
Showcasing Excellence Standard 7: Blood and Blood Products



Outlook for 2015–16

2015-16 will be a busy year. It will see the culmination of key JBC approved work programmes in relation to the implementation of the PBM Guidelines, reduction of wastage, and ICT and data collection development. In addition, the NBA will finalise a number of significant projects that have been in development for an extended period, including negotiation of a new nine year Deed of Agreement with the Red Cross and implementation of the new national ICT system, BloodSTAR, to support improved Ig authorisation and governance arrangements. The NBA will also seek JBC approval of a proposal to fund research and development in priority areas. If approved, this will be a new and exciting initiative in the blood sector.

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 2015-16.



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 – financial expert

Adjunct Professor Chris Brook PSM – state and territory representative

Professor George Rubin – public health expert

Ms Patti Warn – community representative

Retiring Members

Dr Stephen Christley – state and territory representative

Ms Mary Murnane – Australian Government representative

Board Report for 2014-15

The financial results delivered by the NBA in 2014-15 again emphasised a continued strong focus on financial sustainability. This was a priority consideration going into the 2014-15 financial year and it is pleasing to see continued delivery of excellent outcomes against this objective.

The NBA Board met four times in 2014-15, including our annual meeting with the Blood Service Board in October 2014 which provided an opportunity for Board members of both organisations to meet and talk through key issues of mutual interest.

Year in Review

In 2014-15, 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 2014-15
- The 2014-15 NBA operational plan, including risk plan
- National Managed Fund review and negotiations for a new Deed of Agreement with the Australian Red Cross Society
- Ig procurement
- Commonwealth Government's proposed merger between the NBA and the Organ and Tissue Authority
- Priority topics for consideration in the development of the Jurisdictional Blood Committee (JBC) Strategic Plan 2016-18
- Review of the National Safety and Quality Health Service Standards
- Research and development
- Development of strategy and approach for the next CSL Behring fractionation agreement
- Development of scoping paper for analysis of long term plasma sourcing options
- National data collection for fresh blood and patient blood management
- Output Based Funding Model cycle 3 – issues for negotiation with the Blood Service

Another significant area of activity for the Board in 2014-15 was the ongoing programme of stakeholder engagement. The Board engaged with key representatives through a series of presentations and follow-up discussions. These included:

- Clinical and patient representatives in immunology
- Representation from the private hospital sector
- Blood product suppliers (CSL Behring)
- The Australian and New Zealand Society of Blood Transfusion

The stakeholder engagement programme continues to be successful in highlighting challenges to Board members that key stakeholder groups are faced with. The Board expects the programme to continue in 2015-16.

The NBA has also continued to win awards for innovation and support of patients in the sector, such as the award on the development of BloodNet interfaces with health provider laboratory information systems. The Board is proud to see the NBA staff recognised for their achievements which also enhance the lives of patients.

2015-16 priorities

The development of the next NBA Corporate Plan 2016-18 will be a major area of interest for the Board in 2015-16. The Corporate Plan identifies key objectives and outcomes required of the organisation over the next three years. A key input to the Plan will be the new JBC Strategic Plan 2016-18 currently under development. We expect that the management of risk and financial sustainability will remain important themes. Specific areas where the Board expects to review and provide input include:

- improving the supply and demand arrangements for Ig to ensure sustainability
- further enhancements to data collection and reporting, and associated system development
- a continued emphasis on implementing improvements for the appropriate use of blood and blood products, particularly in the area of patient blood management.

In closing, I thank my fellow Board members for their contribution over 2014-15. I also offer a special note of appreciation to our two retiring members, Mary Murnane and Stephen Christley, for their significant contributions over an extended period. As the Australian Government representative, Mary brought a wealth of experience to the Board, most notably in her insightful advice in relation to the strategic management of issues. Stephen was a passionate and committed Board member who did an outstanding job, as a concurrent JBC member, in bridging the Board deliberations with those of JBC. We wish them both all the very best in their next endeavours.

On behalf of the Board, I also commend the staff and management of the NBA for another year of hard work and outstanding outcome delivery. The Board continues to be impressed with the professionalism and commitment of the NBA team.



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)	OBJECTIVES
SECURE THE SUPPLY OF BLOOD AND BLOOD PRODUCTS	
New Australian Red Cross Blood Service contract arrangements are progressed	Reference Point/Target: <i>National Service Standards, the expectations for Australian Health Providers and the National Inventory Management Framework (NIMF) are implemented. Payment and Substitution Rules and the outcome from the review of the National Managed Fund (NMF) are progressed and negotiations of a revised contract commenced.</i>
	Result: Met. First phase of National Service Standards, expectations for Australian Health Providers as the Health Provider Charter, NIMF for red blood cells implemented. Outcome from the review of the NMF approved. Other targets progressed.
Provision of an adequate, affordable and secure supply of blood and blood products	Reference Point/Target: <i>Blood products are available to meet clinical need.</i>
	Result: Met. Blood and blood products were provided to meet all clinical demand without interruption.
Variance between actual and NBA estimated demand for supply of products	Reference Point/Target: <i><5 per cent.</i>
	Result: Met. Variance across all major product group was less than 5 per cent.

DELIVERABLE/ KEY PERFORMANCE INDICATOR (KPI)	OBJECTIVES	
IMPROVE RISK MANAGEMENT AND BLOOD SECTOR PERFORMANCE		
Review of the clinical and administrative management of intravenous IVIg is implemented	Reference Point/Target:	<i>Recommendations of the Review to improve governance of Ig products are implemented in accordance with Governments' decisions.</i>
	Result:	Met. Implementation of recommendations progressed in accordance with Governments' decisions and timetable.
Percentage of national blood supply processed by laboratories interfaced to BloodNet	Reference Point/Target:	<i>20 per cent.</i>
	Result:	Met. 24 per cent of national blood supply is processed by laboratories interfaced to BloodNet.
PROMOTE THE SAFE AND EFFICIENT USE OF BLOOD AND BLOOD PRODUCTS		
National data strategy and National Patient Blood Management (PBM) Guidelines Implementation strategy are progressed	Reference Point/Target:	<i>Performance scorecard is published. The standards and minimum data sets for blood sector data are developed. The National Reference Set of PBM implementation tools is published.</i>
	Result:	Met. The performance scorecard published. Standards and minimum data sets are developed for haemovigilance reporting, transfusion/use reporting by DRG and procedure and red cell data linkage. NBA PBM reference tools and resources published.
Number of clinical practice guidelines published	Reference Point/Target:	<i>One.</i>
	Result:	Met. Module 5 of the Patient Management Guidelines (PBM) (Obstetrics and Maternity) was published in March 2015.
There is a robust framework supporting best practice management and use of blood and blood products	Reference Point/Target:	<i>A sustained improvement in the management and use of blood.</i>
	Result:	Met. The demand for blood continues to decrease significantly as a result of improved appropriate use. As an example, the demand for red cells decreased by approximately 5 per cent in 2014-15.

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) ▪ Deed of Agreement with Red Cross (p.33) ▪ CSL Australian Fractionation Agreement (p.35) 	<ul style="list-style-type: none"> ▪ Ig Governance (p.38) ▪ Evaluation of New Products (p.40) ▪ Data Developments (p.40) ▪ Risk Management (p.41) ▪ ICT Developments (p.42) ▪ Sector Monitoring (p.46) 	<ul style="list-style-type: none"> ▪ Reference Development (p.47) ▪ Implementation (p.48) ▪ Best Practice Tools (p.49) ▪ Promotion and Communication (p.50) ▪ Education and Training (p.54) ▪ Research and Development (p.57)

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 2014–15 NSP&B

Throughout 2014–15, products were supplied to meet clinical demand and supply risks were effectively managed. The approved budget for 2014–15 covering the supply and management of blood and blood products and services under contract was \$1,164.26 million, comprising \$613.0 million for fresh blood products and plasma collection (see Fresh blood products on p.24) and \$531.43 million for plasma and recombinant products (see Plasma and recombinant products on p.27). The remaining \$19.82 million included items such as support for the publication of 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 2014–15 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 2014-15.

Supplier	Products Purchased	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)	2013-14 (\$M)	2014-15 (\$M)
CSL Behring (Australia) Pty Ltd	Plasma Products	215.15	228.22	222.02	210.10	245.19
	<ul style="list-style-type: none"> ▪ Albumin ▪ Immunoglobulin products (Ig) (including Intravenous Immunoglobulin (IVIg), Subcutaneous Intravenous Immunoglobulin (SCIg) and hyperimmune products) ▪ Plasma derived clotting factors 					
	Diagnostic Reagent Products					
	<ul style="list-style-type: none"> ▪ Blood grouping sera ▪ Reagent red cell products 					
Australian Red Cross Blood Service	Imported Plasma and Recombinant Products					
	<ul style="list-style-type: none"> ▪ Rh(D) Ig ▪ Factors XI and XIII 					
	Fresh Blood Products	496.57	526.35	549.31	583.13	547.10
	<ul style="list-style-type: none"> ▪ whole blood ▪ red blood cells ▪ platelets ▪ clinical fresh frozen plasma ▪ cryoprecipitate ▪ plasma for fractionation 					
Baxalta Australia Pty Ltd ²	Imported Plasma and Recombinant Products	96.93	45.95	6.30 ¹	8.25	29.11
	<ul style="list-style-type: none"> ▪ Protein C ▪ Factor VII concentrate ▪ Factor Eight Inhibitor Bypass Agent (FEIBA) 					
	Imported IVIg	Nil	7.37	26.76	29.20	40.30

Supplier	Products Purchased	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)	2013-14 (\$M)	2014-15 (\$M)
Bayer Australia Limited	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> ▪ Recombinant Factor VIII 	Nil	11.30	34.96	35.14	9.00
Pfizer Australia Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> ▪ Recombinant Factor VIII ▪ Recombinant Factor IX 	57.03	66.55	93.28	93.05	54.66
Novo Nordisk Pharmaceuticals Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> ▪ Recombinant Factor VIIa 	27.37	24.55	33.60	27.20	32.81
Octapharma Pty Ltd	Imported IVIg	8.95	23.38	49.10	46.00	70.02
Grifols Australia	Imported IVIg	24.50	22.51	0.28	Nil	Nil
	Diagnostic Reagent Products <ul style="list-style-type: none"> ▪ blood grouping sera ▪ reagent red cell products 	0.60	Nil	Nil	0.32	0.41
Ortho-Clinical Diagnostics (Johnson & Johnson Medical Pty Ltd)	Diagnostic Reagent Products <ul style="list-style-type: none"> ▪ blood grouping sera ▪ reagent red cell products 	0.38	0.45	0.44	0.43	0.44
Bio-Rad Laboratories Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> ▪ blood grouping sera ▪ reagent red cell products 	Nil	0.13	0.63	0.57	0.52
Abacus ALS Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> ▪ blood grouping sera ▪ reagent red cell products 	0.03	0.05	0.04	0.04	0.00
Total Purchases of Blood and Blood Products		927.51	956.81	1016.72	1033.43	1029.56

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

² With effect from 1 April 2015, all NBA contracts with Baxter Healthcare Pty Ltd were novated to Baxalta Australia Pty Ltd. Throughout this report, references are made to Baxalta Australia Pty Ltd.

Fresh blood Products

The list of fresh blood products supplied in 2014-15 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, the increase in fresh blood expenditure has progressively moderated over the last 10 years primarily as a result of improved efficiencies in Blood Service operations, and in the last three years, a significant reduction in the demand for some fresh blood products due to improved appropriate use and reduced wastage.

TABLE 2.2 **Fresh blood expenditure: increases over the last 10 years**

Year	Amount (\$M)	Growth (%)
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
2014-15	547.1	-6.2
Total	4,569.6	7.2 (average)

Fresh blood expenditure in 2014-15 compared to 2013-14 has decreased by 6.2%. Key factors that have influenced the changes include the following:

- an increase in the quantity of collected plasma for fractionation from 545 tonnes to 572 tonnes
- restrained annual price indexation to 2.95 per cent
- reduction in demand for some fresh products as a result of improved appropriate use and reduced wastage.

Since the implementation of the Output Based Funding Model (OBFM) in 2010-11 where governments paid for the actual costs of producing fresh blood products supplied by the Blood Service rather than a grant based funding model, we have seen an increase in returns to government year on year as highlighted in Figure 2.1. In 2014-15 \$66.2 million was returned including \$28.5 million in Blood Service operating surplus and a saving from the decrease in red blood cell demand of 5 per cent. This compared to \$95.4 million in 2013-14 (which included \$40.4 million operating surplus and 8 per cent reduction in red blood cell demand).

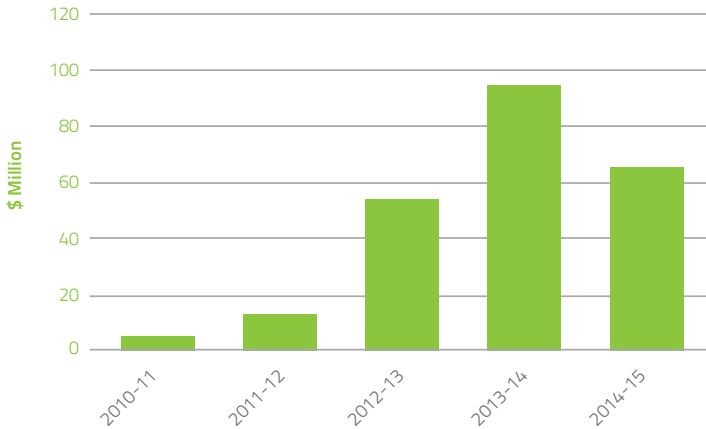


FIGURE 2.1 Returns to Government 2010-11 to 2014-15

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 (5 per cent) compared to 2013-14, with continuation of the steady decline in issues per 1,000 head of population. In the last three years, demand for red cells has declined by over 18 per cent, realising a saving in excess of \$78 million. The decline in red cell demand is the result of the ongoing success of programmes to improve appropriate use and reduce wastage. These programmes encompass a range of health provider and clinical engagement activities, development of best practice guidelines and tools (see Best practice tools section on p.49), improved data collection and analysis and improved education and training arrangements. The publication and implementation of the PBM Guidelines underpins much of the success in improving appropriate use of fresh blood products (see Reference Development on p.47).

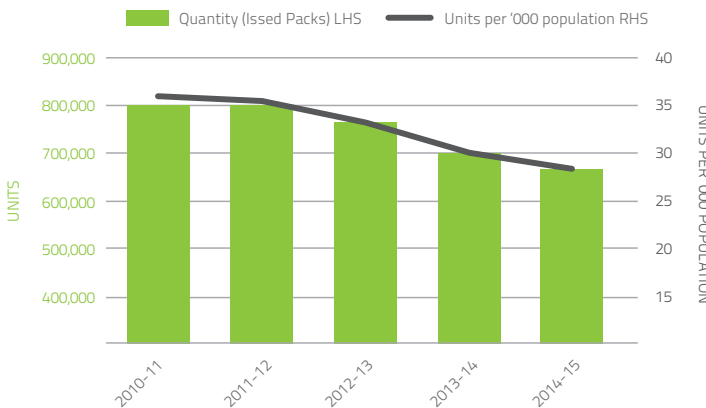


FIGURE 2.2 Red cells issued by the Blood Service, total packs issued and per '000 population, 2010-11 to 2014-15

Platelets

Platelets comprise 5 per cent of total blood and blood product expenditure. Figure 2.3 illustrates that there was a decline in issues of platelets (1.6 per cent) from 2013-14 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 2014-15, platelets issued were 64.2 per cent whole blood pooled (61.3 per cent in 2013-14) and 35.8 per cent apheresis (38.7 per cent in 2013-14).

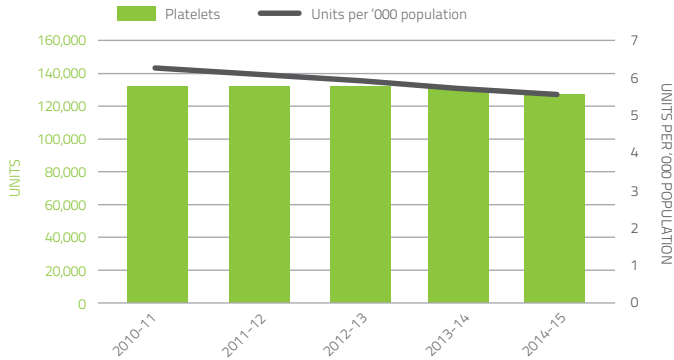


FIGURE 2.3 Platelets issued by the Blood Service, total packs issued and per '000 population, 2010-11 to 2014-15

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 2014-15, the target for the quantity of plasma to be collected by the Blood Service was 572 tonnes, which the Blood Service successfully achieved. The growth in apheresis plasma collection by the Blood Service over the last five years is shown in figure 2.4 below. In 2010-11 the ratio of whole blood to apheresis plasma for fractionation was 50:50 and in 2014-15 32:68. This is in part due to the decline in red blood cells.

The growth in plasma collection for 2014-15 is consistent with governments' target of 5 per cent per annum.

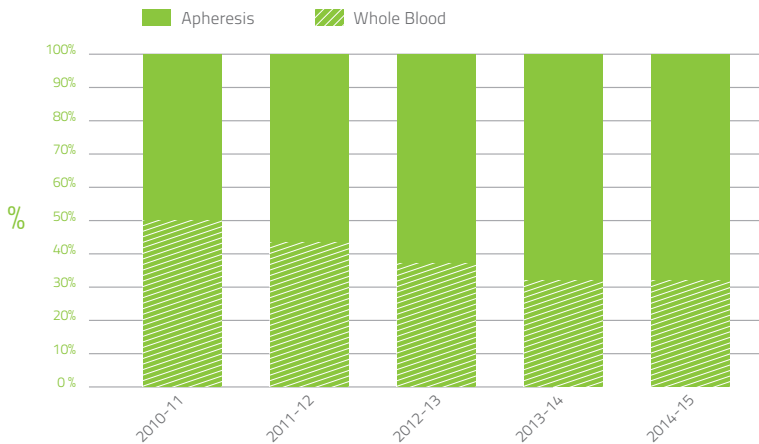


FIGURE 2.4 Ratio per '000 population whole blood to apheresis plasma for fractionation 2010-11 to 2014-15

Plasma and recombinant products

The cost of plasma derived and recombinant blood products issued under NBA arrangements in 2014–15 decreased to \$477.19 million, a reduction of \$10.93 million (2.2 per cent) from 2013–14. The largest proportion of this decrease was the reduction in cost of some recombinant products resulting from significantly lower prices realised through a highly successful tender process undertaken in early 2014. The cost of most other products increased by less than 2 per cent. The average unit price for domestically produced IVIg increased by only 1.3 per cent due to the favourable price structure under the CSL Australian Fractionation Agreement (CAFA).

In the 10 years to 2014–15, expenditure on plasma and recombinant products issued under NBA arrangements has increased from \$205.2 million to \$477.19 million. Key drivers of this increase are as follows:

- \$274.8 million from increased demand
- \$51.8 million 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 demand and price drivers on expenditure can be seen in Figure 2.5. It is of note that changes in price have driven a large increase in savings.



FIGURE 2.5 Plasma derived and overseas product expenditure: cumulative increases on 2003–04 base year

Issues of clotting factors

Clotting factors comprise 14.1 per cent of total blood and blood product expenditure. Figure 2.6 indicates that the demand for Factor VIII products increased marginally by 3.9 per cent when compared to 2013–14. The relative proportion of recombinant versus plasma derived product remains reasonably stable. Plasma derived Factor VIII remains an important alternative for immune tolerisation therapy and von Willebrand disease (vWD). The demand for recombinant Factor VIII increased by 5.3 per cent compared to the demand for 2013–14. Conversely plasma derived Factor VIII demand decreased 7.0 per cent.

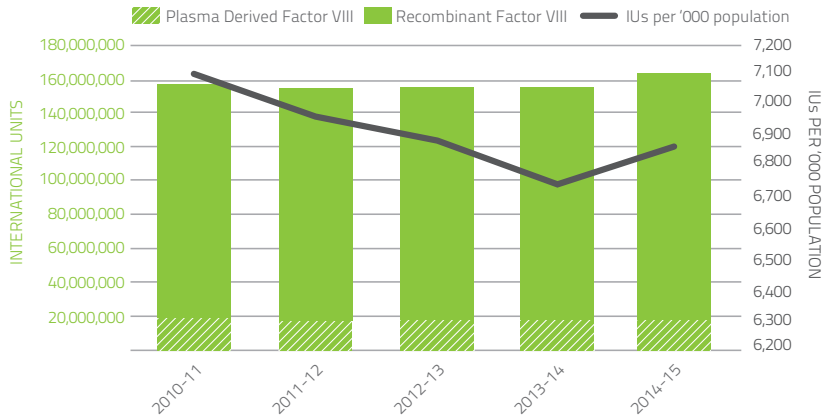


FIGURE 2.6 Issues of Factor VIII products, 2010-11 to 2014-15

Figure 2.7 indicates that demand for Factor IX products in 2014-15 decreased by 8.9 per cent compared to 2013-14. Plasma derived Factor IX decreased by 44.7 per cent due to reduction in specific patient requirements. Recombinant Factor IX decreased 3.7 per cent after an increase in 2013-14 which was driven by an increase in surgeries.

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

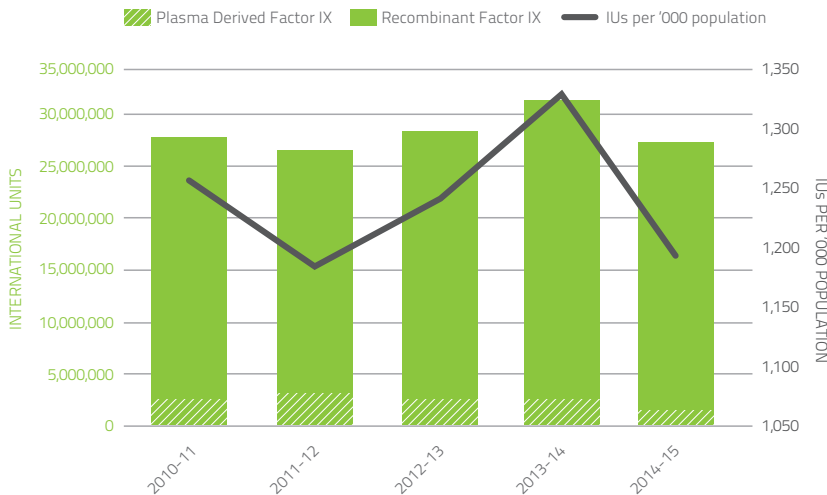


FIGURE 2.7 Issues of Factor IX products, 2010-11 to 2014-15

The demand for Recombinant Factor VIIa 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 2.8 and 2.9 depict demand for the last five years. The 2014-15 level of demand for Recombinant Factor VIIa increased by 17.7 per cent due to an increase in inhibitor and acquired haemophilia A patients. FEIBA demand increased with demand in 2014-15 exhibiting a 37.7 per cent increase compared to 2013-14.

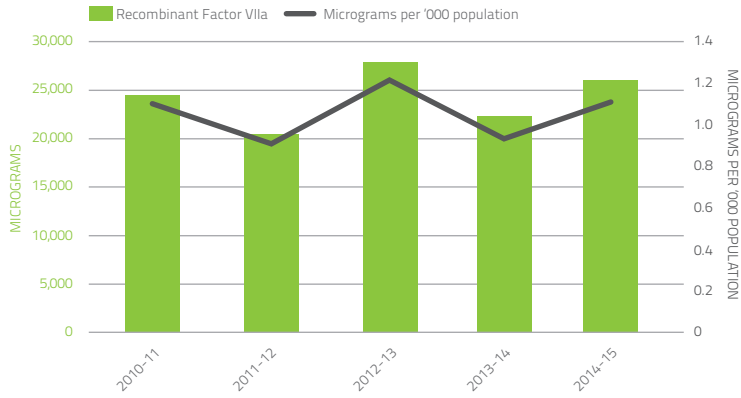


FIGURE 2.8 Issues of recombinant Factor VIIa products, 2010-11 to 2014-15

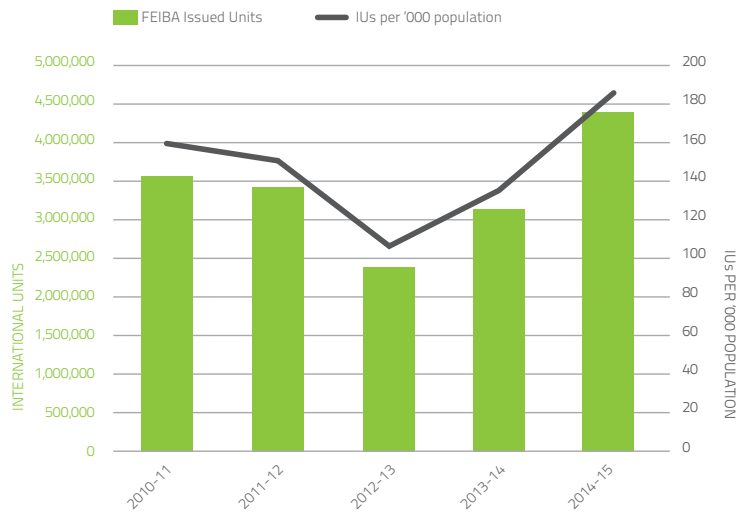


FIGURE 2.9 Issues of FEIBA, 2010-11 to 2014-15

Issues of immunoglobulin: Ig and Normal Immunoglobulin (NIg)

As shown below demand for Ig continues to grow at a consistent annual rate of more than 10 per cent.

2010-11	2011-12	2012-13	2013-14	2014-15
11.1%	10.9%	10.7%	11.0%	10.2%

In 2014–15, a total of 4.43 million grams of Ig was issued, representing a cost of \$484.1 million nationally (including the cost of plasma collections). Of this amount, 60 per cent was Ig produced in Australia and 40 per cent was imported. Figure 2.10 highlights that the relative proportion of imported Ig compared to domestic Ig is growing at a rate of approximately 8 per cent per year. This reflects the shortfall between the annual growth of domestic demand (approximately 11 per cent) and the annual growth of domestic plasma collection used to manufacture Ig (approximately 5 per cent).

Excluding Ig issued under direct orders, a total of 14,983 patients (compared with 13,981 in 2013–14) nationally were issued Ig during 140,855 treatment episodes (122,791 in 2013–14). Approximately 1.35 per cent of the issued Ig was subcutaneous Ig SCIg. SCIg was added to the National Supply List in September 2013.

An analysis of Ig 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 Ig and demand is still increasing. Haematology is the next largest user of Ig but growth has slowed. A similar decline in growth has been observed in Immunology, the third largest user of Ig. The top three indications for Ig use are chronic inflammatory demyelinating polyneuropathy, common variable immunodeficiency disease and myasthenia gravis.

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

The *Report on the Issue and Use of IVIg 2013-14* can be found on the NBA website at <http://www.blood.gov.au/data-analysis-reporting>.



FIGURE 2.10 Issues of Ig products, 2010-11 to 2014-15

Normal Ig

As shown in Figure 2.11, demand for normal Ig NIg has declined over recent years largely as a result of implementation of the NIg policy outlining the national position on access and use under the national blood arrangements and the introduction of SClg. Since 2011-12, the demand for NIg has reduced by 76.9 per cent.

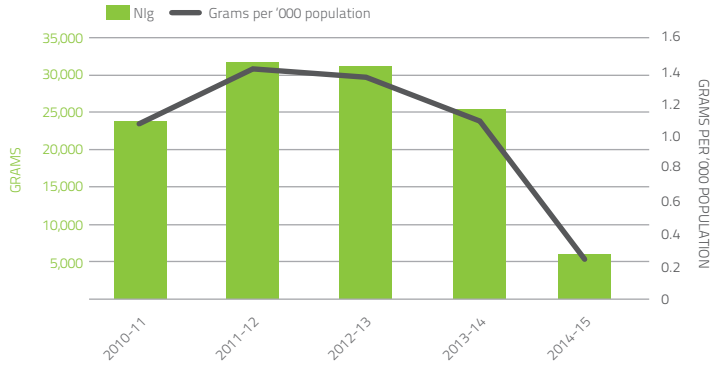


FIGURE 2.11 Issues of NIg, 2010-11 to 2014-15



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 2014–15 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 OBFM arrangement. Funding provided to the Blood Service through the Deed was \$547.1 million in 2014–15, a decrease of \$36 million over the \$583.1 million provided in 2013–14.

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 2.3.

TABLE 2.3 **Blood Service: selected key performance indicators, 2014-15**

Domain	Indicator	2013-14 result*	2014-15 Blood Service target	2014-15 result*	
Donor management	First time donors	Whole Blood	94,080	95,779	88,834
		Apheresis Plasma	33,173	33,887	31,336
Supply chain management	Number of days within inventory bands (note: bands set by the Blood Service)	315	N/A	330	
	Red cell yield (proportion of collections covered to supply)	89.5%	89.0%	90.1%	
	Age of red cells at issue (days)	8.31	8.00	6.80	
	Order fulfilment	98%	97.5%	96.8%	
Quality and level of service	Health provider satisfaction with Blood Service (mean score out of 10)	8.7	8.8	9.1	
Finance	Main operating programme financial result	\$44.9 million surplus	>0	\$33.5 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 2014-15, including the following:

- completion of a review of capital funding arrangements
- implementation of Phase 1 of the National Service Requirements and Standards that 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
- commencement of implementation of the National Inventory Management Framework (NIMF) project for red blood cells, including proof of concept and pilots
- extension of the current Deed by mutual agreement until 15 December 2015.



Blood Service research and development

Through a grant specified in the Deed of Agreement, the Blood Service received grant funding of approximately \$8.6 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 2014-15 included work on the development of frozen blood products. The Blood Service also conducted research on the extension of the shelf-life of platelets from five days to seven days and this is currently with the Therapeutic Goods Administration (TGA) for review. The Blood Service is reviewing the Research and Development Framework as part of the business improvement process within the Blood Service.

CSL Australian Fractionation Agreement (CAFA)

Most plasma derived products used in Australia are manufactured by CSL Behring (Australia) Pty Ltd under the 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 2014-15, 571.9 tonnes of Australian plasma was pooled for fractionation under the CAFA, and expenditure on CAFA products was \$240.4 million.

Performance

The 2014-15 performance by CSL Behring (Australia) Pty Ltd against the CSL Australian Fractionation Agreement (CAFA) Key Performance Indicators (KPIs) is shown in Table 2.4. This table reports actual performance. Sufficient supply of all products was maintained at all times. The performance of CSL Behring (Australia) Pty Ltd 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 Ig 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 2.4 CSL Behring (Australia) Pty Ltd's performance under the CAFA, 2014-15

Description of performance measure		Results 2014-15				
		Q1	Q2	Q3	Q4	Annual
KPI1	Plasma stewardship	Achieved	Substantially Achieved*	Substantially Achieved*	Achieved	Substantially Achieved*
KPI2*	Production yield	4.94g/kg	5.07g/kg	5.14g/kg	4.95g/kg	5.03g/kg
KPI3	Management of required inventory levels					
	Minimum starting plasma inventory	Not active in 2014-15				
	Products in CSL Behring (Australia) Pty Ltd inventory	94% Achieved	96% Achieved	96% Achieved	100% Achieved	96% Achieved
	Products in national CSL Behring (Australia) Pty Ltd reserve	100% Achieved	100% Achieved	100% Achieved	100% Achieved	100% Achieved
KPI4	Fulfilment of orders					
	Orders by distributor (Blood Service)	98% Achieved	100% Achieved	98% Achieved	100% Achieved	99% Achieved
	Orders by non-distributor	100% Achieved	100% Achieved	100% Achieved	100% Achieved	100% Achieved
KPI5**	Shelf life of national reserve products	100% Achieved	100% Achieved	100% Achieved	100% Achieved	100% Achieved

Note:

* In these instances, the performance of the relevant supplier departed from the contracted requirement at some periods during the year. Such instances were managed in discussions of supplier performance at regular contract management meetings.

** 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.

Imported Ig

Ig is imported to meet a shortfall in domestic Ig 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 Ig using jurisdictional direct orders.

Two contracts are in place for supply of imported Ig under the national blood arrangements. The contracts commenced on 1 January 2012 and expire on 31 December 2015. The suppliers are Baxalta Australia Pty Ltd and Octapharma Australia Pty Ltd. In 2014-15, the NBA spent \$110.32 million for both contracts.

In 2014-15, the NBA successfully concluded a tender process for new contracts for the national supply of imported Ig to replace the current contracts which expire on 31 December 2015. The new contracts were awarded to CSL Behring Pty Ltd and Grifols Australia Pty Ltd and are projected to achieve annual savings in the order of \$30 million per year.

Performance

The 2014-15 performance of both suppliers against the contractual KPIs is shown in Table 2.5. 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 2.5 Imported IVlg: Key performance indicators, by supplier, 2014-15

KPI	Performance	Octapharma Australia	Baxalta Australia Pty Ltd
KPI1	In-country reserve	Fully achieved	Substantially achieved*
KPI2	Shelf life on products delivered	Fully achieved	Substantially achieved*
KPI3	Delivery performance	Substantially achieved*	Substantially achieved*
KPI4	Reporting accuracy and timeliness	Substantially 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 were managed in discussions of supplier performance at regular contract management meetings.*

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 2014-15, the NBA managed the supply contracts for imported plasma and recombinant products with the following five companies:

- Bayer Australia Ltd
- Baxalta Australia Pty Ltd
- CSL Behring (Australia) Pty Ltd
- Novo Nordisk Pharmaceuticals
- Pfizer Australia Pty Ltd.

Following a tender process for new contracts for the national supply of recombinant Factor VIII and IX products, new contracts commenced on 1 July 2014. The new contracts were awarded to Baxalta Australia Pty Ltd and Pfizer Australia Pty Ltd and achieved a saving in 2014-15 of approximately \$49 million.

In June 2015, the NBA concluded a limited tender process with Novo Nordisk for the supply of recombinant Factor VIIa to replace the contract which expired on 30 June 2015.

The contracts for the supply of Protein C, Activated Prothrombin Complex Concentrate, Factor XIII, anti-Rh (D) expire on 30 June 2016. The NBA will undertake a structured information gathering process, including a supplier Request For Information (RFI) and written Stakeholder Consultation to inform future procurement decisions for these products.

Expenditure on the above contracts and recombinant Factor VIIa during 2014-15 was \$126.6 million.

Performance

The 2014-15 performance of suppliers of imported plasma and recombinant blood products for each performance measure is shown in Table 2.6. All suppliers satisfactorily met required performance levels.

TABLE 2.6 Imported plasma and recombinant blood products: key performance indicators, by supplier, 2014-15

KPI	Performance measure	Baxalta Australia (FEIBA/CEPROTIN)	Baxalta Australia (ADVATE/RIXUBIS)	Bayer Australia	CSL Behring (Australia) Pty Ltd	Novo Nordisk Pharmaceuticals	Pfizer Australia
KPI1	In-country reserve	Fully achieved	Fully achieved	Achieved*	Fully achieved	Fully achieved	Fully achieved
KPI2	Shelf life on products delivered	Fully achieved	Not achieved**	Achieved*	Fully achieved	Achieved*	Fully achieved
KPI3	Delivery performance	Achieved*	Not achieved**	Fully Achieved	Fully achieved	Fully achieved	Fully achieved
KPI4	Reporting accuracy and timeliness	Achieved*	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 four suppliers for the period 1 July 2011 to 30 June 2016:

- 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 150 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 2014–15, the NBA achieved a range of objectives to improve blood sector performance and risk management, particularly in the areas of Ig governance, evaluation of new products, ICT developments, data availability and analysis and risk and knowledge management.

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 2014–15 achievements included:

- establishment of a network of new national specialist advisory committees to assess and recommend changes to the arrangements for the supply of Ig in Australia
- publication and implementation of new Ig Governance policies, a standardised patient treatment review process and revised forms
- review of the *Criteria for the clinical use of intravenous immunoglobulin in Australia (Criteria)* for adaption to the new information management system under development, BloodSTAR.

Strengthening Immunoglobulin (Ig) product authorisation and management

Immunoglobulin products, derived from pooled human plasma, are a precious and high cost resource. Strengthening immunoglobulin product authorisation and management is a priority for the National Blood Authority (NBA), and a number of measures are being developed to ensure the sustainability of these products into the future.

The National Immunoglobulin Governance Advisory Committee (NIGAC), established to provide advice and make recommendations to the NBA and Jurisdictional Blood Committee (JBC) to support cost effective and clinically appropriate governance, held its inaugural meeting in August 2014. The Specialist Working Groups (SWGs) for Haematology, Immunology, Neurology and Solid Organ Transplantation have also been established to provide clinical expert advice and recommendations on the work to further evolve the Criteria for the clinical use of intravenous immunoglobulin in Australia, assess and improve the performance of the governance system and identify improvements to systems and processes.

The National Policy: Access to Government Funded Immunoglobulin Products in Australia was implemented in November 2014 (except Western Australia). The national policy clarifies the roles, responsibilities, authority and accountability of those involved in authorising, supplying, managing and using immunoglobulin products throughout the supply chain and within health services, including:

- ◆ new Authorisation Request Forms, with patient consent to the collection, retention and use of their personal and sensitive information in line with the requirements of the Australian Privacy Principles (APPs);
- ◆ the provision of information required to support initial and continuing therapy;
- ◆ standardised national patient treatment review process with revised forms and timeframes for providing information to support access requests for continuing therapy;
- ◆ coordinated in-hospital ordering and management to improve transparency of product inventory, to ensure that product is provided to approved patients only and to reduce expiry related wastage.

BloodSTAR, a System for Tracking Authorisations and Reviews, is currently under development by the National Blood Authority. BloodSTAR underpins the roles and responsibilities set out in the National Policy, and will manage, standardise and improve the supply of immunoglobulin products for the treatment of conditions identified in the Criteria. BloodSTAR will replace the Blood Service's STARS system which has been used for a number of years to manage authorisation and review obligations.

BloodSTAR extends system capability from authorisers to also include prescribers, nurses/midwives and dispensers, closing the information loop on the delivery of care to patients and product management. BloodSTAR User Reference Groups (BSURG) have been established to provide an avenue for stakeholder consultation and user acceptance testing. These groups have assisted with the design and user experience for system capability associated to the four key user groups represented in the National Policy, involving Prescribers, Authorisers, Nurses/Midwives and Dispensers.

BloodSTAR will be formally launched in 2016, with a transition period commencing in late 2015. Prescribers, authorisers and nurses/midwives will access BloodSTAR through a web interface that is reached through the NBA's BloodPortal. Dispensers will access the system through a new Authorisation module in BloodNet.

Under the guidance of the national network of committees and utilising the Criteria and governance policies and data derived from BloodSTAR, a program will be developed to monitor, assess and improve the performance of the governance system. This will include the development of better knowledge to support more informed decision making both at the clinician and system-wide management levels, to improve clinical practice, governance and management.



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 proposal for C1 esterase to be referred to the Medical Services Advisory Committee (MSAC) for consideration of a health technology assessment and possible inclusion on the National Supply List. MSAC is expected to have completed its review early in 2015-16 for consideration by JBC in December 2015.

Data developments

In 2014-15, the NBA continued to build its data capture and analysis capabilities 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 data visualisation and analysis tool has significantly enhanced the NBA's ability to harness data across all data domains managed by the NBA.

During 2014-15, the NBA progressed the following activities identified in the National Blood Sector Data and Information Strategy and Scorecard 2013-2016:

- Agreed a list of BloodNet and ABDR reports to be provided to stakeholders and developed specifications to assist in their development
- Discard Data
 - Collected, analysed and distributed discard data from the BloodNet Fate Module to support the establishment of targets for discard rates in 2015-16 under the National Blood and Blood Product Wastage Reduction Strategy 2013-2017.
 - Specified BloodNet discard reports and management reports were launched to jurisdictions and health providers.
- Haemovigilance
 - Published the National Haemovigilance Report 2015 based on data for 2011-12 and 2012-13 collected by states and territories.
 - Developed and gained JBC approval of the Strategic Framework for the National Haemovigilance Program.
 - Developed and distributed haemovigilance tools and templates to support haemovigilance programs in Queensland and Western Australia.
 - Developed standards and minimum data sets for haemovigilance reporting.
- Australian Bleeding Disorders Registry (ABDR)
 - Published the ABDR Annual Report for 2013-14.
 - Continued to develop the AHCDO draft Benchmarking Report.
 - Developed a data extract for Haemophilia Treatment Centre staff to review as part of the data integrity process of the ABDR which will be implemented in early 2015-16.

- Signed an agreement for Red Cell Data Linkage arrangements with South Australia and progressed a further agreement with Queensland. These agreements form the prototype for the remaining jurisdictions. In addition, standards and minimum data sets for transfusion/use reporting by DRG and procedure and red cell data linkage were developed.
- Developed the National Blood Sector Data and Information Governance Framework, which was approved by the JBC in late 2014 and is now available on the NBA website.
- Published the National Scorecard 2013-14.
- Published the Ig Annual Report for 2013-14.

Risk management

The management of blood sector risk remains a core element of ensuring the security and availability of the blood supply.

2014-15 saw the NBA complete three 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
- supply risk mitigation arrangements for plasma derived and recombinant products.

National Blood Supply Contingency Plan (NBSCP)

The NBSCP is a cornerstone measure to manage risks to the blood supply. In 2014-15 a range of activities were undertaken to further strengthen contingency management arrangements, including the following:

- A comprehensive revision of the NBSCP to take into account a range of contingency management enhancements approved by JBC in relation to a new annex dealing with the management of a shortage of supply of platelets. The revised NBSCP will be considered for endorsement by the JBC in December 2015.
- The conduct of a NBSCP contingency exercise with the Blood Service in April 2015 to test new arrangements for the management of a national shortage of supply of platelets.

Review of Risk Management in the Blood Sector

The NBA progressed a range of recommendations resulting from an independent comprehensive *Review of Risk Management in the Blood Sector*, previously known as the National Managed Fund (NMF) Action Plan Review. This included approval of strategic level recommendations by all Health Ministers through the COAG Health Council. The Review concluded that the overall level of risk in the blood sector has reduced over the last decade due to a range of factors, including supply security improvements undertaken by the NBA. The recommendations approved by Ministers will further strengthen supply security and address some outstanding Red Cross concerns relating to risk exposure in negotiating a new Deed of Agreement. Concurrently, the NBA progressed a range of operational improvements for implementation in consultation with the Blood Service.



Supply Risk Mitigation for Plasma Derived and Recombinant Products

The NBA completed a Supply Risk and Mitigation Project to review supply security arrangements for all plasma derived and recombinant products. This included the validation of existing stock and contractual supply reserves.

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.

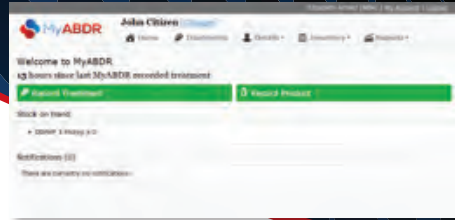
The NBA continued to pursue outcomes identified in the JBC-approved National Blood Sector ICT Strategy 2013-16 designed to:

- 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.

Australian Bleeding Disorders Registry

The ABDR and the associated patient portal (MyABDR) 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 2014-15 to enhance the functionality and the user experience with MyABDR.

The innovation delivered by the patient portal to ABDR, MyABDR, was recognised by the ICT industry through the receipt of two national iAwards merits in the Health and Government categories in August 2014 and through ITnews naming the NBA's Chief Information Officer as 'Healthcare CIO of the Year' in February 2015.



Easy steps for recording treatment with the MyABDR web site

1 Register

- » Go to <https://www.myabdr.blood.gov.au>
- » Click on **NEW USER? CLICK HERE TO REGISTER**
- » Complete and **SUBMIT** the registration form

After you register your Haemophilia Centre will process your access to MyABDR (Allow up to 7 days).

After approval you will receive an sms with a temporary password and an email telling you that your account has been activated. You can now start using MyABDR.

2 Go to the web site and login to MyABDR

- » Go to <https://www.myabdr.blood.gov.au> and **LOGIN**

3 Add stock to inventory

- » **Important!** Add your treatment product stock to your inventory **BEFORE** recording a treatment
- » Click on the **RECORD PRODUCT** button on the home page
- » Enter product details and **SAVE** when finished

4 Record a treatment

- » Go to the **HOME** page or click on **TREATMENTS** in the top menu
- » Click on the **RECORD TREATMENT** button
- » Enter the treatment details and **SAVE** when finished

5 Recording a bleed

You can record bleed details when you are recording a treatment for the bleed

Recording a bleed

- » Select **BLEED** from the **TREATMENT TYPE** list on the **RECORD TREATMENT** page. This will display the **RECORD BLEED** option
- » Then click on **RECORD BLEED** and click on the **+ NEW BLEED** button at the top of the page to activate the bleed section

Recording a follow-up treatment for a bleed

- » Follow the steps for recording a bleed
- » When you click on **RECORD BLEED** on the **RECORD TREATMENT** screen, it will display a list of existing bleeds.
- » Select the bleed you are treating and record the treatment

MyABDR is a collaboration between Haemophilia Foundation Australia (HFA), the Australian Haemophilia Centre Directors' Organisation (AHCDO) and the National Blood Authority (NBA) on behalf of all Australian governments.



TIPS

- » Click on **[CHANGE]** at the top of the home page to switch family members
- » **Timesaver for clotting factor products!** Start typing the first couple of characters to find your batch number. When you select it, the full batch number, product name and expiry date will autocomplete
- » Click on **REPORTS** in the top menu to see graphs of product use, bleeds and a full history of your treatment

HELP

More information - www.blood.gov.au/myabdr

Support
T: 13 000 BLOOD
 (13 000 25663)
E: myabdr@blood.gov.au

Or contact Haemophilia Foundation Australia
T: 1800 807 173
E: hfaust@haemophilia.org.au
www.haemophilia.org.au/myabdr



BloodNet

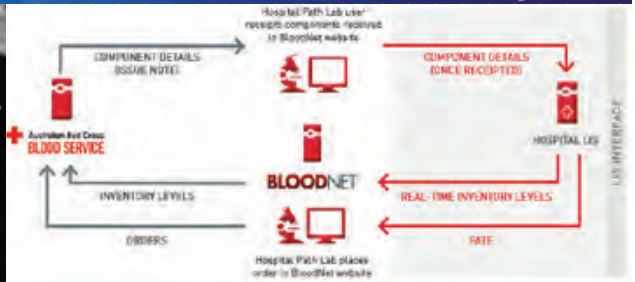
The implementation of BloodNet across health providers continued throughout 2014-15, with 98 per cent of volume issued by the Blood Service nationally processed through BloodNet as at 30 June 2015. Significant BloodNet enhancements delivered in 2014-15 included:

- 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 24 per cent of volume issued by the Blood Service nationally is now processed through an automated LIS interface, improving efficiency and accuracy.

As highlighted, the NBA won three ACT iAwards in June 2015 for the BloodNet development topping each of the categories of:

- Applications, Tools and Platforms
- Health
- New Products

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 2015 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 27 August 2015 at the Melbourne Convention and Exhibition Centre.



BloodNet – Laboratory Information System Interfaces

Automating the exchange of inventory levels and the status of each unit in real-time between pathology laboratory information systems (LISs) and BloodNet, BloodNet – LIS interfaces are enabling the sector to:

- Improve the security of supply through a shared real-time view of sector-wide inventory
- Reduce wastage of blood and blood products
- Capture and analyse data to improve the performance of suppliers, pathology and hospital services
- Achieve significant process efficiencies through the electronic exchange of data and the elimination of double and triple keying of information.

The interfaces receive high praise from the pathology and health services who have implemented them so far, and they have now been recognised by the ICT industry. In June, BloodNet–LIS interfaces received three ACT iAwards in the categories of New Products, Health and Applications Tools & Platforms:



2014-15

Sector monitoring

In 2014-15, the NBA continued its horizon scanning of international experience that may influence the management of blood and blood products in Australia. This monitoring activity informs the provision of current and proactive analysis to governments to enable the NBA to fulfil its functions under the National Blood Agreement.


Our focus in 2014-15 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.

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.

During 2014-15, key developments included:

- widespread endorsement of a restrictive transfusion policy, and clinical experience with this in various surgical contexts
- some emphasis in patient blood management on transfusion protocols and haemostasis products developed in the specific context of the battlefield
- approval for a number of suppliers in various parts of the world to market longer acting clotting factors for patient convenience
- further progress in research on the possibilities offered by gene therapy in treating haemophilia and beta thalassaemia, and on the treatment of haemophilia with RNAi therapeutics
- continuation of stem cell research relevant to the blood sector, both on producing transfusable product and on modifying the surgical contexts in which transfusion may be considered
- Baxalta Australia Pty Ltd's announcement of the formal opening of its first advanced recombinant biologic facility in Singapore, and expansion plans for a new recombinant protein processing suite
- the unfolding Ebola epidemic in West Africa, and efforts around the world to develop rapid tests, vaccines and treatments; and the continued spread of Middle East Respiratory Syndrome-Coronavirus, including an outbreak in South Korea.



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

In 2014-15, the NBA continued its intensive programme to promote the safe and efficient use of blood and blood products. This includes the delivery of a range of key reference material and accelerated supporting implementation activities in relation to reducing wastage and improving fresh blood use based on the NBA developed PBM Guidelines.

Reference Development

In 2014-15, the NBA focused reference development on progressing Modules 5 and 6 of the PBM Guidelines and new National Haemophilia Guidelines. The NBA also commenced a project, approved by JBC, to pilot an enhanced review process for Module 1 of the Patient Blood Management Guidelines. The new process will seek to optimise the efficiency and timeliness of the Patient Blood Management Guideline updating process.

PBM Guidelines

Over 102,000 copies of the PBM modules 1 to 5 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 2014-15 the NBA published the PBM Guidelines: Module 5 Obstetrics and Maternity and progressed the development of Module 6 Neonatal and Paediatrics. Module 6 is expected to be published in early 2016.

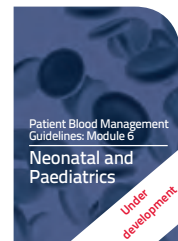
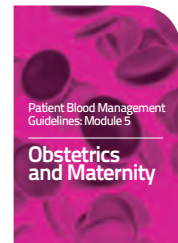
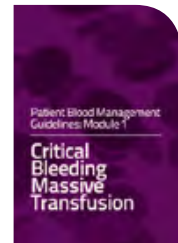
National Haemophilia Guidelines

The NBA has continued to work closely with AHCD0 during 2014-15 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 guidelines are due to be released for public consultation in October 2015 and it is expected that the revised guidelines will be published in 2016.

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 2014-15, the NBA continued its focus on 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.



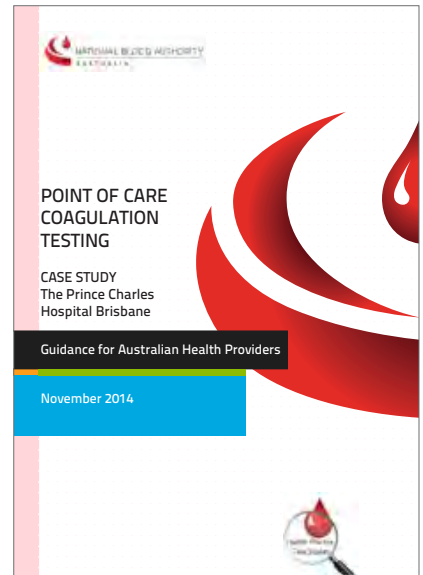
PBM Guidelines publication covers

Best practice tools

In 2014-15 the NBA added further best practice tools to support health providers to implement improvements in the management and use of blood and blood products, including publication of the:

- PBM Guideline Companion which explains PBM concepts and interventions. It has been designed so that it can be used as a whole or in parts as brief, individual information sheets.
- Preoperative Bleeding Risk Assessment Tool – Guidance for Australian Health Providers in June 2015. The tool is intended to assist healthcare professionals in assessing and managing the risk of bleeding a preoperative patient.
- Red Blood Cell and Massive Transfusion Protocol clinical audits. The audits support quality assessments.
- Iron Product Choice and Dose Calculation Guide for adults.

The Patient Blood Management website pages have also been reviewed and amended to improve accessibility.



Promotion and communication

In 2014-15 the NBA continued its aggressive promotion and communication campaign to increase awareness of the need to improve clinical practice and inventory management in relation to blood products. This included representation and promotional and educational activities at a range of clinical and health sector conferences and events, including the following:

- 2014 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), Perth, October 2014
- Royal College of Pathologists Update 2015, Melbourne, February 2015
- Australian Private Hospitals Association (APHA) 34rd National Congress, Melbourne, March 2015
- Royal College of Obstetrics & Gynaecologists (RCOG) World Congress, Brisbane, April 2015
- Australian and New Zealand College of Anaesthetists (ANZCA) Annual Scientific Meeting, Adelaide, May 2015.

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 ACSQHC and Queensland Department of Health to co-sponsor a National Blood Symposium held in June 2015 at the Brisbane Convention and Exhibition Centre.
- The Symposium was attended in total by more than 370 health professionals and focused on supporting the implementation of Standard 7 Blood and Blood Products of the NSQHS. The overarching theme of the Symposium was “showcasing excellence” in implementing Standard 7. A key feature of the Symposium was the opportunity for delegates to actively participate in numerous topical workshops run by experts in their field. The inaugural National Blood Awards for Excellence in the Management of Blood were also held in conjunction with the Symposium. A total of 12 awards were presented to health professionals and organisations for outstanding achievements associated with implementing the Standard and a range of initiatives demonstrating exemplary achievements.
- In 2014-15 members of the NBA CRG presented on the PBM Guidelines at numerous international, national and local meetings.
- The NBA undertook an awareness-raising campaign in conjunction with a number of jurisdictions and health providers aimed at highlighting the high level of blood product wastage and measures that could be taken by health services and individual staff members to reduce this wastage. This campaign included detailed health service specific reports on their discard levels benchmarked against similar facilities and a range of promotional items such as posters and swing tags for blood bags aimed at allied health and nursing staff on the wards. The rate of discards (as a percentage of issues) for red cells decreased from 5.1 per cent in 2013-2014 to 3.9 per cent in 2014-2015 and platelet discards decreased over the same time from 17.8 per cent to 14.2 per cent.

The NBA promotes improved inventory management and appropriate clinical use of blood and blood products at a range of relevant national forums.

An important addition to this programme in 2014-15 was the Rural Medicine Australia 2014 conference in Sydney. The conference presented rural doctors with an opportunity to gain skills, exchange knowledge and network in a rural medical practice setting. The NBA was pleased to be part of this event, including sponsoring two speakers in the programme (Dr Lilon Bandler and Dr Amanda Thomson). Senator the Hon Fiona Nash, Assistant Minister for Health, also attended the event.



The NBA stand at Rural Medicine Australia Conference 2014. Left to right: Lyndsay Wall, Leigh McJames and Donna Cassoni.



Senator The Hon Fiona Nash, Assistant Minister for Health, speaking at Rural Medicine Australia Conference 2014.

Rural Matters - Gippsland Acute Care Symposium

RURAL MATTERS Gippsland Acute Care Symposium



The NBA is committed to engaging with health professionals to promote and improve patient outcomes and for the development of education, treatment and resources with a wide range of stakeholders, including the rural health care sector.

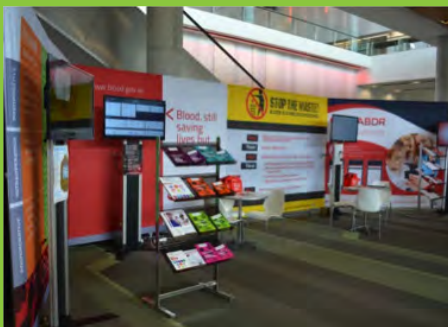
As such, the NBA was a Silver sponsor at the *Rural Matters Conference, Gippsland Acute Care Symposium* held on 27 and 28 November 2014 at the Federation University Gippsland Campus, Churchill.

The programme of this event looked at the management of acutely ill patients, with a focus on issues faced by health professionals in the rural setting. Key issues covered at the event included:

- Obstetric emergency management in a rural setting
- Family presence at resuscitations
- Paediatric advanced life support
- Management of snake bites in a rural setting.

The NBA was proud to be part of this event as it provided a first-hand opportunity to promote the messages of patient blood management, inventory management, blood systems and general knowledge of blood and blood products directly to delegates in a rural setting.

The 2015 National Blood Symposium



The NBA stand at the 2015 National Blood Symposium



Workshop presentation at the 2015 National Blood Symposium



National Award of Excellence in the Management of Blood

The 2015 National Blood Symposium: *Showcasing Excellence – Standard 7, Blood and Blood Products* was a major event in 2015 for the blood sector.

The Blood Symposium was co-sponsored by the NBA, Queensland Health and the Australian Commission on Safety and Quality in Health Care. This event built on the inaugural National Blood Symposiums in 2013 and included a series of workshops covering topical issues of interest to Australia's blood sector including:

- Accreditation – implementing Standard 7: Blood and Blood Products
- Patient Blood Management
- Safe Transfusion tools and resources
- Communicating with patients
- IT solutions to support safety and quality.

In addition to the workshops, the Symposium program included the official launch of Module 4 (Critical Care) and Module 5 (Obstetrics and Maternity) of the National PBM Guidelines and a question and answer session with prominent speakers on blood-related topics.

With an attendance of over 370, an interactive poster display and ten key stakeholder exhibitors, the 2015 National Blood Symposium was a unique event for delegates from a range of professions (e.g. clinicians, laboratory technicians, government, educators) to network, share personal experiences and showcase initiatives in the blood sector. The facilitator for the event was Ms Bernie Hobbs.

The 2015 National Blood Symposium was also an opportunity to celebrate excellence and outstanding achievements in the sector with the implementation of Standard 7. This celebration was marked by an Awards Ceremony, where the inaugural National Awards for Excellence in the Management of Blood were presented.

The 2015 National Blood Symposium (Continued)

The inaugural National Awards for Excellence in the Management of Blood were presented at the Gala Dinner Awards Ceremony.

The recipients are listed below by category:

Excellence in implementing a PBM program

- The Royal North Shore Hospital, Sydney
- Ms Bronwyn Pearse, Clinical Nurse Consultant, Blood Management, The Prince Charles Hospital, Brisbane
- The Sir Charles Gairdner Hospital, Perth

Excellence in implementing an Inventory Management program

- The Royal Melbourne Hospital
- The Royal Children's Hospital, Melbourne

Excellence in the governance of blood and blood products

- The King Edward Memorial Hospital, Perth
- The Fiona Stanley Hospital, Perth

Excellence in a Public/Private Health Sector Collaboration

- Albury Wodonga Health
- BloodMove Program – SA Department of Health & Ageing and SA Pathology Transfusion Service

Excellence in implementing NSQHS Standard 7 – Blood and Blood Products

- The King Edward Memorial Hospital, Perth
- Ms Ann Graham, Transfusion Clinical Nurse Consultant, John Fawkner Private Hospital, Melbourne

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 2014-15, the NBA progressed the *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.

The National Blood Sector Education and Training Strategy supported the establishment of the National Education and Training (NEAT) Committee. The last committee meeting was held on 18 March 2015 where members discussed the development of the Key Learning Areas Framework, assisted in setting Education priorities for the sector and contributed to discussion following a presentation on the consumer engagement strategy. The Key Learning Area Framework highlights the knowledge and skills required for a patient journey where treatment with a blood product may be needed. The framework will be finalised for endorsement by the full committee and JBC in 2016.

BloodSafe eLearning Australia

BloodSafe eLearning Australia (BEA) 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 310,848 registered users and 73,854 new registrations in 2014-15. Uptake by the target audiences has seen course completions per month go from 10,500 per month in 2013-14 to 14,600 during 2014-15.

Analysis of total completions per course indicates that Clinical Transfusion Practice continues to have the highest completion rate, averaging 54 per cent of all course completions per year.

The following enhancements were made to BloodSafe eLearning Australia during 2014-15:

- Six new modules were released - learning modules based on the PBM Guidelines – Module 3 Medical including specialist topics for Cancer, Cardiac, Chronic Kidney Disease, Chronic Transfusion and Gastrointestinal.
- BloodSafe eLearning Australia systems were transitioned onto the NBA hosting infrastructure.
- All courses released prior to 2013 were refreshed to mobile device friendly software. This included peer review of the courses. All courses are now in the same style and mobile device friendly format.
- A new Learning Management System was implemented.
- The Nous Group completed a review of BloodSafe eLearning operations to identify a best practice model and future funding options.
- An online fulfilment facility for hospitals to order a limited supply of colour course and promotional material was implemented.

The excellent work of BloodSafe eLearning was also recognised with two awards:

- Silver Award – Best eLearning Model LearnX Impact Awards
- Honourable Mention eLearning– Internal eLearning Awards

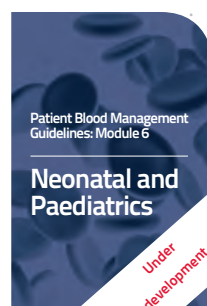
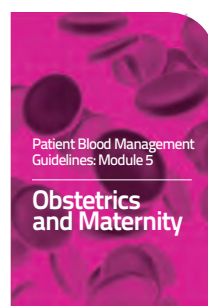
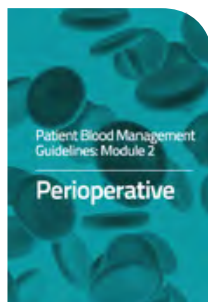
National Safety and Quality Health Service Standards

As part of the National Health Reforms, the ACSQHC (Commission) 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 to meet the requirements under Standard 7 Blood and Blood Products. During 2014-15 the NBA worked with the Commission and other stakeholders in the first phase of the process to review Standard 7 in support of the development of the next edition of the Standards, scheduled for release in 2017.

Patient Blood Management Guidelines

The NBA is funding and managing the development of a series of six evidence-based, NHMRC approved Patient Blood Management Guidelines.

- ◆ These guidelines are the world's first national evidence-based PBM guidelines.
- ◆ Over 100,000 copies of the PBM Guidelines and their accompanying Quick Reference Guides have already been downloaded or ordered in over 60 countries.
- ◆ Copies can be downloaded or ordered free of charge at www.blood.gov.au/pbm-guidelines



This year, the NBA attended the RCOG/RANZCOG World Congress in Brisbane from 13–15 April 2015 to promote the release of the Obstetrics and Maternity module.

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 2014-15 the JBC considered a first pass proposal to establish a research and funding facility to meet this requirement. The proposal builds on the JBC approved *National Blood Research and Development Strategic Priorities 2013-2016*. JBC is expected to consider the detailed business case in September 2015.

The NBA continued its partnership with the Transfusion Outcomes Research Collaborative (TORC) in relation to a project 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.

Change day – do something better together!

The Australian Safety and Quality *Goal 3 – Partnering with Consumers* suggests that government organisations champion the involvement of consumers in governance processes and embed consumer centred principles and approaches into health initiatives to improve health services, and therefore improve patient outcomes. The NBA aims to raise awareness of patient blood management and foster a meaningful partnership with consumers in order to achieve this goal.

Change Day is a social movement that encourages people to make a pledge for change in health, aged and community care in Australia. On 11 March 2015, NBA staff participated in Change Day to support this movement by making a pledge to reduce unnecessary transfusions. The NBA's 'pledge pic' and following pledge appeared on the Change Day website: *"The National Blood Authority is pledging to engage consumers and health care professionals to raise awareness of patient blood management in 2015. We pledge to help doctors and patients understand that PBM is about better management of your own blood which can reduce the amount of donated blood you receive or avoid an unnecessary transfusion. Whilst in some instances, blood can be life-saving, decisions about transfusion should include the full range of available therapies, balancing the evidence for benefits against the potential risks."*



NBA staff participating in Change Day





3

MANAGEMENT AND ACCOUNTABILITY

GOVERNANCE STRUCTURE

OPERATIONAL PLANNING

CUSTOMER SERVICE CHARTER

EXTERNAL SCRUTINY

FRAUD CONTROL

HUMAN RESOURCES AND PEOPLE MANAGEMENT

GOVERNANCE STRUCTURE

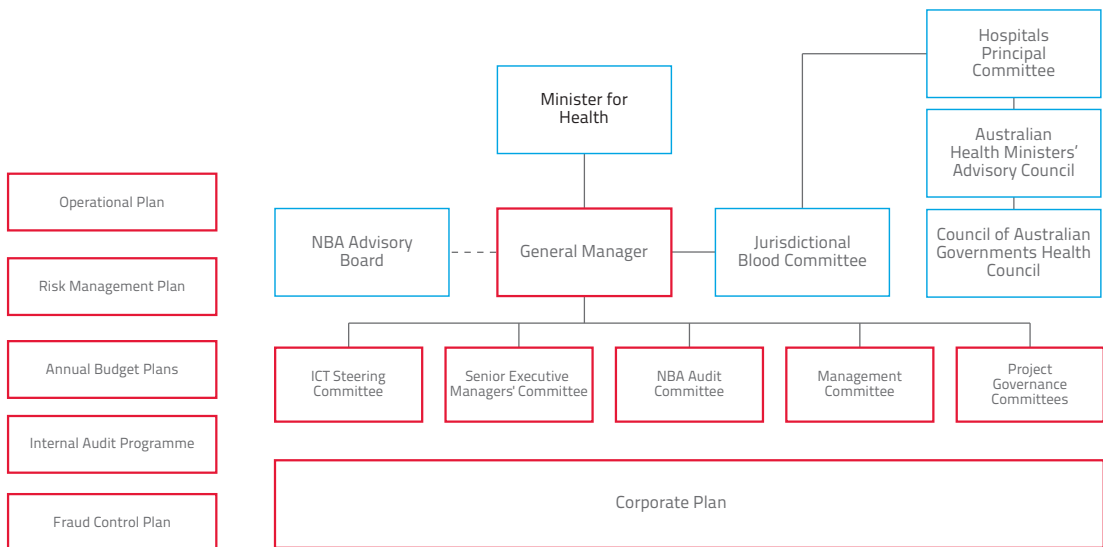


FIGURE 3.1 NBA Governance structure

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 that 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 Boards**, chaired by the NBA General Manager, provide governance oversight of major strategic projects of material significance. The terms of reference and membership of each board is specific to the project. Project Governance Boards operated in 2014-15 for the following projects:
 - BloodNet/ABDR Development and Enhancement
 - Ig Governance Project
 - BloodStar
 - Pilot to Update PBM Guidelines: Module 1.
- 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 2014-15. Its membership in 2014-15 was as follows:
 - Mr Ken Barker (Chair)
 - Mr Mick Roche
 - Mr Paul Bedbrook
 - Representatives from the ANAO and the NBA internal auditors (KPMG) also attend meetings as observers for most matters.

NBA Management

During 2014-15 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 2015, the NBA comprised the following 13 teams/business streams:

- Blood Sector Clinical Development
- Clinical Evidence Assessment
- Secretariat and Communications
- Data and Information Analysis
- Finance and Risk Management
- Health Provider Engagement
- Horizon Scanning
- Human Resources and Corporate Support
- Information Services
- 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 2014-15 work programme encompassed reviews of: the national supply plan and budget process; privacy; Accountable Authority Instruction compliance; records management; fresh blood goods receipting and verification; and follow-up of previous recommendations.

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 second 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 Management Guidelines Implementation Strategy 2013-2017
- National Blood Sector Education and Training Strategy 2013-2016
- NBA Risk Management Register
- Research and Development Statement of Priorities 2013-16.

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.

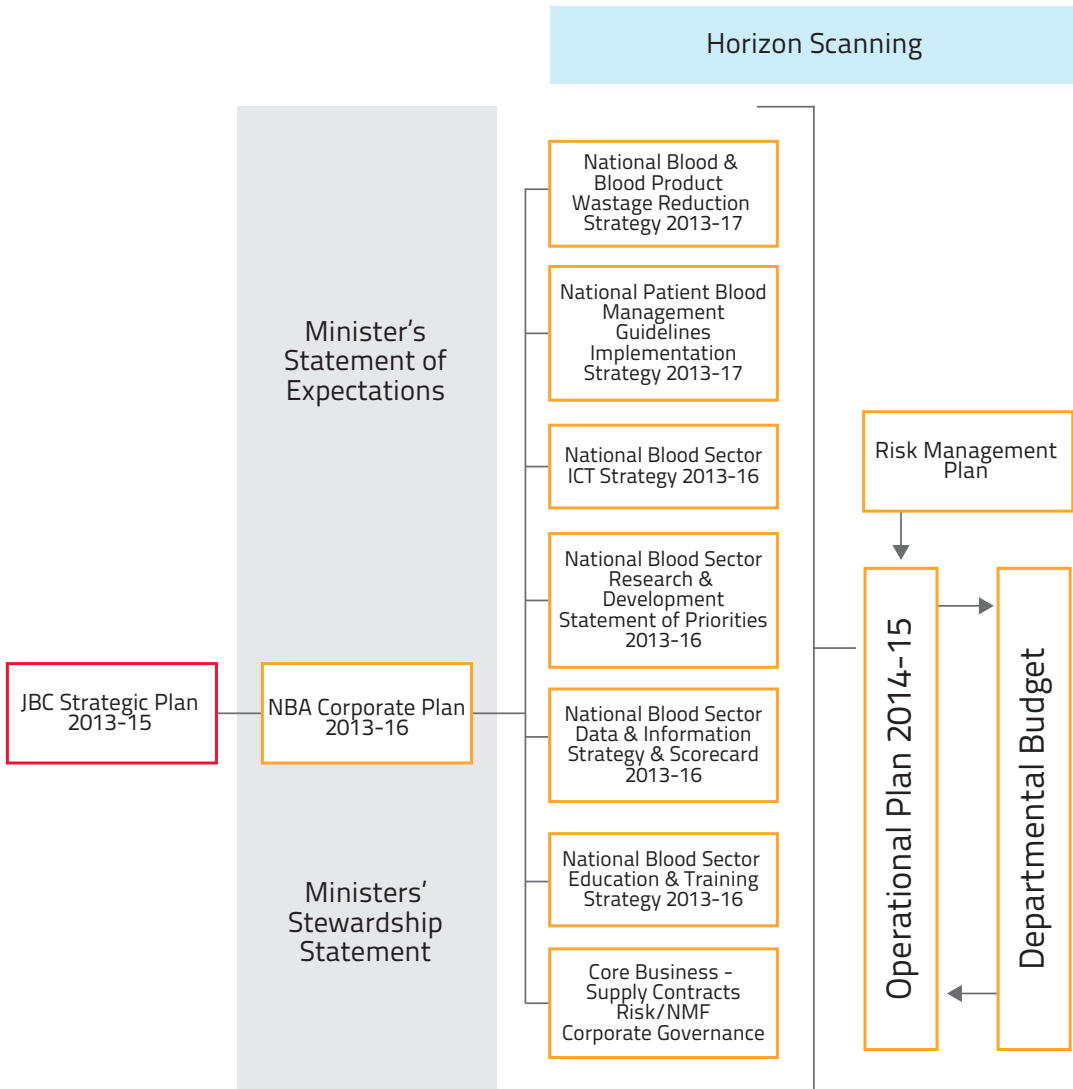


FIGURE 3.2 NBA Planning Framework

In 2014-15, the NBA delivered 91 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 four years.

TABLE 3.1 NBA's performance in achieving operational plan objectives, 2011-12 to 2014-15

Year	2011-12	2012-13	2013-14	2014-15
Performance (%)	87%	91%	96%	91%

Key operational achievements for 2014-15 included the following:

- the uninterrupted supply of blood and blood products to meet all clinical demand in accordance with the approved NSP&B
- the development and implementation of a health provider Charter requiring a formal commitment at a CEO level to measures that improve the management and use of blood and blood products
- the publication of national PBM Guidelines Module 5 on Obstetrics and Maternity and development of Module 6 on Neonatal and Paediatrics for release early in 2016
- the publication and implementation of new Ig Governance policies, a standardised patient treatment review process and revised forms
- review of the *Criteria for the clinical use of intravenous immunoglobulin in Australia* (Criteria) for adaptation to the new information management system under development, BloodSTAR
- the successful conclusion of a tender process for new contracts for the national supply of imported Ig to replace the current contracts which expire on 31 December 2015, are projected to achieve annual savings in the order of \$30 million per year
- publication of a range of data reports including the Report on the Issue and Use of Intravenous Immunoglobulin (IVIg) 2013-14, Strategic Framework for the National Haemovigilance Program and the Australian Bleeding Disorders Registry Annual Report 2013-14
- the 2015 National Blood Symposium, held in Brisbane to support Australian health providers to implement the National Safety and Quality Health Service Standard 7 on Blood and Blood Products.

2015-16 Operational Plan

The NBA finalised the 2015-16 operational plan in June 2015. The plan outlines the supporting work programme for the final 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 2014-15 the NBA received 29 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 2014-15 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 2014-15.

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 2014-15.

FRAUD CONTROL

Consistent with the *Public Governance, Performance and Accountability Rule 2014 (section 10)*, the NBA conducts fraud risk assessments regularly and when there is a substantial change in the structure, functions or activities of the organisation.

The NBA updated its fraud risk assessment in 2013-14.

Fraud awareness training was conducted with NBA staff during 2014-15.

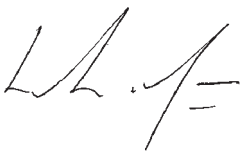
Under the current fraud control plan, the NBA continually monitors accountability and control frameworks to meet the specific needs of the agency, and ensures that it complies with the *Public Governance, Performance and Accountability Rule 2014*.

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 2014-15, the National Blood Authority has:

- prepared fraud risk assessments and a fraud control plan;
- in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the NBA; and
- taken all reasonable measures to appropriately deal with fraud relating to the NBA.



Leigh McJames
General Manager
National Blood Authority



HUMAN RESOURCES AND PEOPLE MANAGEMENT

During 2014-15, the NBA continued its commitment to managing and developing its employees to meet organisational objectives. The results of the 2015 Australian Public Service Commission (APSC) Employee Census indicates the success of the NBA in continuing to be an organisation with a strong and happy team culture focused on outcome delivery. The key points from the Employee Census are:

- 87 per cent of employees stating that they enjoy the work in their current job
- 91 per cent of employees stating they have a good immediate supervisor
- 96 per cent of employees stating that they consider the leadership of the NBA is of a high quality
- 90 per cent of employees consider that their supervisor acts in accordance with the APS Values in their everyday work
- 97 per cent of employees consider that the senior leaders in the NBA act in accordance with the APS Values.
- 100 per cent of employees consider that the most senior leaders are sufficiently visible ie seen in action
- 83 per cent of employees feel a strong personal attachment to the NBA
- 87 per cent of employees are proud to work at the NBA
- 82 per cent of employees feel they are valued for their contribution to the NBA
- 93 per cent of employees would recommend the NBA as a good place to work
- 83 per cent of employees are satisfied with the work-life balance in their current job.

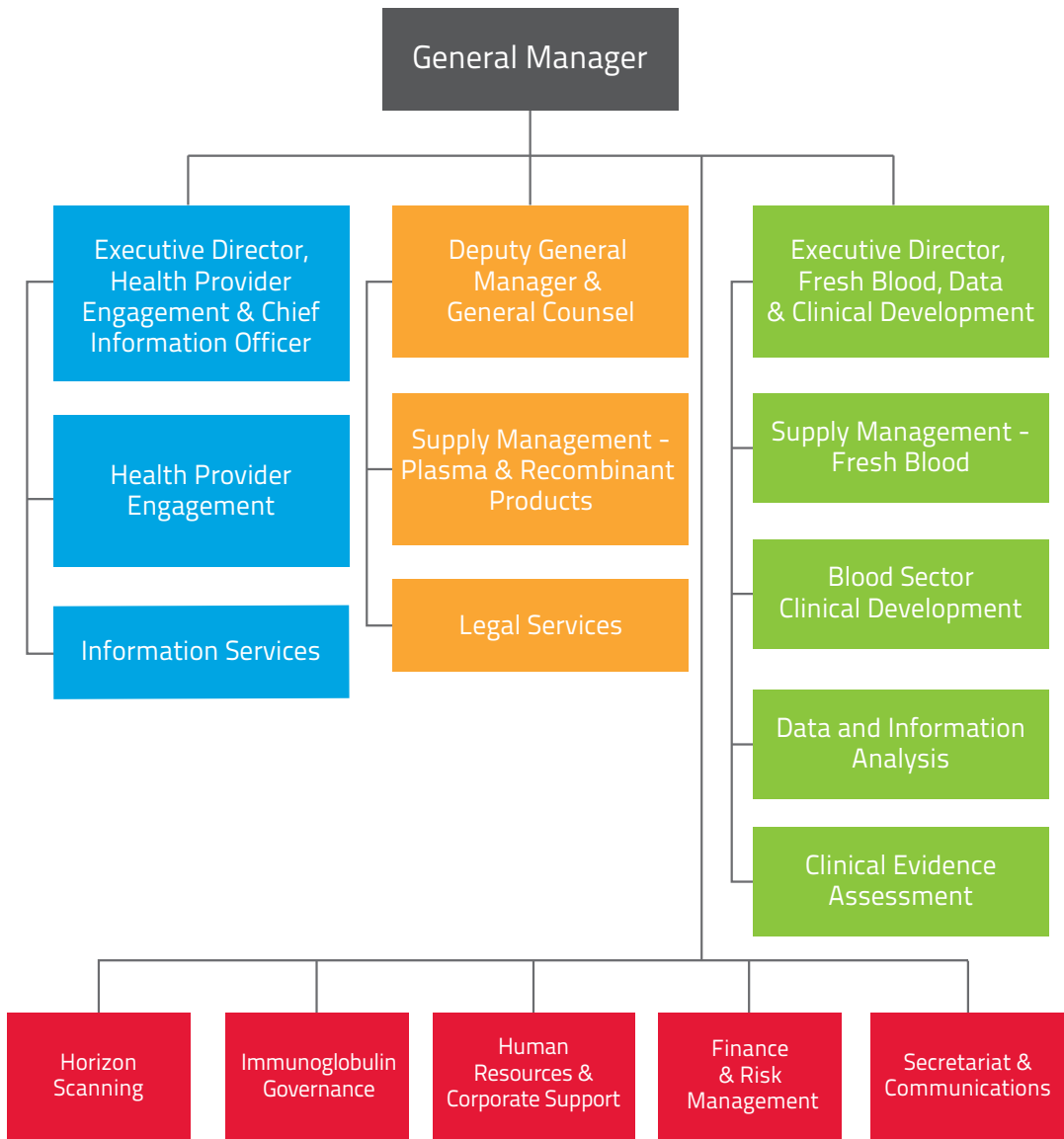


FIGURE 3.3 NBA Organisation Chart

Our values

The NBA strongly endorses the 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 (54.3 full time equivalent) at the end of June 2015. Of these 56 employees, two 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 25 per cent of NBA employees identifying as being from non-English speaking backgrounds and/or born outside of Australia.

In 2014-15, the NBA did not have any employees who reported as identifying themselves as Indigenous.

TABLE 3.2 Number of NBA staff at 30 June 2015

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
EL 1 Legal	Nil	1	1	Nil	2
EL 1	13	Nil	8	Nil	21
APS 6	6	3	1	Nil	10
APS 5	6	2	1	2	11
APS 4	2	Nil	1	Nil	3
APS 3	Nil	1	Nil	Nil	1
Total	30	7	17	2	56

TABLE 3.3 Breakdown of male and female and ongoing and non-ongoing NBA staff at 30 June 2015

Substantive Classification	Ongoing	Non-ongoing
Statutory office holder	1	Nil
Senior Executive Service	1	Nil
EL 2	6	Nil
EL 1 Legal	1	1
EL 1	19	2
APS Level 6	7	3
APS Level 5	6	5
APS Level 4	1	2
APS Level 3	1	Nil
Total	43	13

The average age of NBA staff is 42.32 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	4
26 – 30	6
31 – 35	3
36 – 40	10
41 – 45	14
46 – 50	7
51 – 55	5
56 – 60	5
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 2014-15.

TABLE 3.5 Salary levels of NBA staff by classification at 30 June 2015

Classification	Minimum (\$)	Maximum (\$)
EL 2	111,677	125,823
EL1 Legal	93,568	113,287
EL 1	93,974	106,732
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.

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 recreation and personal leave at half pay
- flex-time (for APS classified employees)
- flexible working arrangements with time off in lieu (TOIL) where appropriate (for Executive Level employees only)
- access to home-based work, laptop computers, internet access, 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
- access to salary packaging arrangements

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 retention and turnover

Staff turnover remained at 19.6 per cent. The average length of service for NBA staff is approximately 4.34 years, an increase from 3.02 years in 2013-14 and 34 per cent of staff have been employed with the NBA for more than five years, an increase of 9 per cent from the previous year.

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 2015-16 year.

Throughout 2014-15, 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 2014-15 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 88 per cent return, 23 per cent higher than the APS participation rate.

The overall employee census outcomes for the NBA were very pleasing, indicating the organisation has a stable, happy and motivated workforce, however areas for improvement relate to addressing underperformance 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, in-house training programmes and external training such as conferences, seminars, accredited training organisations and learning institutions.

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 are offered to staff from all areas of the NBA.

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 residential leadership workshop was held off-site in March 2015 for 29 staff (excluding managers) and was a successful exercise in team-building, providing staff with the opportunity to voice their concerns and opinions directly to the General Manager as well as reinforcing and embedding the NBA's direction for 2015-16.

Staff health and wellbeing

The NBA recognises the value of encouraging a work environment that supports the health and fitness of its employees. The eligible activities which are now open to staff include:

- classes and activities such as in-house yoga and self-defence
- health memberships
- 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 *Public Governance, Performance and Accountability Act 2013*, 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 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 2014–15.

TABLE 4.1 Overall funding and expenditure for the NBA in 2014–15: a summary

	Funding Incl. Appropriations (\$M)	Expenditure (\$M)
Departmental - NBA Operations	10.856	10.887
Administered - national blood and blood product supply	927.522	970.198

FINANCIAL PERFORMANCE

This section provides a summary of the NBA's financial performance for 2014–15. Details of departmental and administered results are shown in the audited financial statements, and this summary should be read in conjunction with those statements.

Audit report

The NBA received an unqualified audit report for 2014–15.

Departmental finances

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

Operating result

The NBA's income statement reports a 2014–15 operating deficit of \$0.031 million, compared with an operating deficit of \$0.235 million in 2013–14. Table 4.2 shows the key results for the period 2010–11 to 2014–15.

TABLE 4.2 Key results in financial performance, 2010–11 to 2014–15

Revenue & expenses	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)
Contributions from the Australian Government	5.948	5.686	6.201	6.090	6.266
Contributions from States and Territories and other revenue	4.074	4.030	4.106	4.113	4.590
Total revenue	10.022	9.716	10.307	10.203	10.856
Employee expenses	5.869	6.776	6.490	6.632	6.695
Supplier expenses	3.114	2.840	3.569	3.149	3.753
Other expenses	0.801	0.764	0.890	0.657	0.439
Total expenses	9.784	10.380	10.949	10.438	10.887
Operating result	0.238	(0.664)	(0.642)	(0.235)	(0.031)

Revenue

Total departmental revenue received in 2014–15 amounted to \$10.856 million: \$6.266 million in funding from the Australian Government; \$4.496 million in contributions received from the states and territories and other revenue; and \$0.094 million for resources received free of charge. This represents an increase of \$0.653 million (6.4 per cent) on revenue received in 2013–14. Other revenue refers to contributions arising from officers transferring from other agencies.

Expenses

The NBA's expenses for 2014–15 amounted to \$10.887 million, 4 per cent higher than in 2013–14. The increase in expenses is mainly attributable to work carried out on behalf of Department of Health and acceleration of the Patient Blood Management programme.

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 \$0.021 million at 30 June 2015. Funds received from all jurisdictions are transferred to the Official Public Account held by the Department of Finance until required for expenditure. Trade and other receivables increased by \$0.730 to \$9.642 million.

Non-financial assets

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

Payables

There was no significant change in the carrying amount of Payables during the financial year.

Provisions

Employee provisions, which cover annual and long service leave entitlements, increased slightly by \$0.082 million to \$1.674 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 2014–15 is presented in Table 4.3. Total revenue decreased by \$173.9 million (a 16 per cent decrease, down from the 4 per cent increase the prior year) for the current financial year. The reduction in revenue was driven by the return of \$117 million to the Commonwealth, State and Territory Governments for the 2013–14 end of year reconciliation as part of the National Blood Agreement. In addition the NBA returned \$103.780 million to the Commonwealth Department of Health for previous year reconciliations.

TABLE 4.3 Administered revenue, 2010–11 to 2014–15

Administered revenue	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)
Funding for supply of blood and blood products	939.212	1,015.586	1,049.337	1,095.922	922.718
Total administered revenues	941.016	1,034.910	1,058.281	1,101.410	927.522

Expenses

Total administered expenses for 2014–15 including grants and rendering of goods and services are presented in Table 4.4. Administered expenses for 2014–15 decreased by 7.1 per cent over those for 2013–14. 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 as a result of contract outcomes.

TABLE 4.4 Key results of administered expenses, 2010–11 to 2014–15

Administered expense	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)
Grants to the private sector - non-profit organisation	Nil	7.773	8.092	8.331	8.577
Rendering of goods and services - external entities	937.954	947.820	1,003.772	1,035.847	960.818
Other	0.310	0.291	0.493	0.736	0.803
Total administered expenses	938.264	955.884	1,012.357	1,044.914	970.198

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 payments 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 OBFM.

Administered liabilities comprise payables to suppliers.

As a result of the deficit described above, net administered assets decreased by \$35.5 million during 2014–15.



ASSETS 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 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 2014–15 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 *Public Governance, Performance and Accountability Act 2013*, Commonwealth Procurement Rules and internal policies and procedures. During 2014–15, fourteen new consultancy contracts were entered into involving total actual expenditure of \$607,801 (GST inclusive). In addition, three ongoing consultancy contracts were active during the 2014–15 year, involving actual expenditure of \$585,891 (GST inclusive). Total expenditure on consultancies in 2014–15 was \$1,193,693 (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.

Procurement Initiatives to Support Small Business

The NBA supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website:

www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts

The NBA recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: www.treasury.gov.au

The NBA has in place procurement practices which support SMEs. This includes but is not limited to electronic systems or other processes used to facilitate on-time payment performance, including the use of payment cards.

Table 4.5 shows total expenditure on all consultancy services from 2010–11 to 2014–15 covering both new contracts let in the applicable year and ongoing contracts let in previous years.

TABLE 4.5 Expenditure on consultancy services, 2010–11 to 2014–15

Year	No. let	Total expenditure on new and existing consultancies (\$)
2010-11	9	1,399,091
2011-12	15	2,023,951
2012-13	11	1,658,232
2013-14	20	2,277,034
2014-15	17	1,193,693

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Assistant Minister for Health

I have audited the accompanying annual financial statements of the National Blood Authority for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority 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; and
- Notes to and forming part of the financial statements comprising a Summary of Significant Accounting Policies and other explanatory information.

Accountable Authority's Responsibility for the Financial Statements

The Accountable Authority of the National Blood Authority is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Accountable Authority is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that 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

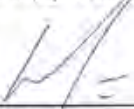
GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

NATIONAL BLOOD AUTHORITY
FINANCIAL STATEMENTS
For the year ended 30 June 2015

Statement by the Accountable Authority and Chief Financial Officer

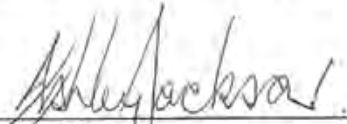
In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the NBA will be able to pay its debts as and when they fall due.



Leigh McJames
Accountable Authority

September 2015



Ashley Jackson
Chief Financial Officer

September 2015

NATIONAL BLOOD AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	4A	6 695	6 632
Suppliers	4B	3 753	3 149
Depreciation and amortisation	4C	427	649
Finance costs - Unwinding of discount		5	7
Losses from asset sales	4D	7	1
Total expenses		10 887	10 438
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	587	33
Other revenue - Funding from State and Territory governments		3 909	3 867
Total own-source revenue		4 496	3 900
Gains			
Reversals of previous asset write-downs	5B	-	119
Resources received free of charge - Remuneration of auditors		94	94
Total gains		94	213
Total own-source income		4 590	4 113
Net cost of services		6 297	6 325
Revenue from Government - Departmental annual appropriations		6 266	6 090
Surplus (Deficit) attributable to the Australian Government		(31)	(235)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		-	153
Total other comprehensive income		-	153
Total comprehensive income/(loss) attributable to the Australian Government		(31)	(82)

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

NATIONAL BLOOD AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents		21	29
Trade and other receivables	7A	9 642	8 904
<i>Total financial assets</i>		<u>9 663</u>	<u>8 933</u>
Non-Financial Assets			
Leasehold improvements	8A	918	1 034
Property, plant and equipment	8A	652	529
Intangibles	8B	190	233
Prepayments		173	100
<i>Total non-financial assets</i>		<u>1 933</u>	<u>1 896</u>
Total assets		<u>11 596</u>	<u>10 829</u>
LIABILITIES			
Payables			
Suppliers	9A	718	497
Other payables	9B	572	754
<i>Total payables</i>		<u>1 290</u>	<u>1 251</u>
Provisions			
Employee provisions	10A	1 674	1 592
Other provisions	10B	142	137
<i>Total provisions</i>		<u>1 816</u>	<u>1 729</u>
Total liabilities		<u>3 106</u>	<u>2 980</u>
Net assets		<u>8 490</u>	<u>7 849</u>
EQUITY			
Contributed equity		3 250	2 578
Reserves		359	359
Retained surplus		4 881	4 912
Total equity		<u>8 490</u>	<u>7 849</u>

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 2015

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance								
Balance carried forward from previous period	4 912	5 147	359	206	2 578	2 463	7 849	7 816
Adjusted opening balance	4 912	5 147	359	206	2 578	2 463	7 849	7 816
Comprehensive Income								
Other comprehensive Income								153
Surplus / (Deficit) for the period	(31)	(235)	-	153	-	-	(31)	(235)
Total comprehensive Income attributable to Australian Government	(31)	(235)	-	153	-	-	(31)	(82)
Transactions with owners								
Contributions by owners					672	115	672	115
Departmental capital budget								
Total transactions with owners					672	115	672	115
Closing balance as at 30 June attributable to Australian Government	4 881	4 912	359	359	3 250	2 578	8 490	7 849

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

NATIONAL BLOOD AUTHORITY
CASH FLOW STATEMENT
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		5 965	6 090
Sales of goods and rendering of services		4 488	3 893
Net GST received		374	241
Total cash received		10 827	10 224
Cash used			
Employees		6 839	6 185
Suppliers		3 818	3 246
Section 74 receipts transferred to OPA		-	23
Cash transferred to the Official Public Account		296	664
Total cash used		10 953	10 118
Net cash from/(used by) operating activities	11	(126)	106
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		4	-
Total cash received		4	-
Cash used			
Purchase of property, plant and equipment		289	101
Purchase of intangibles		100	144
Total cash used		389	245
Net cash (used by) investing activities		(385)	(245)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - Departmental capital budget		503	139
Total cash received		503	139
Net cash from financing activities		503	139
Net increase / (decrease) in cash held		(8)	-
Cash and cash equivalents at the beginning of the reporting period		29	29
Cash and cash equivalents at the end of the reporting period ¹		21	29

¹As shown in the Statement of Financial Position.

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

NATIONAL BLOOD AUTHORITY
SCHEDULE OF COMMITMENTS
as at 30 June 2015

	2015 \$'000	2014 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	478	479
Total commitments receivable	478	479
Commitments payable		
Capital commitments		
Property, plant and equipment	(81)	(21)
Intangibles	-	(209)
Total capital commitments¹	(81)	(230)
Other commitments		
Operating leases	(4 114)	(4 584)
Other	(1 065)	(459)
Total other commitments²	(5 179)	(5 043)
Total commitments payable	(5 260)	(5 273)
Net commitments by type	(4 782)	(4 794)
BY MATURITY		
Commitments receivable		
Other commitments receivable		
Within 1 year	104	94
Between 1 to 5 years	246	206
More than 5 years	126	180
Total other commitments receivable	478	480
Commitments payable		
Capital commitments		
Within 1 year	(60)	(185)
Between 1 to 5 years	(21)	(69)
Total capital commitments¹	(81)	(254)
Operating lease commitments		
Within 1 year	(485)	(441)
Between 1 to 5 years	(2 244)	(2 159)
More than 5 years	(1 385)	(1 975)
Total operating lease commitments²	(4 114)	(4 585)
Other commitments		
Within 1 year	(604)	(407)
Between 1 to 5 years	(461)	(28)
Total other commitments	(1 065)	(435)
Total commitments payable	(5 260)	(5 274)
Net commitments by maturity	(4 782)	(4 794)

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 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee Benefits	16A	196	190
Suppliers	16B	960 818	1 035 847
Grants - Non-profit organisations (Australian Red Cross Blood Service)		8 577	8 331
Depreciation and amortisation	16C	607	546
Total expenses		970 198	1 044 914
Income			
Revenue			
Non-taxation revenue			
Funding from governments	17A	922 718	1 095 922
Interest - Deposits		4 737	4 979
Other revenue		67	509
Total non-taxation revenue		927 522	1 101 410
Total revenue		927 522	1 101 410
Net (cost of) / contribution by services		(42 676)	56 496
Surplus/(Deficit)		(42 676)	56 496
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		-	27
Total other comprehensive income		-	27
Total comprehensive income/(loss)		(42 676)	56 523

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 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents		334	335
Trade and other receivables	19A	211 814	300 454
Other investments	19B	114 262	110 368
<i>Total financial assets</i>		<u>326 410</u>	<u>411 157</u>
Non-financial assets			
Inventories	20A	110 315	86 056
Property, plant and equipment	20B	332	149
Intangibles	20C	800	1 199
Prepayments		76 071	76 032
<i>Total non-financial assets</i>		<u>187 518</u>	<u>163 436</u>
Total assets administered on behalf of Government		<u>513 928</u>	<u>574 593</u>
LIABILITIES			
Payables			
Suppliers	21A	52 864	78 031
<i>Total payables</i>		<u>52 864</u>	<u>78 031</u>
Total liabilities administered on behalf of Government		<u>52 864</u>	<u>78 031</u>
Net assets		<u>461 064</u>	<u>496 562</u>

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED RECONCILIATION SCHEDULE
as at 30 June 2015

	2015	2014
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	496 562	432 495
Net (cost of)/contribution by services		
Income	927 522	1 101 410
Expenses		
Payments to entities other than corporate Commonwealth entities	(970 198)	(1 044 914)
Payments to corporate Commonwealth entities	-	-
Other comprehensive income		
Revaluations transferred to reserves	-	27
Transfers (to)/from the Australian Government:		
Appropriation transfers from Official Public Account:		
Annual appropriations	7 178	7 544
Closing assets less liabilities as at 30 June	<u>461 064</u>	<u>496 562</u>

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Commonwealth contributions		535 745	714 411
State and territory contributions		386 973	381 494
Interest		5 164	5 418
Net GST received		115 749	99 056
Other		44	1 490
Total cash received		1 043 675	1 201 869
Cash used			
Employees		196	190
Grants		8 577	9 164
Suppliers		1 108 437	1 149 633
Total cash used		1 117 210	1 158 987
Net cash from/(used by) operating activities	22	(73 535)	42 882
INVESTING ACTIVITIES			
Cash received			
Investments		41 356	47 870
Total cash received		41 356	47 870
Cash used			
Purchase of property, plant & equipment and intangibles		392	176
Investments		45 250	52 200
Total cash used		45 642	52 376
Net cash (used by) investing activities		(4 286)	(4 506)
Net increase/(decrease) in cash held		(77 821)	38 376
Cash and cash equivalents at the beginning of the reporting period		335	324
Cash from Official Public Account for:			
- Appropriations		7 178	7 544
- Special accounts		1 182 960	1 182 974
Total cash from OPA		1 190 138	1 190 518
Cash to Official Public Account for:			
- Special accounts		(1 112 318)	(1 228 883)
Total cash to OPA		(1 112 318)	(1 228 883)
Cash and cash equivalents at the end of the reporting period¹		334	335

¹ As shown in the administered schedule of assets and liabilities

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

NATIONAL BLOOD AUTHORITY
SCHEDULE OF ADMINISTERED COMMITMENTS

as at 30 June 2015

	2015	2014
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	255 351	230 656
Total commitments receivable	255 351	230 656
Commitments payable		
Other commitments		
Other	(2 808 866)	(2 537 219)
Total other commitments¹	(2 808 866)	(2 537 219)
Net commitments by type	(2 553 515)	(2 306 563)
BY MATURITY		
Commitments receivable		
Other commitments receivable		
Within 1 year	130 214	98 100
Between 1 to 5 years	125 137	132 556
Total other commitments receivable	255 351	230 656
Commitments payable		
Other commitments		
Within 1 year	(1 432 359)	(1 079 097)
Between 1 to 5 years	(1 376 507)	(1 458 122)
Total other commitments¹	(2 808 866)	(2 537 219)
Net commitments by maturity	(2 553 515)	(2 306 563)

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
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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 manages the supply of blood and blood products on behalf of the Commonwealth and all state and territory governments with the Commonwealth contributing 63 per cent of funding and State and Territory governments providing 37 per cent.

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 Budget, the Government announced the merger of the NBA and the Australian Organ and Tissue Donation and Transplantation Authority to create a new Independent body by 1 July 2015. Implementation is progressing in the context of a whole-of-Government approach with other entity mergers to ensure new arrangements are effectively implemented.

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 governments, of items controlled or incurred by the governments.

The NBA conducts the following administered activities on behalf of the governments: 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.

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 2014-15 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 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; 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 2015

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 FRR, assets and liabilities are recognised in the statement of financial position 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 contingencies note.

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 the 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 signing of the statement by the accountable authority and chief financial officer, were applicable to the current reporting period and had a material effect on the NBA's financial statements:

- AASB 1055 *Budgetary Reporting*
- AASB 1031 *Materiality*

Future Australian Accounting Standard Requirements

The following new standards and revised standards were issued by the Australian Accounting Standards Board prior to the signing of the statement by the accountable authority and chief financial officer, which are expected to have a material impact on the NBA's financial statements for future reporting periods:

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 124 *Related Parties Disclosures*

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

1.5 Revenue

Revenue from rendering of services and 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 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 2015

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 the 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 or 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.

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.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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 FRR 24.1(b) 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'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 2015.

1.9 Leases

An operating lease is a lease where the lessor effectively retains substantially all the risks and benefits of ownership. Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets. Lease incentives are recognised as other payables and amortised over the period of the lease on a straight line basis.

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.

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.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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 are classified as 'loans and receivables' and recorded at face value less any impairment. Trade receivables are recognised where the NBA becomes party to a contract and has a legal right to receive cash.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

1.13 Financial Liabilities

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 statement of financial position but are reported in the 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 liabilities are disclosed when settlement is greater than remote.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition. 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.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

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

<i>Asset class</i>	<i>Recognition Threshold</i>
Infrastructure, Plant and Equipment	\$2,000
Purchased Software	\$5,000
Leasehold Improvements	\$10,000
Internally Developed Software	\$50,000

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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.

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 were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The most recent independent valuation was conducted by Australian Valuation Solutions on 30 June 2014.

Revaluation adjustments are made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed 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>	<i>2015</i>	<i>2014</i>
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 2015. 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.

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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.

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

Type	2015	2014
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 2015.

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. 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 administered cash flow statement and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to ordinary activities performed by the NBA on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

NATIONAL BLOOD AUTHORITY
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Revenue from rendering of services and 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 associated 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. The reconciliation between the actual usage and the National Supply Budget Plan is performed in September of following financial year and is approved by Jurisdictional Blood Committee before the NBA return the surplus / charge for extra funding to the States and Territories and Commonwealth.

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.

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 23. 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 NBA 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 78 of the *Public Governance, Performance and Accountability Act 2013* 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 2015 is \$116,017,662 (30 June 2014: \$111,027,890) made up of a combination of cash, investments and balance of the special account.

NATIONAL BLOOD AUTHORITY
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for the year ended 30 June 2015

NOTE 2: Events after the Reporting Period

Departmental

There were no events occurring after 30 June 2015 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

Administered

There were no events occurring after 30 June 2015 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

NOTE 3: Net Cash Appropriation Arrangements

	2015 \$'000	2014 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations ¹	396	567
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(427)	(649)
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(31)	(82)

¹ 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.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015	2014
NOTE 4: Expenses	\$'000	\$'000
Note 4A: Employee Benefits		
Wages and salaries	4 556	4 552
Superannuation:		
Defined contribution plans	463	405
Defined benefit plans	358	363
Leave and other entitlements	1 057	788
Separation and redundancies	-	322
Other employee benefits	261	202
Total employee benefits	6 695	6 632
Note 4B: Suppliers		
Goods and services supplied and rendered		
Consultants	744	598
Contractors	47	109
Travel	232	334
Legal	125	40
IT services	1 054	691
Other	969	806
Total goods and services supplied or rendered	3 169	2 578
Goods supplied in connection with		
External parties	415	299
Total goods supplied	415	299
Services rendered in connection with		
Related parties	474	337
External parties	2 330	1 942
Total services rendered	2 754	2 279
Total goods and services supplied or rendered	3 169	2 578
Other suppliers		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	493	483
Workers compensation expenses	91	88
Total other suppliers	584	571
Total suppliers	3 753	3 149
Note 4C: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	160	220
Leasehold improvements	124	92
Total depreciation	284	312
Amortisation:		
Intangibles	143	337
Total amortisation	143	337
Total depreciation and amortisation	427	649

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

for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 4: Expenses		
Note 4D: Losses from Asset Sales		
Property, plant and equipment:		
Proceeds from sale	4	-
Carrying value of assets sold	11	1
Total losses from asset sales	<u>7</u>	<u>1</u>

NOTE 5: Own-Source Income

OWN-SOURCE REVENUE

Note 5A: Sale of Goods and Rendering of Services

Rendering of services in connection with		
Related parties	400	-
External parties	187	33
Total rendering of services	<u>587</u>	<u>33</u>

GAINS

Note 5B: Reversal of Previous Asset Write-Downs

Revaluation increments		
Property, plant and equipment	-	7
Leasehold improvements	-	112
Total reversals of previous asset write-downs	<u>-</u>	<u>119</u>

**NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015**

NOTE 6: Fair Value Measurements

The following notes 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 (or the entity can access measurement data).
- 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 6C: Fair Value Measurements, Valuation Techniques and Inputs Used

	Fair value measurements at the end of the reporting period			Fair value Level 3 fair value measurements		
	2015 1,000	2014 1,000	Category (Level 1, 2 or 3)	Valuation technique(s)	Inputs used	Inputs (weighted averages)
Non-financial assets:						
Leasehold improvements	518	1,274	1	Duplicated Replacement Cost (DRC)	Replacement Cost less (or net per square metre)	
Property, plant and equipment	548	441	2	Market Approach	Consumable economic benefit / Observed economic benefit / Adjusted market transactions	21.0% / 0.4% / (3.8) % (per Asset)
Inventory, plant and equipment	34	65	1	Discounted Replacement Cost (DRC)	Replacement Cost less / Observed economic benefit / Consumption of asset	12.5% / 16.2% / (18.2) % (per Asset)
Total non-financial assets	1,099	1,780				
Total fair value measurements of assets in the statements of financial position	1,576	1,563				

1. There has been no change to valuation technique.

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

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

The fair value measurement of assets at fair value on a non-recurring basis as at 30 June 2015:

Fair value measurements - Highest and Best Use (from current use for non-financial assets (NFA))

The NBAs assets are held for operational purposes and not held for the purposes of earning a profit. The current use of all controlled assets is considered their highest and best use.

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

The NFA provided for review of the Australian Valuation Authority (AVA) to undertake a comprehensive valuation of all non-financial assets on 30 June 2014. The entity took the procedures of the valuation model as an internal management review of (at least) each every 12 months (with a formal regulatory underpinning) every three years). The purchaser user data experiences significant and volatile change in fair value (i.e. 44% in 2014) indicates suggest that the value of the class has changed materially from the previous reporting period. Fair value is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the fair value measurements.

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

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

Leasehold Improvements - Consumable Economic Benefit / Consumption of Asset

Assets that do not interact with enough frequency or to measure to develop objective evidence of value from observable market evidence have been measured utilizing this cost (Discounted Replacement Cost or DRC) approach. Under the DRC approach, the estimated cost to replace the asset is allocated and then adjusted to take into account its consumable economic benefit / asset obsolescence (accumulated depreciation). Consumable economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, financial, and external (market) 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 - Consumable Economic Benefit / Consumption of Asset

Assets that do not interact with enough frequency or to measure to develop objective evidence of value from observable market evidence have been measured utilizing this cost (Discounted 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 consumable economic benefit / asset obsolescence (accumulated depreciation). Consumable economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, financial, and external (market) factors relevant to the asset under consideration.

Recurring Level 3 fair value measurements - sensitivity of inputs

Leasehold Improvements & Property, Plant and Equipment - Consumable Economic Benefit / Consumption of Asset

The significant unobservable inputs used in the fair value measurement of the NBAs (physical improvements and property, plant and equipment) asset classes relate to the consumable 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 2015

NOTE 6: Fair Value Measurements

Note 6B: 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.

Note 6C: Reconciliation for recurring Level 3 fair value measurements

Non-financial assets						
	Leasehold improvements		Property, plant & equipment		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance ¹	1 034	864	30	83	1 114	947
Purchases	8	16	-	-	8	16
Total gains/(losses) in accumulated depreciation	(124)	154	(16)	(31)	(140)	151
Closing balance	918	1 034	64	80	982	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

for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 7: Financial Assets		
Note 7A: Trade and Other Receivables		
Goods and Services receivables in connection with:		
Goods and services - related parties	-	11
Goods and services - external parties	19	-
Total goods and services receivables	<u>19</u>	<u>11</u>
Appropriations receivable:		
For existing programs	955	485
Total appropriations receivable	<u>955</u>	<u>485</u>
Other receivables:		
GST receivable from the Australian Taxation Office	50	85
Special Account - cash held in the OPA	8 618	8 323
Total other receivables	<u>8 668</u>	<u>8 408</u>
Total trade and other receivables (gross)	<u>9 642</u>	<u>8 904</u>
Total trade and other receivables (net)	<u>9 642</u>	<u>8 904</u>
Receivables are expected to be recovered in:		
No more than 12 months	9 642	8 904
Total trade and other receivables (net)	<u>9 642</u>	<u>8 904</u>
Receivables (gross) are aged as follows:		
Not overdue	9 627	8 893
Overdue by:		
Less than 30 days	2	-
30 to 60 days	13	-
61 to 90 days	-	11
Total receivables (gross)	<u>9 642</u>	<u>8 904</u>

Credit terms for goods and services were within 30 days (2014: 30 days)

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 8: Non-Financial Assets

Note 8A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2014-15)

	Leasehold improvements	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2014			
Gross book value	1 034	529	1 563
Accumulated depreciation and impairment	-	-	-
Net book value 1 July 2014	1 034	529	1 563
Additions:			
By purchase	8	294	302
Depreciation expense	(124)	(160)	(284)
Disposals:			
Other	-	(11)	(11)
Net book value 30 June 2015	918	652	1 570
Net book value as of 30 June 2015 represented by:			
Gross book value	1 042	805	1 847
Accumulated depreciation and impairment	(124)	(153)	(277)
	918	652	1 570

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

No leasehold improvements or property, plant and equipment are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

Any revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30/06/14, an independent valuer conducted revaluations of leasehold improvements and property, plant and equipment.

The HBA did not undertake a revaluation of leasehold improvements or property, plant and equipment during 2014-15 (in 2014, revaluation increments for leasehold improvements of \$133,852 and an increment for property, plant and equipment of \$19,150 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 and for property, plant and equipment of \$7,607 reversed previous asset write-downs and were recognised as a gain in the Statements of Comprehensive Income).

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 8: Non-Financial Assets

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

	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total Property, Plant and Equipment \$'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 disposals	-	(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

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 8: Non-Financial Assets

Note 8B: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the Opening and Closing Balances of Intangibles (2014-15)

Item	Computer software internally developed	Computer software purchased	Total
	\$'000	\$'000	\$'000
As at 1 July 2014			
Gross book value	2 828	723	3 551
Accumulated amortisation and impairment	(2 676)	(642)	(3 318)
Net book value 1 July 2014	152	81	233
Additions:			
By purchase or internally developed	100	-	100
Amortisation	(71)	(72)	(143)
Net book value 30 June 2015	181	9	190
Net book value as of 30 June 2015 represented by:			
Gross book value	2 928	723	3 651
Accumulated amortisation and impairment	(2 747)	(714)	(3 461)
	181	9	190

No indicators of impairment were found for intangible assets.

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

Reconciliation of the Opening and Closing Balances of Intangibles (2013-14)

Item	Computer software internally developed	Computer software purchased	Total
	\$'000	\$'000	\$'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

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 9: Payables		
Note 9A: Suppliers		
Trade creditors and accruals	718	497
Total suppliers	<u>718</u>	<u>497</u>
Suppliers expected to be settled		
No more than 12 months	718	497
Total suppliers	<u>718</u>	<u>497</u>
Suppliers in connection with		
Related parties	16	4
External parties	702	493
Total suppliers	<u>718</u>	<u>497</u>
Settlement was usually made within 30 days.		
Note 9B: Other Payables		
Wages and salaries	(68)	166
Superannuation	32	24
Lease incentive	608	564
Total other payables	<u>572</u>	<u>754</u>
Other payables expected to be settled		
No more than 12 months	(36)	190
More than 12 months	608	564
Total other payables	<u>572</u>	<u>754</u>
NOTE 10: Provisions		
Note 10A: Employee Provisions		
Leave	1 444	1 317
Separations and redundancies	230	275
Total employee provisions	<u>1 674</u>	<u>1 592</u>
Employee provisions are expected to be settled in:		
No more than 12 months	484	819
More than 12 months	1 190	773
Total employee provisions	<u>1 674</u>	<u>1 592</u>

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015	2014
NOTE 10: Provisions	\$'000	\$'000
Note 10B: Other Provisions		
Provision for restoration	142	137
Total other provisions	142	137
Other provisions are expected to be settled in:		
More than 12 months	142	137
Total other provisions	142	137
	Provision for restoration	Total
	\$'000	\$'000
Carrying amount 1 July 2014	137	137
Unwinding of discount or change in discount rate	5	5
Closing balance 2015	142	142

The NBA currently has 1 agreement (2014: 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.

NOTE 11: Cash Flow Reconciliation

Reconciliation of net cost of services to net cash from operating activities:		
Net (cost of)/contribution by services	(6 297)	(6 325)
Revenue from Government	6 266	6 090
Adjustments for non-cash items:		
Depreciation / amortisation	427	650
Net write-down of non-financial assets		(119)
Loss on disposal of assets	12	1
Changes in assets and liabilities:		
(Increase) Decrease in net receivables	(738)	(703)
(Increase) in non-financial assets	(73)	34
Increase (Decrease) in employee provisions	(144)	(55)
Increase (Decrease) in supplier payables	426	(93)
Increase (Decrease) in other payables	-	344
Increase (Decrease) in other provisions	(5)	282
Net cash from/(used by) operating activities	(126)	106

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 12: 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 13: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
Short-term employee benefits:		
Salary	711 017	753 943
Vehicle allowances	22 921	27 921
Performance bonuses	20 000	20 000
Retention bonuses	12 000	12 000
Total short-term employee benefits	<u>765 938</u>	<u>808 864</u>
Post-employment benefits:		
Superannuation	114 612	108 895
Total post-employment benefits	<u>114 612</u>	<u>108 895</u>
Other long-term benefits:		
Annual leave accrued	57 223	56 372
Long-service leave	27 879	37 531
Total other long-term benefits	<u>85 102</u>	<u>93 903</u>
Total senior executive remuneration expenses	<u>965 652</u>	<u>1 011 662</u>

The total number of senior management personnel that are included in the above table are 4 (2013-14: 4).

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 14: Financial Instruments		
NOTE 14A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	21	29
Trade and other receivables	19	11
Carrying amount of financial assets	<u>40</u>	<u>40</u>
Financial Liabilities		
At amortised cost:		
Trade and other creditors	718	497
Carrying amount of financial liabilities	<u>718</u>	<u>497</u>

The net fair values of the financial assets and liabilities are at their carrying amounts. The NBA derived no interest income from financial assets in either the current and prior year.

Note 14B: Credit Risk

The NBA is exposed to minimal credit risk with the maximum exposure arising from the recognition of carrying amount of each financial assets.

Note 14C: Liquidity Risk

The NBA has sufficient available financial assets to meet all financial liabilities at 30 June 2015.

	2015	2014
Notes	\$'000	\$'000
NOTE 15: Financial Assets Reconciliation		
Financial Assets		
Total financial assets as per statement of financial position	9 663	8 933
Less: non-financial instrument components:		
Appropriations receivable	7A 955	485
GST receivable from the Australian Taxation Office	7A 50	85
Special Account - cash held in the OPA	7A 8 618	8 323
Total financial assets as per financial instruments note	<u>40</u>	<u>40</u>

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 16: Administered - Expenses		
Note 16A: Employee Benefits		
Wages and salaries	156	161
Superannuation:		
Defined contribution plans	11	11
Defined benefit plans	17	14
Leave and other entitlements	12	-
Other employee benefits	-	4
Total employee benefits [†]	196	190
Note 16B: Suppliers		
Goods and services supplied or rendered		
Purchases of blood and blood products	955 538	1 030 894
Consultants	1 325	2 700
Contractors	3 214	1 862
Travel	117	61
IT services	433	143
Other	191	187
Total goods and services supplied or rendered	960 818	1 035 847
Goods supplied in connection with		
External parties	955 705	1 031 065
Total goods supplied	955 705	1 031 065
Services rendered in connection with		
External parties	5 113	4 782
Total services rendered	5 113	4 782
Total goods and services supplied or rendered	960 818	1 035 847
Note 16C: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	98	146
Amortisation:		
Intangibles	509	400
Total depreciation and amortisation	607	546
[†] 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.		
NOTE 17: Administered - Income		
Non-Taxation Revenue	\$'000	\$'000
Note 17A: Funding from Governments		
Commonwealth contributions ¹	535 745	714 411
State & Territory contributions	386 973	381 511
Total funding from governments	922 718	1 095 922
¹ Funding for 2014-15 departs from the 63:37 ratio as a result of prior year-acquittals return to the Commonwealth in 2014-15.		

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

for the year ended 30 June 2015

NOTE 18: Administered Fair Value Measurements

The following table provides 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, Valuation Techniques and Inputs Used

	Fair value measurements at the end of the reporting period			Valuation techniques ¹	Inputs used	Range (weighted average) ²
	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3)			
Non-financial assets:						
Property, plant and equipment:	302	103		2. Market Approach Depreciated replacement cost	Adjusted market transactions	
Property, plant and equipment:	30	46		3. (DRC)	Replacement cost less Conserved economic benefit / Obsolescence of asset	23.0% - 32.0% (25%) per annum
Total non-financial assets	332	149				
Total fair value measurements of assets in the statement of financial position	332	149				

1. There has been no change to valuation techniques.

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

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

• Funds, did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.

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

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

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

The NBA procured the service of The Australian Valuation Solution (AVS) to undertake a comprehensive valuation of all non-financial assets at 30 June 2014. 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. 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 - Conserved economic benefits / 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 using 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 conserved economic benefit / asset obsolescence (accumulated depreciation). Conserved 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 - consistency of inputs

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

The significant observable inputs used in the fair value measurement of the NBA's property, plant and equipment asset classes relate to the replacement 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 2015

NOTE 18: Fair Value Measurements

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.

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

	Non-financial assets			
	Property, plant & equipment		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance ¹	46	41	46	41
Total gains/(losses) in accumulated depreciation	(15)	5	(16)	5
Closing balance	30	46	30	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
for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 19: Administered - Financial Assets		
Note 19A: Trade and Other Receivables		
Goods and services in connection with:		
External parties	3 077	3 054
Total goods and services receivables	3 077	3 054
Other receivables:		
Special Account - cash held in the OPA	205 613	276 256
Interest	1 886	2 313
GST receivable from Australian Taxation Office	4 275	21 868
Total other receivables	211 774	300 437
Total trade and other receivables (gross)	214 851	303 491
Less impairment allowance:		
Goods and services	(3 037)	(3 037)
Total trade and other receivables (net)	211 814	300 454
Trade and other receivables are expected to be recovered in:		
No more than 12 months	211 814	300 454
Total trade and other receivables (net)	211 814	300 454
Trade and other receivables (gross) were aged as follows:		
Not overdue	211 814	300 454
Overdue by:		
More than 90 days - Department of Health - NSW	3 037	3 037
Total trade and other receivables (gross)	214 851	303 491
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 (2014: 30 days).		
Reconciliation of the Impairment Allowance Account		
<i>Other Receivables</i>		
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 2015

	2015	2014
	\$'000	\$'000
NOTE 19: Administered - Financial Assets		
Note 19B: Other Investments		
Deposits ¹	114 262	110 368
Total other investments	114 262	110 368
Other investments are expected to be recovered in:		
No more than 12 months	57 062	41 356
More than 12 months	57 200	69 012
Total other investments	114 262	110 368
¹ Monies invested in term deposits with various approved institutions under Section 58 of the Public Governance, Performance and Accountability Act 2013.		
NOTE 20: Administered - Non Financial Assets		
Note 20A: Inventories		
National Reserve inventory held for distribution	53 499	48 939
Other inventory held for distribution	56 816	37 117
Total inventories	110 315	86 056
During 2014-15, \$251,179 of inventory held for distribution related to a net write-off of damaged and expired stock and was recognised as an expense (2014: \$341,555). 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.		

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 20: Administered - Non Financial Assets

Note 20B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2014-15)

	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2014		
Gross book value	482	482
Accumulated depreciation and impairment	(333)	(333)
Net book value 1 July 2014	149	149
Additions:		
By purchase	281	281
Depreciation	(98)	(98)
Net book value 30 June 2015	332	332
Net book value as of 30 June 2015 represented by:		
Gross book value	430	430
Accumulated depreciation and impairment	(98)	(98)
	332	332

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

Any revaluations are conducted in accordance with the revaluation policy stated at Note 1.
 On 30/06/14, an independent valuer conducted revaluations of property, plant and equipment.

The NBA did not undertake a revaluation of property, plant and equipment during 2014-15 (In 2014 \$27,499 was 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).

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

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 20: Administered - Non Financial Assets

NOTE 20C: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the Opening and Closing Balances of Intangibles (2014-15)

	Computer software internally developed	Computer software purchased	Total
	\$'000	\$'000	\$'000
As at 1 July 2014			
Gross book value	1 909	147	2 056
Accumulated amortisation and impairment	(738)	(119)	(857)
Net book value 1 July 2014	1 171	28	1 199
Additions:			
By purchase or internally developed	110	-	110
Amortisation	(481)	(28)	(509)
Net book value 30 June 2015	800	-	800
Net book value as of 30 June 2015 represented by:			
Gross book value	2 019	147	2 166
Accumulated amortisation and impairment	(1 219)	(147)	(1 366)
	800	-	800

No indicators of impairment were found for intangible assets.

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

Reconciliation of the Opening and Closing Balances of Intangibles (2013-14)

	Computer software internally developed	Computer software purchased	Total
	\$'000	\$'000	\$'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

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

for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
NOTE 21: Administered - Payables		
Note 21A: Suppliers		
Trade creditors and accruals	52 864	78 031
Total suppliers	52 864	78 031
Suppliers expected to be settled		
No more than 12 months	52 864	78 031
Total suppliers	52 864	78 031
Suppliers in connection with		
External parties	52 864	78 031
Total suppliers	52 864	78 031
Settlement was usually made within 30 days		
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		
Reconciliation of net cost of services to net cash from operating activities:		
Net (cost of)/contribution by services	(42 676)	56 496
Adjustments for non-cash items		
Depreciation / amortisation	607	546
Movements in assets and liabilities:		
(Increase)/decrease in net receivables	17 997	(6 620)
(Increase)/decrease in inventories	(24 259)	(18 402)
(Increase)/decrease in prepayments	(38)	-
Increase/(decrease) in supplier payables	(25 166)	10 862
Net cash from/(used by) operating activities	(73 535)	42 882

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

for the year ended 30 June 2015

NOTE 23: Administered - Contingent Liabilities

	2015	2014
	\$'000	\$'000
Contingent liabilities		
Indemnities	230 290	246 712
Total contingent liabilities	230 290	246 712
Net administered contingent liabilities	230 290	246 712

Quantifiable Administered Contingencies

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.

Unquantifiable Administered Contingencies

Under certain conditions the Australian Government and the States/Territories jointly provide indemnity for the Australian Red Cross Blood Service (the Blood Service) through a cost sharing arrangement for claims, both current and potential, regarding personal injury and damage suffered by a recipient of certain blood products. The Australian Government's share of any liability is limited to sixty three per cent 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 Quantifiable 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 58 of the *Public Governance, Performance and Accountability Act 2013* 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 2015

	2015	2014
	\$'000	\$'000
NOTE 25: Administered - Financial Instruments		
NOTE 25A: Categories of Financial Instruments		
Financial assets		
Held-to-maturity investments:		
Deposits	114 262	110 368
Total held to maturity investments:	<u>114 262</u>	<u>110 368</u>
Loans and receivables:		
Cash and cash equivalents	334	335
Trade and other receivables	1 926	2 330
Total loans and receivables:	<u>2 260</u>	<u>2 665</u>
Total financial assets	<u>116 522</u>	<u>113 033</u>
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade and other creditors	52 864	78 031
Total financial liabilities	<u>52 864</u>	<u>78 031</u>
Note 25B: Net Gains or Losses on Financial Assets		
Held-to-maturity investments		
Interest Revenue	4 732	4 973
Net gain on held-to-maturity investments	<u>4 732</u>	<u>4 973</u>
Loans and receivables		
Interest Revenue	5	6
Net gain on loans and receivables	<u>5</u>	<u>6</u>
Net gain on financial assets	<u>4 737</u>	<u>4 979</u>

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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 statement of financial position. 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 (2014: \$3,037,236). Refer to Note 19A.

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 2015

	Within 1 year \$'000	Total \$'000
Trade and other creditors	52,864	52,864
Total	52,864	52,864

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.

Notes	2015 \$'000	2014 \$'000
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NOTE 26: Administered Financial Assets Reconciliation

Financial Assets

Total financial assets per administered schedule of assets and liabilities		326,410	411,157
Less: non-financial instrument components:			
GST receivable from Australian Taxation Office	19A	4,275	21,868
Special Account - cash held in the OPA	19A	205,613	276,256
Total financial assets as per administered financial instruments note		116,522	113,033

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 27 Appropriations
Table A: Annual Appropriations (Recoverable GST exclusive)
Annual Appropriations for 2015

	Appropriation Act		PPMA Act		Total appropriation \$'000	Appropriation applied in 2015 (current and prior years) \$'000	Variance \$'000	Section 51 determinations \$'000
	Annual Appropriation ^(a) \$'000	AFM \$'000	Section 74 \$'000	Section 75 \$'000				
DEPARTMENTAL								
Ordinary annual services	6 938	-	-	-	6 938	6 468	470	-
Other services	-	-	n/a	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-
Total departmental	6 938	-	-	-	6 938	6 468	470	-
ADMINISTERED								
Ordinary annual services:								
Administered items	7 178	-	n/a	-	7 178	7 178	-	-
Total administered	7 178	-	n/a	-	7 178	7 178	-	-

Notes:

(a) Appropriation Act (No. 3) 2014-15-200W has been amended for the purpose of the merging with Australian Origin and Tissue Donation and Transplantation Authority.

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

Annual Appropriations for 2014

	Appropriation Act		FMA Act		Total appropriation \$'000	Appropriation applied in 2014 (current and prior years) \$'000	Variance \$'000
	Annual Appropriation \$'000	AFM \$'000	Section 31 \$'000	Section 32 \$'000			
DEPARTMENTAL							
Ordinary annual services:							
Other services	6 205	-	23	-	6 228	6 087	141
Equity	-	-	n/a	-	-	-	-
Total departmental	6 205	-	23	-	6 228	6 087	141
ADMINISTERED							
Ordinary annual services:							
Administered items	7 544	-	n/a	-	7 544	7 544	-
Total administered	7 544	-	n/a	-	7 544	7 544	-

Notes:

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

NATIONAL BLOOD AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

NOTE 27 Appropriations

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

	2015 Capital Budget Appropriations		Capital Budget Appropriations applied in 2015 (current and prior years)				Variance \$'000
	Appropriation Act	ROPA Act	Total Capital Budget Appropriations	Payments for non-financial assets ^(a)	Payments for other purposes	Total payments	
	Annual Capital Budget	Section 29	\$'000	\$'000	\$'000	\$'000	
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ^(a)	672		672	245		245	427
ADMINISTERED							
Ordinary annual services - Administered Capital Budget ^(a)							

Notes:

- (a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 2, 3). 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) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset for its original condition and the capital repayment component of finance leases.
 (c) Repressing of capital funding into future years to meet capital lease requirements.

	2014 Capital Budget Appropriations		Capital Budget Appropriations applied in 2014 (current and prior years)				Variance \$'000
	Appropriation Act	ROPA Act	Total Capital Budget Appropriations	Payments for non-financial assets ^(a)	Payments for other purposes	Total payments	
	Annual Capital Budget	Section 22	\$'000	\$'000	\$'000	\$'000	
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ^(a)	115		115	151		154	(39)
ADMINISTERED							
Ordinary annual services - Administered Capital Budget ^(a)							

Notes:

- (a) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1, 2, 3). 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) Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset for 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 2015

NOTE 27 Appropriations

Table C: Unspent Annual Appropriations (Recoverable GST exclusive)

	2015	2014
	\$'000	\$'000
DEPARTMENTAL		
Cash	21	29
Appropriation Act (No.1) 2012-13	-	485
Appropriation Act (No.1) 2014-15	655	-
Appropriation Act (No.3) 2014-15	300	-
Total	976	514

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 28: Special Accounts

	The National Blood Account ¹		National Managed Fund (Blood and Blood Products) ²	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance brought forward from previous period	299 928	247 370	331	180
Increases:				
Appropriation credited to special account	13 646	13 749	-	-
Realised investments	-	-	41 351	47 864
Other receipts - Commonwealth contributions	535 745	714 411	-	-
Other receipts - State and territory contributions	390 882	385 361	-	-
Other receipts - External parties	627	531	5 163	5 418
Total increases	940 900	1 114 052	46 514	53 282
Available for payments				
Decreases:				
Departmental				
Payments made to employees	6 839	6 195	-	-
Payments made to suppliers	3 835	3 203	-	-
Total departmental decreases	10 674	9 398	-	-
Administered				
Payments made to employees	196	190	-	-
Payments made to suppliers	1 012 035	1 051 906	174	931
Investments made from the special account (PGPA Act section 58)	-	-	45 250	52 200
Total administered decreases	1 012 231	1 052 096	45 424	53 131
Total decreases	1 022 905	1 061 494	45 424	53 131
Total balance carried forward to the next period	217 923	299 928	1 421	331

¹ *Appropriation:* Public Governance, Performance and Accountability Act 2013 section 80

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 NSA'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 NSA on behalf of the Government of items controlled or incurred by the Government.

² *Appropriation:* Public Governance, Performance and Accountability Act 2013 section 78

Establishing Instrument: Public Governance, Performance and Accountability Act 2013 section 78

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 2015

NOTE 29: Reporting of Outcomes

Note 29A: Net Cost of Outcome Delivery

	Outcome 1	
	2015	2014
	\$'000	\$'000
Departmental		
Expenses	10 887	10 438
Own-source income	4 590	4 113
Administered		
Expenses	970 198	1 044 914
Income	391 777	386 999
Net cost of outcome delivery¹	584 718	664 240

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

Note 29B: Major Classes of Expenses, Income, Assets and Liabilities by Outcomes

The NBA has only one Outcome. Refer to the Statement of Comprehensive Income, the Statement of Financial Position, 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 include intra-government costs that were eliminated in calculating the actual Budget Outcome.

Refer to Resource for outcomes table in this Annual Report.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

NOTE 30: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the NBA. The Budget is not audited.

Note 30A: Departmental Budgetary Reports

Statement of Comprehensive Income for the NBA
for the year ended 30 June 2015

	Actual		Budget estimate	
	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	6 695	5 965		730
Suppliers	3 753	3 307		446
Depreciation and amortisation	427	653		(226)
Finance costs - Unwinding of discount	5	-		5
Losses from asset sales	7	-		7
Total expenses	10 887	9 925		962
Own-Source Income				
Own-source revenue				
Sale of goods and rendering of services	587	-		587
Other revenue - Funding from State and Territory governments	3 909	3 465		444
Total own-source revenue	4 496	3 465		1 031
Gains				
Resources received free of charge - Remuneration of auditors	94	115		(21)
Total gains	94	115		(21)
Total own-source income	4 590	3 580		1 010
Net cost of services	6 297	6 345		(48)
Revenue from Government - Departmental annual appropriations	6 266	5 966		300
Surplus (Deficit) attributable to the Australian Government	(31)	(379)		348
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus	-	-		-
Total other comprehensive income	-	-		-
Total comprehensive income/(loss) attributable to the Australian Government	(31)	(379)		348

1. The NBA's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the NBA's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amount for 2015. Explanations of major variances are provided further below.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Statement of Financial Position for the NBA
as at 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹	Variance ²
	\$'000	\$'000	\$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	21	29	(8)
Trade and other receivables	9 642	8 317	1 325
Total financial assets	9 663	8 346	1 317
Non-Financial Assets			
Leasehold improvements	918	664	254
Property, plant and equipment	652	369	283
Intangibles	190	842	(652)
Prepayments	173	134	39
Total non-financial assets	1 933	2 009	(76)
Total assets	11 596	10 355	1 241
LIABILITIES			
Payables			
Suppliers	718	590	128
Other payables	572	249	323
Total payables	1 290	839	451
Provisions			
Employee provisions	1 674	1 655	19
Other provisions	142	130	12
Total provisions	1 816	1 785	31
Total liabilities	3 106	2 624	482
Net assets	8 490	7 731	759
EQUITY			
Contributed equity	3 250	3 250	-
Reserves	359	206	153
Retained surplus	4 881	4 275	606
Total equity	8 490	7 731	759

1. The NBA's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the NBA's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amount for 2015. Explanations of major variances are provided further below.

NATIONAL BLOOD AUTHORITY
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2015

Statement of Changes in Equity for the NBA
 for the year ended 30 June 2015

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	Actual	Budget estimate Original ¹ / Variance ²	Actual	Budget estimate Original ¹ / Variance ²	Actual	Budget estimate Original ¹ / Variance ²	Actual	Budget estimate Original ¹ / Variance ²
2015	2015	2015	2015	2015	2015	2015	2015	2015
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balances carried forward from previous period	4 912	4 654	359	206	153	2 378	7 899	7 838
Adjusted opening balance	4 912	4 654	359	206	153	2 378	7 899	7 838
Comprehensive income								
Surplus / (Deficit) for the period	(311)	(379)	348				(311)	(379)
Total comprehensive income	(311)	(379)	348				(311)	(379)
Transactions with owners								
Contributions by owners								
Departmental Capital Budget						672	672	672
Total transactions with owners						672	672	672
Closing balance as at 30 June	4 601	4 275	399	206	153	3 050	8 400	7 731

1. The NBA's original budgeted financial statement that was presented to parliament in respect of the reporting period (i.e. from the NBA's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amount for 2015. Explanations of major variances are provided further below.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Cash Flow Statement for the NBA
for the year ended 30 June 2015

	Actual	Budget estimate	
	2015	Original ¹	Variance ²
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	5 965	5 966	(1)
Sales of goods and rendering of services	4 488	3 465	1 023
Net GST received	374	-	374
Cash transferred from the Official Public Account	-	78	(78)
Total cash received	10 827	9 509	1 318
Cash used			
Employees	6 839	5 924	915
Suppliers	3 818	3 195	623
Cash transferred to the Official Public Account	296	-	296
Total cash used	10 953	9 119	1 834
Net cash from/(used by) operating activities	(126)	390	(516)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	4	-	4
Total cash received	4	-	4
Cash used			
Purchase of property, plant and equipment	289	1 062	(773)
Purchase of intangibles	100	-	100
Total cash used	389	1 062	(673)
Net cash (used by) investing activities	(385)	(1 062)	677
FINANCING ACTIVITIES			
Cash received			
Contributed equity - Departmental capital budget	503	672	(169)
Total cash received	503	672	(169)
Net cash from financing activities	503	672	(169)
Net increase / (decrease) in cash held	(8)	-	(8)
Cash and cash equivalents at the beginning of the reporting period	29	29	(0)
Cash and cash equivalents at the end of the reporting period	21	29	(8)

1. The NBA's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the NBA's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amount for 2015. Explanations of major variances are provided further below.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 30B: Departmental Major Budget Variances for 2015

Explanations of major variances	Affected line items (and statement)
Statement of Comprehensive Income	
Employees	
The main cause of the variance is a misallocation of budget between Employees and Suppliers Paid of \$0.5m. Employee expense should be \$0.5m higher. The balance of the variance is as a result of an invalidity retirement claim of \$0.207m.	<i>Employee benefits expense (Statement of Comprehensive Income), Employee provisions (Statement of Financial Position), Operating cash used - employees (Cash Flow Statement).</i>
Suppliers Paid	
As a result of the misallocation of budget between Employee expenses and Suppliers Paid, the total variance for Suppliers Paid is \$0.845m. The Suppliers expense increase of \$0.945m can be attributed to a range of factors, including a health technology assessment of C1 Esterase on behalf of the Department of Health \$0.192m, acceleration of the Patient Blood Management program \$0.207m, a study into the impact of adverse reactions on the true cost of blood \$0.08m, acceleration of laboratory interfaces systems for pathology labs \$0.251m, and the non-capitalised component of the NBA move to a virtual desktop IT solution of \$0.125m.	<i>Suppliers expense (Statement of Comprehensive Income), Suppliers payable (Statement of Financial Position), Operating cash used - suppliers (Cash Flow Statement).</i>
Depreciation and amortisation	
Depreciation and amortisation decreased by \$0.226m as a result of revaluation of non-financial assets at 30 June 2014 consistent with the requirements of Fair Value.	<i>Depreciation and amortisation (Statement of Comprehensive Income).</i>
Rendering of Services	
This variance resulted from additional funds from the Department of Health \$0.192m, Comsuper \$0.707m for an invalidity retirement and \$0.107m from CSI relating to contract performance.	<i>Sale of goods and rendering of services (Statement of Comprehensive Income), Operating cash received - Sale of good goods and rendering of services (Cash Flow Statement).</i>
Other Revenue	
Other revenue increased as a result of invoicing of State and Territory Governments due to budget timing process.	<i>Other revenue (Statement of Comprehensive Income), Operating cash received - Sale of good goods and rendering of services (Cash Flow Statement).</i>
Revenue from Government	
The National Blood Authority received an additional \$0.3m to prepare for the merger with the Australian Organ and Tissue Donation and Transplantation Authority in the Portfolio Additional Estimates Statements 2014-15. As the legislation for the merger was not passed, the funds remained unspent at 30 June 2015.	<i>Revenue from Government (Statement of Comprehensive Income), Surplus (Statement of Comprehensive Income), Retained surplus (Statement of Financial Position).</i>
Statement of Financial Position	
Trade and other receivables	
The variance is as a result of the following factors; undrawn Departmental Appropriation of \$0.3m relating to the merger, additional cash as a result of the increase in unpaid Suppliers and Other payables (\$0.451m) at year end in the Statement of Financial Position and residual undrawn Department Capital Budget Appropriation \$0.665m.	<i>Revenue from Government (Statement of Comprehensive Income), Surplus (Statement of Comprehensive Income), Retained surplus (Statement of Financial Position), Suppliers, Other payables (Statement of Financial Position).</i>
Leasehold improvements	
Increase in Leasehold improvements is as a result of the revaluation at 30 June 2014 for fair value measurement.	<i>Leasehold improvements (Statement of Financial Position).</i>
Property, plant and equipment and intangibles	
Variance relates to a misallocation of funds between Non-Financial Asset categories.	<i>Property, plant and equipment, intangibles (Statement of Financial Position), Investing Activities - Cash used (Cash Flow Statement).</i>
Suppliers and Other payables	
Increase in Suppliers and Other payables is as a result of increased activity and timing of payments at year end.	<i>Suppliers (Statement of Comprehensive Income), Payables (Statement of Financial Position).</i>

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 30C: Administered Budgetary Reports

Administered Schedule of Comprehensive Income for the NBA
for the year ended 30 June 2015

	Actual 2015 \$'000	Budget estimate	
		Original ¹ 2015 \$'000	Variance ² 2015 \$'000
NET COST OF SERVICES			
Expenses			
Employee Benefits	196	-	196
Suppliers	560 818	1 132 361	(171 543)
Grants - Non-profit organisations (Australian Red Cross Blood Service)	8 577	-	8 577
Depreciation and amortisation	607	-	607
Total expenses	970 198	1 132 361	(162 163)
Income			
Revenue			
Non-taxation revenue			
Funding from governments	922 718	1 150 498	(227 780)
Interest - Deposits	4 737	-	4 737
Other revenue	67	-	67
Total non-taxation revenue	927 522	1 150 498	(222 976)
Total revenue	927 522	1 150 498	(222 976)
Net (cost of) / contribution by services	(42 676)	18 137	(60 813)
Surplus/(Deficit)	(42 676)	18 137	(60 813)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income	(42 676)	18 137	(60 813)

1. The NBA's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the NBA's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amount for 2015. Explanations of major variances are provided further below.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Administered Schedule of Assets and Liabilities for the NBA

as at 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	334	352	(18)
Trade and other receivables	211 814	19 822	191 992
Other investments	114 262	128 452	(14 190)
Total financial assets	326 410	148 626	177 784
Non-financial assets			
Inventories	110 315	68 657	41 658
Property, plant and equipment	332	267	65
Intangibles	800	1 325	(525)
Prepayments	76 071	76 032	39
Total non-financial assets	187 518	146 281	41 237
Total assets administered on behalf of Government	513 928	294 907	219 021
LIABILITIES			
Payables			
Suppliers	52 864	71 297	(18 433)
Total payables	52 864	71 297	(18 433)
Total liabilities administered on behalf of Government	52 864	71 297	(18 433)
Net assets	461 064	223 610	237 454

1. The NBA's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the NBA's 2014-15 Portfolio Budget Statements (PBS)).

2. Between the actual and original budgeted amount for 2015. Explanations of major variances are provided further below.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Note 30D: Administered Major Budget Variances for 2015

Explanations of major variances	Affected line items (and statement)
Administered Schedule of Comprehensive Income	
<u>Suppliers</u>	
The variance was caused by a range of measures, including the return by the Blood Service of \$40.394m as a result of efficiencies associated with the 2013-14 Output Based Funding Model, reduced contract prices as a result of new tenders in 2013-14 for imported blood products, a continuation of a reduction in the demand for fresh blood products as a result of improved appropriate use and reduced wastage and an increase in inventory held of \$41.658m	<i>Suppliers (Administered Schedule of Comprehensive Income), Deficit/Surplus (Administered Schedule of Comprehensive Income)</i>
<u>Funding from governments</u>	
The variance predominantly relates to three factors: the return of \$117m to the Commonwealth, State and Territory Governments for 2013-14 end of year reconciliation as part of the National Blood Agreement and the return to the Commonwealth Department of Health for previous years reconciliations \$103.780m with the balance being the mid year review reduction for the 2014-15 National Supply Plan and Budget.	<i>Funding from governments (Administered Schedule of Comprehensive Income), Deficit/Surplus (Administered Schedule of Comprehensive Income)</i>
Administered Schedule of Assets and Liabilities	
<u>Trade and other receivables</u>	
The 2014-15 Portfolio Budget Statements has not classified Special Account - cash held in the OPA as Trade and other receivables.	<i>Trade and other receivables (Administered Schedule of Assets and Liabilities)</i>
<u>Inventories</u>	
The variance was caused by a range of factors. The 2014-15 budgeted inventory total excluded plasma held at CSL as a result of change of accounting treatment at 30 June 2014 (\$20.493m), an increase in the CSL National Reserve of \$4.559m mainly as a result of plasma cost increases. An increase in inventories held by the Blood Service for distribution, overseas products - price increases \$5.9m, CSL products and plasma collection cost increases \$5.6m	<i>Suppliers (Administered Schedule of Comprehensive Income), Inventories (Administered Schedule of Assets and Liabilities)</i>

END OF FINANCIAL STATEMENTS



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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 and a director of 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: Chairman of Zurich Financial Services Australia Ltd, Independent non-executive Director of 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 the Chief Advisor Innovation, Safety and Quality for the Department of Health and Human Services (DHHS), Victoria.

This role is flexible and relates to in depth 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, he is also the State Health and Medical Commander (Emergency Management). This position provides command and coordination across the whole of DHHS services, encompassing all hospitals; ambulances; and others when a large scale emergency event occurs.

He sits on the Clinical Trials Advisory Committee auspiced by the Commonwealth Department of Industry; and sits on the Advisory Board of the National Blood Authority, the Advisory Board of the Australian Commission on Safety and Quality in Health Care and the Board of the Centre for Evidence in Intervention and Preventive Science. He Chairs the Advisory Board of the Deakin School of Medicine.

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

George is an associate medical director in South Eastern Sydney Health District and a professor of public health at the Universities of Sydney and NSW. In the past he was President of the Australasian Faculty of Public Health Medicine; chaired the Australian Technical Advisory Group on Immunization; and, served as director of Epidemiology and then Chief Health Officer for NSW Health. He has worked as a medical epidemiologist with the US Centers for Disease Control in Atlanta, USA and in Bangladesh. He has published more than 150 scientific papers and works clinically as an addiction medicine specialist.

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

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. She is on the Board of the Aged Rights Service (TARS) in Sydney.

Ms Warn's personal commitment to the NBA stems from her mother's life being saved by blood transfusions following a postpartum haemorrhage 60 years ago.

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

Audit Committee Chair

Mr Ken Barker




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.



APPENDIX 2. FRESH
BLOOD COMPONENTS
SUPPLIED UNDER
CONTRACT BY THE
BLOOD SERVICE IN
2014-15

TABLE 5.1 Fresh blood components supplied under contract by the Blood Service, 2014-15

Product Type	Name	Presentation	IBC Price
Red blood cells	Whole blood (WB) red cells leucodepleted	>200ml ¹	\$346.86
	WB paediatric red cells leucodepleted (set of 4)	25-100ml ¹	\$364.06
	WB washed red cells leucodepleted	>130ml ¹	\$398.09
Platelets	WB platelet pool leucodepleted	>160ml ¹	\$358.79
	Apheresis platelet leucodepleted	100-400ml ¹	\$509.05
	Paediatric apheresis platelet leucodepleted (set of 4)	40-60ml ¹	\$520.07
Clinical fresh frozen plasma (FFP)	WB clinical FFP	295ml+/-10% ¹	\$278.38
	WB paediatric clinical FFP (set of 4)	60-80ml ¹	\$318.80
	Apheresis clinical FFP	295ml +/-10% ¹	\$313.86
Cryoprecipitate	WB cryoprecipitate	30-40ml ¹	\$159.58
	Apheresis cryoprecipitate	54-66ml ¹	\$292.74
Cryo-depleted plasma	WB cryo-depleted plasma	215-265ml ¹	\$41.53
	Apheresis cryo-depleted plasma	495-605ml ¹	\$141.98
Other products	Autologous donation	NA	\$383.82
	Directed donation complying with AHMAC guidelines	NA	\$348.02
	Serum eye drops	Single Collection	\$446.88
Plasma for Fractionation	Plasma for Fractionation ²	Presentation size NA, but costed per kg	\$394.72

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>

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

APPENDIX 3. PLASMA AND RECOMBINANT PRODUCTS SUPPLIED UNDER CONTRACT IN 2014-15

TABLE 5.2 Plasma and recombinant products supplied under contract, 2014-15

Product Type	Name	Presentation	Supplier	Price
Albumin (plasma derived - domestic)	Albumex	20% 10ml	CSL Behring (Australia) Pty Ltd	\$15.23 ¹
		20% 100ml		\$66.48 ¹
		4% 50ml		\$15.23 ¹
		4% 500ml		\$66.48 ¹
Factor VII (plasma derived - imported)	Factor VII Concentrate	600 IU	Baxalta Australia Pty Ltd	\$438.00
Factor VIIa (recombinant - imported)	NovoSeven	1mg	Novo Nordisk Pharmaceuticals Pty Ltd	\$1,266.60
		2mg		\$2,533.20
		5mg		\$6,332.99
		8mg		\$10,132.80
Factor VIII Anti-Inhibitor (plasma derived - imported)	FEIBA	500 IU	Baxalta Australia 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	\$214.48 ¹
		500 IU		\$428.96 ¹
		1000 IU		\$857.93 ¹
Factor VIII (recombinant - imported)	Advate	250 IU	Baxalta Australia Pty Ltd	\$75.00
		500 IU		\$150.00
		1000 IU		\$300.00
		1500 IU		\$450.00
		2000 IU		\$600.00
		3000 IU		\$900.00
Factor VIII (recombinant - imported)	Kogenate FS	250 IU	Bayer Australia Limited	\$147.50
		500 IU		\$295.00
		1000 IU		\$590.00
		2000 IU		\$1,180.00
		3000 IU		\$1,770.00
Factor VIII (recombinant - imported)	Xyntha	250 IU	Pfizer Australia Pty Ltd	\$102.50
		500 IU		\$205.00
		1000 IU		\$410.00
		2000 IU		\$820.00
		3000 IU		\$1,230.00
Factor IX (plasma derived - domestic)	MonoFIX	1000 IU	CSL Behring (Australia) Pty Ltd	\$857.93 ¹
Factor IX (recombinant - imported)	BeneFIX	250 IU	Pfizer Australia Pty Ltd	\$240.00
		500 IU		\$480.00
		1000 IU		\$960.00
		2000 IU		\$1,920.00
		3000 IU		\$2,880.00
Factor VIII (recombinant - imported)	Rixubis	250 IU	Baxalta Australia Pty Ltd	\$196.50
		500 IU		\$393.00
		1000 IU		\$786.00
		2000 IU		\$1,572.00
		3000 IU		\$2,358.00

Product Type	Name	Presentation	Supplier	Price
Factor XI (plasma derived - imported)	Factor XI	1 IU	CSL Behring (Australia) Pty Ltd	\$11.64
Factor XIII (plasma derived - imported)	Fibrogammin	250 IU	CSL Behring (Australia) Pty Ltd	\$135.45
		1250 IU		\$677.27
Human prothrombin complex (plasma derived - domestic)	Prothrombinex	500 IU	CSL Behring (Australia) Pty Ltd	\$273.47 ¹
Protein C concentrate (plasma derived - imported)	Ceprotin	500 IU	Baxalta Australia Pty Ltd	\$1,075.00
		1000 IU		\$2,150.00
Antithrombin III concentrate (plasma derived - domestic)	Thrombotrol	1000 IU	CSL Behring (Australia) Pty Ltd	\$1,383.40 ¹
Intravenous IVIg (plasma derived - domestic)	Intragam P	50ml	CSL Behring (Australia) Pty Ltd	\$189.63 ¹
		200ml		\$758.49 ¹
IVIg or SCIG (plasma derived - domestic and imported)	Kiovig	1gm/10ml	Baxalta Australia Pty Ltd	\$58.08
		2.5gm/25ml		\$145.20
		5gm/50ml		\$290.40
		10gm/100ml		\$580.80
	Evogam	20gm/200ml	CSL Behring (Australia) Pty Ltd	\$1,161.60
		16% 0.8g/5ml		\$50.57
		16% 3.2g/20ml		\$202.26
		16.5% 1.65/10ml		\$95.83
	Gammanorm	16.5% 3.3g/20ml	Octapharma Australia Pty Ltd	\$191.66
		5% 1g/20ml		Octapharma Australia Pty Ltd
	Octagam	5% 2.5g/50ml	\$145.20	
		5% 2.5g/100ml	\$290.40	
		5% 10g/200ml	\$580.80	
		10% 2g/20ml	\$116.16	
		10% 5g/50ml	\$290.40	
		10% 10g/100ml	\$580.80	
10% 20g/200ml		\$1,161.60		
Normal Ig NIg (plasma derived - domestic)		Normal Ig VF	2VI 2ml (0.32gm)	CSL Behring (Australia) Pty Ltd
	2VI 5ml (0.80gm)		\$51.03 ¹	
CMV Ig (plasma derived - domestic)	CMV Ig	1.5 million units	CSL Behring (Australia) Pty Ltd	\$1,182.93 ¹

Product Type	Name	Presentation	Supplier	Price
Hepatitis B Ig (plasma derived - domestic)	Hepatitis B Ig	100 IU (2ml)	CSL Behring (Australia) Pty Ltd	\$43.24 ¹
		400 IU (5ml)		\$98.99 ¹
Rh (D) Ig (plasma derived - imported)	Rhophylac	1500 IU	CSL Behring (Australia) Pty Ltd	\$379.90
Rh (D) Ig (plasma derived - domestic)	Rh (D) Ig	250 IU	CSL Behring (Australia) Pty Ltd	\$29.29 ¹
		625 IU		\$73.19 ¹
Tetanus Ig (plasma derived - domestic)	Tetanus Ig VF	250 IU	CSL Behring (Australia) Pty Ltd	\$42.74 ¹
		4000 IU		\$683.80 ¹
Zoster Ig (plasma derived - domestic)	Zoster Ig VF	200 IU	CSL Behring (Australia) Pty Ltd	\$271.12 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.

There was one reportable incident 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
- purchasing of new chairs for staff
- expansion of ICT remote working capabilities to cover all staff, enabling staff to work from outside the office on an ad-hoc basis
- a dedicated carer's room for parents who do not have the benefit of their own office and who need to bring their children into the workplace for short periods of time as a bridging arrangement for childcare.

Statistics on employees who identify as Indigenous

In 2014-15 the NBA did not have any employees who reported as identifying themselves as Indigenous.

Procurement Initiatives to Support Small Business

The department supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website:
www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts

The department recognised the importance of ensuring that small business are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: www.treasury.gov.au/

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 2014–15.

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 2014–15, this included the following examples:

- increased use of audio and video conferencing and online collaboration in preference to face-to-face meetings requiring interstate or international travel
- recycling into three streams of waste – co-mingled material, paper and printer cartridges
- purchasing 100 per cent GreenPower for electricity use in our office 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.

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)	2012-13 ¹	2013-14 ²	2014-15 ³
Energy efficiency	Total consumption of energy	Amount of electricity consumed (kWh)	184,564 kWh	135,882 kWh	145,476 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)	703,227 kms	878,974 kms	762,710 kms
	Total consumption of green energy	Amount of green energy purchased/ consumed (\$/kWh)	184,564 kWh	135,882 kWh	145,476 kWh
	Greenhouse gas emissions	Amount of greenhouse gases produced (tonnes)	0 tonnes ⁵	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	3,025 kWh	2,123 kWh	1,993 kWh

¹The 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.

²Calculations for per employee figures have been based on 64 people (49 FTE and 15 contractors).

³Calculations for per employee figures have been based on 73 people (54 FTE and 19 contractors).

⁴Electricity fully off-set through 100% green energy purchased and the NBA off-set 703,227 kms in air travel through the GreenFleet programme.

⁵Electricity fully off-set through 100% green energy purchased and the NBA off-set 878,974 kms in air travel through the GreenFleet programme.

⁶Electricity fully off-set through 100% green energy purchased and the NBA off-set 762,710 kms in air travel through the GreenFleet programme.

⁷Increase due to office relocation in February 2013 and consolidation of material.

Theme	Performance measure	Indicator(s)	2012-13 ¹	2013-14 ²	2014-15 ³
Waste	Total waste production	Amount of waste produced (tonnes)	9.93 tonnes	9.88 tonnes	11.96 tonnes
	Un-recyclable waste production	Amount of waste going to landfills (tonnes)	2.95 tonnes	2.95 tonnes	2.95 tonnes
	Recyclable waste production (excluding office paper)	Amount of waste going to recycling facilities (tonnes)	1.071 tonnes	1.162 tonnes	1.113 tonnes
	Paper waste production	Amount of waste paper going to recycling facilities (tonnes)	5.909 tonnes ⁷	5.77 tonnes	7.895 tonnes ⁸
		Amount of paper sourced from recyclable sources (tonnes)	0.925 tonnes	1.474 tonnes	1.819 tonnes
		Percentage of paper sourced from recyclable sources (per cent)	43% ⁹	96% ¹⁰	99.5%
	Use of renewable/recyclable products	Amount of products sourced from renewable/recyclable sources (tonnes)	43%	1.533 tonnes ¹¹	1.891 tonnes
Relative waste production	Amount of total waste (tonnes) per employee	0.16 tonnes	0.15 tonnes	0.16 tonnes	
Water	Total consumption of water	Amount of water consumed (L)	393,846 L	400,000 L	340,000 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	6,456 L	6,250 L	4,657 L

⁸ During 2014-15, the NBA's digitisation of long-term retention records and associated destruction of the migrated records led to a significant increase in the volume of shredded paper sent for recycling.

⁹ 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>.

¹⁰ Majority of paper sourced was 100% recycled.

¹¹ 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 2014 to 30 June 2015 is available at www.blood.gov.au/governmental-compliance.

The NBA did not administer any discretionary grants during 2014–15.

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.dss.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 a 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

2013-14 NBA Annual Report - Nil

Agency resource statements

The agency resource statement provides details of the funding sources that the NBA drew upon in 2014-15. In addition, it provides information about special accounts balances to be carried over to 2015-16.

	Actual available appropriation for 2014-15 \$'000	Payments made 2014-15 \$'000	Balance remaining 2014-15 \$'000
	(a)	(b)	(a) - (b)
Ordinary Annual Services¹			
Departmental appropriation ²	6,938	6,468	470
Total	6,938	6,468	470
Administered expenses			
Outcome 1 ³	7,178	7,178	
Total	7,178	7,178	
Total ordinary annual services	14,116	13,646	
Special Accounts⁴			
Opening balance	300,259		
Appropriation receipts ⁵	13,646		
Non-appropriation receipts to Special Accounts	973,768		
Payments made		1,068,329	
Total Special Accounts	1,287,673	1,068,329	219,344
Total resourcing and payments	1,301,789	1,081,975	219,814

¹ Appropriation Act (No. 1) 2014-15 and Appropriation Act (No. 3) 2014-15. This may also include Prior Year departmental appropriation and section 31 relevant agency receipts.

² Includes an amount of \$0.672 million in 2014-15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

³ Includes an amount of \$nil in 2014-15 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 2014-15 included above.

Resource for outcomes

This table provides details of the total funding for each outcome. In 2014-15 the NBA operated under a single outcome.

Outcome 1: Australia's blood supply is secure and well managed	Budget* 2014-15 \$'000	Actual Expenses 2014-15 \$'000	Variation 2014-15 \$'000
	(a)	(b)	(a) - (b)
Programme 1.1: National blood agreement management			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No. 1)	7,178	7,178	-
Special Accounts	1,132,361	1,012,231	120,130
Departmental expenses			
Departmental appropriation ¹	5,966	6,468	(502)
Special Accounts	9,431	10,674	(1,243)
Expenses not requiring appropriation in the Budget year	768	1,128	(360)
Total for Programme 1.1	1,155,704	1,037,679	118,025
Total expenses for Outcome 1	1,155,704	1,037,679	118,025
		2013-14	2014-15
Average Staffing Level (number)		54	53

* Full year budget, including any subsequent adjustment made to the 2014-15 Budget.

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Act No. 1)" and "Revenue from independent sources (s31)".

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 other non-corporate Commonwealth Entities* issued by the Department of the Prime Minister and Cabinet as of 25 June 2015.

na denotes that the requirement was not applicable to the NBA during 2014-15.

nil denotes that this aspect was not reported on for the NBA in 2014-15.

Description	Requirement	Page
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	iv
Index	Mandatory	172-177
Acronyms and Abbreviations	Mandatory	169-171
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, 80-82
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, 70
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	18-58
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	18-58
Trend information	Mandatory	3, 22-31, 33, 35, 66, 80, 82
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, 18-58
Contribution of risk management in achieving objectives	Suggested	46, 68
Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	67
Discussion and analysis of the department's financial performance	Mandatory	80-82
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	161-162

Management and Accountability

Corporate Governance

Description	Requirement	Page
Agency heads are required to certify their agency's actions in dealing with fraud	Mandatory	68
Statement of the main corporate governance practices in place	Mandatory	62-64
Names of the senior executive and their responsibilities	Suggested	63
Senior management committees and their roles	Suggested	62-64
Corporate and operational plan and associated performance reporting and review	Suggested	62-66
Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	64
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	70
How nature and amount of remuneration for SES officers is determined	Suggested	75

External Scrutiny

Description	Requirement	Page
Significant developments in external scrutiny	Mandatory	67
Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	67
Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	67

Management of Human Resources

Description	Requirement	Page
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	69-75
Workforce planning, staff retention and turnover	Suggested	73
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	73-74
Training and development undertaken and its impact	Suggested	75
Work health and safety performance	Suggested	75, 156
Productivity gains	Suggested	73
Statistics on staffing	Mandatory	71-73
Statistics on employees who identify as Indigenous	Mandatory	156
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	73-74
Performance pay	Mandatory	75

Assets Management

Description	Requirement	Page
Assessment of effectiveness of assets management	If applicable, mandatory	83

Purchasing

Description	Requirement	Page
Assessment of purchasing against core policies and principles	Mandatory	84-85

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	85

Australian National Audit Office Access Clauses

Description	Requirement	Page
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	84

Exempt contracts

Description	Requirement	Page
Contracts exempted from publication in AusTender	Mandatory	84

Small business


Description	Requirement	Page
Procurement initiatives to support small business	Mandatory	85

Financial Statements

Description	Requirement	Page
Financial Statements	Mandatory	86-143

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	156
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	157
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	157-159
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	na
Grant programmes	Mandatory	160
Disability reporting - explicit and transparent reference to agency - level information available through other reporting mechanisms	Mandatory	160
Information Publication Scheme statement	Mandatory	160
Correction of material errors in previous annual report	If applicable, mandatory	160



Description	Requirement	Page
Agency Resource Statements and Resources for Outcomes	Mandatory	161-162
List of Requirements	Mandatory	163-168

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	Graphical 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 Communications 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
MyABDR	MyABDR is a secure app for smartphones and web site for people with bleeding disorders or parents/caregivers to record home treatments and bleeds
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
NSP&B	National Supply Plan and Budget
NSQHS	National Safety and Quality Health Service



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
vWD	von Willebrand disease
WB	whole blood
WHS	Work Health and Safety

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