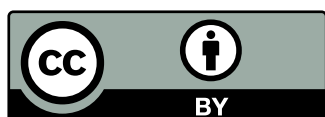




NATIONAL
BLOOD
AUTHORITY
AUSTRALIA



ANNUAL
REPORT
2012-13



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LETTER OF TRANSMITTAL



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

Dear Minister

I am pleased to present the 2012–13 annual report of the National Blood Authority (NBA) and the NBA Board.

This document has been prepared in accordance with sub-sections 44(1) and 44(2) of the *National Blood Authority Act 2003*, sections 63 and 70 of the *Public Service Act 1999*, section 5 of the *Financial Management and Accountability Act 1997* and the June 2013 annual report requirements published by the Department of the Prime Minister and Cabinet. I certify that all of the requirements have been addressed.

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

Yours sincerely,

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

Leigh McJames
General Manager
National Blood Authority

4 October 2013

CONTENTS

Letter of Transmittal	iii
PART 1: OVERVIEW	1
Organisation at a glance	2
General Manager's Review	8
NBA Board and Report	12
PART 2: PERFORMANCE	17
Performance reporting	18
Objective 1. Secure the supply of blood and blood products	20
Objective 2. Improve risk management and blood sector performance	36
Objective 3. Promote the safe and efficient use of blood and blood products	44
PART 3: MANAGEMENT AND ACCOUNTABILITY	51
Governance structure	52
Operational planning	55
Customer Service Charter	56
External scrutiny	56
Fraud control	57
Human resources and people management	58
PART 4: FINANCIAL MANAGEMENT	67
Financial Management	68
Financial Performance	70
Assets Management	73
Purchasing	74
Financial Statements	76

PART 5: APPENDICES

133

Appendix 1. Committee and Board Member Profiles	134
Appendix 2. Fresh blood components supplied under contract by the Blood Service in 2012-13	138
Appendix 3. Plasma and recombinant products supplied under contract in 2012-13	140
Appendix 4. Mandatory Reporting	143
Appendix 5. List of requirements	151
Appendix 6. Acronyms and AbBreviations	156
Index	158

TABLES

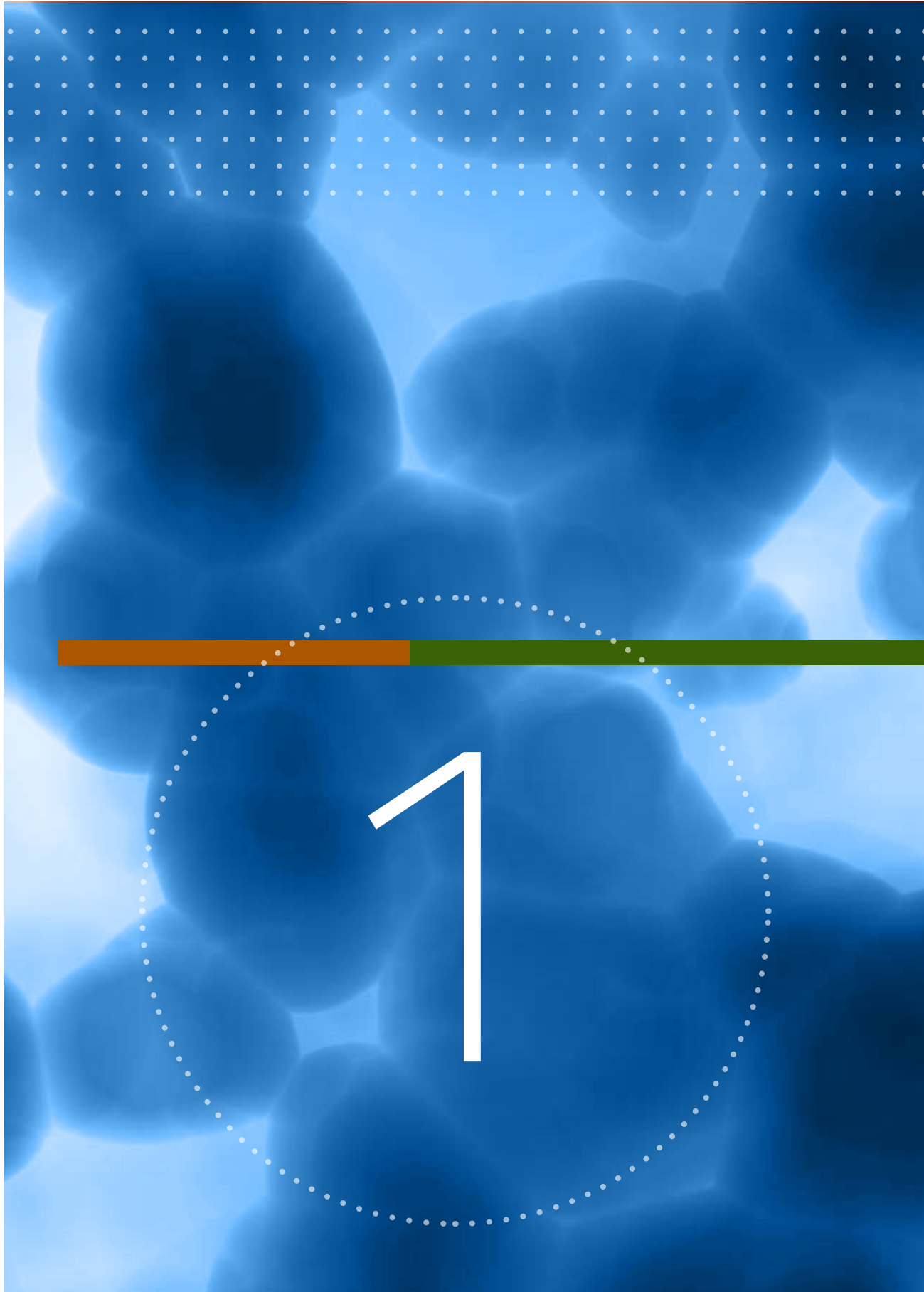
1.1	Government funding for the supply of blood and blood products, 2003-04 to 2012-13	4
1.2	Government funding for the operation of the NBA, 2003-04 to 2012-13	4
2.1	Blood and blood products purchased, by suppliers, 2008-09 to 2012-13	21
2.2	Fresh blood expenditure: increases on 2003-04 base year	23
2.3	Blood Service: plasma volumes collected for fractionation (tonnes), 2003-04 to 2012-13	25
2.4	Blood Service: selected key performance indicators, 2012-13	31
2.5	CSL Ltd's performance under the CAFA, 2012-13	32
2.6	Imported IVIg: Key performance indicators, by supplier, 2012-13	33
2.7	Imported plasma and recombinant blood products: key performance indicators, by supplier, 2012-13	35
3.1	NBA's performance in achieving operational plan objectives, 2010-11 to 2012-13	55
3.2	Number of NBA staff at 30 June 2013	61
3.3	Breakdown of ongoing and non-ongoing NBA staff at 30 June 2013	61
3.4	Age demographic of NBA staff at 30 June 2013	62
3.5	Salary levels of NBA staff by classification at 30 June 2013	62
3.6	Numbers of NBA staff on types of employment agreements	63
3.7	List of non-SES and SES non-salary benefits	63
4.1	Overall funding and expenditure for the NBA in 2012-13: a summary	69
4.2	Key results in financial performance, 2008-09 to 2012-13	70
4.3	Administered revenue, 2008-09 to 2012-13	72
4.4	Key results of administered expenses, 2008-09 to 2012-13	72
4.5	Expenditure on consultancy services, 2008-09 to 2012-13	75
5.1	Fresh blood components supplied under contract by the Blood Service, 2012-13	139
5.2	Plasma and recombinant products supplied under contract, 2012-13	140
5.3	NBA Environmental performance indicators	145



FIGURES

2.1	Fresh blood product expenditure: cumulative increases on 2003–04 base year	24
2.2	Red cells issued by the Blood Service, total packs issued and per '000 of population, 2007–08 to 2012–13	24
2.3	Platelets issued by the Blood Service, total packs issued and per '000 of population, 2007–08 to 2012–13	25
2.4	Plasma derived and overseas product expenditure: cumulative increases on 2003–04 base year	26
2.5	Issues of Factor VIII products, 2008–09 to 2012–13	26
2.6	Issues of Factor IX products, 2008–09 to 2012–13	27
2.7	Issues of recombinant Factor VIIa products, 2008–09 to 2012–13	27
2.8	Issues of FEIBA, 2008–09 to 2012–13	28
2.9	Issues of IVIg products, 2008–09 to 2012–13	29
2.10	Issues of NIg, 2008–09 to 2012–13	29
3.1	NBA Organisation Chart	59





1

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 engages in contingency planning for risks arising in the sector
- supports the work of the jurisdictions to improve the way blood products are used - including developing and facilitating strategies and programs 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 *Financial Management and Accountability Act 1997*, and the *Public Service Act 1999*, along with a responsibility to meet ministerial, parliamentary and financial reporting requirements.

Responsible Ministers and Portfolio

The NBA exists within the portfolio responsibilities of the Minister for Health. The NBA General Manager is a statutory officer who reports to the standing committee on Health (SCoH) and the Commonwealth Minister for Health.

Our Outcome

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.

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.

Since the establishment of the NBA, governments have funded a total of \$7,623.3 million on blood and blood products. In 2012-13, the total amount provided to cover expected demand for blood and blood products was \$1,049.3 million.

TABLE 1.1 Government funding for the supply of blood and blood products, 2003-04 to 2012-13

Year	Amount (\$M)	Growth (%)
2003-04	460.5	
2004-05	536.8	16.6
2005-06	577.4	7.6
2006-07	639.4	10.7
2007-08	719.5	12.5
2008-09	806.8	12.1
2009-10	878.8	8.9
2010-11	939.2	6.9
2011-12	1,015.6	8.1
2012-13	1,049.3	3.3
Total	7,623.3	9.6 (average)

TABLE 1.2 Government funding for the operation of the NBA, 2003-04 to 2012-13

Year	Amount (\$M)	Growth (%)
2003-04	7.4	
2004-05	8.4	13.5
2005-06	10.4	23.8
2006-07	10.1	-2.9
2007-08	9.6	-5.0
2008-09	9.2	-4.2
2009-10	8.9	-3.3
2010-11	9.5	6.7
2011-12	8.5	-10.5
2012-13	10.3	21.2
Total	92.3	4.4 (average)

Our Staff

As at 30 June 2013, the NBA had 45 ongoing and 11 non-ongoing staff.

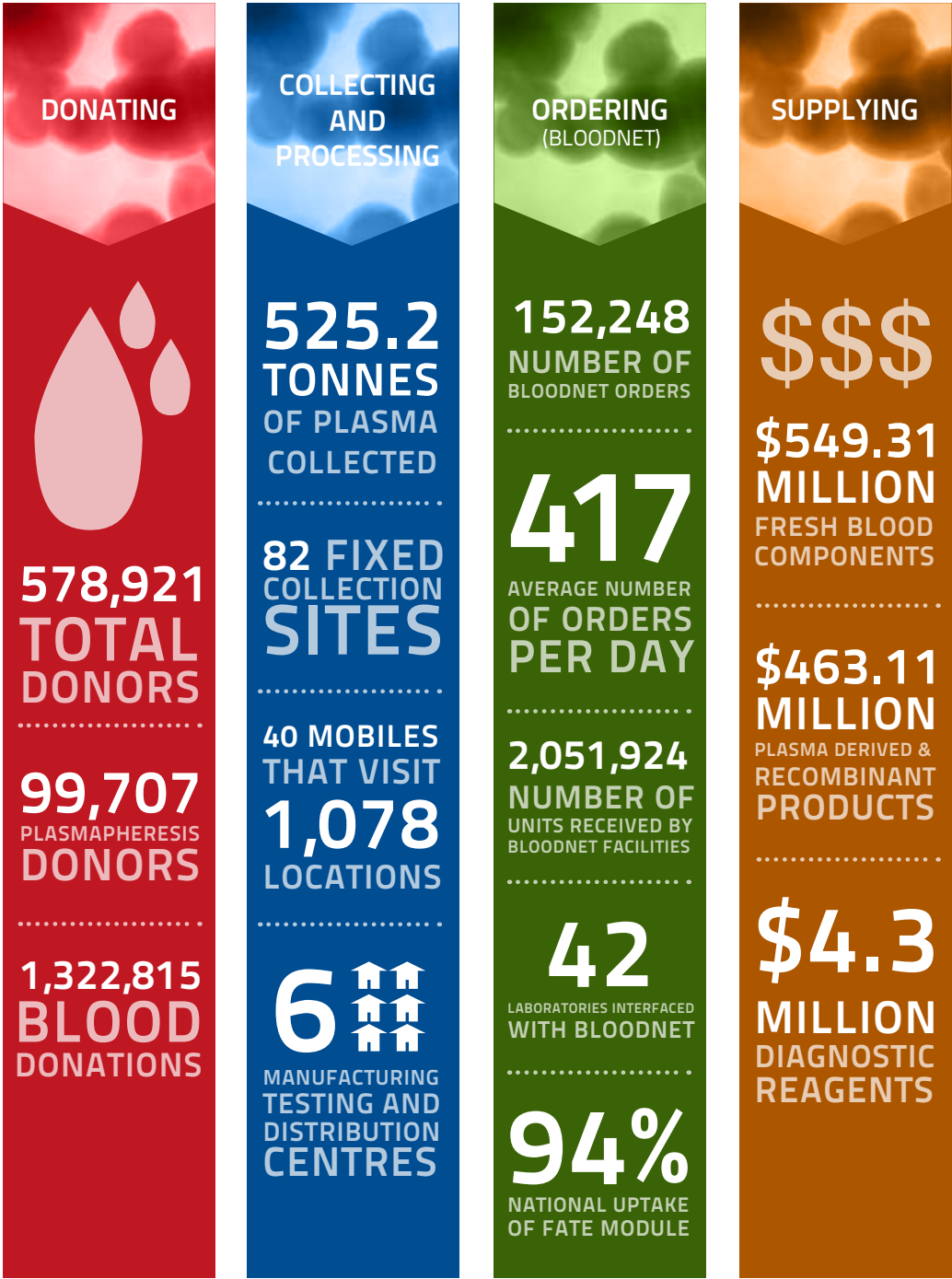
Location

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
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 intravenous immunoglobulin (IVIg) in Australia</i> was published
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 with the Australian Government Comcover Award for Excellence in Risk Management for the NBSCP
2010	New CSL Australian Fractionation Agreement came to 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 Module 2 Perioperative and Module 3 Medical of the PBM Guidelines Second edition of IVIg Criteria in Australia was published
2013	Release of Module 4 Critical Care of the PBM Guidelines

Year at a Glance: Snapshot
of the blood sector in 2012-13





..... KEY ACHIEVEMENTS

- PBM GUIDELINES: MEDICAL AND CRITICAL CARE MODULES RELEASED
- 2ND EDITION OF IVIG CRITERIA RELEASED
- SUBCUTANEOUS IMMUNOGLOBULIN APPROVED FOR NATIONAL SUPPLY LIST
- COST INDICATOR INTRODUCED ON FRESH BLOOD PRODUCT LABELS
- BLOODNET: 342 SITES, 95% NATIONAL COVERAGE
- MANAGING BLOOD AND BLOOD PRODUCT INVENTORY GUIDELINES
- 2ND OUTPUT BASED FUNDING MODEL AND HANDOVER PLAN AGREED WITH BLOOD SERVICE

GENERAL MANAGER'S REVIEW



It is now 10 years since NBA was established, during which time we have delivered a comprehensive portfolio of achievements. Despite our relative small size, NBA again delivered a wide array of impressive outcomes in 2012-13.

Ensuring supply

The key role of the NBA is to ensure an adequate, safe, secure and affordable blood supply of blood and blood related products. The NBA delivered significant outcomes against this fundamental responsibility. The best indicator of this is the delivery of improved performance levels at a significant saving against the supply budget of \$85.7 million for 2012-13.

A key contributor to the budget outcome was a marked reduction in the demand for fresh blood products as a result of improvements in appropriate use. These improvements are

underpinned by the implementation of PBM at a hospital and clinician level which is outlined in more detail under the section on blood stewardship.

Work continued on implementing performance and efficiency improvements to the current Deed of Agreement with the Australian Red Cross Society (Red Cross) acting through the Australian Red Cross Blood Service (Blood Service) for the supply and distribution of fresh blood products. The Blood Service again achieved savings across its operations of \$12.5 million in 2012-13. The NBA finalised a number of key contract changes in the latest Deed Variation that will support further efficiency improvements, including agreement for:

- a second three year cycle of the Output Based Funding Model (OBFM) that includes a reduction in indexation from 4.1 per cent to 2.95 per cent
- handover clauses and plan
- a Blood Service Research and Development Framework, to improve accountability and transparency of research funds provided under the deed.

Work continued on a range of other projects to improve the efficiency and effectiveness of services provided by the Blood Service, including the transfer of South Australian manufacturing and testing operations to the new Melbourne processing centre and improved inventory management.

JBC approved the addition of subcutaneous immunoglobulin (SCIg) to the National Supply List in March 2013 after a comprehensive evaluation process. As the first new product to be added to the list since the establishment of national blood arrangements, this was a major milestone which will significantly improve treatment options for a range of patients.

Security of supply

NBA has a range of measures in place to ensure the security of Australia's supply of blood and blood products. These measures underwent one of their most serious tests in July 2012. On 4 July 2012, the Blood Service National Blood Management System (NBMS) failed, resulting in a decline in blood stocks and production sufficient to warrant activation of the NBSCP on 6 July 2012. The NBMS is an IT system that supports fresh blood collection, processing and distribution across Australia. The NBA, in consultation with the Blood Service, actively managed the contingency at a national level from 6 July 2012 until deactivation of the NBSCP on 11 July 2012 when it was judged that stocks had returned to levels within manageable operational tolerances. The NBMS returned to its normal operating environment on 22 July 2012. This contingency prompted a number of internal and independent reviews of IT, risk and contingency management arrangements. The recommendations of these reviews have been, or are programmed to be, implemented. Notably this includes significant strengthening of the NSBCP in relation to the management of platelets and infectious diseases.

Supply security was further strengthened for the supply of plasma derived and recombinant blood products with the completion of a review of supply risks and resultant adjustment of reserve arrangements.

Implementing blood stewardship

In November 2010, health ministers endorsed a *Statement on national stewardship expectations for the supply of blood and blood products*. The Statement outlines Ministers' expectations on health providers to contribute to the sustainability of the blood supply by improving the management and use of blood and blood products. A significant proportion of NBA activities in 2012–13 directly supported the implementation of these measures, including:

- The launch of the next two modules of the national PBM Guidelines dealing with medical and critical care. The guidelines provide a key reference at health provider level to improve appropriate use of blood. Notably, they are also a world first that has generated considerable international interest (see p. 44).
- An intensive program of engagement and awareness promotion targeting key health provider and clinical stakeholders including:
 - the hosting of promotional stands and sponsored clinician presentations at a range of key sector conferences
 - The Private Health Sector Forum, hosted by the NBA, to engage key private health organisations in relation to implementation of PBM and improved inventory wastage (see p. 46)
 - implementation of a cost indicator on all fresh blood product labels as a general awareness measure

- Further implementation of the BloodNet system to achieve coverage of 95 per cent of volume issued by the Blood Service, including implementation of the fate module which tracks wastage at a single unit level. BloodNet provides health providers with visibility of inventory levels, ordering practices and unit discards which in turn makes available essential data to improve blood inventory management.

Outlook for 2013–14

2013–14 represents the first year of an ambitious three year work program identified by JBC in their approved 2013–15 Strategic Plan. The NBA will deliver further improvements in relation to our core business of ensuring supply with planned improvements to contracted performance and pricing arrangements. In addition, it will build on its program to support implementation of reduced wastage and improved appropriate use, including:

- establishment of information management and data analysis capabilities to capture national sector-wide blood data and establish the pre-conditions for a national PBM program
- improving supply chain management, by optimising inventory levels and implementing strategies to minimise wastage
- promotion and support for implementation of PBM Guidelines and *Standard 7 Blood and Blood Products* of the *National Safety and Quality Health Service (NSQHS) Standards* at the health provider level.

I close this report with a special acknowledgement of the many stakeholders across the sector who again assisted us throughout the year in delivering the outcomes outlined in this report. There are many clinicians, health professionals, public servants, suppliers and members of the public who gave generously their time, professionalism and passion. We cannot do our job as well as we do without you and we look forward to working with you again in 2013–14.



Leigh McJames
General Manager
National Blood Authority

September 2012: Launch of Patient Blood Management Guidelines



Professor Chris Baggoley

The first three modules of the NBA Patient Blood Management Guidelines were officially launched by Australia's Chief Medical Officer, Professor Chris Baggoley, on Wednesday 19 September 2012 at the National Portrait Gallery in Canberra.

The patient-focused guidelines provide healthcare professionals with the latest evidence based approach to managing patients to minimise unnecessary exposure to transfusions where possible and deliver better outcomes for patients. The guidelines are developed by experts from clinical speciality colleges, societies and consumer representatives working with the NBA.

The first module, Critical Bleeding/Massive Transfusion provides support for healthcare professionals in managing patients with critical bleeding requiring massive transfusion. The second module, Perioperative, offers guidance on the patient's blood management prior, during and after surgery. The third module, Medical, focuses on patients with acute or chronic medical conditions requiring ongoing treatment with blood and/or blood products.

When complete the guidelines will be made up of six modules. The fourth module, which focuses on critical care, was published in early 2013. The fifth and sixth modules dealing with obstetrics and paediatrics/neonates are under development.

Since the launch of the modules and promotion of the guidelines at a range of clinical forums and conferences there has been a substantial increase in electronic downloads and requests for the hard copy publications through the NBA website. In 2012-13, 35,282 hard copy publications were distributed across Australia and New Zealand.

NBA BOARD AND REPORT



NBA Board Members (left to right) - Paul Bedbrook, Mary Murnane, Ken Barker, Gayle Ginnane (chair), Chris Brook, Stephen Christley and George Rubin.

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

Ms Gayle Ginnane - chair

Mr Ken Barker - financial expert

Mr Paul Bedbrook - community representative

Adjunct Professor Chris Brook PSM - state and territory representative

Dr Stephen Christley - state and territory representative

Ms Mary Murnane - Australian Government representative

Professor George Rubin - public health expert

Board Report for 2012-13

2012-13 was an important milestone for the NBA marking 10 years since the organisation was established. The maturity of the organisation is evident in the significant number and quality of achievements, touching nearly every area of NBA responsibilities.

The NBA Board met four times in 2012-13, including our annual meeting with the Blood Service Board in October 2012 which provided an opportunity for Board members of both organisations to meet and talk through key issues.

Year in Review

In 2012-13, the NBA Board considered and provided advice to the General Manager on a wide range of areas that reflected the comprehensive program of work undertaken by the organisation. This included advice on:

- *NBA Corporate Plan 2013-15*
- NBA strategic priorities, associated operational planning and outcome delivery
- NBA involvement in the development and implementation of the *NSQHS Standard 7 Blood and Blood Products*
- Blood Service risk and contingency management arrangements in light of the activation of the NBSCP activation on 6 July 2012 as a result of the failure of the Blood Service NBMS
- potential strategic supply risk associated with the use of IVIg to treat Alzheimer's disease
- progression of the National Managed Fund (NMF) Action Plan
- NBA programs to support blood wastage reduction and implementation of PBM
- strategies to improve research and development in relation to blood and blood products
- measures to improve IVIg governance
- implications of the relocation of the South Australia blood manufacturing facility to Melbourne

The Board took a particular interest in the outcomes relating to improving risk and contingency management arrangements as a result of the failure of the Blood Service NBMS. The Board considered this contingency as one of the most serious incidents to have occurred in the blood sector since the establishment of the NBA. As a result, the Board considered and provided detailed advice on measures to strengthen risk management. This included direct discussion with the Blood Service Board and management. The Board is currently satisfied that the completed and planned program of activity has significantly increased the robustness of risk management in this area.

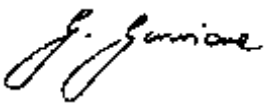
Another significant area of activity for the Board was consideration of the strategic supply risks associated with the use of IVIg to treat Alzheimer's disease. The Board had confirmed this risk as a significant strategic risk to the sector as it is not authorised under the National Blood Agreement for treatment of Alzheimer's disease. The results of a major clinical study in this area were released in May 2013 and the results failed to indicate significant efficacy for the use of IVIg in treatment of Alzheimer's disease. The Board will continue monitoring developments with research in this area.

2013-14 priorities

Financial sustainability remains a significant priority for all governments in 2013-14. As such, I expect the NBA Board will emphasise this aspect in its considerations throughout the next financial year. The NBA has a range of planned outcomes that should further improve value for money, while also ensuring Australia has one of the highest quality blood supply arrangements in the world. We look forward to assisting the General Manager in delivering these important outcomes.

The NBA Board is also keen to increase its interaction with key stakeholders in 2013-14. This will take the form of a comprehensive program of engagement with representatives from all major stakeholders in the sector.

In closing, I take this opportunity to thank my fellow Board members for their contributions over the course of 2012-13. The Board has considered a wide range of issues to which the members have brought their extensive experience and skilled advice.



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

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
Deliverables		
<p>Deliverable: New Australian Red Cross Blood Service contract arrangements are progressed.</p> <p>Reference Point/Target: The Deed of Agreement and the second round of the OBFM are finalised; National Service Standards, Payment and Substitution Rules and the National Inventory Management Framework are progressed.</p> <p>Result: Met. Deed variation endorsed by Ministers including handover clauses and the second round of the OBFM.</p>	<p>Deliverable: Review of the clinical and administrative management of IVlg is progressed.</p> <p>Reference Point/Target: Phase 2 to be completed by August 2012 and Phase 3 considered by the Review Advisory Group by December 2012.</p> <p>Result: Met. Review completed and recommendations considered by the JBC.</p>	<p>Deliverable: National data strategy is progressed.</p> <p>Reference Point/Target:</p> <ul style="list-style-type: none"> Performance scorecard is agreed by December 2012. Data governance arrangements finalised by June 2013. Benchmarks for wastage determined by June 2013. <p>Result: Met. <i>National Blood Sector Data and Information Scorecard 2013-16 Strategy</i> was approved by JBC. Performance scorecard and shadow targets for wastage were agreed.</p>
<p>Key Performance Indicator: NBA funding jurisdictions are satisfied with planning, management and coordination of NBA activities.</p> <p>Reference Point/Target: Satisfaction is assessed through survey of JBC members.</p> <p>Result: Met. Results from 2012-13 survey indicated 83.3 per cent were satisfied that NBA met this KPI. 16.7 per cent indicated they were unsure.</p>	<p>Key Performance Indicator: Effective consultation with clinicians on options for the development of a comprehensive national PBM program.</p> <p>Reference Point/Target: Satisfaction is assessed through surveys of all relevant stakeholders.</p> <p>Result: Met. A high level of satisfaction indicated during formal consultation and feedback processes involving clinical stakeholders.</p>	<p>Deliverable: Clinical practice guidelines submitted for National Health and Medical Research Council (NHMRC) consideration.</p> <p>Target: Two.</p> <p>Result: Met. Module 3 Medical and Module 4 Critical Care of the PBM Guidelines were endorsed by NHMRC and released in 2012-13.</p>

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
Deliverables		
<p>Key Performance Indicator: Variance between actual and NBA estimated demand for supply of products.</p> <p>Target: <5 per cent.</p> <p>Result: Substantially met. The demand for a number of fresh and recombinant products declined further than estimated as a result of better than anticipated take up of improved clinical practice measures.</p>	<p>Key Performance Indicator: Percentage of hospitals using BloodNet.</p> <p>Target: 65 per cent.</p> <p>Result: Met. 95 per cent of hospitals that receive blood.</p>	

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 Programs and Initiatives		
<ul style="list-style-type: none"> National Supply Plan and Budget (p.20). Contract Management (p.30): <ul style="list-style-type: none"> Deed of Agreement with Blood Service (p.30). CSL Australian Fractionation Agreement (p.32). 	<ul style="list-style-type: none"> Review of IVIg (p.36). Evaluation of New Products (p.37). Data Developments (p.37). Risk Management (p.38). ICT Developments (p.39). Sector Monitoring (p.43). 	<ul style="list-style-type: none"> Reference Development (p.44). Implementation <ul style="list-style-type: none"> Best Practice Tools (p.45). Promotion and Communication (p.47). Education and Training (p.47). Research and Development (p.49).

OBJECTIVE 1. SECURE THE SUPPLY OF BLOOD AND BLOOD PRODUCTS

It is the responsibility of the 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 2012–13 NSP&B

Throughout 2012–13, products were supplied to meet clinical demand and supply risks were effectively managed. The approved budget for 2012–13 covering the supply and management of blood and blood products and services under contract was \$1,095.08 million, comprising \$580.63 million for fresh blood products and plasma collection (see *Fresh blood products on p.23*) and \$497.25 million for plasma and recombinant products (see *Plasma and recombinant products on p.25*). The remaining \$17.2 million included items such as contributions for the NMF, interest monies, support for the Australian Haemophilia Centre Directors' Organisation (AHCDO) and administration of the ABDR.

Table 2.1 identifies the NBA's expenditure in 2012–13 and earlier years by supplier for the supply of products in each product category.

TABLE 2.1 Blood and blood products purchased, by suppliers, 2008-09 to 2012-13

Supplier	Products Purchased	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)
CSL Behring	Plasma Products <ul style="list-style-type: none"> Immunoglobulin products (including IVIg and hyperimmune products) plasma derived clotting factors Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Rh(D) immunoglobulin Factors XI and XIII IVIg Standing Offer Management of National Reserve	162.09	186.16	215.15	228.22	222.02
Australian Red Cross Blood Service	Fresh Blood Products <ul style="list-style-type: none"> whole blood red blood cells platelets clinical fresh frozen plasma cryoprecipitate plasma for fractionation 	432.62	456.12	496.57	526.35	549.31
Baxter Healthcare Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Protein C Factor VII concentrate Factor Eight Inhibitor Bypass Agent (FEIBA) Imported IVIg 	84.09	90.62	96.93	45.95	33.06
Bayer Australia Limited	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Recombinant Factor VIII 	Nil	Nil	Nil	18.67	34.96

Supplier	Products Purchased	2008-09 (\$M)	2009-10 (\$M)	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)
Pfizer Australia Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Recombinant Factor VIII Recombinant Factor IX 	48.65	48.94	57.03	66.55	93.28
Novo Nordisk Pharmaceuticals Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Recombinant Factor VIIa 	17.40	26.42	27.37	24.55	33.60
Octapharma Pty Ltd	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> Imported IVIg 	46.90	48.69	8.95	23.38	49.10
Lateral Grifols	Imported Plasma and Recombinant Products <ul style="list-style-type: none"> IVIg Standing Offer 	Nil	Nil	24.50	22.51	0.28
Grifols Australia (DiaMed Australia Pty Ltd)	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.92	0.81	0.60	Nil	Nil
Ortho-Clinical Diagnostics (Johnson & Johnson Company)	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.47	0.43	0.38	0.45	0.44
Bio-Rad Laboratories Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	Nil	Nil	Nil	0.13	0.63
Abacus ALS Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.04	0.04	0.03	0.05	0.04
Total Purchases of Blood and Blood Products		793.18	858.23	927.51	956.81	1,016.72

Fresh blood products

The list of fresh blood products supplied in 2012–13 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.

TABLE 2.2 **Fresh blood expenditure: increases on 2003–04 base year**

Year	Amount (\$M)	Growth (%)
2003–04	247.8	0
2004–05	277.0	11.8
2005–06	297.7	7.5
2006–07	327.1	9.9
2007–08	369.1	12.8
2008–09	417.2	13
2009–10	456.1	9.3
2010–11	496.6	8.9
2011–12	526.3	6.0
2012–13	549.3	4.4
Total	3,964.2	8.4 (average)

In the ten years to 2012–13, expenditure on fresh blood and plasma collections has increased from \$247.8 million to \$549.3 million. Of this, \$171.9 million is due to price increases averaging 7.8 per cent per year. These price increases include major additional operational costs and investment in principal sites such as the Sydney and Melbourne processing centres. Demand for fresh products—principally red cells, platelets and plasma for fractionation—has been increasing at 3.1 per cent a year, resulting in additional expenditure of \$67.2 million. A further \$66.8 million is a consequence of the introduction of government-approved quality and safety measures such as the universal leucodepletion of platelets and red cells. These safety measures have resulted in an additional increase in expenditure averaging 3.1 per cent a year. The combined effect of these measures on expenditure can be seen in Figure 2.1



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

Red blood cells

Red blood cells comprise 28.5 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 (4.7 per cent) from 2011–12, with continuation of the steady decline in issues per 1,000 head of population. The decline in red cell demand is likely to demonstrate initial successes in programs to improve appropriate use and reduce wastage. The NBA and other blood sector stakeholders have been focused on practice improvement, including improving appropriate use through the publication and implementation of PBM Guidelines (see *Reference Development* on p.44) and decreased wastage through improved inventory management (see *Best practice tools* section on p.45).

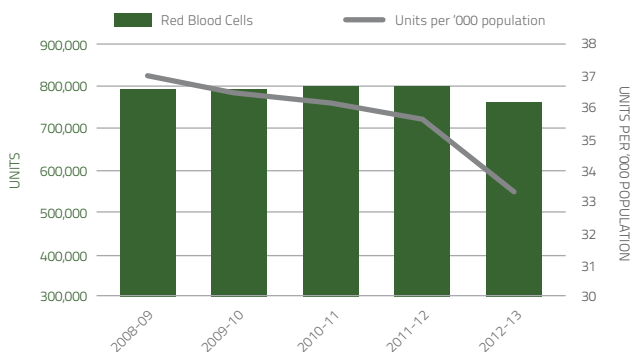


FIGURE 2.2 Red cells issued by the Blood Service, total packs issued and per '000 of population, 2008-09 to 2012-13

Platelets

Figure 2.3 illustrates that demand for platelets in 2012–13 was consistent with the demand in 2011–12 with only 0.3% growth. The constrained growth is again the result of the initial success of programs to improve appropriate use and reduce wastage. Platelets are either derived from an apheresis collection or a whole blood collection. In 2012–13, platelets issued were 62.4 per cent whole blood pooled (59.5 per cent in 2011–12) and 37.6 per cent apheresis (40.5 per cent in 2011–12).

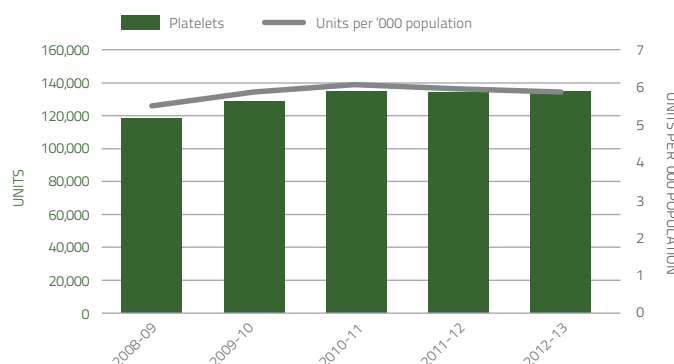


FIGURE 2.3 Platelets issued by the Blood Service, total packs issued and per '000 of population, 2008-09 to 2012-13

Plasma for fractionation

The Blood Service collects plasma for fractionation to supply to CSL Behring Ltd for the manufacture of plasma products. In 2012-13, the target for the quantity of plasma to be collected by the Blood Service was 525 tonnes, with the total collected by the Blood Service being 525.2 tonnes (see Table 2.3).

TABLE 2.3 Blood Service: plasma volumes collected for fractionation (tonnes), 2003-04 to 2012-13

2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
294.5	308.1	308.4	329.3	352.8	390.7	452.4	472.3	502.2	525.2

Plasma and recombinant products

The cost of plasma derived and recombinant blood products issued under NBA arrangements in 2012-13 increased to \$463.98 million, an increase of \$37.47 million (8.8 per cent) from 2011-12. The largest proportion of this increase was due to increased product demand, notably for IVIg, recombinant factor eight (rFVIII) and recombinant factor seven (A) (rFVIIa). Prices for most products increased by less than 2 per cent, and the average unit price for domestically produced IVIg increased by less than 1 per cent due to the favourable price structure under the CSL Australian Fractionation Agreement (CAFA).

In the ten years to 2012-13, expenditure on plasma and recombinant products issued under NBA arrangements has increased from \$205.2 million to \$463.98 million. The components of this increase are shown in Figure 2.4. A substantial component of the increase, \$220.6 million, is due to demand increases. A further \$51.8 million is a consequence of the safety based government policy decision to introduce full funding to allow access to recombinant clotting factor products (rFVIII and rFIX). In different periods, the contribution of price has either been a small increase, or a small to moderate saving. The average contribution of price changes over ten years since 2003-04 has been a reduction in expenditure of 5.4 per cent per year.

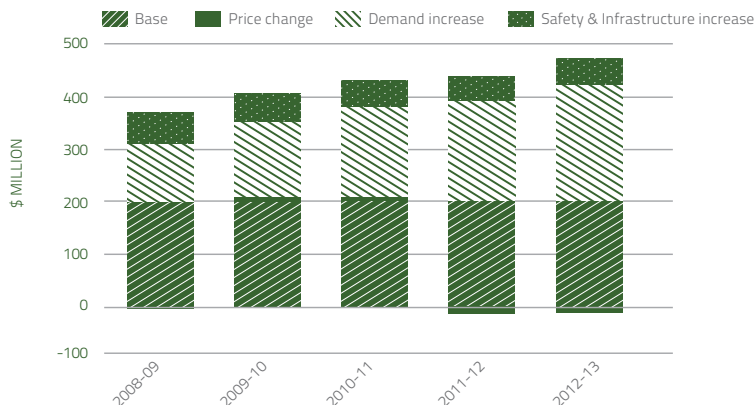


FIGURE 2.4 Plasma derived and overseas product expenditure: cumulative increases on 2003-04 base year

Issues of clotting factors

Figure 2.5 indicates that the demand for Factor VIII products grew by just 1 per cent when compared to 2011-12. The demand for plasma derived product has decreased significantly from 33.2 per cent growth in 2010-11 to a 2.5 per cent growth in demand in 2012-13. Demand for rFVIII has stabilised in 2012-13 with a growth of 0.8 per cent compared to a growth of 8.6 per cent in 2010-11.

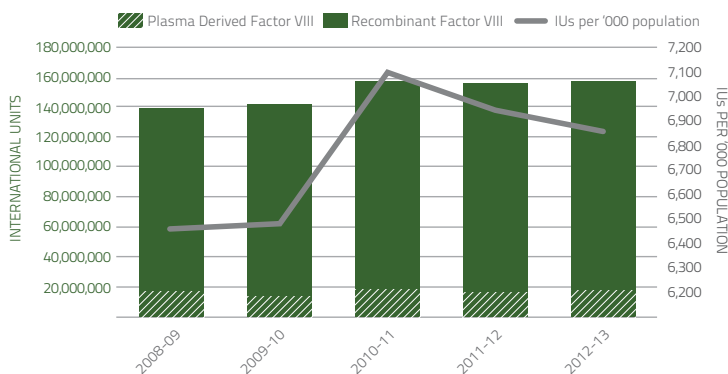


FIGURE 2.5 Issues of Factor VIII products, 2008-09 to 2012-13

Demand for factor nine (FIX) products in 2012-13 increased by 6.75 per cent compared to 2011-12. This is a significant adjustment in demand when compared to the 4.4 per cent reduction seen in 2011-12 (see Figure 2.6).

The variability in year-to-year growth rates for both FVIII and FIX products appears to be partly due to patients commencing and ceasing participation in company clinical trials.

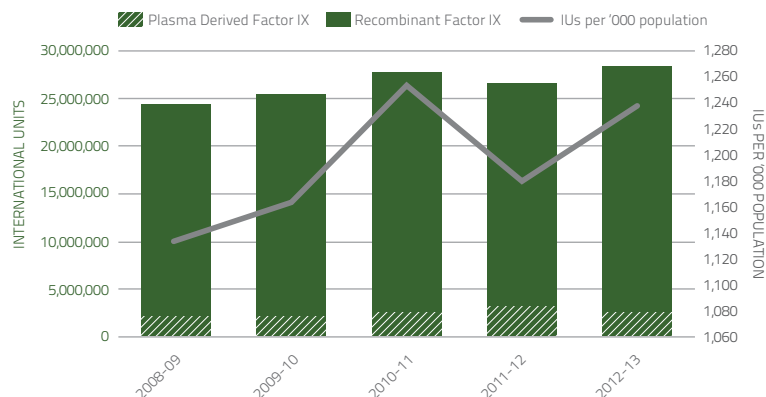


FIGURE 2.6 Issues of Factor IX products, 2008-09 to 2012-13

The demand for rFVIIa and factor eight inhibitor bypass agent (FEIBA) may be considerably affected by a small number of patients experiencing very high needs from time to time (see Figures 2.7 and 2.8). The 2012-13 level of demand for rFVIIa was 36.4 per cent above the 2011-12 issues. A major influence of this was a higher than usual number of acquired haemophilia A patients requiring treatment. FEIBA demand has continued to reduce with demand in 2012-13 exhibiting a 31 per cent decline compared to 2011-12.

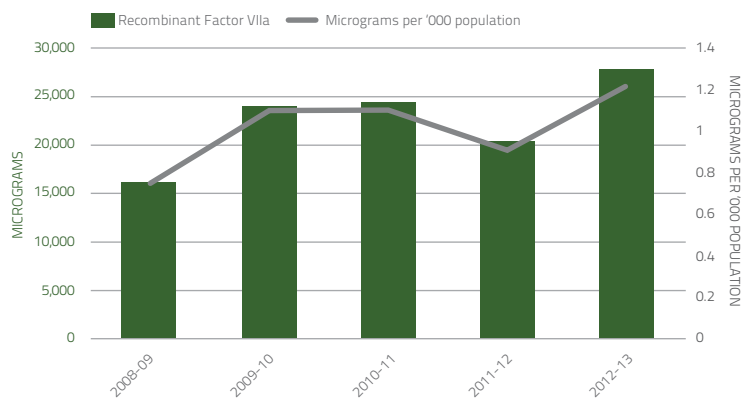


FIGURE 2.7 Issues of recombinant Factor VIIa products, 2008-09 to 2012-13

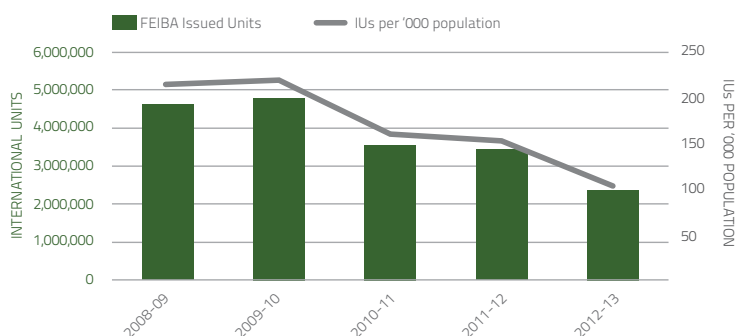


FIGURE 2.8 Issues of FEIBA, 2008-09 to 2012-13

Issues of immunoglobulin: IVIg and NIg

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

2008-09	2009-10	2010-11	2011-12	2012-13
10.6%	11.6%	11.1%	10.9%	10.7%

In 2012-13, a total of 3.62 million grams of IVIg was issued, representing a cost of \$221 million nationally (excluding cost of plasma collections). Of this, 62.2 per cent was IVIg produced in Australia and 37.8 per cent was imported. Excluding IVIg issued under direct orders, a total of 13,138 (compared with 12,130 in 2011-12) patients nationally were issued IVIg during 94,733 treatment episodes (101,388 in 2011-12).

The NBA produced an annual report of IVIg usage in 2011-12, in order to document the trends in the use of IVIg and provide insights into the drivers of use at the micro level. It draws on records of issues and purchases data held by the NBA, and application of IVIg to clinical indications from the Blood Service STARS database.

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

The *Report on the Issue and Use of IVIg 2011-12* can be found on the NBA website at www.blood.gov.au/data-analysis-reporting.

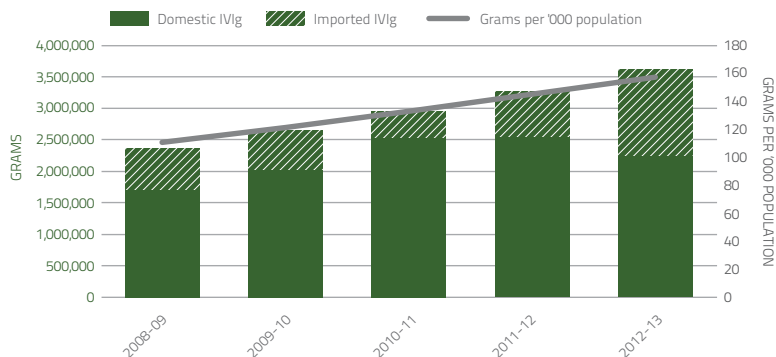


FIGURE 2.9 Issues of IVIg products, 2008-09 to 2012-13

In 2012-13 there was again significant demand for normal immunoglobulin (NIg) although the growth in demand tempered. CSL Behring produces NIg from hyperimmune plasma specially collected by the Blood Service. The volume of product is limited by the availability of this specialised plasma, and by production scheduling arrangements in CSL Behring's manufacturing facility. The increase in demand for NIg is a result of NIg use as a subcutaneous alternative to IVIg.

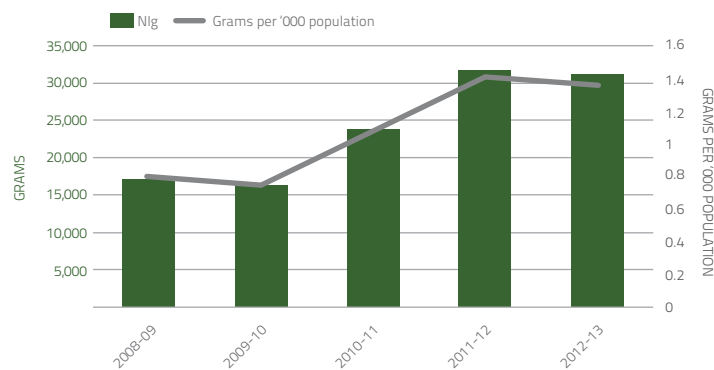


FIGURE 2.10 Issues of NIg, 2008-09 to 2012-13

Contract Management

Maintaining security of supply also 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 2012-13 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 Blood Service

The provision of fresh blood products is an essential service for all Australians, and all governments are committed to ensuring a secure supply of fresh blood components to meet the clinical needs of patients in Australia. The Blood Service is the sole supplier of fresh blood products in Australia and NBA is responsible for negotiating improvements to current arrangements and managing the deed with the Blood Service.

Funding provided to the Blood Service is based on an output based funding model arrangement that commenced on 1 July 2010. Funding provided to the Blood Service through the deed was \$549.3 million in 2012-13, an increase of \$23 million over the \$526.3 million in 2011-12.

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. The Blood Service underachievement of 21,900 donors against the target donor base of 489,100 for whole blood in 2012-13 was due to a reduction in the demand by 7.3 per cent for red blood cells compared to budget. Blood Service performance against selected indicators is outlined Table 2.4.

TABLE 2.4 **Blood Service: selected key performance indicators, 2012–13**

Domain	Indicator	2011–12 result*	2012–13 Blood Service target	2012–13 result*
Donor management	Size of the donor base	Whole Blood	504,600	489,100
		Apheresis Plasma	84,400	97,400
		Apheresis Platelet	11,900	12,100
Supply chain management	Number of days within inventory bands (note: bands set by the Blood Service)	229	N/A	254
	Red cell yield (proportion of collections covered to supply)	85%	86%	89.3%
	Age of red cells at issue (days)	7.33	9	9
	Order fulfilment	89.6%	95%	95%
Quality and level of service	Health provider satisfaction with Blood Service (mean score out of 10)	8.6	8.7	8.6
Finance	Main operating program financial result	\$6.2 million surplus	>0	\$12.5 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 2012–13, including the following:

- Negotiation and ministerial approval of a new Statement of Expectations for 2013–16.
- Development of national service requirements and standards that will set out the Blood Service's relationships with health providers and the NBA. This includes business rules and standards for ordering, delivery, and acceptance of products and will guide the Blood Service in developing consistent service levels for all health providers.
- Finalisation of a 2006 deed request to agree on a handover plan that will guide the actions of the NBA and Red Cross should the deed terminate or expire.
- Development and implementation of the second cycle of the OBFM, which defines the products and services to be delivered under the contractual arrangements and product prices to be paid to the Blood Service.
- Extension of the current deed by mutual agreement until 30 June 2014.

CSL Australian Fractionation Agreement

Most plasma derived products used in Australia are manufactured by CSL Behring under the CSL Australian Fractionation Agreement (CAFA), from plasma collected by the Australian Red Cross Blood Service (Blood Service).

The CAFA came into operation on 1 January 2010 and, subject to government review in 2014, will continue until 31 December 2017. It sets out CSL Behring's obligations regarding plasma, stewardship, production, inventory management, product quality, pricing and payments, supply, reporting and performance, and risk management. In 2012-13, 517 tonnes of Australian plasma was pooled for fractionation under the CAFA, and expenditure on CAFA products during 2012-13 was \$185.7 million.

Performance

The 2012-13 performance of CSL Behring against the CAFA KPIs is shown in Table 2.5. This table reports actual performance. Sufficient supply of all products was maintained at all times. There are a range of tolerances for each of the KPIs under the CAFA, and CSL Behring's performance fell within the tolerances with few exceptions. Some approvals for KPI deviations were given to the NBA where known issues beyond the control of CSL Behring, including changes in the level of immunoglobulin in plasma, and the dynamics of supply, demand and production for some products, affected CSL Behring's ability to meet KPI standards.

TABLE 2.5 CSL Ltd's performance under the CAFA, 2012-13

Description of performance measure		Results 2012-13				
		Q1	Q2	Q3	Q4	Annual
KPI1	Plasma stewardship	Achieved	Achieved	Substantially achieved*	Achieved	Substantially achieved
KPI2*	Production yield	5.26g/kg	5.19g/kg	4.81g/kg	4.87g/kg	5.02g/kg
KPI3	Management of required inventory levels					
	Minimum starting plasma inventory	Not active in 2012-13				
	Products in CSL Inventory	99% Achieved**	98% Achieved**	95% Achieved	99% Achieved**	98% Achieved
	Products in national CSL reserve	100% Achieved	100% Achieved	100% Achieved	97% Achieved	99% Achieved
KPI4	Fulfillment of orders					
	Orders by distributor (Blood Service)	100% Achieved	100% Achieved	100% Achieved	100% Achieved	100% Achieved
	Orders by non-distributor	98% Achieved	99% Achieved	96% Achieved	97% Achieved	97% Achieved
KPI5***	Shelf life of national reserve products	96% Achieved	80% Achieved	88% Achieved	82% Achieved	87% Achieved

Note:

** The NBA and CSL are considering the effects of changes in plasma collection practices on CAFA contractual provisions relating to IVlg yield.*

*** The NBA gave approval for CSL to access reserve inventory in order to ensure supply.*

**** The NBA have agreed that, as an interim measure, the minimum required shelf life of some hyperimmune products held in the National CSL Reserve will be reduced to avoid surplus production. CSL's performance is substantially in line with this agreement.*

Service delivery

During 2012-13 the NBA approved the supply of a new CSL Behring product – Evogam (16% concentration immunoglobulin for subcutaneous administration).

Imported intravenous immunoglobulin

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

Two contracts are in place for supply of imported IVIg under the national blood arrangements. The contracts commenced on 1 January 2012 for a period of three years and have provision for a one year extension. The suppliers are Baxter Healthcare Pty Ltd and Octapharma Australia Pty Ltd. In 2012-13, the NBA spent \$75.86 million for both contracts.

Performance

The 2012-13 performance of both suppliers against the contractual key performance indicators is shown in Table 2.6. Sufficient supply of products was maintained at all times in accordance with contractual requirements and was not affected by transient or administrative KPI deviations.

TABLE 2.6 Imported IVIg: Key performance indicators, by supplier, 2012-13

	Performance	Octapharma Australia	Baxter Healthcare
KPI1	In-country reserve	Substantially achieved	Fully achieved
KPI2	Shelf life on products delivered	Fully achieved	Fully achieved
KPI3	Delivery performance	Substantially achieved	Substantially achieved
KPI4	Reporting accuracy and timeliness	Substantially achieved	Not achieved



Service Delivery

A voluntary recall of Octagam 10% was initiated by Octapharma Australia on 5 September 2012, resulting in the return of 299 units from the Blood Service and hospitals throughout Australia. Additionally, a further batch of Octagam 5% was quarantined on 9 May 2013, and subsequently recalled. These actions did not impact on supply availability of IVIg.

A new Octapharma product, Gammanorm (16% immunoglobulin for subcutaneous administration) was approved for supply under the national blood arrangements for specified indications. Baxter's Kiovig 10% was also approved for supply under this program.

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 2012-13, the NBA managed the supply contracts for imported plasma and recombinant products with the following five companies:

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

The supply contracts for the above suppliers commenced on 1 July 2011 and have a term of three years, with a possible extension of up to two years. Expenditure on the contracts during 2012-13 was \$168.9 million.

TABLE 2.7 **Imported plasma and recombinant blood products: key performance indicators, by supplier, 2012-13**

	Performance measure	Baxter Healthcare	Bayer Australia	CSL Behring	Pfizer Australia	Novo Nordisk Pharmaceuticals
KPI1	In-country reserve	Fully achieved	Fully achieved	Fully achieved	Fully achieved	Fully achieved
KPI2	Shelf life on products delivered	Achieved *	Achieved *	Achieved *	Fully achieved	Achieved *
KPI3	Delivery performance	Subject to transitional arrangements **				
KPI4	Reporting accuracy and timeliness	Achieved *	Achieved *	Achieved *	Achieved *	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 at regular contract management meetings.

** In these instances, the reporting requirements were subject to establishment of new contract management arrangements. Performance of the relevant suppliers was nonetheless subject to contractual requirements and was managed through regular contract management meetings.

Red cell diagnostic reagent products

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

The NBA has established a standing offer arrangement with the following five suppliers for the period 1 July 2011 to 30 June 2014:

- Abacus ALS
- Bio-RAD Laboratories
- CSL Behring
- Lateral Diagnostics
- Ortho-Clinical Diagnostics

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

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

OBJECTIVE 2. IMPROVE RISK MANAGEMENT AND BLOOD SECTOR PERFORMANCE

A key feature of the 2012-13 Federal Budget was governments' endorsement of funded measures to improve blood sector performance and risk management. This included objectives to improve data capture and analysis and appropriate and efficient use of blood products. As outlined in this section, the NBA made significant progress against these objectives, particularly in the areas of ICT developments, data availability and analysis, IVlg governance and risk and knowledge management.

Review of IVlg

The NBA, on behalf of all Australian governments, completed a review of the adequacy of the current IVlg authorisation and clinical governance arrangements. The aim of the review was to identify options for improvements in the management of IVlg. The review also analysed the issues, benefits and risks of potentially including NIg and subcutaneous immunoglobulin (SCIg) in the IVlg management framework.

The review identified that there are significant variations in IVlg management processes nationally, with process inefficiencies, under investment in integrated data systems and limited evidence of alternative therapies being considered before prescription. It also found variation in dosing, high prescription rates in some conditions compared to international rates of use, limited transparency of price implications and no accountability for cost with the prescriber.

In March 2013, the JBC considered the final report of the review and endorsed the NBA commencing work to implement five short term improvement projects recommended by the review. The five projects are to:

- describe the functional model for the current authorisation and clinical governance arrangements, and formally allocate responsibility in each jurisdiction
- introduce new management processes to include NIg and SCIg in the IVlg authorisation process
- improve patient information to ensure patients are aware of the Criteria requirements for eligibility and ongoing therapy

- centralise hospital ordering and product management at the blood bank or pharmacy for improved management, and define when and how emergency stock should be managed
- define and deliver a package of information concerning current IVIg products and arrangements, particularly for junior medical and nursing staff.

Key longer term strategic projects recommended by the review will be considered in 2013-14 for establishing an improved framework for strengthening the clinical governance and authorisation of immunoglobulin in Australia.

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*.

The NBA undertook an evaluation of two Schedule 4 proposals for inclusion of SClg as a new product type supplied and funded under the national blood arrangements. The Medical Services Advisory Committee (MSAC) provided advice on the proposals and the NBA evaluation in November 2012.

In March 2013, the JBC approved the introduction of SClg under the national blood arrangements. The first phase of implementation will be through hospital-based management arrangements, with no additional cost to patients, and further work will be undertaken to support supply of SClg for other pathways of care. Supply of SClg will commence in September 2013, including both domestically manufactured and imported SClg products.

Data developments

In the 2012-13 Federal Budget, the NBA received strong endorsement from governments for its drive to improve data capture and analysis across all aspects of the supply chain. This area of activity is a key strategy to improve the overall efficiency and sustainability of the sector by providing a measurement for improvement.

A significant amount of data and information exists within the blood sector, however, the extent to which this data is currently available to the parties that need it, the quality of the data, and the capacity of the systems that hold it, varies widely.

During 2012-13 JBC endorsed the *National Blood Sector Data and Information Strategy and Scorecard 2013 – 2016* which shows the NBA's direction, in relation to data. The strategy is available for download from www.blood.gov.au/data-research and outlines activities the NBA will undertake to underpin improvement over the next three years. They include:

1. Establish an overall architecture for data collection and information flows and relationships
2. Define governance principles for the collection and management of data and information
3. Promote a standardised approach to data sets and system capabilities
4. Prioritise data collection and system development required for the sector
5. Drive sector improvement with data analyses and publication.

As part of the strategy the NBA developed a set of key performance indicators aligned with the national health performance framework, for use in benchmarking and monitoring the blood sector.

In relation to data developments the NBA also delivered the following activities during 2012-13:

1. Wastage data

- Collected, analysed and distributed wastage data from both the Blood Service Electronic Returns Information Capture (ERIC) system (which ceased on 30 June 2013) and the BloodNet Fate Module that has expanded to 94 per cent of health providers nationally to support the *National Blood and Blood Products Wastage Reduction Strategy 2013-17* and to establish targets for wastage rates in 2014-15.
- Specified BloodNet discard reports to be launched to jurisdictions and health providers in August 2013.

2. Haemovigilance

- Revised the terms of reference and membership for the Haemovigilance Advisory Committee (HAC) and appointed a new chair. The HAC met on 27 June 2013, the first time since 2011.
- Drafted the *National Haemovigilance Report 2013*, which includes data for 2009-10 and 2010-11 collected by states and territories. Publication of this report is expected in September 2013.
- Commenced work to scope a national haemovigilance system and worked with states and territories to understand requirements.
- Developed a project proposal for the publication of a *Consensus Guideline for the Recognition and Treatment of Acute Transfusion Events*.

3. Publication of the ABDR Annual Report for 2011-12

4. Red Cell Linkage

- NBA met with jurisdictional data personnel for a workshop on 26 March 2013 to agree a final dataset for data submission with episode level de-identified data. The draft dataset and outcomes of the meeting have been sent to the attendees for review and clearance. A follow-up meeting is expected early in 2013-14 to discuss data collection and next steps.

5. National Blood Sector Data and Information Governance Framework

- Commenced development of a National Blood Sector Data and Information Governance Framework, including a set of principles to determine data standards and the framework which can be developed and assessed for endorsement and publication in 2013-14.

Risk management

The management of blood sector risk remains a core element of ensuring the security and availability of the blood supply. 2012-13 saw the NBA undertake a higher than normal level of activity to review and further strengthen risk management arrangements. There were three areas subject to comprehensive review:

- the NBSCP as it relates to fresh blood
- sector risks as they relate to NMF liability provision
- NBA risk management framework.

National Blood Supply Contingency Plan

The NBSCP is a cornerstone measure to manage risks to the blood supply. In 2012-13 it underwent one of its most serious tests since its approval in 2006. The incident occurred in 2012 when the Blood Service National Blood Management System (NBMS) failed on 4 July, resulting in a decline in blood stocks and production across Australia. The NBMS is a national IT system that supports fresh blood collection, processing and distribution. The NBA monitored the situation and activated the NBSCP on 6 July, and in consultation with the Blood Service actively managed the contingency at a national level until deactivation of the plan on 11 July when it was judged that stocks had returned to levels within manageable operational tolerances. The NBMS returned to its normal operating environment on 22 July. This contingency prompted a number of internal and independent reviews of the Blood Service IT and risk and contingency management arrangements, the recommendations of which have been, or are programmed to be, implemented. Notably this includes significant strengthening of the NBSCP in relation to the management of platelets and infectious diseases.

National Managed Fund Action Plan review

The NBA coordinated the independent National Managed Fund Action Plan review to comprehensively determine the current Blood Service risk profile and assess potential liability that would not be adequately met by current risk mitigations. It is expected the review will be completed during 2013-14.

Risk management framework

The NBA reviewed its enterprise wide risk management process and implemented a new risk management framework and supporting process that is aligned to the *Australian/New Zealand Standard AS/NZS ISO 31000:2009*. These new arrangements strengthen the NBA risk identification and treatment regime. Key aspects of these new arrangements include:

- definition of roles and responsibilities in relation to risk management in the NBA, including a role for the NBA Board in the provision of advice in relation to the identification, evaluation and treatment of strategic risks
- establishment of a bottom-up hierarchical risk review process that culminates in an NBA Board review of key strategic risks
- establishment of a supporting living risk register that captures the results of the identification, analysis, evaluation and treatment of enterprise risks relevant to the responsibilities of the NBA
- incorporation of risk mitigation measures in the *NBA Operational Plan 2013-14*.

ICT developments

Information communication technology (ICT) systems development and operations continue as a key enabler of both data collection/analysis and business process reform across the sector. A wide range of activities undertaken in 2012-13 have directly contributed to improved performance in the sector.

National Blood Sector ICT Strategy 2013-16

JBC approved the *National Blood Sector ICT Strategy 2013-16* in March 2013. The strategy provides a coordinated, strategic approach, informed by the National Health Reforms, to guide the design, development and operation of ICT systems to facilitate the efficient and effective operation of the Australian blood sector. The strategy outlines four priority streams of activities:

1. Deliver ICT capabilities to drive performance improvement
2. Deliver ICT capabilities to enhance collaboration and training across the sector
3. Increase the resilience of existing ICT capabilities
4. Improved ICT governance and management

All new system developments and major enhancements for the 2013-16 period are programmed in the strategy, leading to greater certainty and a common understanding of development priorities across the sector.

Australian Bleeding Disorders Registry

The Australian Bleeding Disorders Registry (ABDR) is a clinical tool in use on a daily basis by clinicians in all Australian haemophilia treatment centres (HTCs) to assist in the management and treatment of people with bleeding disorders. The NBA uses de-identified data from ABDR to assist in the development and evolution of demand models to better predict clinical demand for clotting factor products.

First developed in 1995, the fourth generation redevelopment of the ABDR was launched in August 2012, completing a project commenced in March 2011. Whilst maintaining a familiar look and feel for users from the previous third generation system, the redeveloped ABDR has resulted in major performance improvements, including the ability to capture and analyse a much greater range of clinical data.

In parallel with these enhancements, the ABDR Steering Committee (consisting of representatives of AHCDO, Haemophilia Foundation Australia (HFA), jurisdictions and the NBA) have been undertaking a comprehensive review of the system governance arrangements. This review will ensure that the governance of the system and its data continues to meet community expectations and our legislative obligations.

The *ABDR Annual Report 2011-12* (see www.blood.gov.au/data-analysis-reporting) provides an example of the de-identified data that is available to the wider community through the ABDR.

BloodPortal

Launched in August 2012, BloodPortal provides a central user management and authentication system for users of all NBA ICT systems across the blood sector. BloodPortal enables these users to have a single username and password covering all systems, a single place to update their contact details with the NBA and to subscribe to a range of mailing lists relating to transfusion in Australia. These mailing lists supplement existing communication channels, enabling the NBA to communicate effectively to a target and much greater audience on specific topics than was previously possible.

BloodChat

Launched in October 2012, BloodChat is a group of online discussion forums relating to transfusion matters that enables those involved in transfusion across Australia to collaborate, communicate and share resources and ideas without having to leave their hospitals.

BloodNet

The implementation of BloodNet across health providers continued throughout 2012-13, with 95 per cent of volume issued by the Blood Service nationally processed through BloodNet as of 30 June 2013 (up from 75 per cent at 30 June 2012).

A key area of focus for BloodNet throughout 2012-13 was in the implementation of the fate module (recording discards of units by health providers and transfers of units between health providers) which as of 30 June 2013 was processing 94 per cent of unit discards nationally (up from 45 per cent at 30 June 2012). This implementation involved on-site face to face training at over 200 health providers and a substantial number of online training sessions.

Data obtained from the fate module in BloodNet was key to the development of the *National Blood and Blood Product Wastage Reduction Strategy 2013-17* and is currently being used by health providers and jurisdictions to identify and manage the wastage of blood and blood products. A range of reports were developed to assist in this task, with further reports to be produced in 2013-14.

BloodNet – Laboratory Information System (LIS) Interfaces

The proof of concept trial to interface BloodNet to health provider Laboratory Information Systems (LISs) continued in 2012-13, with eleven health providers' LIS now interfaced into BloodNet. The trial has confirmed the feasibility and desirability of such interfaces. The interfaces provide an increased flow of data enabling more accurate demand modelling to occur. These improvements support key wastage reduction projects such as the National Inventory Management Framework project.

The time-saving in health providers of interfacing is substantial, with one major metropolitan health provider identifying that the interface will decrease data entry time by over 17 hours per week in their pathology laboratory.

Throughout 2013-14, the NBA will continue to work with a range of health providers and LIS vendors to further progress LIS interfaces.

March 2013: Opening of the Blood Systems Operations Centre



Peter O'Halloran

health providers. BSOC systems are configured to enable broadcast messages by SMS, email and fax to be dispatched to all blood sector stakeholders in minutes. This capability enables the NBA to ensure that consistent clear messages are communicated to all stakeholders in a timely manner and provides a single point of contact for health providers to identify any supply or other issues in such times.

The NBA's supply planners operate out of BSOC in NBSCP activations, using the dashboards and data on inventory levels to ensure that decision making is informed by up to the minute information on the stocks of blood and blood products held by health providers across Australia.

The Blood Systems Operations Centre (BSOC) was opened on 18 March 2013.

BSOC proactively monitors 24/7, the operations of the NBA's ICT systems such as BloodNet, ensuring that the systems are always available for use by the 4000+ users of these systems in hospitals and pathology laboratories across Australia.

In addition to monitoring these systems and supporting the end users, BSOC also provides a single point of contact for health providers for all services and functions of the NBA.

BSOC supports activations of the National Blood Supply Contingency Plan (NBSCP) in times of supply shortages by assuming the role of the Incident Room. In such activations, BSOC can coordinate communications with the DoHA National Incident Room, all jurisdictions and

Sector monitoring

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

Our focus in 2012-13 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 2012-13 NBA closely monitored a number of key developments, including:

- discussion of fresh blood and its constituents included a strong emphasis on PBM including appropriate transfusion and perioperative anaemia management
- continued debate on the impact of age of red cells at transfusion
- the considerable activity from suppliers in pre-clinical and clinical trials to develop longer acting clotting factors for patient convenience
- IVIg is losing market share to SCIg, in particular in Europe the subcutaneous product is reported to satisfy over one quarter of the market
- large clinical trial of Baxter International's liquid immunoglobulin, Gammagard, in Alzheimer's disease reported in May indicating Gammagard did not meet the primary endpoints of the trial
- dengue fever and its impact on blood collection in Australia's north
- Chinese-origin bird flu H7N9 and Middle Eastern Respiratory Syndrome coronavirus (MERS-CoV) were both on the World Health Organization's (WHO) watch list for possible pandemic potential
- Chagas disease, West Nile virus and tick-borne infections remained of concern in blood collection overseas.

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

NBA placed a high priority on delivering outcomes in relation to the promotion of the safe and efficient use of blood and blood products in 2012-13. In particular, the NBA continued the delivery of key reference material and accelerated supporting implementation activities in relation to reducing wastage and improved fresh blood use based on the NBA developed *Patient Blood Management Guidelines*. The *National Blood Research and Development Strategic Priorities 2013-16* published by the NBA provides guidance to the research sector about where evidence would support improvements in safety and appropriate use of blood and blood products.

Reference Development

By working with stakeholders and other experts, reference materials to support clinical practice, product use guidelines and quality improvement initiatives were developed by the NBA in 2012-13. As outlined in this section progress was made on the PBM Guidelines, IVIg Criteria and work on replacing existing clotting factor guidelines.

PBM Guidelines

Over 100,000 copies of the PBM modules 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 2012-13 the NBA published two further modules of the PBM Guidelines: *Module 3 Medical* and *Module 4 Critical Care*. The development of these modules took approximately two years and involved input from 15 Clinical/Consumer Reference Group members including representation from 11 clinical colleges and societies. These two modules complement *Module 1 Critical Bleeding/Massive Transfusion* and *Module 2 Perioperative*.

Haemophilia guidelines (previously clotting factors guidelines)

The NBA has worked closely with the AHCDO over the past year to scope and develop a strategy to replace the existing *Clinical Practice Guidelines for the Use of Recombinant and Plasma-Derived Factor VIII and Factor IX products* published in 2006. The revised guidelines will provide more comprehensive, patient-focused guidance to support the management of patients with haemophilia. The revised guidelines are expected to be developed during the 2013-14 financial year.

IVIg Criteria

The *Criteria for the Clinical Use of Intravenous Immunoglobulin in Australia* identifies the indications for which IVIg is funded under the national blood arrangements. Patients must meet a set of criteria in order to receive IVIg. The second edition of the criteria was released on 10 August 2012 after an extensive period of review and consultation. The revised criteria removed some indications for which new evidence demonstrated little efficacy or potential harm, added a small number of new indications and revised the qualifying and review criteria for other indications to ensure that only patients who are likely to derive a genuine health benefit receive this product.

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 2012-13, NBA focused on implementation of measures to reduce wastage of blood and improve appropriate use through PBM. The strategies address a significant proportion of requirements identified in the 2010 *Australian health ministers' statement on national stewardship expectations on 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.

Best practice tools

In 2012-13 the NBA undertook extensive consultation through its PBM Clinical/Consumer Reference Groups and Steering Committee to identify a range of tools to support the implementation of PBM practices. This consultation was complemented by a comprehensive review of publicly available tools and materials in Australia and overseas. As an outcome of these reviews, the *National Patient Blood Management Guidelines Implementation Strategy* was developed and approved by JBC in May 2013. The strategy identifies several focused subsets of tools that will be developed with oversight from the NBA. This is to assist in addressing the issue that many of the existing tools are not available publicly and may need some refinement to ensure national applicability. The NBA has been actively collaborating with a number of experts and organisations across the sector to ensure public access to high quality tools. Some of the high priority areas of focus for tools are:

- intraoperative cell salvage
- patient consent
- single unit transfusion policy
- case studies to support best practice.

Case studies showcasing better inventory and wastage reduction strategies at Hunter Area Pathology Service and SAN Pathology in NSW and the BloodMove Project in South Australia were initiated in 2012-13. To view the case studies visit www.blood.gov.au/case-studies.

May 2013: Australian Private Health Sector Blood Forum



An integral element of NBA's increasing engagement with the health sector and health professionals, has been engaging the private hospitals and private pathology laboratories across Australia. Responsible for managing 29 per cent of fresh blood products used in Australia each year, we are keen to establish a lasting two way engagement between NBA and the various private sector hospitals and laboratories.

The inaugural Australian Private Health Sector Blood Forum, hosted by the NBA on 21 May 2013, brought together a range of stakeholders from across the private health sector to discuss key matters of mutual interest including:

- NSQHS Standards – specifically meeting Standard 7 – Blood and Blood Products
- reducing wastage and improving inventory management
- development of a national blood pricing model.

Speakers from the Independent Health Pricing Authority (IHPA) and the Australian Commission on Safety and Quality in Health Care (ACSQHC) provided expert views on the topics and fielded a range of probing questions from forum participants.

Bevan Hokin, Director of Pathology from the Sydney Adventist Hospital, provided a thought-provoking presentation on the range of activities undertaken by SAN Pathology which has seen them achieve a discard rate for red blood cells of 0.7 per cent over the last two years – one of the lowest rates in Australia.

The inaugural forum is just the beginning of our ongoing engagement with the private health sector, and a range of other activities are underway and planning is well in hand for the next forum in 2014.

Promotion and communication

With the release of another two modules of the PBM Guidelines, and the increased focus on appropriate use of fresh blood products, opportunities to publicise the guidelines and NBA's key messages at conferences and sector events were leveraged in 2012-13. Through trade stands, presentations or conference advertising, NBA initiatives were promoted at the following key events:

- Joint Scientific Meeting of HSANZ/ANZSBT/ASTH and APSTH (HAA)
- Australian Private Hospitals Association 32nd National Congress
- Australian and New Zealand College of Anaesthetists 2013 Annual Scientific Meeting
- Royal Australasian College of Surgeons 2013 Annual Scientific Congress
- Clinical Excellence Commission Workshop - Towards Patient Blood Management: Future Directions for NSW
- 2013 Transfusion Update
- Immune Deficiencies Foundation of Australia 2013 National Conference
- 32nd International Congress of the International Society for Blood Transfusion 2012
- National Immunohaematology Continuing Education

In 2012-13 members of the NBA Clinical/Consumer Reference Group presented on the PBM Guidelines at numerous international, national and local meetings.

On 21 May 2013 NBA hosted a private sector forum to engage key private health organisations in relation to implementation of PBM and improved inventory wastage. Private sector engagement has been supplemented with bilateral discussions with significant private sector entities at a CEO level.

In 2012-13, NBA engaged the ACSQHC to co-brand the National Blood Symposia in 2013-14. Planning and promotion of the three one day events scheduled to be held in September 2013 in Sydney, Melbourne and Adelaide was initiated to ensure a range of attendees from various health providers registered. The agenda of the symposia will be focused on supporting implementation of *Standard 7 Blood and Blood Products* of the NSQHS Standards (see National Safety and Quality Health Service Standards on p.48).

As a general awareness measure, the NBA negotiated with the Blood Service to include a cost indicator on all fresh blood product labels from 13 May 2013. The NBA worked closely with the Blood Service and the jurisdictions to communicate this change to health providers.

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 2012-13 NBA consulted with key stakeholders to draft the *National Blood Sector Education and Training Strategy 2013-16*. This strategy will outline 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 NBA will consult further in 2013-14 on this strategy before seeking endorsement from the JBC.

BloodSafe eLearning Australia

BloodSafe eLearning Australia is funded by all Australian governments. The online site offers a range of courses relating to clinical transfusion practice including PBM, blood specimen collection and product handling. The suite of courses have proved to be very popular with 187,017 registered users with 55,699 new registrations in 2012-13. On average the site attracts about 5,000 new registrations and 8,000 course completions per month.

There were 28 per cent repeat registered users during 2012-13 demonstrating that existing users continue to return to the site to participate in new educational offerings.

The following enhancements were made to BloodSafe eLearning Australia during 2012-13:

- release of a new module on critical bleeding based on the NBA's critical bleeding/massive transfusion module of the PBM Guidelines
- release of an app for iphone and android to accompany the Iron Deficiency Anaemia course (www.bloodsafelearning.org.au)
- update of the Clinical Transfusion Practice course to reflect the new PBM Guidelines and the second edition of the Australian and New Zealand Society of Blood Transfusion and the Royal College of Nursing Australia, Guidelines for the Administration of Blood Products
- commencement on the development of a new module based on Module 2 Perioperative of the PBM Guidelines.

National Safety and Quality Health Service Standards

As part of the National Health Reforms, the ACSQHC has developed the NSQHS Standards. These standards are intended to drive improvement in safety and quality for patients through their use. They also provide a clear statement of the level of care consumers can expect from health services. Accreditation against the standards commenced in January 2013. The NBA is committed to supporting health service organisations meeting the requirements under *Standard 7 Blood and Blood Products* by identifying and/or developing resources. During 2012-13 the NBA worked with the Commission and other stakeholders to develop the:

- Standard 7 Safety and Quality Improvement Guide, Frequently Asked Questions and Factsheet
- Hospital Accreditation Workbook

At the request of the Commission, the NBA also led a series of webinars in May 2013 in response to queries from health service organisations about the implementation of the Standards. The webinars were aimed at both public and private hospitals, dental and day procedure surgeries with one aimed at rural and regional hospitals. The purpose of the webinars was to provide an overview of Standard 7 and allow participants to ask questions of an expert about implementation of the Standard at their health service organisation.

The NBA also presented on Standard 7 at the Blood Service hosted Transfusion Update held in June.

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.’ To support this, in 2012–13 NBA worked with stakeholders to release the *National Blood Research and Development Strategic Priorities 2013–16*. The purpose of the publication is to provide a useful resource to guide priority setting for research. It may be used by researchers to support funding requests, by identifying that their research aligns with priorities communicated by governments.

In 2013–14 NBA will continue to develop a framework to identify the activities the NBA will undertake to facilitate research to meet the strategic priorities. Activities in the framework will need to be considered and approved by all governments prior to implementation.

Blood Service research and development framework

The NBA and the Blood Service have agreed a research and development framework for commencement in 2013–14 as part of the Deed of Agreement variation. This framework outlines strategies to ensure appropriate incorporation of government priorities and expectations in the development and implementation of the Blood Service research program. It also describes reporting requirements that will improve the transparency to governments of activities and expenditure of the research and development program.

Through a grant specified in the Deed of Agreement, the Blood Service received grant funding of approximately \$8.1 million for its research and development program. The Blood Service has four research programs:

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

Transfusion Outcomes Research Collaborative

In 2012–13 NBA confirmed its participation as a partner in the Transfusion Outcomes Research Collaborative (TORC) NHMRC Partnership Grant application on *Improving outcomes for patients with critical haemorrhage requiring massive transfusion*. TORC is a collaborative lead by the Monash University’s Department of Epidemiology and Preventive Medicine. The proposed scope of work of this project closely aligns with governments’ approved statement of blood research and development strategic priorities. In particular, the work will address significant gaps in the areas of appropriate use of blood and implementation of the NHMRC approved PBM Guidelines. This will in turn directly contribute to improving patient outcomes.



3

MANAGEMENT AND ACCOUNTABILITY

GOVERNANCE STRUCTURE

OPERATIONAL PLANNING

CUSTOMER SERVICE CHARTER

EXTERNAL SCRUTINY

FRAUD CONTROL

HUMAN RESOURCES AND PEOPLE MANAGEMENT



GOVERNANCE STRUCTURE

During 2012-13 the NBA senior executive management team comprised the following:

- General Manager - Mr Leigh McJames
- Deputy General Manager and General Counsel - Mr Michael Stone
- Acting Deputy General Manager, Fresh Blood, Data & Clinical Development - Ms Sandra Cochrane
- Acting Deputy General Manager, Stewardship - Mr Peter O'Halloran

As at 30 June 2013, the NBA comprised the following 12 teams/business streams:

- Blood Sector Clinical Development
- Communications
- Corporate Support
- Data and Information Analysis
- Finance and Strategic Policy
- Horizon Scanning
- Human Resources
- iBlood
- IVIg Reform
- Stewardship
- Supply Management – Fresh
- Supply Management - Plasma and Recombinant Products

Governance Committees

Four formal governance committees, the Senior Executive Managers' Committee, the Management Group, ICT Steering Committee and the Audit Committee assist the NBA Executive plan and manage core strategic projects and stakeholder interests.

The committees are actively involved in:

- maintaining robust reporting and measuring performance against our operational plan
- improving our focus on internal and external performance indicators
- driving strategies, concepts and ideas for continual improvement.

Senior Executive Managers' Committee

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 matters relating to risk, compliance, stakeholder management, ethics and governance of the NBA. The committee is responsible for:

- identifying, considering and agreeing on strategic directions for key emerging policy issues to ensure that the understanding, approach and communication on these issues are consistent
- maintaining an overview of the progress and development of the NBA and the environment in which it operates and translating this into NBA programs, projects and policies
- applying their collective experience and skills to the development of policies where more complex elements are involved—for example, where policies affect more than one program element—thus enhancing quality and commitment
- regularly considering key strategic planning, documentation and relationships.

Management Group

The Management Group is made up of direct reports to the General Manager and Executive Level 2 Directors and meets once a month to discuss and progress major projects. The committee is responsible for:

- identifying NBA performance issues that arise as a result of changes to processes, resourcing or other areas
- monitoring the effectiveness of performance measures and identifying improvements.

ICT Steering Committee


The ICT Steering Committee provides strategic direction and oversight of NBA's information, communications, technology and knowledge management activities.

Chaired by the NBA General Manager, the committee meets monthly to discuss strategic directions, key risks and major projects. Membership of the committee includes Senior Executive Management, the Chief Finance Officer and two Deputy Chief Officers.

Audit Committee

The Audit Committee advises the General Manager on strategies to enhance the organisation's control framework, improve objectivity and reliability of externally published financial information and comply with legislative requirements and obligations. Its membership in 2012-13 was as follows:

- Ms Jennifer Morison (Chair) (see Appendix 1 for profile)
- Mr Ken Barker
- Mr Mick Roche
- NBA Executive Member – currently vacant



Representatives from the ANAO and the NBA internal auditors also attend meetings as observers for most matters.

The Audit Committee's work program progressed well during 2012–13. The committee met six times in 2012–13. Activities included:

- providing advice on financial management, risk management, the Fraud Control Plan and accountability issues
- reviewing and making recommendations on the development of the internal audit work program and monitoring the progress of implementation activities to address findings
- reviewing and making minor recommendations to the General Manager on the 2011–12 annual financial statements
- reviewing and making recommendations to the General Manager on the Certificate of Compliance
- reviewing and providing advice on the Strategic Risk Management Plan.

Internal Audit

The NBA's internal audit program, guided by the Audit Committee, plays a key part in ensuring that risk is managed appropriately.

PricewaterhouseCoopers conducted a range of audits and reviews in line with the work program developed in conjunction with the Audit Committee. The 2012–13 work program encompassed reviews on contract management, IT project management and governance, payroll and guideline development.

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

OPERATIONAL PLANNING

In 2012–13, 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 three years.

TABLE 3.1 NBA's performance in achieving operational plan objectives, 2010–11 to 2012–13

Year	2010–11	2011–12	2012–13
Performance (%)	84%	87%	91%

The evaluation of performance against the operational plan is an important component of the planning cycle, with activities regularly monitored by the senior executive management team and NBA Board. Key operational achievements included:

- adoption of BloodNet by 95 per cent of volume issued by the Blood Service
- finalisation of the second OBFM with the Blood Service
- finalisation of the Handover Plan with the Blood Service
- release of Modules 3 (Medical) and 4 (Critical Care) of the Patient Blood Management Guidelines and second edition of the IVlg
- launch of the new NBA website - www.blood.gov.au .

2013–14 Operational Plan

The NBA finalised the 2013–14 operational plan in June 2013, refining the planning approach, with a focus on greater alignment between the plan and a number of key NBA strategic documents, including the *2013–15 Jurisdictional Blood Committee Strategic Plan*.



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 2012-13 the NBA received 13 formal responses, commenting positively on NBA initiatives.

EXTERNAL SCRUTINY

There have been no judicial decisions or decisions of administrative tribunals in 2012-13 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 2012-13.

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 2012-13.

FRAUD CONTROL

The *Commonwealth Fraud Control Guidelines* require agencies to conduct a fraud risk assessment and develop a fraud control plan every two years. The NBA last updated their fraud risk assessment in 2012-13.

Fraud awareness training was conducted with NBA staff during 2012-13.

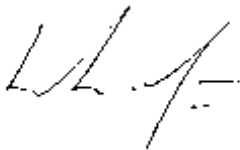
Under the current fraud control plan, the NBA continually monitors accountability and control frameworks to meet the specific needs of the agency, and ensures that it complies with the *Commonwealth Fraud Control Guidelines*.

No instances of fraud were detected during the reporting year.

Certification of fraud control arrangements

I, Leigh McLJames, certify that I am satisfied that for 2012-13, the National Blood Authority has:

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



Leigh McLJames
General Manager
National Blood Authority



HUMAN RESOURCES AND PEOPLE MANAGEMENT

During 2012-13, the NBA continued its commitment to managing and developing its employees to meet organisational objectives and to contribute towards the implementation of the *Ahead of the Game: Blueprint for the reform of Australian Government Administration* (the Blueprint).

In 2012-13, the NBA capitalised additional funding and converted a number of non-ongoing positions to ongoing vacancies and throughout the year, advertised a total of 18 positions, representing 32 per cent of NBA established positions.

A big success for the NBA in 2012-13 came through the Australian Public Service Commission's (APSC) *State of the Service* report which listed the NBA as having the lowest rate of unscheduled leave amongst the entire Australian Public Service (APS), with only 3.1 days per year per employee.

In 2012-13, the NBA extended its payroll contract with Aurion Corporation Pty Ltd (Aurion) for another year until June 2014 and via the Department of Health and Ageing's contract, entered into another contract with PPC Worldwide to provide Employee Assistance Program (EAP) services.

More detailed information regarding the NBA's organisation chart can be found at www.blood.gov.au/about-nba.

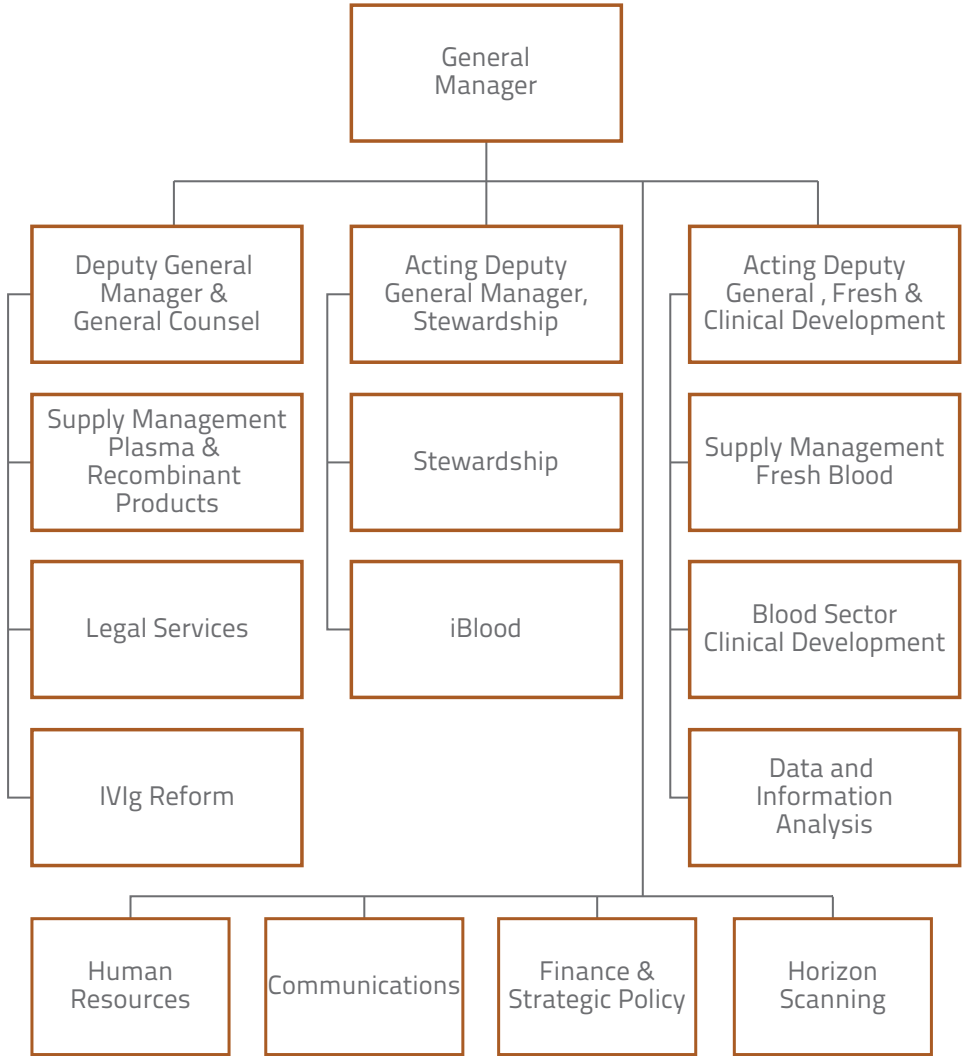


FIGURE 3.1 **NBA Organisation Chart**



Our values

The NBA strongly endorses the APS Values, Code of Conduct and ethical standards. We have high expectations of the behaviour and conduct from all of our staff to ensure they understand their responsibilities associated with being a member of the APS and being a representative of the Australian Government. In addition to the APS Values, the NBA has four core values that are central to our workplace. We:

- actively listen, think and encourage engagement
- criticise sparingly, praise generously
- are part of the team
- take responsibility for quality outcomes.

We implement these by explicit commitment to the behaviours that we value. These behaviours mean that we:

- take responsibility for our outcomes by proactively analysing issues and creating solutions
- encourage ongoing personal development by taking pride in learning and sharing this learning with our teams and do things smarter and better
- seek to always understand by listening to and valuing all points of view
- are courteous by being on time, polite, accepting and giving feedback on performance and behaviour
- act on things that make a difference by striving for personal leadership in our assigned tasks and ensuring we understand the links of today's tasks to the future of the sector.

Staffing information

Staffing profile

The total number of staff employed in the NBA remained constant from 2011-12 with 56 employees (53.3 full time equivalent) at the end of June 2013, although of these, three people were on long-term leave without pay. Tables 3.2 & 3.3 provide a breakdown of NBA staff numbers by classification, gender and employment type.

TABLE 3.2 Number of NBA staff at 30 June 2013

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	1	Nil	1	Nil	2
EL 2	2	Nil	4	1	7
EL1 Legal	Nil	1	Nil	Nil	1
EL 1	13	2	11	Nil	26
APS 6	8	Nil	Nil	Nil	8
APS 5	4	1	2	Nil	7
APS 4	1	1	1	Nil	3
APS 3	Nil	1	Nil	Nil	1
Total	29	6	20	1	56

TABLE 3.3 Breakdown of ongoing and non-ongoing NBA staff at 30 June 2013

Substantive Classification	Ongoing	Non-ongoing
Statutory office holder	1	Nil
Senior Executive Service	2	Nil
EL 2	6	1
EL 1	20	6
EL1 Legal	1	Nil
APS Level 6	7	1
APS Level 5	6	1
APS Level 4	1	2
APS Level 3	1	Nil
Total	45	11

The average age of NBA staff is 46.4 years. Table 3.4 provides a breakdown of the age demographic of NBA employees.

TABLE 3.4 Age demographic of NBA staff at 30 June 2013

Age profile	Number of employees
20 – 25	5
26 – 30	5
31 – 35	5
36 – 40	10
41 – 45	10
46 – 50	8
51 – 55	8
56 – 60	4
61 – 65	Nil
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 2012–13.

TABLE 3.5 Salary levels of NBA staff by classification at 30 June 2013

Classification	Minimum (\$)	Maximum (\$)
EL 2	108,424	122,158
EL 1	91,237	103,623
EL1 Legal	90,843	109,988
APS Level 6	73,921	83,393
APS Level 5	67,009	70,724
APS Level 4	61,607	65,098
APS Level 3	54,376	60,275

TABLE 3.6 Numbers of NBA staff on types of employment agreements

Staff	Enterprise Agreement	Common law or Section 24 Agreement
SES	0	2
Non-SES	54	0

Non-salary benefits

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

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

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

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

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

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

Workforce planning, staff turnover and retention

Staff turnover in 2012–13 was 24.4 per cent, with 61.5 per cent of the separations in 2012–13 being as a result of resignation or retirement. The average length of service for NBA staff is approximately two years and eleven months and 26.8 per cent of staff have been employed with the NBA for more than five years.

In the current EA, there is a clause included which provides employees (employed under the EA) with the payment of an annual \$1,000 recognition and retention bonus. The intention of this clause was to recognise that due to the small nature of the NBA, employees will actively and willingly participate in additional organisation-wide responsibilities and administrative support activities outside of their day-to-day roles.

Productivity gains

In late 2012–13, the NBA undertook a rationalisation of its staffing levels resulting in an overall reduction of SES and EL2 positions contributing towards the government's efficiency dividend strategy and the recommendations of the Blueprint. This rationalisation strategy will continue to be implemented throughout the 2013–14 year.

Throughout 2012–13, 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 Department of Health and Ageing panel arrangements for the provision of recruitment and EAP services.

The implementation of the Whole of Government travel arrangements has provided efficiencies for corporate staff in meeting efficiency dividends with no loss of output.

Employee and agency census

The surveys undertaken by the NBA in 2012–13 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 in the Employee Census and the NBA exceeded this with a 75 per cent return, 22 per cent higher than the overall APS participation rate of 53 per cent and an increase from 69 per cent in 2012.

The full results of the 2012 census were released in September 2012. The overall outcomes for the NBA were very pleasing, indicating the organisation has a happy and motivated workforce. Areas for improvement were performance management, autonomy, clarity of duties and learning and development.

Remuneration and performance pay

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

Professional and personal development

The NBA offers a wide range of training programs to staff to extend their knowledge and skills. In 2012–13, the NBA reviewed its professional development program to make it a simpler process and one which encourages employees and managers to have regular conversations to discuss performance and development opportunities.

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, and/or through 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 were offered to staff from all areas of the NBA, to attend a number of conferences as there is a view that any NBA employee should be able to represent the NBA at any forum.

Part E of the EA states that the NBA will work to identify, assess and cost a range of initiatives to further enhance its organisational productivity, build team cohesion, improve cross team communications, increase staff retention and further build and promote our positive, collegiate culture. A planning session was held in November 2012 for all staff below the Executive Level 2 classification. The session had 30 attendees and was a successful exercise in setting and embedding the NBA's Corporate Plan and objectives.

Staff health and wellbeing

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

- classes and activities
- health memberships
- special events
- specialist advice/programs
- sporting clothing and equipment.



4

PART 4

FINANCIAL MANAGEMENT

FINANCIAL MANAGEMENT

FINANCIAL PERFORMANCE

ASSETS MANAGEMENT

PURCHASING

FINANCIAL STATEMENTS



FINANCIAL MANAGEMENT

Funding

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

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

Special accounts

The NBA operates through two special accounts, the National Blood Account and the 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 2012–13.

TABLE 4.1 Overall funding and expenditure for the NBA in 2012–13: a summary

	Funding Incl. Appropriations (\$M)	Expenditure (\$M)
Departmental - NBA Operations	10.307	10.949
Administered - national blood and blood product supply	1,058.281	1,012.357

FINANCIAL PERFORMANCE

This section provides a summary of the NBA's financial performance for 2012–13. Details of departmental and administered results are shown in the audited financial statements (see pages 76–131), and this summary should be read in conjunction with those statements.

Audit report

The NBA received an unqualified audit report for 2012–13.

Departmental finances

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

Operating result

The NBA's income statement reports a 2012–13 operating deficit of \$0.642 million, compared with an operating deficit of \$0.664 million in 2011–12. Table 4.2 shows the key results for the period 2008–09 to 2012–13.

TABLE 4.2 Key results in financial performance, 2008–09 to 2012–13

Revenue & expenses	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Contributions from the Australian Government	5.865	5.712	5.948	5.686	6.201
Contributions from States and Territories and other revenue	3.989	3.812	4.074	4.030	4.106
Total revenue	9.854	9.524	10.022	9.716	10.307
Employee expenses	6.162	5.636	5.869	6.776	6.490
Supplier expenses	2.709	2.677	3.114	2.840	3.569
Other expenses	0.878	1.162	0.801	0.764	0.890
Total expenses	9.749	9.475	9.784	10.380	10.949
Operating result	0.105	0.049	0.238	(0.664)	(0.642)

Revenue

Total departmental revenue received in 2012–13 amounted to \$10.307 million: \$6.201 million in funding from the Australian Government; \$4.012 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 \$0.591 million (6.1 per cent) on revenue received in 2011–12. Other revenue refers to contributions arising from officers transferring from other agencies.

Expenses

The NBA's expenses for 2012–13 amounted to \$10.949 million, five per cent higher than in 2011–12.

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 \$7.687 million at 30 June 2013. Funds received from all jurisdictions are transferred to the Official Public Account held by the Department of Finance and Deregulation until required for expenditure. In the NBA's financial statements these funds are classified as cash.

Non-financial assets

The increase in the carrying amount of non-financial assets largely resulted mainly from the move to new premises by the NBA. The NBA undertook a fit out of new premises, thus the increase in leasehold improvements. Also included in the fit out were some new workstations.

Payables

Payables to suppliers and other payables increased by \$0.277 million, up from \$0.722 million in 2011–12.

Provisions

Employee provisions, which cover annual and long service leave entitlements, increased slightly by \$0.155 million to \$1.372 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 Standing Council on Health (SCoH) approves an annual NSP&B, which is formulated by the NBA from demand estimates provided by the states and territories.

Revenue

Total revenue for 2012–13 is presented in Table 4.3. Total revenue increased by \$23.4 million (a two per cent increase, down from ten per cent the prior year) for the current financial year.

TABLE 4.3 Administered revenue, 2008–09 to 2012–13

Administered revenue	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Funding for supply of blood and blood products	827.640	871.195	939.212	1,015.586	1,049.337
Total administered revenues	829.190	872.549	941.016	1,034.910	1,058.281

Expenses

Total administered expenses for 2012–13 including grants and rendering of goods and services is presented in Table 4.4. Administered expenses for 2012–13 increased by 5.9 per cent over those for 2011–12. A key contributor to the outcome was a marked reduction in the demand for fresh blood products as a result of improvements in appropriate use.

TABLE 4.4 Key results of administered expenses, 2008–09 to 2012–13

Administered expense	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Grants to the private sector - non-profit organisation	433.385	456.881	Nil	7.773	8.092
Rendering of goods and services - external entities	356.568	402.143	937.954	947.820	1,003.772
Other	3.103	0.128	0.310	0.291	0.493
Total administered expenses	793.056	859.152	938.264	955.884	1,012.357

Administered assets and liabilities

Administered assets comprise the following:

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

Administered liabilities comprise payables to suppliers.

As a result of the surplus described above, net administered assets increased by \$54.3 million during 2012–13.



ASSETS MANAGEMENT

Physical assets are not a significant aspect of the NBA's strategic management. The NBA has developed an asset replacement strategy to ensure that it has adequate funding for the replacement of assets as these come to the end of their useful life. During 2012–13, the NBA moved premises from Level 1, 19–23 Moore Street, Turner to Level 2, 243 Northbourne Avenue, Lyneham. This involved the fit out of the new premises with additional offices and new workstations.



PURCHASING

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

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

Over recent years several internal audit programs 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 will be 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 2012–13 that did not provide for the Auditor-General's access to the contractor's premises.

Consultants

The selection and engagement of consultants was treated in the same way as the procurement of other property and services and was conducted in accordance with the *Financial Management and Accountability Act 1997*, Commonwealth Procurement Rules and internal policies and procedures. During 2012–13, eleven new consultancy contracts were entered into, involving total actual expenditure of \$994,425 (GST inclusive). In addition, eleven ongoing consultancy contracts were active during the year, involving actual expenditure of \$663,807 (GST inclusive). Total expenditure on consultancies in 2012–13 was \$1,658,232 (GST inclusive).

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

Table 4.5 shows total expenditure on all consultancy services from 2008–09 to 2012–13, covering both new contracts let in the applicable year and ongoing contracts let in previous years.

TABLE 4.5 Expenditure on consultancy services, 2008–09 to 2012–13

Years	No. let	Total expenditure on new and existing consultancies (\$)
2008–09	14	997,076
2009–10	3	492,033
2010–11	9	1,399,091
2011–12	15	2,023,951
2012–13	11	1,658,232

FINANCIAL STATEMENTS



7 August 2013

Sensitive



Mr Leigh McJames
General Manager
National Blood Authority
Locked Bag 8430
CANBERRA ACT 2601

Dear Mr McJames

**NATIONAL BLOOD AUTHORITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

I am writing to advise that the audit of the financial statements of the National Blood Authority for the year ended 30 June 2013 has now been completed.

I enclose for your information a copy of the auditor's report together with the financial statements to which it relates.

The report includes my opinion that the financial statements have been prepared in accordance with the Finance Minister's Orders and give a true and fair view of the matters required by those Orders.

In addition, the auditor's report includes a Report on Other Legal and Regulatory Requirements which draws attention to the National Blood Authority's disclosure of its review of exposure to risks of non-compliance with section 83 of the Constitution. This mention is not a qualification or modification to our opinion on the National Blood Authority's financial statements.

Yours sincerely

Kristian Gage
Audit Principal

Delegate of the Auditor-General

Canberra

Sensitive



INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Medical Research

Report on the Financial Statements

I have audited the accompanying financial statements of the National Blood Authority for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

Chief Executive's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independence

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

Opinion

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the National Blood Authority's financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

Note 28 *Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund* discloses information on the National Blood Authority's review of its exposure to risks of not complying with statutory conditions on payments from special appropriations and special accounts, and annual appropriations which fund statutory payments. Non-compliance with statutory conditions may lead to a contravention of section 83 of the Constitution, which requires that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law.

As disclosed in Note 28 the review is planned for completion in 2013–14.

Australian National Audit Office



Kristian Gage
Audit Principal

Delegate of the Auditor-General

Canberra

7 August 2013

NATIONAL BLOOD AUTHORITY
FINANCIAL STATEMENTS
For the year ended 30 June 2013

Statement by the Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.


.....
Leigh McJames
Chief Executive Officer

7 August 2013


.....
Ashley Jackson
Chief Financial Officer

7 August 2013

NATIONAL BLOOD AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Employee benefits	3A	6 490	6 776
Suppliers	3B	3 569	2 840
Depreciation and amortisation	3C	849	751
Finance costs	3D	3	-
Losses from asset sales	3E	38	13
Total expenses		<u>10 949</u>	<u>10 380</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	102	232
Other revenue	4B	3 910	3 704
Total own-source revenue		<u>4 012</u>	<u>3 936</u>
Gains			
Other gains	4C	94	94
Total gains		<u>94</u>	<u>94</u>
Total own-source income		<u>4 106</u>	<u>4 030</u>
Net cost of services		<u>6 843</u>	<u>6 350</u>
Revenue from Government	4D	6 201	5 686
Surplus (Deficit)		<u>(642)</u>	<u>(664)</u>
Total comprehensive income (loss)		<u>(642)</u>	<u>(664)</u>

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

NATIONAL BLOOD AUTHORITY
BALANCE SHEET
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A, 9	7 687	7 482
Trade and other receivables	5B	567	541
Total financial assets		8 254	8 023
Non-Financial Assets			
Leasehold improvements	6A, 6C	864	-
Property, plant and equipment	6B, 6C	639	353
Intangibles	6D, 6E	426	837
Other non-financial assets	6F	134	87
Total non-financial assets		2 063	1 277
Total assets		10 317	9 300
LIABILITIES			
Payables			
Suppliers	7A	589	572
Other payables	7B	410	150
Total payables		999	722
Provisions			
Employee provisions	8A	1 372	1 217
Other provisions	8B	130	-
Total provisions		1 502	1 217
Total liabilities		2 501	1 939
Net assets		7 816	7 361
EQUITY			
Contributed equity		2 463	1 366
Reserves		206	206
Retained surplus		5 147	5 789
Total equity		7 816	7 361

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 2013

	Retained earnings		Asset revaluation surplus		Contributed equity/ capital		Total equity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Opening balance								
Balance carried forward from previous period	5 789	6 453	206	206	1 366	812	7 361	7 471
Adjusted opening balance	5 789	6 453	206	206	1 366	812	7 361	7 471
Comprehensive Income								
Surplus (Deficit) for the period	(642)	(664)	-	-	-	-	(642)	(664)
Total comprehensive income	(642)	(664)	-	-	-	-	(642)	(664)
Transactions with owners								
<i>Contributions by owners</i>								
Departmental capital budget	-	-	-	-	1 097	554	1 097	554
Sub-total transactions with owners	-	-	-	-	1 097	554	1 097	554
Closing balance as at 30 June	5 147	5 789	206	206	2 463	1 366	7 816	7 361

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

NATIONAL BLOOD AUTHORITY
CASH FLOW STATEMENT
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		6 201	4 940
Sales of goods and rendering of services		4 639	3 314
Net GST received		485	295
Cash transferred from the Official Public Account		-	1 314
Total cash received		11 325	9 863
Cash used			
Employees		6 064	6 298
Suppliers		4 311	3 421
Section 31 receipts transferred to OPA		184	47
Cash transferred to the Official Public Account		207	-
Total cash used		10 766	9 766
Net cash from operating activities	9	559	97
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		5	2
Total cash received		5	2
Cash used			
Purchase of property, plant and equipment		1 315	161
Purchase of intangibles		213	123
Total cash used		1 528	284
Net cash (used by) investing activities		(1 523)	(282)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - Departmental capital budget		963	179
Total cash received		963	179
Net cash from financing activities		963	179
Net increase (decrease) in cash held		(1)	(6)
Cash and cash equivalents at the beginning of the reporting period		30	36
Cash and cash equivalents at the end of the reporting period	5A	29	30

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

NATIONAL BLOOD AUTHORITY
SCHEDULE OF COMMITMENTS
as at 30 June 2013

	2013 \$'000	2012 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	589	167
Total commitments receivable	589	167
Commitments payable		
Capital commitments		
Property, plant and equipment	-	(253)
Intangibles	(138)	-
Total capital commitments	(138)	(253)
Other commitments		
Operating leases	(5 009)	(545)
Other	(1 328)	(1 043)
Total other commitments	(6 337)	(1 588)
Net commitments by type	(5 886)	(1 674)
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	132	107
From one to five years	223	60
Over five years	234	-
Total other commitments receivable	589	167
Commitments payable		
Capital commitments		
One year or less	(138)	(253)
Total capital commitments	(138)	(253)
Operating lease commitments		
One year or less	(395)	(414)
From one to five years	(2 040)	(131)
Over five years	(2 574)	-
Total operating lease commitments	(5 009)	(545)
Other commitments		
One year or less	(918)	(514)
From one to five years	(410)	(529)
Total other commitments	(1 328)	(1 043)
Net commitments by maturity	(5 886)	(1 674)

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 19-23 Moore Street, Turner expires on 31 October 2013.

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

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Suppliers	15A	1 003 772	947 820
Grants	15B	8 092	7 773
Depreciation and amortisation	15C	493	291
<i>Total expenses administered on behalf of Government</i>		1 012 357	955 884
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Non-taxation revenue			
Funding from governments	16A	1 049 337	1 015 586
Interest	16B	5 179	4 801
Other revenue	16 C	3 765	14 523
<i>Total own-source revenue administered on behalf of Government</i>		1 058 281	1 034 910
<i>Total own-source income administered on behalf of Government</i>		1 058 281	1 034 910
Net cost of (contribution by) services		(45 924)	(79 026)
Surplus		45 924	79 026
Total comprehensive income		45 924	79 026

NATIONAL BLOOD AUTHORITY
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	17A, 20	230 672	196 754
Trade and other receivables	17B	17 578	16 969
Other investments	17C	106 037	88 335
Total financial assets		354 287	302 058
Non-financial assets			
Inventories	18A	67 654	60 173
Property, plant and equipment	18B	267	404
Intangibles	18D	1 424	1 061
Other non-financial assets	18F	76 031	76 068
Total non-financial assets		145 376	137 706
Total assets administered on behalf of Government		499 663	439 764
LIABILITIES			
Payables			
Suppliers	19A	67 168	61 551
Total payables		67 168	61 551
Total liabilities administered on behalf of Government		67 168	61 551
Net Assets		432 495	378 213

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED RECONCILIATION SCHEDULE
as at 30 June 2013

	2013 \$'000	2012 \$'000
<i>Opening administered assets less administered liabilities as at 1 July</i>	378 213	291 508
Surplus (deficit) items:		
Plus: Administered income	1 058 281	1 034 910
Less: Administered expenses (non CAC)	(1 012 357)	(955 884)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expenses (non CAC)	8 358	7 679
<i>Closing administered assets less administered liabilities as at 30 June</i>	<u>432 495</u>	<u>378 213</u>

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED CASHFLOW STATEMENT
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Commonwealth contributions		674 348	640 176
State and territory contributions		374 989	376 213
Interest		5 245	3 067
Net GST received		100 889	94 517
Other		4 142	15 975
Total cash received		1 159 613	1 129 948
Cash used			
Grants		8 901	8 551
Suppliers		1 106 732	1 058 418
Total cash used		1 115 633	1 066 969
Net cash flows from operating activities	20	43 980	62 979
INVESTING ACTIVITIES			
Cash received			
Investments		71 615	46 535
Total cash received		71 615	46 535
Cash used			
Purchase of property, plant & equipment		12	336
Purchase of intangibles		706	147
Investments		89 317	94 259
Total cash used		90 035	94 742
Net cash flows (used by) investing activities		(18 420)	(48 207)
Net increase in cash held		25 560	14 772
Cash and cash equivalents at the beginning of the reporting period		5 340	41 157
Cash from Official Public Account for:			
- Appropriations		8 358	7 679
- Special accounts		1 215 610	1 176 715
		1 223 968	1 184 394
Cash to Official Public Account for:			
- Special accounts		1 254 544	1 234 983
Cash and cash equivalents at the end of the reporting period	17A	324	5 340

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

NATIONAL BLOOD AUTHORITY
SCHEDULE OF ADMINISTERED COMMITMENTS
as at 30 June 2013

	2013 \$'000	2012 \$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	238 391	278 569
Total commitments receivable	238 391	278 569
Commitments payable		
Other commitments		
Other	(2 622 299)	(3 064 260)
Total other commitments	(2 622 299)	(3 064 260)
Net commitments by type	(2 383 908)	(2 785 691)
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	116 743	106 635
From one to five years	121 648	150 500
Over five years	-	21 434
Total other commitments receivable	238 391	278 569
Commitments payable		
Other commitments		
One year or less	(1 284 177)	(1 172 987)
From one to five years	(1 338 122)	(1 655 502)
Over five years	-	(235 771)
Total other commitments	(2 622 299)	(3 064 260)
Net commitments by maturity	(2 383 908)	(2 785 691)

Note: Commitments are GST inclusive where relevant.

1. *The 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 statement should be read in conjunction with the accompanying notes

NATIONAL BLOOD AUTHORITY
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2013

	2013 \$'000	2012 \$'000
Administered contingent liabilities		
Indemnities	266 800	285 481
<i>Total administered contingent liabilities</i>	266 800	285 481

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 MP contract after the date when the Red Cross no longer has sufficient SPC or MPC funding to meet the funded obligations as a result of the cessation of the SPC or MPC funding.

Information on significant remote contingencies and contingencies that cannot be quantified is disclosed in Note 21: Administered – Contingent Assets and Liabilities.

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

TABLE OF CONTENTS - NOTES

Note 1: Summary of Significant Accounting Policies

Note 2: Events After the Reporting Period

Note 3: Expenses

Note 4: Income

Note 5: Financial Assets

Note 6: Non-Financial Assets

Note 7: Payables

Note 8: Provisions

Note 9: Cash Flow Reconciliation

Note 10: Contingent Assets and Liabilities

Note 11: Senior Executive Remuneration

Note 12: Remuneration of Auditors

Note 13: Financial Instruments

Note 14: Financial Assets Reconciliation

Note 15: Administered - Expenses

Note 16: Administered - Income

Note 17: Administered - Financial Assets

Note 18: Administered - Non-Financial Assets

Note 19: Administered - Payables

Note 20: Administered - Cash Flow Reconciliation

Note 21: Administered - Contingent Assets and Liabilities

Note 22: Administered - Investments

Note 23: Administered - Financial Instruments

Note 24: Administered Financial Assets Reconciliation

Note 25: Appropriations

Note 26: Special Accounts and FMA Act Section 39 Investments

Note 27: Compensation and Debt Relief

Note 28: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Note 29: Reporting of Outcomes

Note 30: Net Cash Appropriation Arrangements

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

NOTE 1 Summary of Significant Accounting Policies

1.1 Objectives of the National Blood Authority

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

The NBA is structured to meet one outcome:

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

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

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

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

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

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

Details of planned activities for the year can be found in the Agency Portfolio Budget Statements for 2012-13 which have been tabled in Parliament.

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

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

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

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

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

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

1.3 Significant Accounting Judgments and Estimates

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

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

No new standards, revised standards, interpretations or amending standards that were issued prior to the sign-off date and are applicable to the current reporting period have a financial impact, nor are they expected to have a future financial impact on the NBA.

Future Australian Accounting Standard Requirements

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

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

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

1.5 Revenue

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

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

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

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

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

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

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

Revenue from Government

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

1.6 Gains

Resources Received Free of Charge

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

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

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

Sale of Assets

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

1.7 Transactions with the Government as Owner

Equity Injections

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

1.8 Employee Benefits

Liabilities for 'short term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due 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.

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

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

Superannuation

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

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

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

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

The liability for superannuation recognised as at 30 June represents outstanding contributions as at 30 June 2013.

1.9 Leases

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

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

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

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

1.10 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.

1.11 Financial Assets

The NBA classifies its financial assets in the following categories:

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

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

Effective Interest Method

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

Income is recognised on an effective interest rate basis.

Held-to-Maturity Investments

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

Loans and Receivables

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

Impairment of Financial Assets

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

1.12 Financial Liabilities

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

Other Financial Liabilities

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

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

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

1.13 Contingent Liabilities and Contingent Assets

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

There are no quantifiable contingencies in either the current or immediately preceding reporting periods. Information on significant remote contingencies and contingencies that cannot be quantified is disclosed in Note 10: Contingent Assets and Liabilities.

1.14 Acquisition of Assets

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

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

1.15 Property, Plant and Equipment

Asset Recognition Threshold

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

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

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

Revaluations

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

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

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

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

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

1.18 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 (2012) 288 ALR 410*, 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.

1.19 Reporting of Administered Activities

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

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

Administered Cash Transfers to and from the Official Public Account

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

Revenue

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

Loans and Receivables

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

Inventories

Inventories held for distribution are valued at cost, adjusted for any loss of service potential. Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

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

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

Indemnities

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

Grants

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

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

National Managed Fund

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

The Fund came into effect on 1 July 2000 and to date, no claims have been made against it. The balance of the fund as at 30 June 2013 is \$106,541,621 (30 June 2012: \$93,981,870) made up of a combination of cash, investments and balance of the special account.



NOTE 2: Events after the Reporting Period

Departmental

There were no events occurring after 30 June 2013 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

Administered

There were no events occurring after 30 June 2013 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013 \$'000	2012 \$'000
NOTE 3: Expenses		
Note 3A: Employee Benefits		
Wages and salaries	4 563	4 476
Superannuation:		
Defined contribution plans	407	391
Defined benefit plans	351	308
Leave and other entitlements	903	1 027
Separation and redundancies	-	104
Other employee benefits	266	470
<i>Total employee benefits</i>	6 490	6 776
Note 3B: Suppliers		
Goods and services		
Consultants	177	258
Contractors	242	185
Travel	306	297
Legal	140	213
IT services	956	706
Other	788	645
<i>Total goods and services</i>	2 609	2 304
Goods and services are made up of:		
Provision of goods - external parties	216	223
Rendering of services - related entities	526	215
Rendering of services - external parties	1 867	1 866
<i>Total goods and services</i>	2 609	2 304
Other supplier expenses		
Operating lease rentals - external parties:		
Minimum lease payments	883	470
Workers compensation expenses	77	66
<i>Total other supplier expenses</i>	960	536
<i>Total supplier expenses</i>	3 569	2 840

	2013 \$'000	2012 \$'000
Note 3C: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	184	133
Leasehold improvements	41	37
Total depreciation	225	170
Amortisation:		
Intangibles	624	581
Total amortisation	624	581
Total depreciation and amortisation	849	751
Note 3D: Finance Costs		
Unwinding of discount	3	-
Total finance costs	3	-
Note 3E: Losses from Asset Sales		
Property, plant and equipment:		
Proceeds from sale	5	2
Carrying value of assets sold	43	15
Total losses from asset sales	38	13
NOTE 4: Income		
OWN-SOURCE REVENUE		
Note 4A: Sale of Goods and Rendering of Services		
Rendering of services - related entities	66	194
Rendering of services - external parties	36	38
Total sale of goods and rendering of services	102	232
Note 4B: Other Revenue		
Funding from State and Territory governments	3 910	3 704
Total other revenue	3 910	3 704
Funding from State and Territory governments includes \$nil revenue (2012: \$438,408) which had been previously received and recognised as unearned revenue.		
GAINS		
Note 4C: Other Gains		
Resources received free of charge	94	94
Total other gains	94	94

	2013 \$'000	2012 \$'000
REVENUE FROM GOVERNMENT		
Note 4D: Revenue from Government		
Appropriations:		
Departmental appropriations	6 201	5 686
Total revenue from Government	6 201	5 686

Departmental appropriations include \$nil revenue (2012: \$746,479) which had been previously received and recognised as unearned revenue.

NOTE 5: Financial Assets

Note 5A: Cash and Cash Equivalents

Special Account - cash on hand or on deposit	29	30
Special Account - cash held in the OPA	7 658	7 452
Total cash and cash equivalents	7 687	7 482

Note 5B: Trade and Other Receivables

Goods and Services:

Goods and services - related entities	-	77
Total receivables for goods and services	-	77

Appropriations receivable:

For existing programs	509	375
Total appropriations receivable	509	375

Other receivables:

GST receivable from the Australian Taxation Office	58	89
Total other receivables	58	89
Total trade and other receivables (gross)	567	541
Total trade and other receivables (net)	567	541

Receivables are expected to be recovered in:

No more than 12 months	567	541
Total trade and other receivables (net)	567	541

Receivables are aged as follows:

Not overdue	567	541
Total receivables (gross)	567	541

Credit terms for goods and services were within 30 days (2012: 30 days)

	2013 \$'000	2012 \$'000
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NOTE 6: Non-Financial Assets

Note 6A: Leasehold improvements

Fair value	905	157
Accumulated depreciation	(41)	(157)
Total leasehold improvements	864	-

No indicators of impairment were found for leasehold improvements.

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

Note 6B: Property, Plant and Equipment

Other property, plant and equipment:

Fair Value	932	601
Accumulated depreciation	(293)	(248)
Total property, plant and equipment	639	353

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

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

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30/06/10, an independent valuer, the Australian Valuation Office, conducted the revaluations.

No revaluation increments for leasehold improvements (2012: \$nil) and no increments for plant and equipment (2012: \$nil) were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet. No decrements were expensed (2012: \$nil).

Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012-13)	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2012			
Gross book value	157	601	758
Accumulated depreciation and impairment	(157)	(248)	(405)
Net book value 1 July 2012	-	353	353
Additions:			
By purchase	905	513	1 418
Depreciation expense	(41)	(184)	(225)
Disposals:			
Other	-	(43)	(43)
Net book value 30 June 2013	864	639	1 503
Net book value as of 30 June 2013 represented by:			
Gross book value	905	932	1 837
Accumulated depreciation and impairment	(41)	(293)	(334)
	864	639	1 503

Note 6C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012-13)

	Leasehold improvements \$'000	Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2011			
Gross book value	157	467	624
Accumulated depreciation and impairment	(120)	(133)	(253)
Net book value 1 July 2012	37	334	371
Additions:			
By purchase	-	185	185
Depreciation expense	(37)	(133)	(170)
Other movements		(18)	(18)
Disposals:			
Other disposals	-	(15)	(15)
Net book value 30 June 2012	-	353	353
Net book value as of 30 June 2012 represented by:			
Gross book value	157	601	758
Accumulated depreciation and impairment	(157)	(248)	(405)
	-	353	353
		2013 \$'000	2012 \$'000

Note 6D: Intangibles

Computer software:

Internally developed - in use	2 699	2 674
Total leasehold improvements	864	-

No indicators of impairment were found for leasehold improvements.

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

Note 6B: Property, Plant and Equipment

Other property, plant and equipment:

Fair Value	932	601
Purchased	708	542
Accumulated amortisation	(2 981)	(2 379)
Total intangibles	426	837

No indicators of impairment were found for intangible assets.

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

Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles (2012-13)

As at 1 July 2012

Gross book value	2 674	542	3 216
Accumulated amortisation and impairment	(1 969)	(410)	(2 379)
Net book value 1 July 2012	705	132	837

Additions:

By purchase or internally developed	25	188	213
Amortisation	(465)	(160)	(624)
Other Disposals:			
Cost	-	(22)	(22)
Accumulated amortisation	-	22	22
Net book value 30 June 2013	266	160	426

Net book value as of 30 June 2013 represented by:

Gross book value	2 699	708	3 407
Accumulated amortisation and impairment	(2 433)	(548)	(2 981)
	266	160	426

Note 6E: Reconciliation of the Opening and Closing Balances of Intangibles (2011-12)

As at 1 July 2012

Gross book value	2 566	527	3 093
Accumulated amortisation and impairment	(1 484)	(314)	(1 798)
Net book value 1 July 2011	1 082	213	1 295

Additions:

By purchase or internally developed	108	15	123
Amortisation	(485)	(96)	(581)
Net book value 30 June 2012	705	132	837

Net book value as of 30 June 2012 represented by:

Gross book value	2 674	542	3 216
Accumulated amortisation and impairment	(1 969)	(410)	(2 379)
	705	132	837

	2013 \$'000	2012 \$'000
Note 6F: Other Non-Financial Assets		
Prepayments	134	87
Total other non-financial assets	134	87
Total other non-financial assets are expected to be recovered in :		
No more than 12 months	134	87
Total other non-financial assets	134	87
No indicators of impairment were found for other non-financial assets.		

NOTE 7: Payables

Note 7A: Suppliers

Trade creditors and accruals	457	572
Operating lease rentals	132	-
Total suppliers payables	589	572
Supplier payables expected to be settled within 12 months:		
Related entities	90	13
External entities	499	559
Total suppliers payables	589	572
Settlement was usually made within 30 days.		

Note 7B: Other Payables

Wages and salaries	137	131
Superannuation	24	19
Lease incentive	249	-
Total other payables	410	150
Total other payables are expected to be settled in:		
No more than 12 months	410	150
Total other payables	410	150

NOTE 8: Provisions

Note 8A: Employee Provisions

Leave	1 372	1 217
Total employee provisions	1 372	1 217
Employee provisions are expected to be settled in:		
No more than 12 months	458	551
More than 12 months	914	666
Total employee provisions	1 372	1 217

	2013 \$'000	2012 \$'000
Note 8B: Other Provisions		
Provision for restoration obligations	130	
Total other provisions	130	-
Other provisions are expected to be settled in:		
More than 12 months	130	-
Total other provisions	130	-

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

The NBA currently has 1 (2012: nil) agreement 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 9: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

Cash and cash equivalents as per:

Cash flow statement	29	30
Balance sheet	7 687	7 482
Less cash held in the OPA	(7 658)	(7 452)
Difference	-	-

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

Net cost of services	(6 843)	(6 350)
Add revenue from Government	6 201	5 686
Adjustments for non-cash items:		
Depreciation / amortisation	848	751
Loss on disposal of assets	38	13
Changes in assets and liabilities:		
(Increase) Decrease in net receivables	(98)	1 149
(Increase) in non-financial assets	(47)	(25)
Increase in employee provisions	(155)	(24)
Increase in supplier payables	45	145
Increase (Decrease) in other payables	260	(1 296)
Net cash from operating activities	559	97

NOTE 10: 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.

	2013 \$'000	2012 \$'000
NOTE 11: Senior Executive Remuneration		
Note 11A: Senior Executive Remuneration Expense for the Reporting Period		
Short-term employee benefits:		
Salary	723 726	709 729
Annual leave accrued	34 700	15 688
Vehicle allowances	50 721	47 115
Retention bonuses	20 000	51 000
Total short-term employee benefits	829 147	823 532
Post-employment benefits:		
Superannuation	104 687	113 948
Total post-employment benefits	104 687	113 948
Other long-term benefits:		
Long-service leave	33 193	15 471
Total other long-term benefits	33 193	15 471
Total employment benefits	967 027	952 951

Notes

1. Note 11A is prepared on an accrual basis (so the performance bonus expenses disclosed above differ from the cash 'Bonus paid' in Note 11B).
2. Note 11A includes acting arrangements and part-year service where total remuneration expensed for a senior executive was more than \$180,000. In 2013, there were 2 SES on acting arrangements (2012: 1 SES).

Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

2013		Substantive Senior Executives No.	Reportable salary \$	Contributed superannuation \$	Reportable allowances \$	Bonus paid \$	Total reportable remuneration \$
Average annual reportable remuneration							
Total remuneration (including part-time arrangements):							
less than \$180,000		-	-	-	-	-	-
\$210,000 to \$239,999		1	200 001	31 448	-	-	231 449
\$270,000 to \$299,999		1	242 679	27 690	-	-	270 369
Total		1					
2012		Substantive Senior Executives No.	Reportable salary \$	Contributed superannuation \$	Reportable allowances \$	Bonus paid \$	Total reportable remuneration \$
Average annual reportable remuneration							
Total remuneration (including part-time arrangements):							
less than \$180,000		4	85 861	6 496	-	-	92 357
\$210,000 to \$239,999		2	183 452	42 481	-	-	225 933
\$270,000 to \$299,999		1	236 259	35 858	-	-	272 117
Total		7					

Notes

- This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band During 2011-12. 3 substantive senior executives terminated their employment with the NBA and 2 staff became substantive senior executives for the first time.
- Reportable salary includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
 - exempt foreign employment income; and
 - salary sacrificed benefits.
- Reportable allowances are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- The 'contributed superannuation' amount is the average cost to the NBA for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the NBA during the financial year.

Note 11C: Other Highly Paid Staff

	2013					
	Other highly paid staff No.	Reportable salary \$	Contributed superannuation \$	Reportable allowances \$	Bonus paid \$	Total \$
Average annual reportable remuneration						
Total remuneration (including part-time arrangements):						
\$180,000 to \$209,999	2	171 313	22 774	-	-	194 087
Total	2					
	2012					
	Other highly paid staff No.	Reportable salary \$	Contributed superannuation \$	Reportable allowances \$	Bonus paid \$	Total \$
Average annual reportable remuneration						
Total remuneration (including part-time arrangements):						
\$180,000 to \$209,999	1	180 461	17 127	-	-	197 588
Total	1					

Notes

- This table reports staff:
 - who were employed by the NBA during the reporting period;
 - whose reportable remuneration was \$180,000 or more for the financial period; and
 - were not required to be disclosed in Note 11B or director disclosures.
Each row is an averaged figure based on headcount for individuals in the band.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits);
 - exempt foreign employment income; and
 - salary sacrificed benefits.
- The 'contributed superannuation' amount is the average cost to the NBA for the provision of superannuation benefits to other highly paid staff in that reportable remuneration band during the reporting period.
- 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the NBA during the financial year.

	2013 \$'000	2012 \$'000
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NOTE 12: Remuneration of Auditors

Note 7A: Suppliers

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

Fair value of the services provided

Financial statement audit services	94	94
Total	94	94

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

NOTE 13: Financial Instruments

NOTE 13A: Categories of Financial Instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	7 687	7 482
Trade and other receivables	-	77
Carrying amount of financial assets	7 687	7 559

Financial Liabilities

At amortised cost:

Trade and other creditors	589	572
Carrying amount of financial liabilities	589	572

Note 13B: Fair Value of Financial Instruments

Financial assets

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

Financial liabilities

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

Note 13C: Credit Risk

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

Note 13D: Liquidity Risk

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

The maturity for non-derivative financial liabilities of \$588,889 is within 1 year (2012: \$572,396 within 1 year).

Note 13E: 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'.

NOTE 14: Financial Assets Reconciliation

Financial Assets

Total financial assets as per balance sheet	8 254	8 023
Less: non-financial instrument components:		
Appropriations receivable	509	375
GST receivable from the Australian Taxation Office	58	89
Total financial assets as per financial instruments note	7 687	7 559

	2013 \$'000	2012 \$'000
NOTE 15: Administered - Expenses		
Note 15A: Suppliers		
Purchases of blood and blood products	999 690	944 297
Consultants	1 883	1 582
Contractors	1 501	1 159
Travel	53	63
IT services	486	468
Other	159	251
Total goods and services	1 0003 772	947 820
Goods and services are made up of:		
Provision of goods - external parties	999 842	944 522
Rendering of services - external parties	3 930	3 298
Total goods and services	1 003 772	947 820
Total suppliers expenses	1 003 772	947 820
Note 15B: Grants		
Private sector:		
Non-profit organisations	8 092	7 773
Total grants	8 092	7 773
Note 15C: Depreciation and Amortisation		
Depreciation:		
Property, plant and equipment	149	33
Amortisation:		
Intangibles	344	258
Total depreciation and amortisation	493	291
NOTE 16: Administered - Income		
OWN-SOURCE REVENUE		
Non-Taxation Revenue		
Note 16A: Funding from Governments		
Commonwealth contributions	674 348	640 176
State & Territory contributions	374 989	375 410
Total funding from governments	1 049 337	1 015 586
Note 16B: Interest		
Deposits	5 179	4 801
Total interest	5 179	4 801
Note 16C: Other Revenue		
Other contributions	3 765	14 523
Total other revenue	3 765	14 523

Other contributions relate principally to the return of the prior year surplus from the Blood Service under the Deed of Agreement.

	2013 \$'000	2012 \$'000
NOTE 17: Administered - Financial Assets		
Note 17A: Cash and Cash Equivalents		
Special Account - cash on hand or on deposit	324	5 340
Special Account - cash held in the OPA	230 348	191 414
Total cash and cash equivalents	230 672	196 754
Note 17B: Trade and Other Receivables		
Goods and services:		
Goods and services receivable - external parties	3 037	3 037
Total receivables for goods and services	3 037	3 037
Other receivables:		
Interest	2 752	2 818
GST receivable from Australian Taxation Office	14 826	14 151
Total other receivables	17 578	16 969
Total trade and other receivables (gross)	20 615	20 006
Less impairment allowance account:		
Goods and services	(3 037)	(3 037)
Total trade and other receivables (net)	17 578	16 969
Receivables are expected to be recovered in:		
No more than 12 months	17 578	16 969
Total trade and other receivables (net)	17 578	16 969
Receivables were aged as follows:		
Not overdue	17 578	16 969
Overdue by:		
More than 90 days	3 037	3 037
Total receivables (gross)	20 615	20 006
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	(3 037)	(3 037)
Total impairment allowance account	(3 037)	(3 037)
<i>Credit terms are within 30 days from date of invoice (2012: 30 days).</i>		
Reconciliation of the Impairment Allowance Account		
Movements		
Other Receivables		
Opening balance	(3 037)	(3 037)
Increase/decrease recognised in net surplus	-	-
Closing balance	(3 037)	(3 037)

	2013 \$'000	2012 \$'000
Note 17C: Other Investments		
Deposits	106 037	88 335
Total other investments	106 037	88 335
Other investments are expected to be recovered in:		
No more than 12 months	38 870	60 215
More than 12 months	67 167	28 120
Total other investments	106 037	88 335

Monies invested in term deposits with various approved institutions under Section 39 of the Financial Management and Accountability Act 1997.

NOTE 18: Administered - Non Financial Assets

Note 18A: Inventories

National Reserve inventory held for distribution	41 543	39 312
Other inventory held for distribution	26 111	20 861
Total inventories	67 654	60 173

During 2012-13, \$788,280 of inventory held for distribution related to a net write-off of damaged and expired stock and was recognised as an expense (2012: \$599,548). No items of inventory were recognised at fair value less cost to sell. All inventory is expected to be distributed in the next 12 months.

Note 18B: Property, plant and equipment

Other property, plant and equipment:

Fair value	455	443
Accumulated depreciation	(188)	(39)
Total property, plant and equipment	267	404

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

No revaluation increments for plant and equipment (2012: \$nil) were credited to the asset revaluation surplus.

No decrements (2012: \$nil) were expensed.

	Other property, plant and equipment \$'000	Total \$'000
Note 18C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012-13)		
As at 1 July 2012		
Gross book value	443	443
Accumulated depreciation and impairment	(39)	(39)
Net book value 1 July 2012	404	404
Additions:		
By purchase	12	12
Depreciation expense	(149)	(149)
Net book value 30 June 2013	267	267

	Other property, plant and equipment \$'000	Total \$'000
Net book value as of 30 June 2013 represented by:		
Gross book value	455	455
Accumulated depreciation and impairment	(188)	(188)
	267	267

Note 18C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2011-12)

As at 1 July 2011

Gross book value	36	36
Accumulated depreciation and impairment	(6)	(6)
Net book value 1 July 2011	30	30

Additions:

By purchase	407	407
Depreciation expense	(33)	(33)

Net book value 30 June 2012

404	404
-----	-----

Net book value as of 30 June 2012 represented by:

Gross book value	443	443
Accumulated depreciation and impairment	(39)	(39)
	404	404

2013	2012
\$'000	\$'000

Note 18D: Intangibles

Computer software:

Internally developed - in progress	-	801
Internally developed - in use	1 733	868
Purchased	147	147
Accumulated amortisation	(456)	(755)

Total intangibles

1 424	1 061
-------	-------

No indicators of impairment were found for intangible assets.

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

NOTE 18E: Reconciliation of the Opening and Closing Balances of Intangibles (2012-13)

As at 1 July 2012

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Gross book value	1 669	147	1 816
Accumulated amortisation and impairment	(734)	(21)	(755)
Net book value 1 July 2012	935	126	1 061

NOTE 18E: Reconciliation of the Opening and Closing Balances of Intangibles (2012-13)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
Additions:			
By purchase or internally developed	1 508	-	1 508
Amortisation	(295)	(49)	(344)
Other Disposals:			
Cost	(643)	-	(643)
Accumulated amortisation	643	-	643
Net book value 30 June 2013	2 148	77	2 225
Net book value as of 30 June 2013 represented by:			
Gross book value	2 534	147	2 681
Accumulated amortisation and impairment	(386)	(70)	(456)
	2 148	77	2 225
As at 1 July 2011			
Gross book value	868	-	868
Accumulated amortisation and impairment	(497)	-	(497)
Net book value 1 July 2011	371	-	371
Additions:			
By purchase or internally developed	801	147	948
Amortisation	(237)	(21)	(258)
Net book value 30 June 2012	935	126	1 061
Net book value as of 30 June 2012 represented by:			
Gross book value	1 669	147	1 816
Accumulated amortisation and impairment	(734)	(21)	(755)
	935	126	1 061

Note 18F: Other Non-Financial Assets

Prepayments	76 031	76 068
Total other non-financial assets	76 031	76 068
No indicators of impairment were found for other non-financial assets.		
Total other non-financial assets are expected to be recovered in:		
No more than 12 months	76 031	76 068
Total other non-financial assets	76 031	76 068

NOTE 19: Administered - Payables

Note 19A: Suppliers

Trade creditors and accruals

Other
property, plant
and equipment
\$'000

Total
\$'000

67 168 61 551

Total suppliers

67 168 61 551

Supplier payables expected to be settled within 12 months:

External parties

67 168 61 551

Total suppliers

67 168 61 551

Settlement was usually made within 30 days

2013
\$'000

2012
\$'000

NOTE 20: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement

Cash and cash equivalents as per:

Schedule of administered cash flows

324 5 340

Schedule of administered assets and liabilities

230 672 196 754

Less cash held in the OPA

(230 348) (191 414)

Difference

- -

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

Net contribution by services

45 952 79 026

Adjustments for non-cash items

Depreciation / amortisation

493 291

Changes in assets and liabilities:

(Increase) in net receivables

(609) (2 267)

(Increase) in inventories

(7 481) (5 149)

(Increase) / decrease in non-financial assets

36 (1 468)

Increase / (decrease) in supplier payables

5 617 (7 454)

Net cash from operating activities

43 980 62 979

NOTE 21: Administered - Contingent Assets and Liabilities

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 loss of damage suffered by a recipient of certain blood products. The Australian Government's share of any liability is limited to sixty three percent of any agreed net cost.

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

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

NOTE 22: Administered - Investments

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

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

	2013 \$'000	2012 \$'000
NOTE 23: Administered - Financial Instruments		
NOTE 23A: Categories of Financial Instruments		
Financial assets Held-to-maturity:		
Deposits	106 037	88 335
Total	106 037	88 335
Loans and receivables:		
Cash and cash equivalents	230 672	196 754
Trade and other receivables	2 752	2 818
Total	233 424	199 572
Carrying amount of financial assets	339 461	287 907
Financial Liabilities		
At amortised cost:		
Trade and other creditors	67 168	61 551
Carrying amount of financial liabilities	67 168	61 551
Note 23B: Net Income and Expense from Financial Assets		
Held-to-maturity		
Interest Revenue	5 131	3 204
Net gain held-to-maturity	5 131	3 204
Loans and receivables		
Interest Revenue	48	1 597
Net gain from loans and receivables	48	1 597
Net gain from financial assets	5 179	4 801

Note 23C: 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 23D: Credit Risk

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

The credit quality of financial instruments individually determined as impaired is \$3,037,236 (2012: \$3,037,236). Refer to Note 17B.

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

Note 23E: 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.

The maturity for non-derivative financial liabilities of \$67,168,144 (2012: \$61,551,367).

Note 23F: 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'.

	2013 \$'000	2012 \$'000
NOTE 24: Administered Financial Assets Reconciliation		
<i>Financial Assets</i>		
Total financial assets as schedule of administered assets and liabilities	354 287	302 058
Less: non-financial instrument components:		
GST receivable from Australian Taxation Office	14 826	14 151
<i>Total financial assets as per financial instruments note</i>	339 461	287 907

Note 25 Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2013 Appropriations						Appropriation applied in 2013 (current and prior years)	Variance
	Appropriation Act		FMA Act			Total appropriation		
			Section 30	Section 31	Section 32			
Annual Appropriation \$'000	Appropriations reduced \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000	\$'000	\$'000	
7 298	-	-	-	184	-	7 482	7 348	134
-	-	-	-	n/a	-	-	-	-
7 298	-	-	-	184	-	7 482	7 348	134
ADMINISTERED								
Ordinary annual services								
Administered items	8 358	-	-	-	n/a	-	8 538	-
<i>Total administered</i>	8 358	-	-	-	n/a	-	8 358	-

Notes:

- Appropriations reduced under Appropriation Acts (Nos. 1,385) 2012-13, sections 10, 11 and 12 and under Appropriation Acts (Nos. 2,486) 2012-13, sections 12, 13 and 14. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1,385) 2012-13 and section 12 of Appropriation Acts (Nos. 2,486) 2012-13, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.
- Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1,385) 2012-13, section 13 and Appropriation Acts (Nos. 2,486) 2012-13, section 15.
- Table A includes Ordinary annual services - Departmental Capital Budget and Payments for non-financial assets as disclosed in Table B.

Table A: Annual Appropriations (Recoverable GST exclusive)

	2013 Appropriations						Appropriation applied in 2013 (current and prior years)	Variance	
	Appropriation Act		FMA Act						Total appropriation
	Annual Appropriation \$'000	Appropriations reduced \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000			
DEPARTMENTAL									
Ordinary annual services	5 494	-	-	-	47	-	5 541	5 166	375
Other services									
Equity	-	-	-	-	n/a	-	-	-	-
<i>Total departmental</i>	5 494	-	-	-	47	-	5 541	5 166	375
ADMINISTERED									
Ordinary annual services									
Administered items	7 679	-	-	-	n/a	-	7 679	7 679	-
<i>Total administered</i>	7 679	-	-	-	n/a	-	7 679	7 679	-

Notes:

- a. Appropriations reduced under Appropriation Acts (Nos. 1 & 3) 2011–12: sections 10, 11, 12 and 15 and under Appropriation Acts (Nos. 2 & 4) 2011–12: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1, 3 & 5) 2011–12 and section 12 of Appropriation Acts (Nos. 2, 4 & 6) 2011–12, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.
- b. Advance to the Finance Minister (AFM) – Appropriation Acts (Nos. 1 & 3) 2011–12: section 13 and Appropriation Acts (Nos. 2 & 4) 2011–12: section 15.
- c. Table A includes Ordinary annual services – Departmental Capital Budget and Payments for non-financial assets as disclosed in Table B.

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

	2013 Capital Budget Appropriations				Capital Budget Appropriations applied in 2013				Variance \$'000
	Appropriation Act		FMA Act		(current and prior years)				
			Section 32	Total Capital Budget Appropriations \$'000					
	Annual Capital Budget \$'000	Appropriations reduced \$'000	Section 32 \$'000	Total Capital Budget Appropriations \$'000	Payments for non-financial assets \$'000	Payments for other purposes \$'000	Total payments \$'000		
1 097	-	-	1 097	693	-	963	134		
DEPARTMENTAL									
Ordinary annual services - Departmental Capital Budget									
1 097	-	-	1 097	693	-	963	134		
ADMINISTERED									
Ordinary annual services - Administered Capital Budget									
-	-	-	-	-	-	-	-		

Notes:

- Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1.35). 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 Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1 & 3) 2011-12: section 13 and Appropriation Acts (Nos. 2 & 4) 2011-12: section 15.*
- Appropriations reduced under Appropriation Acts (No. 1.35) 2012-13: sections 10,11,12 and 15 or via a determination by the Finance Minister.*
- Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition and the and the capital repayment component of finance leases.*

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

	2013 Capital Budget Appropriations				Capital Budget Appropriations applied in 2013				Variance \$'000
	Appropriation Act		FMA Act		Total Capital Budget Appropriations \$'000	(current and prior years)		Total payments \$'000	
			Section 32 \$'000						
	Annual Capital Budget \$'000	Appropriations reduced \$'000	Section 32 \$'000	Total Capital Budget Appropriations \$'000	Payments for non-financial assets \$'000	Payments for other purposes \$'000	Total payments \$'000		
DEPARTMENTAL									
Ordinary annual services - Departmental									
Capital Budget	554	-	-	554	197	-	179	375	
ADMINISTERED									
Ordinary annual services - Administered									
Capital Budget	-	-	-	-	-	-	-	-	

Notes:

- Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No. 1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations, Advance to the Finance Minister (AFM) - Appropriation Acts (Nos. 1 & 3) 2011-12: section 13 and Appropriation Acts (Nos. 2 & 4) 2011-12: section 15.
- Appropriations reduced under Appropriation Acts (No. 1,3,5) 2012-13: sections 10,11,12 and 15 or via a determination by the Finance Minister.
- Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition and the and the capita

Table C: Unspent Annual Appropriations (Recoverable GST exclusive)

Authority	2013 \$'000	2012 \$'000
DEPARTMENTAL		
Appropriation Act (No.1) 2012-13	509	-
Appropriation Act (No.1) 2011-12	-	375
Total	509	375

Table D: Special Appropriations (Recoverable GST exclusive)

Table D is blank for financial years 2012 and 2013.

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

Table E is blank for financial years 2012 and 2013.

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

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

Notes:

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

2012	Amount required ³ - by Appropriation Act			Total amount required	Total amount appropriated	Total reduction
Ordinary Annual Services	Act (No.1)	Act (No.3)	Act (No.3)			
Outcome 1	\$7,679,000.00	-	-	\$7,679,000.00	\$7,679,000.00	-

Notes:

- Numbers in this section are disclosed to the cent.
- Administered items for 2012 were reduced to these amounts when these financial statements were tabled in Parliament as part of the NBA's 2012 annual report. This reduction was effective in 2013, but the amounts were reflected in Table A in the 2012 financial statements in the column 'Appropriations reduced' as they were adjustments to 2012 appropriations.
- Amount required as per Appropriation Act (Act 1 s. 11; Act 2 s. 12).
- Total amount appropriated in 2012.
- Total reduction effective in 2013.

NOTE 26: Special Accounts and FMA Act Section 39

Note 26A: Special Accounts (Recoverable GST exclusive)

	The National Blood Account		National Managed Fund (Blood and Blood Products)	
	2013	2012	2013	2012
Balance brought forward from previous period	207 158	148 183	307	1 076
Increases:				
Appropriation credited to special account	12 522	12 798	-	-
Costs recovered	-	-	-	-
Realised investments	-	-	76 631	182 408
Other receipts – Commonwealth contributions	669 242	635 070	5 106	5 106
Other receipts – State and territory contributions	376 445	376 479	2 999	2 999
Other receipts – External parties	3 784	14 404	5 410	3 231
Total increases	1 064 993	1 038 751	90 146	193 744
Available for payments				
Decreases:				
Departmental				
Payments made to employees	6 076	6 298	-	-
Payments made to suppliers	5 512	3 396	-	-
Total departmental decreases	11 588	9 694	-	-
Administered				
Payments made to suppliers	1 013 193	970 082	956	198
Investments made from the special account (FMA Act section 39)	-	-	89 317	194 315
Total administered decreases	1 013 193	970 082	90 273	194 513
Total decreases	1 024 781	979 776	90 273	194 513
Total balance carried forward to the next period	247 370	207 158	180	307

Notes:

1. *Appropriation: Financial Management and Accountability Act 1997 section 21*
Establishing Instrument: National Blood Authority Act 2003

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

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

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

NOTE 26: Special Accounts and FMA Act Section 39

Note 26B: Investments made under section 39 of the FMA Act (Recoverable GST exclusive)

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

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

2012	Balance brought forward from previous period \$'000	Investments made \$'000	Investment income \$'000	Transactional charges \$'000	Investments realised \$'000	Total balance carried to the next period \$'000
Financial Management and Accountability (Finance Minister to Chief Executives) Delegation 2009 - Amendment No. 2 2010	81,768	191,248	3,067	-	182,40	93,675
Total	81,768	191,248	3,067	-	182,40	93,675

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

NOTE 27: Compensation and Debt Relief

Departmental

- No 'Act of Grace' payments were expensed during the reporting period (2012: no expenses).
- No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012: no waivers).
- No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) during the reporting period (2012: no payments).
- No ex gratia payments were provided for during the reporting period (2012: no payments).
- No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period (2012: no payments).

Administered

No 'Act of Grace' expenses were incurred during the reporting period (2012: no expenses).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012: no waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) during the reporting period (2012: no payments).

No ex gratia payments were provided for during the reporting period (2012: no payments).

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* (PS Act) during the reporting period (2012: no payments).

NOTE 28: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

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

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

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

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

- 2 special accounts

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

During 2012/13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The NBA will review its processes and controls over payments for these items in 2013/14 to minimise the possibility for future breaches as a result of these payments.

Note 29: Reporting of Outcomes

Note 29A: Net Cost of Outcome Delivery

	Outcome 1	
	2013 \$'000	2012 \$'000
Departmental		
Expenses	10 949	10 380
Own-source income	4 106	4 030
Administered		
Expenses	1 012 357	955 884
Own-source income	383 933	394 734
Net cost of outcome delivery	635 267	567 500

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

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

Refer to Outcome 1 Resourcing Table in this Annual Report.

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

The NBA has only one Outcome. Refer to the Administered Schedule of Comprehensive Income and the Administered Schedule of Assets and Liabilities.

Outcome 1 is described in Note 1.1. Net costs shown included intra-government costs that were eliminated in calculating the actual Budget Outcome.

NOTE 30: Net Cash Appropriation Arrangements

	2013 \$'000	2012 \$'000
Total comprehensive (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(1 491)	(1 415)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	849	751
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(642)	(664)

Notes

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.





5

APPENDICES

APPENDIX 1. COMMITTEE AND BOARD MEMBER PROFILES

APPENDIX 2. FRESH BLOOD COMPONENTS SUPPLIED UNDER
CONTRACT BY THE BLOOD SERVICE IN 2012-13

APPENDIX 3. PLASMA AND RECOMBINANT PRODUCTS
SUPPLIED UNDER CONTRACT IN 2012-13

APPENDIX 4. MANDATORY REPORTING

APPENDIX 5. LIST OF REQUIREMENTS

APPENDIX 6. ACRONYMS AND ABBREVIATIONS

INDEX



APPENDIX 1. COMMITTEE AND BOARD MEMBER PROFILES

NBA Board

Ms Gayle Ginnane — chair

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

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

Ms Ginnane is a member of the Institute of Public Administration and the Australian Institute of Management, 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 Ken Barker — financial expert

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

Mr Barker has worked with the former New South Wales Blood Transfusion Service, and has made important contributions to many of the key decisions and events that have shaped the current Australian blood sector: the establishment of the Australian Red Cross Blood Service, 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. He served as Chair of the NBA Audit Committee between 2003 and 2007 and continues to serve as an Audit Committee member.

Mr Paul Bedbrook — community representative

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

Mr Bedbrook was appointed community representative on the NBA Board in May 2011.

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

Professor Chris Brook is the Executive Director, Well-being, Integrated Care and Ageing for the Victorian Department of Health. This role focuses on prevention and population health, aboriginal health, integrated care, aged care, workforce policy and planning in the health sector and internal departmental human resource functions. He is also the State Health and Medical Commander for Emergency Management, a portfolio involving hospitals, residential aged care facilities, community health centres, non-government organisations and local government.

Professor Brook's original postgraduate training was as a specialist physician but he has subsequently gained specialist qualifications in public health medicine and in medical administration.

Professor Brook is a regular attendee at SCoH meetings and during the year was a member of Community Care and Population Health Principal Committee (CCPHPC). He has extensive policy and management experience in blood and blood products. He is a former president and an honorary life member of the International Society for Quality in Healthcare and a Fellow of the Victorian Division of the Institute of Public Administration, Australia.

He chairs the Advisory Committee of Deakin University Medical School and is a member of the board of the Centre for Evidence in Intervention and Prevention Science. In 2011, he was awarded a Public Service Medal.

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 of Health. 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 Australian Health Ministers' Advisory Committee (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 and Ageing. She retired recently but is continuing to work part-time providing strategic and policy support to the Department of Health. Ms Murnane was recently appointed to the Human Genetics Advisory Committee of the NHMRC.

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

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

Professor Rubin is Director of Clinical Governance with the South Eastern Sydney Local Health District and is Professor of Public Health at both the University of Sydney and the University of New South Wales. He is a past President of the Australasian Faculty of Public Health Medicine and Board member of the Royal Australasian College of Physicians. While he practices clinically in addiction medicine in Sydney, he has worked internationally in the Americas and Asia and has published more than 150 scientific papers in the peer reviewed literature including reports on the appropriateness of use of blood products. He has served as Director of Epidemiology and Health Services Evaluation and as Chief Health Officer with NSW Health where he was instrumental in developing public health infrastructure and education. For 10 years he was a medical epidemiologist working in reproductive health with the United States Centers for Disease Control and Prevention and with the Ford Foundation in Bangladesh.


Professor Rubin was appointed to the NBA Board in May 2011

Audit Committee Chair

Ms Jennifer Morison FCA, FCPA, FAIM



Ms Jennifer Morison, the Chair of the Audit Committee, is a chartered accountant with 32 years of broad experience in the profession and in commerce. Her career has included audit, taxation, management consulting, corporate advisory work, and consulting to government. She is a leading consultant in the area of public sector financial management reform in Australia and is an independent member and chair of a number of Commonwealth and ACT government audit and risk committees. She was awarded the Centenary medal for services to the accounting profession in 2000. Ms Morison was appointed Chair of the NBA's Audit Committee in 2007, having been a member of the committee since 2004.



APPENDIX 2. FRESH BLOOD COMPONENTS SUPPLIED UNDER CONTRACT BY THE BLOOD SERVICE IN 2012-13

TABLE 5.1 Fresh blood components supplied under contract by the Blood Service, 2012-13

Product Type	Name	Presentation	IBC Price
Red blood cells	Whole blood (WB) red cells leucodepleted	>200ml ¹	\$365.34
	WB paediatric red cells leucodepleted (set of 4)	25-100ml ¹	\$280.17
	WB washed red cells leucodepleted	>130ml ¹	\$275.36
Platelets	WB platelet pool leucodepleted	>160ml ¹	\$391.22
	Apheresis platelet leucodepleted	100-400ml ¹	\$547.44
	Paediatric apheresis platelet leucodepleted (set of 4)	40-60ml ¹	\$284.36
Clinical fresh frozen plasma (FFP)	WB clinical FFP	295ml+/-10% ¹	\$296.15
	WB paediatric clinical FFP (set of 4)	60-80mL ¹	\$59.00
	Apheresis clinical FFP	295ml +/-10% ¹	\$329.01
Cryoprecipitate	WB cryoprecipitate	30-40ml ¹	\$39.88
	Apheresis cryoprecipitate	54-66mL ¹	\$198.34
Cryo-depleted plasma	WB cryo-depleted plasma	215-265mL ¹	\$40.36
	Apheresis cryo-depleted plasma	495-605mL ¹	\$184.68
Other products	Autologous donation	NA	\$469.72
	Directed donation complying with AHMAC guidelines	NA	\$413.90
	Serum eye drops	Single Collection	\$818.44
Plasma for Fractionation	Plasma for Fractionation ²	Presentation size NA, but costed per kg	\$242.93

¹ The presentation volume for a typical unit content is specified in the Australian Red Cross Blood Service Blood Component Information, 2012. URL: <http://www.transfusion.com.au/sites/default/files/BCI%202012.pdf>.

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

APPENDIX 3. PLASMA AND RECOMBINANT PRODUCTS SUPPLIED UNDER CONTRACT IN 2012-13

TABLE 5.2 Plasma and recombinant products supplied under contract, 2012-13

Product Type	Name	Presentation	Supplier	Price
Albumin	Albumex	20% 10ml	CSL Behring	\$14.73
		20% 100ml		\$64.28
		4% 50ml		\$14.73
		4% 500ml		\$64.28
Factor VII (plasma derived - imported)	Factor VII Concentrate	600 IU	Baxter Healthcare	\$438.00
Factor VIIa (recombinant - imported)	NovoSeven	1mg	Novo Nordisk Pharmaceuticals	\$1,205.57
		2mg		\$2,411.13
		5mg		\$6,027.83
		8mg		\$9,644.56
Factor VIII Anti-Inhibitor (plasma derived - imported)	FEIBA	500 IU	Baxter Healthcare	\$1,200.00
		1000 IU		\$2,400.00
		NF 500 IU		\$1,200.00
		NF 1000 IU		\$2,400.00

Product Type	Name	Presentation	Supplier	Price
Factor VIII (plasma derived - domestic)	Biostate	250 IU	CSL Behring	\$207.37 ¹
		500 IU		\$414.74 ¹
		1000 IU		\$829.49 ¹
Factor VIII (recombinant - imported)	Kogenate FS	250 IU	Bayer	\$145.00
		500 IU		\$290.00
		1000 IU		\$580.00
		2000 IU		\$1,160.00
		3000 IU		\$1,740.00
Factor VIII (recombinant - imported)	Xyntha	250 IU	Pfizer Australia	\$196.53
		500 IU		\$393.05
		1000 IU		\$786.10
		2000 IU		\$1,572.20
		3000 IU		\$2,358.30
Factor IX (plasma derived - domestic)	MonoFIX	500 IU	CSL Behring	\$414.74 ¹
		1000 IU		\$829.49 ¹
Factor IX (recombinant - imported)	BeneFIX	250 IU	Pfizer Australia	\$301.18
		500 IU		\$602.35
		1000 IU		\$1,204.70
		2000 IU		\$2,409.40
Factor XI (plasma derived - imported)	Factor XI	1 IU	CSL Behring	\$11.13
Factor XIII (plasma derived - imported)	Fibrogammin P	250 IU	CSL Behring	\$127.68
		1250 IU		\$638.39
Human prothrombin complex (plasma derived - domestic)	Prothrombinex	500 IU	CSL Behring	\$264.40 ¹
Protein C concentrate (plasma derived - imported)	Ceprotin	500 IU	Baxter Healthcare	\$1,075.00
		1000 IU		\$2,150.00
Antithrombin III concentrate (plasma derived - domestic)	Thrombotrol	1000 IU	CSL Behring	\$1,337.55 ¹
Intravenous immunoglobulin (IVIg) (plasma derived - domestic)	Intragam P	50ml	CSL Behring	\$189.32 ¹
		200ml		\$757.29 ¹

Product Type	Name	Presentation	Supplier	Price
IVIg (plasma derived – imported)	Octagam	5% 1g/20ml	Octapharma AG	\$56.39
		5% 2.5g/50ml		\$140.98
		5% 5g/100ml		\$281.95
		5% 10g/200ml		\$563.90
		10% 2g/20ml		\$112.78
		10% 5g/50ml		\$281.95
		10% 10g/100ml		\$563.90
		10% 20g/200ml		\$1,127.80
IVIg (plasma derived – imported)	Kiovig	10% 1g/10ml	Baxter Healthcare	\$56.39
		10% 2.5g/25ml		\$140.98
		10% 5g/5ml		\$281.95
		10% 10g/100ml		\$563.90
		10% 20g/200ml		\$1,127.80
Normal immunoglobulin (NIg) (plasma derived – domestic)	Normal Immunoglobulin	2ml (0.32g)	CSL Behring	\$30.10 ¹
		5ml (0.80g)		\$49.34 ¹
CMV immunoglobulin (plasma derived – domestic)	CMV Immunoglobulin	1.5 million units	CSL Behring	\$1,143.71 ¹
Hepatitis B immunoglobulin (plasma derived – domestic)	Hepatitis B Immunoglobulin	100 IU (2ml)	CSL Behring	\$41.80 ¹
		400 IU (5ml)		\$95.70 ¹
RhD immunoglobulin (plasma derived – imported)	Rhophylac	1500 IU	CSL Behring	\$361.65
RhD immunoglobulin (plasma derived – domestic)	RhD Immunoglobulin	250 IU	CSL Behring	\$41.80 ¹
		625 IU		\$70.77 ¹
Tetanus immunoglobulin (plasma derived – domestic)	Tetanus Immunoglobulin	250 IU	CSL Behring	\$41.32 ¹
		4000 IU		\$661.13 ¹
Zoster immunoglobulin (plasma derived – domestic)	Zoster Immunoglobulin	200 IU	CSL Behring	\$262.13 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

The NBA moved premises in February 2013 and in conjunction with the move, workstation assessments were offered to all staff, in particular, those employees with pre-existing injuries. Additionally, a Work Health and Safety (WHS) review of the new premises was undertaken in March with ten minor recommendations arising from the review which have all been implemented at little cost to the NBA and with minimal change to current WHS practices. The report made note that the NBA has *taken a strong commitment to the provision of a high standard of Work Health and Safety in establishing arrangements in the new office* and is to *be highly commended for its current level of performance in relation to WHS performance*.

The NBA's elected Health and Safety Representative fulfilled the requirements for the Health and Safety Representative Refresher Training course during the year.

Regular WHS reports were provided to the Executive on a monthly basis and there were no reportable incidents lodged with Comcare during the reporting year.

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

- reports on WHS issues and wider Health and Safety Management Arrangements (HSMA) issues being provided to our Staff Participation Forum
- 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 PPC Worldwide for EAP services.

The NBA continued with its health program to assist staff in maintaining and improving their health and continued to offer employees allowances for screen-based spectacles, software for assistance in managing keyboard requirements, the provision of hand sanitiser equipment upon entry to our premises, as well as influenza vaccinations to employees and their immediate family members.

Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires particulars of all amounts greater than \$10,300 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 2012–13.

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 2012–13, this included the following examples:

- recycling into three streams of waste – co-mingled material, paper and printer cartridges
- purchasing 100 per cent GreenPower for electricity use and offsetting air travel through the GreenFleet program
- 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 either 100 per cent recycled or carbon neutral paper
- running the air conditioning system on a timer for operation only during business hours
- participating in Earth Hour – the office was fully compliant and all staff were encouraged to participate
- increasing the use of teleconferencing, web-conferencing and video-conferencing facilities to reduce the need for air travel
- ensuring that through our purchasing activities further improvements were made within our blood product supply contracts
- completed a project to replace our ICT infrastructure with more efficient equipment resulting in a marked reduction in power consumption
- commenced the implementation of an electronic document and records management system
- implemented full electronic delivery of papers within the NBA and the NBA Board using BloodDocs and looking at expanding to other committees
- moved to a new tenancy and introduced new measures which has resulted in a reduction of our monthly power consumption by 20 per cent.

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

TABLE 5.3 NBA Environmental performance indicators

Theme	Performance measure	Indicator(s)	2010-11	2011-12 ¹	2012-13 ²
Energy efficiency	Total consumption of energy	Amount of electricity consumed (kWh)	140,900 kWh	154,160 kWh	184,564 kWh
		Amount of gas consumed (MJ)	0 MJ	0 MJ	0 MJ
		Amount of other fuels consumed (\$/kWh/MJ/L)	0 ³	0	0
		Air travel distances (km)	825,716,km ⁴	743,949 km	703,227 kms
	Total consumption of green energy	Amount of green energy purchased/consumed (\$/kWh)	140,900 kWh	154,160 kWh	184,564 kWh
	Greenhouse gas emissions	Amount of greenhouse gases produced (tonnes)	20.22 tonnes ⁵	0 tonnes ⁶	0 tonnes ⁷
	Relative energy uses	Amount of green energy purchased divided by the amount of electricity consumed	100%	100%	100%
		Amount of total energy consumed (kWh) per employee	2,818 kWh	2,964 kWh	3,025 kWh ⁸

Theme	Performance measure	Indicator(s)	2010-11	2011-12 ¹	2012-13 ²
Waste	Total waste production	Amount of waste produced (tonnes)	7.64 tonnes	7.09 tonnes	9.93 tonnes
	Un-recyclable waste production	Amount of waste going to landfills (tonnes)	3.69 tonnes	3.69 tonnes	2.95 tonnes
	Recyclable waste production (excluding office paper)	Amount of waste going to recycling facilities (tonnes)	1.335 tonnes	0.486 tonnes	1.071 tonnes
	Paper waste production	Amount of waste paper going to recycling facilities (tonnes)	2.615 tonnes	2.918 tonnes	5.909 tonnes ⁹
		Amount of paper sourced from recyclable sources (tonnes)	1.99 tonnes	2.075 tonnes	0.925 tonnes
		Percentage of paper sourced from recyclable sources (per cent)	76%	96%	43% ¹⁰
	Use of renewable/ recyclable products	Amount of products sourced from renewable/ recyclable sources (tonnes)	76%	96%	43%
Water	Relative waste production	Amount of total waste (tonnes) per employee	0.15 tonnes	0.136 tonnes	0.16 tonnes
	Total consumption of water	Amount of water consumed (L)	493,000 L ¹¹	369,999 L	393,846 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	9,680 L	7,115 L	6,456 L

¹Increases mainly due to the number of contractors engaged throughout the year to develop national ICT systems who are not included in employee calculations. Calculations for per employee figures have been based on 52 FTE.

²The NBA moved to a new tenancy in February 2013; however, the lease for the old tenancy was still effective as at 30 June 2013.

³There was no amount associated with other fuels purchased/consumed in 2010-11 due to the NBA no longer having a leased car.

⁴Elevated figure in 2010-11 was due to deployment of national ICT systems throughout Australia requiring travel for trainers, and the intensive consultation phase for clinical guideline development.

⁵Electricity fully off-set through 100% green energy purchased and during the year, the NBA off-set 767,757 kms in air travel through the GreenFleet program.

⁶Electricity fully off-set through 100% green energy purchased and the NBA off-set 743,949 kms in air travel through the GreenFleet program.

⁷Electricity fully off-set through 100% green energy purchased and the NBA off-set 703,227 kms in air travel through the GreenFleet program.

⁸The NBA had a number of contractors engaged throughout the year - calculations for per employee figures have been based on 53 FTE and 8 contractors.

⁹Increase due to office relocation in February 2013 and consolidation of material.

¹⁰The significant decrease is due to the majority of paper purchased being certified carbon neutral under the National Carbon Offset Standard Carbon Neutral Program - <http://www.climatechange.gov.au/climate-change/carbon-neutral/national-carbon-offset-standard-ncos>

¹¹The decrease in reported water consumption reflects more accurate measurement of allocation of water of our joint tenancy.

Grant programs

Information on grants awarded by the NBA during the period 1 July 2012 to 30 June 2013 is available at www.blood.gov.au/governmental-compliance.

The NBA did not administer any discretionary grants during 2012-13.

Disability reporting

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at www.apsc.gov.au. From 2010-11, departments and agencies were no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy 2010-2020 which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2014, and will be available at www.fahcsia.gov.au.

The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular *How Australia is Faring* report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at www.socialinclusion.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.

The NBA's IPS is available at www.blood.gov.au/ips.

In 2012-13 NBA received no requests for access to documents and no requests for internal review, under the FOI Act. The NBA was not involved in any Administrative Appeals Tribunal matters in respect of the FOI Act.

Errata

p.13 **Figure 2.1** *Vein to vein: the journey of donated blood from donor to patient*

The 2011-12 figure for *Bleeding Disorders* is recorded incorrectly.
The figure should read 1,276.

p. 33 *Plasma and recombinant products*

The first sentence of this section is incorrect and should read:

The cost of plasma-derived and recombinant blood products issued under NBA arrangements for use in the health system in 2011-12 decreased to \$426.5 million, a decrease of \$9.1 million (-2.1 per cent) from 2010-11.

Agency resource statements

The agency resource statement provides details of the funding sources that the NBA drew upon in 2012-13. In addition, it provides information about special accounts balances to be carried over to 2013-14.

	Actual available appropriation for 2012-13 \$'000	Payments made 2012-13 \$'000	Balance remaining 2012-13 \$'000
	(a)	(b)	(a) - (b)
Ordinary Annual Services¹			
Departmental appropriation ²	7,482	7,348	134
Total	7,482	7,348	134
Administered expenses			
Outcome 1 ³	8,358	8,358	
Total	8,358	8,358	
Total ordinary annual services	15,840	15,706	
Special Accounts⁴			
Opening balance	207,465		
Appropriation receipts ⁵	15,522		
Non-appropriation receipts to Special Accounts	1,139,617		
Payments made		1,115,054	
Total Special Account	1,362,604	1,115,054	247,550
Total resourcing and payments	1,378,444	1,130,760	

¹ Appropriation Bill (No.1) 2012-13 and Appropriation Bill (No.3) 2012-13. This may also include Prior Year departmental appropriation and S.31 relevant agency receipts.

² Includes an amount of \$1.1 million in 2012-13 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

³ Includes an amount of \$nil in 2012-13 for the Administered Capital Budget.

⁴ Does not include 'Special Public Money' held in accounts like Other Trust Monies accounts (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 2012-13 included above.

Resource for outcomes

This table provides details of the total funding for each outcome. In 2012-13 the NBA operated under a single outcome.

Outcome 1: Australia's blood supply is secure and well managed	Budget* 2012-13 \$'000	Actual Expenses 2012-13 \$'000	Variation 2012-13 \$'000
	(a)	(b)	(a) - (b)
Program 1.1: National blood agreement management			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No. 1)	8,358	8,358	-
Special Accounts	1,084,929	1,013,193	71,736
Departmental expenses			
Departmental appropriation ¹	7,298	7,348	(50)
Special Accounts	10,555	11,588	(1,033)
Expenses not requiring appropriation in the Budget year	1,046	1,436	(390)
Total for Program 1.1	1,112,186	1,041,923	70,263
Total expenses for Outcome 1	1,112,186	1,041,923	70,263
		2011-12	2012-13
Average Staffing Level (number)		46.5	51.5

* Full year budget, including any subsequent adjustment made to the 2012-13 Budget.

¹ Departmental Appropriation combines "Ordinary annual services (Appropriation Bill 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 FMA Act Bodies* issued by the Department of the Prime Ministers and Cabinet as of 24 June 2013.

na denotes that the requirement was not applicable to the NBA during 2012-13.

nil denotes that this aspect was not reported on for the NBA in 2012-13.

Review by General Manager

Description	Requirement	Page
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	iv
Index	Mandatory	158
Glossary	Mandatory	156
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	8-10
Summary of significant issues and developments	Suggested	8-10, 12-14
Overview of department's performance and financial results	Suggested	8-10, 68-72
Outlook for following year	Suggested	10, 14
Significant issues and developments – portfolio	Portfolio departments – suggested	na

Departmental Overview

Description	Requirement	Page
Role and functions	Mandatory	2-3
Organisational structure	Mandatory	59
Outcome and program structure	Mandatory	18-19
Where outcome and program 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 programs and contribution to outcomes	Mandatory	17-49
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	17- 49
Trend information	Mandatory	4, 21-29, 31, 55, 70, 72
Significant changes in nature of principal functions/services	Suggested	na
Performance of purchaser/provider arrangements	If applicable, suggested	74-75
Factors, events or trends influencing departmental performance	Suggested	8-10, 17-49,
Contribution of risk management in achieving objectives	Suggested	38-39
Social inclusion outcomes	If applicable, mandatory	na
Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	56
Discussion and analysis of the department's financial performance	Mandatory	70 -72
Discussion of any significant changes 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	149-150

Management and Accountability

Corporate Governance

Description	Requirement	Page
Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Mandatory	57
Statement of the main corporate governance practices in place	Mandatory	52-54
Names of the senior executive and their responsibilities	Suggested	52
Senior management committees and their roles	Suggested	52-54
Corporate and operational planning and associated performance reporting and review	Suggested	13, 55
Approach adopted to identifying areas of significant financial or operational risk	Suggested	38-39
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	60
How nature and amount of remuneration for SES officers is determined	Suggested	65

External Scrutiny

Description	Requirement	Page
Significant developments in external scrutiny	Mandatory	56
Judicial decisions and decisions of administrative tribunals	Mandatory	56
Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	56

Management of Human Resources

Description	Requirement	Page
Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	58-65
Workforce planning, staff turnover and retention	Suggested	64
Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	62-63
Training and development undertaken and its impact	Suggested	65
Work health and safety performance	Suggested	65
Productivity gains	Suggested	64
Statistics on staffing	Mandatory	60-62
Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	62-63
Performance pay	Mandatory	65

Assets Management

Description	Requirement	Page
Assessment of effectiveness of assets management	If applicable, mandatory	73

Purchasing

Description	Requirement	Page
Assessment of purchasing against core policies and principles	Mandatory	74-75

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	75

Australian National Audit Office Access Clauses

Description	Requirement	Page
Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	74

Exempt contracts

Description	Requirement	Page
Contracts exempt from the AusTender	Mandatory	74

Financial Statements

Description	Requirement	Page
Financial Statements	Mandatory	76-130

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	143
Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	144
Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	144-147
Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	na
Grant programs	Mandatory	147
Disability reporting	Mandatory	147
Information Publication Scheme statement	Mandatory	148
Spatial reporting	If applicable, mandatory	na
Correction of material errors in previous annual report	If applicable, mandatory	148
Agency Resource Statements and Resources for Outcomes	Mandatory	149-150
List of Requirements	Mandatory	151-155



APPENDIX 6.

ACRONYMS AND ABBREVIATIONS

ABDR	Australian Bleeding Disorders Registry
ACSQHC	Australian Commission of Safety and Quality in Health Care
ACT	Australian Capital Territory
AHCDO	Australia Haemophilia Centre Directors' Organisation
AHMAC	Australian Health Ministers' Advisory Committee
ANAO	Australian National Audit Office
ANZSBT	Australia and New Zealand Society of Blood Transfusion
APS	Australian Public Service
APSC	Australian Public Service Commission
ASTH	Australasian Society of Thrombosis and Haemostasis
Blood Service	Australian Red Cross Blood Service
CAFA	CSL Australian Fractionation Agreement
CUA	Credit Union Australia
DoHA	Department of Health and Ageing
EA	Enterprise agreement
EAP	Employee Assistance Program
ERIC	Electronic Returns Information Capture
FEIBA	factor eight inhibitor bypass agent
FFP/FP	fresh frozen plasma/frozen plasma
FVIII	factor eight
FIX	factor nine
FX	factor ten
GST	goods and services tax
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
HSANZ	Haematology Society of Australia and New Zealand
HSMA	Health and Safety Management Arrangement
HTC	Haemophilia Treatment Centre
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
NBA	National Blood Authority
NBMS	National Blood Management System
NBSCP	National Blood Supply Contingency Plan
NHMRC	National Health and Medical Research Council
Nlg	normal immunoglobulin
NMF	National Managed Fund
NSQHS	National Safety and Quality Health Service
NSP&B	National Supply Plan and Budget
OBFM	Output based funding model
PBM	patient blood management
Red Cross	The Australian Red Cross Society
rFVIIa	recombinant factor seven (A)
rFVIII	recombinant factor eight
rFIX	recombinant factor nine
SCIg	subcutaneous immunoglobulin
SCoH	Standing Council on Health (formerly the Australian Ministers' Health Conference)
SES	Senior Executive Service
TOIL	Time off in lieu
TORC	Transfusion Outcomes Research Collaborative
WB	Whole Blood
WHO	World Health Organization
WHS	Work Health and Safety

INDEX

A

Abacus ALS Pty Ltd, 23, 35

accountability and management, 51–69
see also finance

accreditation against NSQHS standards, 47

acronyms list, 156–7

administered finances, 68–69
special accounts, 68

administrative tribunal decisions, 56

advertising and market research, 146

age demographic of staff, 62

agency resource statements, 149–50

Alzheimer's disease, 14, 43

anaemia, 44

annual report errata, 148

annual report list of requirements, 151–5

apheresis, 24, 31, 139

assets and asset management, 71, 73
administered, 72

Audit Committee, 52, 53–4, 137

Australian Bleeding Disorders Registry, 40

Australian Commission on Safety and Quality in Health Care (ACSQHC), 46, 47, 48

Australian Haemophilia Centre Directors' Organisation (AHCDO), 40

Australian National Audit Office (Auditor-General, ANAO), 54, 56

Australian Private Health Sector Blood Forum, 46, 47

Australian Red Cross Blood Service (Blood Service), 8–9, 14, 18, 30–1

annual meeting with NBA Board, 13

cost indicator on product labels, 47

fresh blood components supplied, 139

National Blood Management System (NBMS) failure, 9, 14, 39

National Managed Fund Action Plan review, 39

research and development framework, 49
see also fresh blood

B

balance sheet, 71

Baxter Healthcare Pty Ltd, 21, 33–5, 43, 140, 141, 142

Bayer Australia, 21, 34, 35, 141

best practice tools, 45–6

Bio-RAD Laboratories Pty Ltd, 22, 35

bleeding, 11, 40
Australian Bleeding Disorders Registry, 40
see also clotting factor products

blood cells, *see* red blood cells

Blood Service, *see* Australian Red Cross Blood Service

Blood Systems Operations Centre, 42

BloodChat, 41

BloodNet, 38, 41

BloodPortal, 40

BloodSafe eLearning Australia, 48

Board, 12–14, 134–7

budget, *see* finance

C

Chief Executive Officer, *see* General Manager

classification of staff, 61–62

- rationalisation of levels, 64

clinical governance, IVlg arrangements, 14, 36–7

clinical practice guidelines, 45

PBM Guidelines, 11, 44, 45, 47, 48

clotting factor products, 21, 25–6, 140–1

- Australian Bleeding Disorders Registry, 40
- haemophilia guidelines, 45

Commonwealth Ombudsman, 56

communication and promotion, 46–7

- see also* information
- communications technology

competitive tendering and contracting, 74

consultants, 75

contracts, *see* purchasing

Critical Bleeding/Massive Transfusion PBM module, 11, 44

Critical Care PBM module, 19, 44

CSL Behring Ltd, 21, 25, 32–35, 139, 140, 141

- imports, 34–5, 143, 144
- normal immunoglobulin (Nlg), 29, 141
- red cell diagnostic reagent products, 35

Customer Service Charter, 56

D

data collection and management, 18, 37–8

- see also* information communications technology

Deed of Agreement, Red Cross, 8, 18, 30–1

deliverables, 18–19

demand, 20–29

- government funding provided to cover, 3–4

Department of Health and Ageing, 64

diagnostic reagent products, 35

disability reporting, 147

E

ecologically sustainable development, 144–6

education and training, 47–8

employees, 58–63

enterprise agreement, 62–63

environmental performance, 144–6

Evogam, 33

exempt contracts, 74

expenditure, *see* finance

external scrutiny, 56

F

Factor VIIa (rFVIIa), 27

Factor VIII (rFVIII), 25, 26, 45

- inhibitor bypass agent (FEIBA), 27–28, 140

Factor IX (rFIX), 25, 26–27, 45

finance, 3–4, 68–131, 149–50

- Audit Committee, 53–54, 137
- see also* purchasing

finance, blood sector, 3–4, 8, 20–4, 68–9, 71–2

- Australian Red Cross Blood Service, 8, 30–1, 49;
- cost indicator on product labels, 47
- CSL Australian Fractionation Agreement products, 32
- imported intravenous immunoglobulin, 33
- imported plasma derived and recombinant blood products, 34
- plasma and recombinant products, 20, 25–6, 28
- red cell diagnostic reagent products, 35

financial assets, 71

Financial Management and Accountability Act 1997, 68

financial statements, 76–130

audit report, 70

fractionation, *see* plasma-derived and recombinant products

fraud control, 57

freedom of information, 148

fresh blood, 8–11, 30–1

components supplied under contract, 139

cost indicator on product labels, 47

National Supply Plan and Budget, 20, 23–25

see also Australian Red Cross Blood Service; red blood cells

functions and role, 2, 12

G

Gammanorm, 34

gender of staff, 61

General Manager, 3, 52

review of year, 8–10

governance, 52–54

blood sector data and information, 38

IVIg arrangements, 18, 36–7

grant programs, 147

H

haematology, 28

haemophilia, 45

see also clotting factor products

haemovigilance, 38

horizon scanning program, 43

human resources, 58–65, 143

I

immunoglobulins (IVIg), 28–9, 33–4

Alzheimer's disease treatment, 14, 43

clinical practice guidelines, 45

CSL Behring Ltd supplies, 21, 23, 25, 27, 29, 31, 32, 33, 34, 142, 143

normal immunoglobulin (NIg), 29, 36

review of authorisation and clinical governance arrangements, 36–37

subcutaneous immunoglobulin (SCIg), 9, 29, 36, 37, 43

immunology, 28

income, *see* finance

information communications technology (ICT), 39–42, 46, 53, 144

Blood Service National Blood Management System (NBMS), 14, 39

BloodNet, 38, 41

Information Publication Scheme statement, 148

internal audit, 54

international sector monitoring, 43

inventory management, 41, 46

Blood Service, 14, 31

BloodNet, 39, 41

CSL Behring Ltd, 32–3, 35

imported intravenous immunoglobulin, 33

imported plasma and recombinant blood products, 34

Iron Deficiency Anaemia, 48

J

judicial decisions, 56

Jurisdictional Blood Committee (JBC), 17

endorsements and approvals, 36–7, 40, 45

K

Kiovig, 34

L

Lateral Diagnostics, 35

leave, unscheduled, 58

liabilities, *see* assets

M

management and accountability, 51–65

see also finance

market research and advertising, 144

Medical PBM module, 11, 18, 44

Ministers, 3

N

National Blood Account, 68–69

National Blood Agreement, 3, 49

evaluations undertaken under Schedule 4, 35, 37

National Blood and Blood Products Wastage Reduction Strategy 2013–17, 38

National Blood Authority Act 2003, 3, 12, 68

National Blood Authority Board, 12–14, 134–7

National Blood Management System (NBMS), 14, 39

National Blood Research and Development Strategic Priorities 2013–16, 49

National Blood Sector Data and Information Strategy and Scorecard 2013–2016, 18, 37

National Blood Sector Education and Training Strategy 2013–16, 47–8

National Blood Sector ICT Strategy 2013–16, 40

National Blood Supply Contingency Plan, 339, 42

National Blood Symposiums, 47

National Data and Information Governance Framework, 38

National Haemovigilance Report 2013, 38

National Health and Medical Research Council (NHMRC), 49

clinical practice guidelines submitted

for consideration, 18

National Managed Fund Action Plan review, 39

National Managed Fund (Blood and Blood Products) Special Account, 68–9

National Patient Blood Management Guidelines Implementation Strategy, 45

National Stewardship Expectations Statement, 9–10, 46–9

National Supply Plan and Budget, 20–9

neurology, 28

non-financial assets, 71

non-ongoing staff, 61

normal immunoglobulin (Nlg), 29, 36

Novo Nordisk Pharmaceuticals Pty Ltd, 20, 32–3, 140

O

Octagam, 34

Octapharma Australia Pty Ltd, 19, 34–5, 142

Ombudsman, 56

ongoing staff, 61

online services, *see* information communications technology

operating result, 70–72

Blood Service, 31

operational planning, 55

organisation and structure, 2–14, 52–4
chart, 59

Ortho-Clinical Diagnostics, 22, 35

outcome and objectives, 18–49

Output Based Funding Model (OBFM), 8, 30

P

parliamentary committee, 56

patient blood management (PBM), 44-9
Guidelines, 11, 17, 44, 45, 46, 47

payroll contract, 58

people management, 58-65, 143

performance, 18-49
environmental, 144-6
in operational planning, 55

performance indicators, 19
Australian Red Cross Blood Service, 32-33
CSL Australian Fractionation Agreement, 32-3
data collection and management, 37
imported intravenous immunoglobulin, 33
imported plasma-derived and recombinant products, 34

performance pay, 65

Perioperative PBM module, 11, 44, 48

Pfizer Australian Pty Ltd, 22, 34-5, 141

planning, 53, 55, 64

plasma, 23, 29, 139

plasma-derived and recombinant products, 25-26, 140-2
clinical practice guidelines, 45
review of risks, 9
see also immunoglobulins

platelets, 21, 23-24, 139

prices, 25

Private Health Sector Blood Forum, 26

procurement, *see* purchasing

productivity gains, 64

promotion and communication, 47
see also information communications technology

Public Service Act 1999, 56, 68

purchasing, 74
advertising and market research, 144
human resources and people management contracts, 58

purchasing of blood and blood products, 21-22
contract management, 30-35

Q

quality improvement initiatives, *see* safe and efficient use

R

recall, 34

recombinant products, *see* plasma-derived and recombinant products

red blood cells, 24, 139
diagnostic reagents, 35
linkage, 38

remuneration of staff, 62, 65

Report on the Issue and Use of IVIg 2011-12, 28

research and development, 49

resource statements, 149-50

revenue, *see* finance

risk management, 14, 18-19, 38-39
Blood Systems Operations Centre, 42
IVIg authorisation and clinical governance arrangements, 36-37; Alzheimer's disease treatment, 13
recall, 34

S

- safe and efficient use, 18-19, 44-49
 - expenditure resulting from measures introduced, 23, 25
- salary and remuneration, 62-65
- savings, 8, 25
- security of supply, *see* supply
- senior executive management team, 52-3
- senior executive service, 61
 - remuneration, 65
- Service Charter, 56
- special accounts, 68-9
- staff, 58-65, 145
- standards, 47, 48
- standing committee on Health, 3
- Statement of Expectations, Blood Service, 30, 31
- Statement on National Stewardship Expectations for the Supply of Blood and Blood Products*, 9-10, 45-8
- subcutaneous immunoglobulin (SCIg), 29, 36, 43
 - approval of introduction under national blood arrangements, 33, 34, 37
- supply, 8-11, 14, 17-43, 138-42
- supply chain management, *see* inventory management

T

- tenders, *see* purchasing
- training, 47-8
- Transfusion Outcomes Research Collaborative, 49
- tribunal decisions, 56

V

- voluntary recalls, 34

W

- wastage data, 38, 46
- website services, *see* information communications technology
- whole blood, 24, 31
- work health and safety, 143

