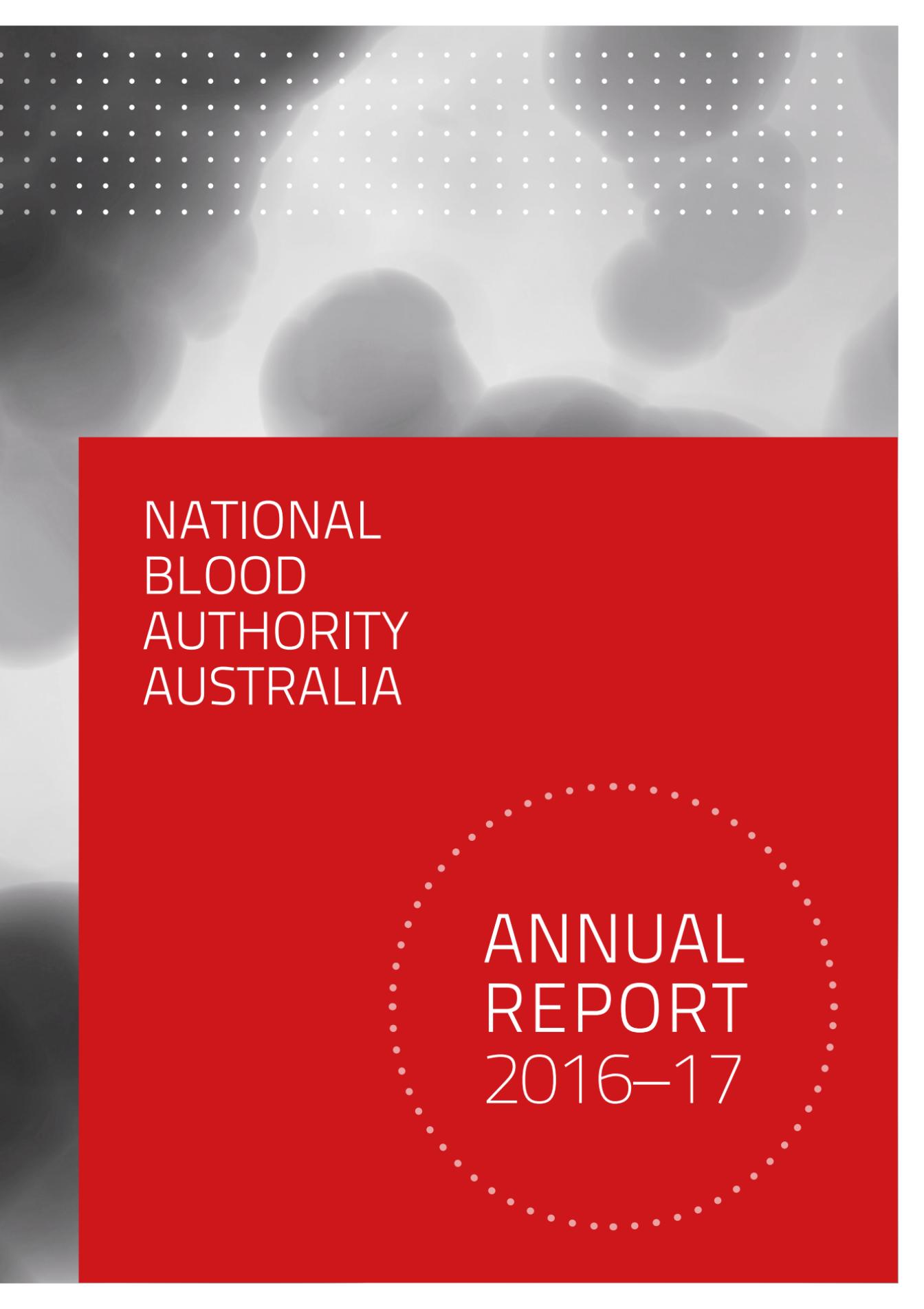


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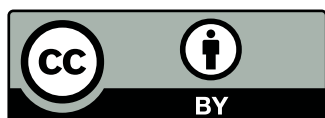
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2016–17



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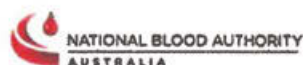
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LETTER OF TRANSMITTAL



The Hon David Gillespie, MP
Assistant Minister for Health
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the 2016–17 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*, and section 46 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

As the accountable authority of the NBA, I also present the 2016–17 annual performance statements of the NBA as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*. In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the *PGPA Act*. I certify that the requirements of the Department of Finance Resource Management Guide No. 135, Annual Reports for non-corporate Commonwealth entities, have been met.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read "John Cahill", written over a light blue horizontal line.

John Cahill
Chief Executive

9 October 2017

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PART



1

OVERVIEW

ORGANISATION AT A GLANCE

CHIEF EXECUTIVE 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 roles of the NBA are to:

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

The NBA

- works with jurisdictions to determine the clinical requirements for blood and blood products and develop an annual supply plan and budget
- negotiates and manages national contracts with suppliers of blood and blood products to obtain the products needed
- assesses blood supply risk and develops commensurate contingency planning
- supports the work of the jurisdictions to improve the way blood products are used - including developing and facilitating strategies and 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 *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, 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 the Chief Executive of the NBA and is a statutory officer responsible to the Commonwealth Minister for Health and the Council of Australian Governments (COAG) Health Council.

Our Outcome

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

Funding

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

In the last ten years, governments have provided funding of \$9,515.0 million for the supply of blood and blood products as detailed in Table 1.1. In 2016-17, the total amount provided was \$1,046.3 million. Governments provided funding of \$9.4 million in 2016-17 for the operation of the NBA.

TABLE 1.1 Government funding for the supply of blood and blood products, 2007-08 to 2016-17

Year	Amount (\$M)	Growth (%)
2007-08	719.5	12.5
2008-09	806.8	12.1
2009-10	878.8	8.9
2010-11	939.2	6.9
2011-12	1,015.6	8.1
2012-13	1,049.3	3.3
2013-14	1,095.9	4.4
2014-15	922.7	-15.8
2015-16	1,040.9	12.8
2016-17	1,046.3	0.5
Total	9,515.0	5.4 (average)

Note: Figures balance to the Audited Financial Statements

Our Staff

As at 30 June 2017, the NBA had an average staffing level of 53 staff. At this date, it also employed 25 contract staff. The organisational structure at 30 June 2017 is shown at Figure 1.1.

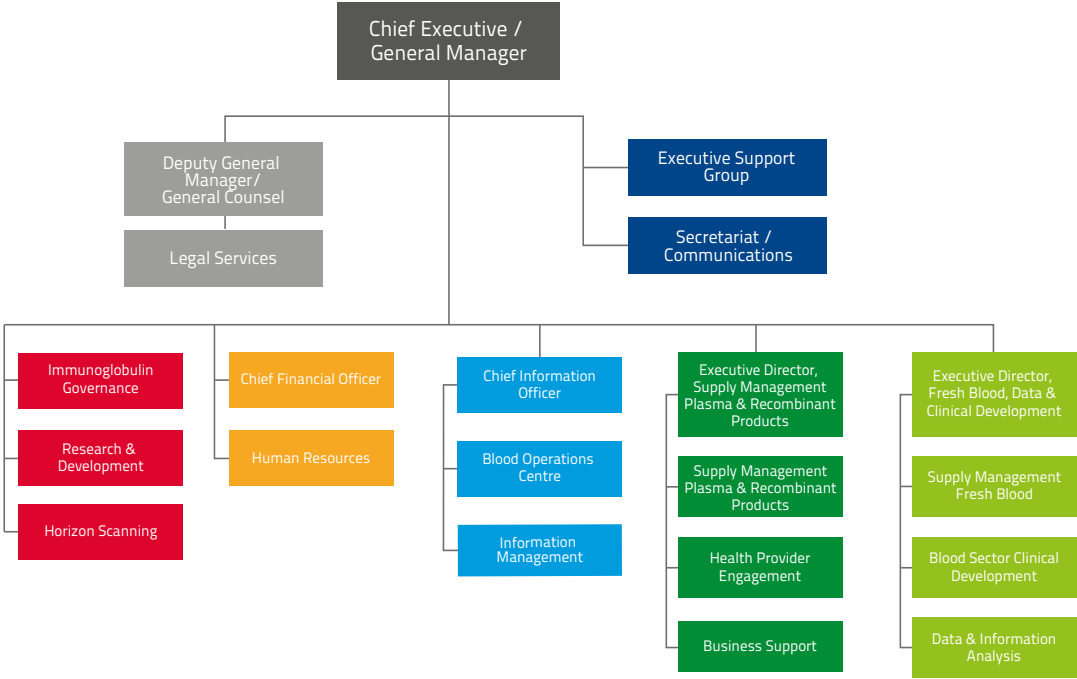


FIGURE 1.1 NBA Organisation as at 30 June 2017

Location

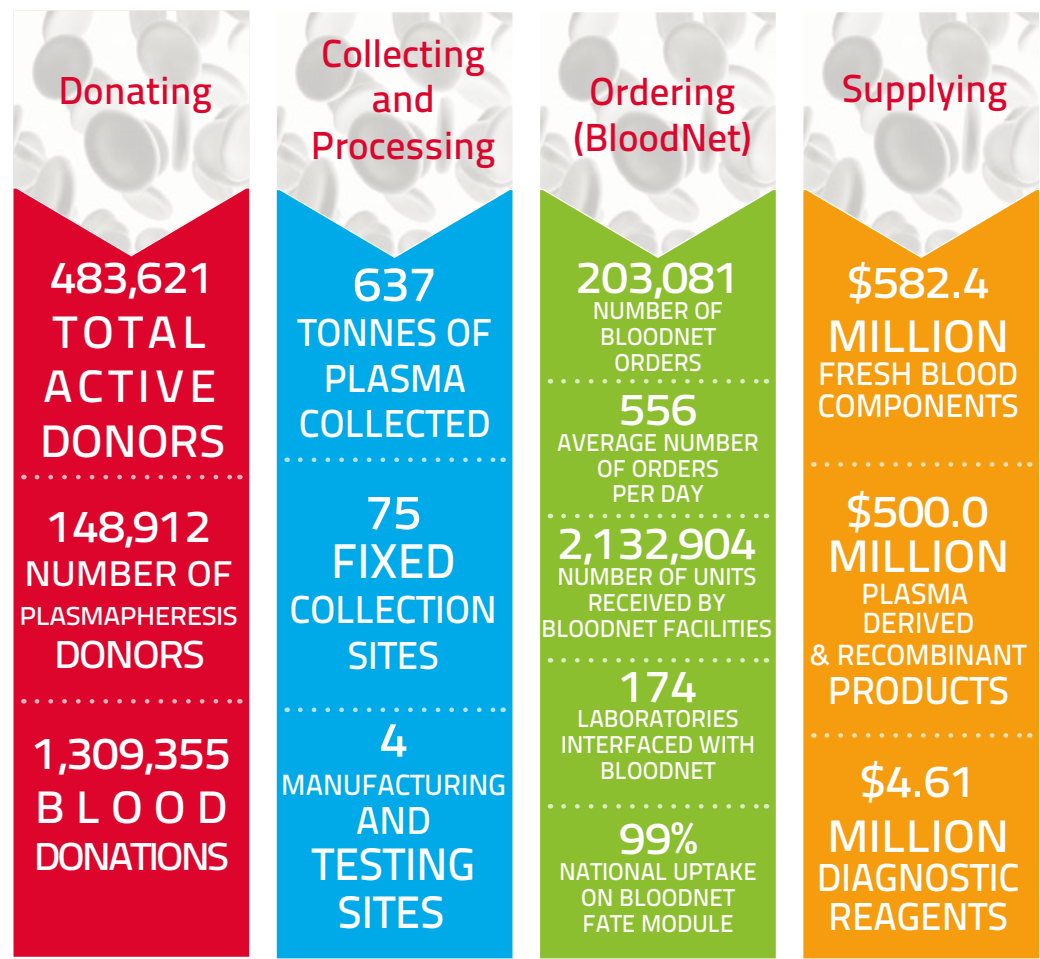
The NBA staff are located in Canberra at Level 2, 243 Northbourne Avenue, Lyneham ACT.

Key Events in the NBA's History

2003	Established by the <i>National Blood Authority Act 2003</i> following the signing of the National Blood Agreement by all state and territory health ministers in November 2002
2004	Commencement of national supply arrangements for imported intravenous immunoglobulin (IVIg) to ensure sufficiency of supply in all jurisdictions
2005	Commencement of an adequate supply of recombinant Factors VIII and IX to fully meet demand
2006	<p>NBA executed a Deed of Agreement with the Australian Red Cross Society for the provision of fresh blood products and plasma for fractionation</p> <p>NBA won the Prime Minister's Silver Award for Excellence in Public Sector Management for procurement of recombinant (manufactured) products</p>
2007	First edition of <i>Criteria for the clinical use of IVIg in Australia</i> was approved

2008	Launch of the National Blood Supply Contingency Plan (NBSCP) to provide clear governance for managing blood shortages
	Launch of the redeveloped Australian Bleeding Disorders Registry (ABDR) to better support planning and clinical management of people with bleeding disorders
2009	Establishment of the Australian National Haemovigilance Program to report on serious transfusion related adverse events
	NBA was awarded the Australian Government Comcover Award for Excellence in Risk Management for the NBSCP
2010	New CSL Australian Fractionation Agreement came into effect
	NBA won a United Nations Public Service Award in the Advancing Knowledge Management in Government category
2011	National rollout of BloodNet, an online web based blood ordering system
	Release of the first module (Critical Bleeding/Massive Transfusion) of the Patient Blood Management (PBM) Guidelines
2012	Release of PBM Guidelines Module 2 Perioperative and Module 3 Medical
	Second edition of <i>IVIg Criteria in Australia</i> was published
2013	Release of PBM Guidelines Module 4 Critical Care
	Inaugural National Blood Symposiums conducted in Sydney, Melbourne and Adelaide
2014	National rollout of MyABDR
	Inaugural PBM Conference held in Perth
	Immunoglobulin governance program and National Immunoglobulin Governance Advisory Committee established
2015	NBA won ACT iAwards in three categories for innovation surrounding the development of BloodNet interfaces with health provider laboratory information systems
	National Blood Symposium held in Brisbane, including the presentation of the inaugural National Blood Awards for Excellence in the Management of Blood
	Release of PBM Guidelines Module 5 Obstetrics and Maternity
2016	A new Deed of Agreement was finalised with the Australian Red Cross Society for the provision of fresh blood products and plasma for fractionation supplied by the Australian Red Cross Blood Service
	Release of PBM Guidelines Module 6 Neonatal and Paediatrics
	Release of National Haemophilia Guidelines developed with the Australian Haemophilia Centre Directors' Organisation (AHCDO)
	National Blood Sector Research and Development Pilot commenced
2017	BloodSTAR launched for registration by hospitals and clinicians
	The Deed of Agreement with the Australian Red Cross Society for the provision of fresh blood products and plasma for fractionation supplied by the Australian Red Cross Blood Service implemented on 1 July 2016
	BloodSTAR implemented in most states and territories
	Round 2 of the National Blood Sector Research and Development Pilot commenced
	Redevelopment of BloodNet commenced (BloodNet 5)
	Negotiations to replace CSL Australian Fractionation Agreement commenced

Year at a Glance:
Snapshot of the blood sector in 2016-17

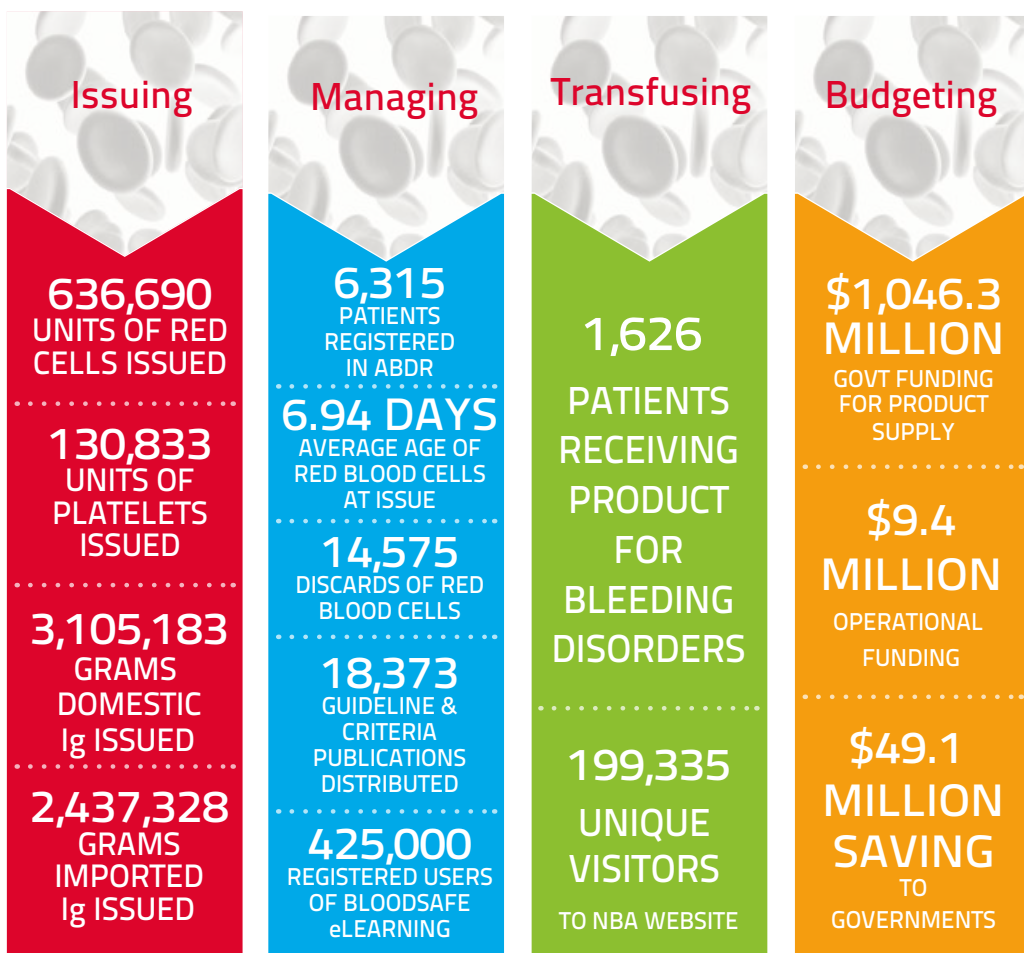


..... KEY ACHIEVEMENTS

DELIVERY OF UNINTERRUPTED SUPPLY TO MEET CLINICAL
DEMAND AT A SIGNIFICANT SAVING OF \$49.1 MILLION

A REDUCTION IN RED CELL WASTAGE FROM 2.8% TO 2.3%
SAVING \$1.4 MILLION

BLOODSTAR IMPLEMENTED IN MOST STATES AND TERRITORIES



KEY ACHIEVEMENTS

NEW DEED OF AGREEMENT WITH THE
AUSTRALIAN RED CROSS SOCIETY IMPLEMENTED

IMPLEMENTED PATIENT BLOOD MANAGEMENT

RESEARCH AND DEVELOPMENT
STAGE 2 GRANTS AWARDED

CHIEF EXECUTIVE REVIEW



John Cahill commenced as Chief Executive of the National Blood Authority on 4 October 2016.

He has come to this role from a position as First Assistant Secretary in the Commonwealth Department of Health. He brings wide ranging policy, program, operations, service delivery and corporate management knowledge and experience, including more than 23 years' experience as a senior executive with various federal government departments and agencies.

His most recent roles have involved the leadership and management of major projects and the delivery of challenging and complex services across Australia and in Australia's partner countries in relation to highly sensitive and contested policy development and implementation. This has included the management and delivery of significant health services, infrastructure services, major procurement and the management of contracts with a value in excess of A\$10 billion. It has also included difficult security and logistics operations.

John was inaugural Chief Executive of Biosecurity Australia, responsible for successfully establishing and leading that Agency to undertake independent science-based risk assessments of animal and plant health risks to Australia and provide policy advice to government on these issues. He had previously worked in senior executive roles involving large and complex operations delivering Australia's quarantine border controls relating to animal, plant and human health issues. He has also been responsible for delivering substantial corporate management, governance and related services including HR, finance and ICT. He has extensive leadership and management experience in a commercially operating regulatory authority with budgets exceeding \$300 million annually and more than 3,000 geographically dispersed staff.

It was clear to me on my commencement as Chief Executive of the NBA that the NBA is a high performing, well regarded organisation doing important work in the blood sector.

The year just concluded has seen the delivery of significant projects and outcomes by the NBA in relation to the provision of a secure and affordable supply of blood products, improving immunoglobulin governance, developing and implementing guidance and programs for the appropriate management, use and reduced wastage of blood products, and ICT and data collection and development.

A snapshot of some key highlights for the year are as follows:

- The Australian Red Cross Blood Service (Blood Service) is the sole supplier of fresh blood products. The provision of fresh blood products under the Deed of Agreement is an essential clinical service that saves lives every day. The NBA has an ongoing program with the Blood Service to improve contract performance and accountability under the Deed. The NBA implemented a new nine year Deed of Agreement with the Blood Service on 1 July 2016 and included a three year funding and service agreement. This represented the culmination of a number of years of collaborative work between Blood Service and NBA teams to work through all aspects of the service and funding arrangements
- The CSL Australian Fractionation Agreement (CAFA) is the NBA's contract with CSL Behring (Australia) Pty Ltd for the manufacture of plasma derived products for Australian use. The CAFA expires on 31 December 2017. In March 2017, senior representatives of the NBA met with CSL Behring (Australia) Pty Ltd to commence substantive negotiations on a new National Fractionation Agreement for Australia that is due to commence on 1 January 2018
- Under the National Immunoglobulin Governance Program, the NBA continued to work with the National Immunoglobulin Governance Advisory Committee throughout the year to strengthen the governance and management of government-funded immunoglobulin products and deliver positive changes to benefit the thousands of Australians reliant on this product. The NBA also worked with our Clinical Specialist Working Groups to continue evolving the *Criteria for the clinical use of intravenous immunoglobulin in Australia* (the Criteria). This is to ensure government-funded immunoglobulin products are directed to the patients who are most likely to benefit from using these products based on reliable evidence and where alternative therapies were limited. Following on from last year's completion of revisions to conditions where immunoglobulin can be categorised as having either an 'established therapeutic role' or an 'emerging therapeutic role', a public consultation was conducted. This public consultation invited feedback on the changes proposed to conditions categorised as for use in 'exceptional circumstances only'. The NBA is grateful to the members of the public and others who took the time to review the consultation documents and provide submissions
- Complementing this portfolio of work, the NBA successfully launched BloodSTAR. This is a national immunoglobulin ordering and outcomes database which has been designed to enable the generation of whole of system performance data to support continuous improvement and drive the accuracy and efficiency of access and authorisation processes well into the future. Following its launch, a total of 6,868 existing patients in most states and territories have so far been transitioned to the new system in a staged but seamless process that achieved continuity of health care for affected patients. The new electronic authorisation system replaces paper-based and phone processes for immunoglobulin products and standardises access and supply arrangements. BloodSTAR is the result of years of planning, development and testing not only within the NBA but across all Australian governments, and in collaboration with patients, clinicians and health service providers. As the NBA prepares for BloodSTAR implementation in New South Wales, we wish to express our gratitude to everyone who has contributed to the success of this important project
- On 11 November 2016 the PathWest laboratory at Fiona Stanley Hospital in Perth, Western Australia, placed the 1,000,000 order in BloodNet. This was a significant milestone for the BloodNet system which was introduced in 2011 as a national system that allows staff in health facilities across Australia to order blood and blood products in a standardised, quick, easy and secure way from the Blood Service. The milestone was marked with the presentation of a commemorative award from NBA Chief Executive Mr John Cahill to PathWest Laboratory Senior Scientist Ms Annette Le-Vielles

- Ms Gayle Ginnane was re-appointed Chair of the NBA Advisory Board this year, along with the reappointments of Adjunct Professor Chris Brook PSM and Deputy Secretary Mark Cormack from the Commonwealth Department of Health. There were also two new eminent appointments to the Board: Professor Lyn Beazley AO and Associate Professor Alison Street AO. Continuing members are Ms Patti Warn and Mr Paul Bedbrook. We would like to thank Professor George Rubin, whose Board term has expired, for his contribution to the work of the Board and the NBA over a number of years
- The NBA successfully concluded the second funding round under the National Blood Sector Research and Development Pilot. This is an exciting initiative which initially focussed on key areas of potential research to support the patient blood management and immunoglobulin governance programs
- In late 2016, a breach of data security occurred in relation to some donor information held by the Blood Service. The breach arose from unauthorised access being obtained to donor information held in an insecure environment by a third party provider that develops and maintains the Blood Service's website. The Blood Service took immediate steps to notify all donors and governments and to enhance security of systems. A Taskforce was established and the NBA worked closely with the Blood Service over many months to ensure all risks were addressed. A number of internal and external reviews were conducted, including by the Australian Information and Privacy Commissioner. The Commissioner commended the Blood Service's handling of the incident and the Blood Service has entered into an enforceable undertaking to address the Commissioner's findings. The NBA also reviewed and improved its own data and ICT security in light of the incident
- Governments funded a pilot project for two plasma only donor centres. New technologies and processes will be trialled by the Blood Service with the aims of improving the efficiency of plasma and reducing costs. Two pilot plasma only centres are being developed, to be located in Townsville and Canberra. The Townsville centre is due to open in September 2017, and the Canberra centre in March 2018
- Following a successful tender process, in October 2016 the NBA entered into a contractual arrangement with CSL Behring (Australia) Pty Ltd to supply C1 Esterase Inhibitor Concentrate (Berinert) for the following indications for hereditary angioedema: treatment of acute attacks; pre-procedural (short term) prophylaxis for high risk procedures such as dental work, head or neck surgery, or surgery requiring intubation; and as a routine (long term) prophylaxis for patients who experience the equivalent of eight or more acute attacks per month
- The NBA commenced the redevelopment of BloodNet (BloodNet 5) in August 2016 with a series of visits to hospital/laboratory sites to understand usability and enhancement requirements. The implementation of BloodNet 5 is expected in 2017-18
- The NBA successfully passed the Digital Transformation Agency (DTA) digital service standard alpha assessment of the BloodNet 5 application in March 2017. In doing so, the NBA was the first Commonwealth agency to pass this assessment unassisted by the DTA
- During 2016-17 the NBA continued its work with key stakeholders to implement BloodNet-Laboratory Information System (LIS) interfaces under a new set of specifications. NSW Pathology North went live in October 2016 as the first BloodNet-LIS site certified and QLD Pathology Queensland went live in June 2017. All BloodNet-LIS interfaces currently in place account for processing 35 per cent of national issues of fresh blood products
- The NBA has continued to use flexible staffing arrangements to ensure it can employ adequate staff to deliver against the demands and expectations reflected in the work program and funding determined by jurisdictional governments. As a small agency, the approved staffing level continues to challenge the organisation and how it can ensure it has the best and most stable workforce to most appropriately manage functions and funding in excess of \$1 billion. This will continue to be a challenge in 2017-18
- The NBA has reframed its internal governance arrangements to ensure there is a more orderly, resilient and transparent process of decision-making, governance, accountability and risk management.

Ensuring the supply of blood products

The NBA's primary responsibility is to ensure Australia has a safe, secure, adequate and affordable supply of blood and blood related products to meet clinical demand. The clinical demand for blood and blood related products in Australia was met without interruption. A saving of \$49.1 million was achieved against the annual budget approved and funded by all jurisdictional governments. This saving brings the total amount of funding returned to governments over the last five years to \$495.6 million.

The year saw further improvement in the appropriate use of fresh blood. The 2016-17 demand for red cells decreased by 1.4 per cent. This result builds on the progress already made in this strategic planning cycle to bring the total reduction in red cell demand over the last five years to 22 per cent, realising significant improvements in patient outcomes and financial savings of \$103 million. Demand for platelets remained steady with no increase in demand in 2016-17 over 2015-16.

Improvements in supply performance and efficiency under the new Deed of Agreement with the Australian Red Cross Society (Red Cross) once again saw the Blood Service achieve a surplus of approximately \$27.3 million. This will return a 2016-17 saving of approximately \$22.3 million to governments after funding of \$5.0 million is retained by the Blood Service for investment in further improvements by the Blood Service under the Deed.

In mid-January 2017, the NBA released a Request for Information and Stakeholder Consultation Paper directed at potential suppliers and clinical and patient stakeholders to inform consideration of future procurement arrangements for clotting factor products, specifically recombinant factors VIIa, VIII and IX products. Final formal submissions were received on 12 April 2017. A period of further engagement followed with industry and stakeholders to clarify information around some of the issues raised and more generally to assist with understanding those issues. A summary overview of the outcomes of the stakeholder consultation is to be made available in early 2017-18 on the NBA website.

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

Improving the management and use of blood products

Throughout the year the NBA maintained a focus on governments' priorities for the blood sector through activities under the key sector policies and strategies agreed by all governments, particularly the National Blood and Blood Product Wastage Reduction Strategy 2013-17 and the National Patient Blood Management (PBM) Guidelines Implementation Strategy 2013-17. An ongoing program of activities also supports the implementation of the Health Ministers' Statement on national stewardship expectations for the supply of blood and blood products. These programs contribute to the sustainability of the blood supply by improving the management and use of blood products. In 2016-17, the NBA:

- worked with jurisdictional and clinical committees to develop the new PBM Implementation Strategy for 2017-21
- commenced a review of the 2003 Guidelines on the Prophylactic Use of Rh D Immunoglobulin (Anti-D) in Obstetrics to ensure they continue to reflect current evidence and best clinical practice
- worked with jurisdictional and clinical representatives to oversee the process for the review and update of the PBM Guidelines and to identify a more sustainable methodology for updating clinical practice guidelines in the future
- promoted the work of the NBA and engaged with stakeholders by participating in multiple national conferences and events

- continued collaborative work with the Australian Commission on Safety and Quality in Health Care (ACSQHC) on a review of the National Safety and Quality Health Service (NSQHS) Standards, Standard 7: Blood and Blood Products, and the completion of the National Patient Blood Management Collaborative, focussing on identification and management of pre-operative anaemia and iron deficiency.

As I noted at the outset, 2016-17 has been another year of significant achievements for the NBA and its staff. I would like to acknowledge the contribution made by my Deputy, Michael Stone, for the extended period he acted as General Manager of the NBA following the departure of my predecessor in February 2016 until my arrival in October 2016.

I close this report by again recognising the contribution of the many stakeholders across the sector who gave generously of their time, professionalism and passion in working on some very important issues with the NBA during the year. We look forward to working with you again in 2017-18. I would also like to thank the staff of the NBA who work tirelessly and are so committed to saving and improving Australian lives through a world class blood supply.

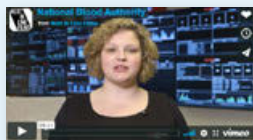


John Cahill
Chief Executive

BLOODSTAR

BloodSTAR roll out

Jurisdiction	Scheduled Go-live Date	
Northern Territory	14 July	2016
South Australia	1 August	2016
Queensland	22 August	2016
Tasmania	14 September	2016
Victoria	26 September	2016
Australian Capital Territory	24 October	2016
Western Australia	5 December	2016
New South Wales	To be confirmed	



BLOODNET



FIT FOR SURGERY FIT FOR LIFE

CAUSES OF ANAEMIA

- Iron deficiency
- Chronic disease
- Renal failure
- Genetic disorders
- Bleeding

RESOURCES AVAILABLE INCLUDE

- Guidelines for the management of haemophilia in Australia
- Guidelines for the management of haemophilia in Australia
- Guidelines for the management of haemophilia in Australia

More information and to download resources visit: www.blood.gov.au or www.nps.org.au/topic/surgery

NATIONAL BLOOD AUTHORITY
NTX 123456

NPS
MEDICINEWISE

NBA BOARD AND REPORT

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 Chief Executive/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 Paul Bedbrook – Financial Expert

Professor Lyn Beazley AO – State and Territory Representative (small jurisdiction)

Adjunct Professor Chris Brook PSM – State and Territory Representative (large jurisdiction)

Associate Professor Alison Street AO – Public Health Expert

Ms Patti Warn – Community representative

Mr Mark Cormack – Australian Government representative

Outgoing members

Professor George Rubin – Public Health Expert



NBA Board Members (left to right) Chris Brook PSM, Gayle Ginnane (Chair), Alison Street AO, Patti Warn, Paul Bedbrook and Lyn Beazley AO. Inset: Mark Cormack.

2016-17 year in review

The NBA Board met four times in 2016-17 and considered and provided advice to the Chief Executive and NBA executive across a range of priority business areas including:

- blood sector systems and funding
- blood and blood product wastage
- NBA strategies
- plasma and immunoglobulin (Ig) self-sufficiency
- massive transfusion registry for patient blood management (PBM) implementation
- contract management and review issues
- new product developments.

The Board continued its stakeholder engagement program throughout the year. Key stakeholder engagements in 2016-17 involved presentations from CSL Behring and the Blood Service. The Chair and NBA Chief Executive also met with the Blood Service Board in March 2017.

The NBA Board received updates and reporting from the NBA on achievements against strategic and operational planning documents, and provided advice and input for the development of further forward plans. These items included:

- PBM collaborative project with the Australian Commission on Safety and Quality in Health Care
- Deed of Agreement with the Australian Red Cross Society
- the role of the NBA and key issues in the blood sector
- the NBA's future priorities and planning activities
- PBM Implementation Strategy 2017-21
- Ig governance, criteria and BloodSTAR
- request for information outcome on the potential future arrangements for imported plasma and recombinant products in Australia
- the status of the 2016-17 National Supply Plan and Budget.

2017-18 priorities

It was my pleasure to be re-appointed Chair of the NBA Advisory Board this year along with the reappointments of Adjunct Professor Chris Brook PSM and Mr Mark Cormack. Other appointments to the Board were Associate Professor Alison Street AO and Professor Lyn Beazley AO.

I would like to congratulate my fellow members on their appointments and I look forward to working with the reconstituted NBA Board during my re-appointment as Chair. I continue to be impressed with the wealth of knowledge and the level of expertise across the membership of the Board. It is indeed a pleasure to work with such a distinguished and committed group of experts in their respective fields.

I would also like to thank the outgoing Board member, Professor George Rubin, for his invaluable contributions during his tenure as public health expert.

In the year ahead, my fellow Board members and I look forward to providing advice to the NBA on key aspects of the Authority's work program to further improve national blood arrangements in Australia, including:

- an ongoing commitment to implementing improvements for the appropriate use of blood and blood products
- national risk assessment and management issues
- issues relating to the development of new blood sector products
- immunoglobulin governance arrangements
- advice on new or extended contract arrangements for the supply of blood products
- national guidelines development and implementation
- the development and implementation of systems to support the work of the Authority, including BloodSTAR.

On behalf of the Board, I would like to congratulate Mr John Cahill on his appointment as the Chief Executive of the NBA. I would also like to thank Mr Michael Stone for his leadership and hard work during his tenure as acting General Manager this financial year. The Board looks forward to working with John and the NBA executive into the future.

In closing, on behalf of the Board, I extend my congratulations to the staff of the NBA for their hard work, passion and dedication. They have once again delivered on the Authority's outcomes and they should be proud of their achievements.



Gayle Ginnane
Chair
National Blood Authority Board



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PART

2

ANNUAL PERFORMANCE

ANNUAL PERFORMANCE REPORTING STATEMENT

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



ANNUAL PERFORMANCE REPORTING STATEMENT

Accountable Authority statement

I, as the accountable authority of the National Blood Authority, present the 2016-17 Annual Performance Statements of the National Blood Authority, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

John Cahill
Chief Executive
National Blood Authority

Introductory statement

The enhanced Commonwealth performance framework¹ newly established under the *Public Governance, Performance and Accountability Act 2013* requires a Commonwealth entity such as the National Blood Authority to include an annual performance statement in its annual report.

The purpose of the annual performance statement, as a key element of the enhanced Commonwealth performance framework, is to explain the extent to which the agency has achieved its objectives in the relevant year, against the measures for assessing performance set out in both the entity's corporate plan and its portfolio budget statements.

The Annual Performance Statements detail results achieved against the planned performance criteria set out in the 2016-17 NBA Portfolio Budget Statements, and the 2016-17 NBA Corporate Plan².

In accordance with paragraph 17(2)(b) of the PGPA Rule, the NBA audit committee has reviewed the National Blood Authority's performance reporting through this annual performance statement and considers it appropriate in the context of transition to the full requirements of the enhanced Commonwealth performance framework.

The role of the National Blood Authority is to:

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

The National Blood Authority represents the interests of the Australian and state and territory governments, and is established within the Australian Government's Health portfolio.

¹ The enhanced Commonwealth performance framework, as relevant for the NBA, is set out in Part 2-3 of the *Public Governance, Performance and Accountability Act 2013* and Part 2-3 of the Public Governance, Performance and Accountability Rule 2013, together with the following Resource Management Guides released in May 2017: RMG No. 130 Enhanced Commonwealth performance framework, RMG No. 131 Developing good performance information, RMG No. 132 Corporate plans for Commonwealth entities, RMG No. 134 Annual Performance Statements for Commonwealth entities and RMG No. 136 Annual reports for Commonwealth entities (<http://www.finance.gov.au/resource-management/performance/>).

² <https://www.blood.gov.au/system/files/documents/2016-19Corporate-Plan-v5webversion.pdf>

Performance results

1. Providing a safe, secure and affordable supply of blood and blood products

The NBA worked with state and territory governments and suppliers so that requirements for day-to-day product supply and future demand were well managed. The nine year Deed of Agreement between the NBA on behalf of all governments and the Australian Red Cross Society for the provision of blood and blood products and services was implemented on 1 July 2016. Key reporting obligations have been met and a transition process put in place for the delivery against the National Service Requirements and Standards. Supply of blood and blood products has been uninterrupted with no periods of shortage. Demand for fresh blood products has decreased over 2016-17.

Performance criteria from Portfolio Budget Statements:

Qualitative Deliverable	2016-17 Reference Point or Target	2016-17 Results Against Performance Criteria
New Australian Red Cross Blood Service contract arrangements are progressed.	The new Deed of Agreement with the Australian Red Cross Society is implemented from 1 July 2016.	The new Deed of Agreement was implemented and transition arrangements put in place for National Service Requirements and Standards.

Qualitative Indicator	2016-17 Reference Point or Target	2016-17 Results Against Performance Criteria
Provision of an adequate, affordable and secure supply of blood and blood products.	Blood products are available to meet clinical need.	Blood and blood products available to meet clinical demand. There were no supply contingency events during the reporting period.

Quantitative Indicator	2015-16 Revised Budget	2016-17 Budget Target	2017-18 Forward Year 1	2018-19 Forward Year 2	2019-20 Forward Year 3	2016-17 Results Against Performance Criteria
Variance between actual and NBA estimated demand for supply of products.	<5%	<5%	<5%	<5%	<5%	Variance between actual and NBA estimated demand for supply of products was -4.3%.

Performance Criteria Source: Portfolio Budget Statements, p.352

2. Improve risk management and blood sector performance

In 2016-17, the NBA undertook a number of initiatives to improve the efficiency and effectiveness of the blood supply network. The NBA continued to implement the National Inventory Management Framework with health providers ensuring red blood cell stocks were managed in the most efficient manner and stock targets were appropriate to ensure minimal wastage. The NBA has further consolidated savings from the fourth year of implementing the national wastage reduction strategy, approved by Governments in 2013 with a savings of some \$1.4 million in 2016-17.

Performance criteria from Portfolio Budget Statements:

Qualitative Deliverable	2016-17 Reference Point or Target	2016-17 Results Against Performance Criteria
New immunoglobulin (Ig) governance arrangements are implemented.	BloodSTAR is implemented by 30 June 2017 and supports all supply authorisations for Ig.	Most states and territories now 'live' in BloodSTAR.

Quantitative Indicator	2015-16 Revised Budget	2016-17 Budget Target	2017-18 Forward Year 1	2018-19 Forward Year 2	2019-20 Forward Year 3	2016-17 Results Against Performance Criteria
Percentage of national blood supply processed by laboratories interfaced to BloodNet.	30%	40%	50%	60%	80%	35 per cent of national blood supply processed by BloodNet interfaced laboratories.

Performance Criteria Source: Portfolio Budget Statements, p.352

3. Promote the safe and efficient use of blood and blood products

In 2016-17, the NBA managed the review of the Patient Blood Management (PBM) Guideline project with the aim of identifying a more sustainable methodology for reviewing and updating the guidelines.

The NBA also worked with jurisdictions and clinical stakeholders in the development of the National Patient Blood Management Implementation Strategy 2017-2021 which takes a patient-centred approach intended to optimise clinical outcomes and improve patient safety. This Strategy draws on the experiences and outcomes of the National Patient Blood Management Guidelines Implementation Strategy 2013-2017 and the National Blood Sector Education and Training Strategy 2013-2016.

In 2016-17, the NBA continued to develop materials that promote the safe and efficient use of products, informed by close engagement with clinicians. However, the NBA was unable to deliver the revision and publication of updated editions of the PBM Guidelines Modules nor develop a revised guideline for the use of Anti-D.¹ These were unable to be finalised due to a revised project scope and extended stakeholder engagement processes.

In addition, the NBA continued to develop an expanded suite of tools to support health providers to implement the National Safety and Quality Health Service (NSQHS) Standard on Blood and Blood Products.² The NBA published three tools in 2016-17 compared to the target of five. These included the paediatric iron dose template, junior medical officer education toolkit and BloodSafe eLearning Obstetrics and Maternity Module. Two further tools were developed and these will be published in 2017-18.

¹ Information on the use of Anti-D or Rh D immunoglobulin products is available at the [NBA website](#).

² Available at the [Safety and Quality website](#).

Performance criteria from Portfolio Budget Statements:

Qualitative Indicator	2016-17 Reference Point or Target	2016-17 Results Against Performance Criteria
National data strategy and National Patient Blood Management (PBM) Guidelines Implementation Strategy are progressed.	Performance scorecard and comparator benchmark data is published by 31 December each year. The standards and minimum data sets for blood sector data are developed by 30 June 2017.	<p>Published the endorsed National Patient Blood Management Implementation Strategy 2017-2021.</p> <p>Monthly wastage comparator benchmarks published with jurisdictions. Annual performance scorecards provided as part of the annual reporting.</p> <p>Minimum data set and standards published for haemovigilance.</p>
There is a robust framework supporting best practice management and use of blood and blood products.	A sustained improvement in the management and use of blood products.	<p>A continued and sustained improvement in the management and use of blood products demonstrated by:</p> <ul style="list-style-type: none"> improved inventory management practices as part of the National Inventory Management Framework roll out reduction in wastage of red blood cells was \$1.4 million in 2016-17 reduction in product Discards as a Percentage of Net Issues (DAPI) fell from 2.8 per cent in 2015-16 to 2.3 per cent in 2016-17 demand for red blood cells continued to decline by 1.4 per cent in 2016-17 over 2015-16, this now represents a total decrease of around 22 per cent since 2011-12.

Quantitative Indicator	2015-16 Revised Budget	2016-17 Budget Target	2017-18 Forward Year 1	2018-19 Forward Year 2	2019-20 Forward Year 3	2016-17 Results Against Performance Criteria
Number of clinical practice guidelines published.	2	2	2	2	1	No clinical guidelines published due to revised scope and extended stakeholder engagement processes.
Number of supporting clinical practice tools and resources made available.	N/A	5	5	5	5	5 (Five) made available of which three were published and two will be published in 2017-18.

Performance Criteria Source: Portfolio Budget Statements, p.353



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OBJECTIVE 1. SECURE THE SUPPLY OF BLOOD AND BLOOD PRODUCTS

It is the responsibility of the National Blood Authority (NBA) to manage the national blood supply to ensure that healthcare providers have sustainable, reliable and efficient access to blood and blood products needed for patient care. The 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 2016-17 NSP&B

Throughout 2016-17, products were supplied to meet clinical demand and supply risks were effectively managed. The approved budget for 2016-17 covering the supply and management of blood and blood products and services under contract was \$1,153.17 million, comprising \$614.63 million for fresh blood products and plasma collection (see Fresh blood products on p.31) and \$519.04 million for plasma and recombinant products (see Plasma and recombinant products on p.34). The remaining \$19.49 million included items such as support for the publication of PBM Guidelines, maintenance of the Australian Haemophilia Centre Directors' Organisation (AHCDO), administration of the Australian Bleeding Disorders Registry (ABDR) and operations of the NBA. Table 2.1 identifies the NBA's expenditure in 2016-17 and earlier years by supplier for the supply of products in each product category.

TABLE 2.1 Blood and blood products purchased, by supplier, 2012-13 to 2016-17.

Supplier	Products Purchased	2012-13 (\$M)	2013-14 (\$M)	2014-15 (\$M)	2015-16 (\$M)	2016-17 (\$M)
CSL Behring (Australia) Pty Ltd	Plasma Products	222.02	210.10	245.19	282.49	351.83
	<ul style="list-style-type: none"> Albumin Immunoglobulin products (Ig) (including Intravenous Immunoglobulin (IVIg), Subcutaneous Intravenous Immunoglobulin (SCIg) and hyperimmune products) Plasma derived clotting factors 					
	Diagnostic Reagent Products					
	<ul style="list-style-type: none"> blood grouping sera reagent red cell products 					
	Imported Plasma and Recombinant Products					
	<ul style="list-style-type: none"> Rh(D) Ig Factors XI and XIII Fibrinogen Concentrate C1 Esterase Inhibitor Concentrate 					
Australian Red Cross Blood Service	Fresh Blood Products	549.31	583.13	547.10	588.40	582.40
	<ul style="list-style-type: none"> whole blood red blood cells platelets clinical fresh frozen plasma cryoprecipitate plasma for fractionation cryo-depletion plasma serum eye drops therapeutic venesections 					

Supplier	Products Purchased	2012-13 (\$M)	2013-14 (\$M)	2014-15 (\$M)	2015-16 (\$M)	2016-17 (\$M)
Baxalta Australia Pty Ltd ¹	Imported Plasma and Recombinant Products	6.30 ²	8.25	29.11	36.62	31.45
	<ul style="list-style-type: none"> Protein C Factor Eight Inhibitor Bypass Agent (FEIBA) Recombinant Factor VIII and IX Imported IVIg	26.76	29.20	40.30	28.35	0.00
Bayer Australia Limited	Imported Plasma and Recombinant Products	34.96	35.14	9.00	1.07	0.00
	<ul style="list-style-type: none"> Recombinant Factor VIII 					
Pfizer Australia Pty Ltd	Imported Plasma and Recombinant Products	93.28	93.05	54.66	56.48	56.89
	<ul style="list-style-type: none"> Recombinant Factor VIII Recombinant Factor IX 					
Novo Nordisk Pharmaceuticals Pty Ltd	Imported Plasma and Recombinant Products	33.60	27.20	32.81	36.39	24.20
	<ul style="list-style-type: none"> Recombinant Factor VIIa 					
Octapharma Pty Ltd	Imported IVIg	49.10	46.00	70.02	47.05	0.00
Grifols Australia	Imported IVIg	0.28	0.00	0.00	11.58	36.30
	Diagnostic Reagent Products <ul style="list-style-type: none"> blood grouping sera reagent red cell products 	0.00	0.32	0.41	0.36	0.33
Ortho-Clinical Diagnostics (Johnson & Johnson Medical Pty Ltd)	Diagnostic Reagent Products	0.44	0.43	0.44	0.43	0.44
	<ul style="list-style-type: none"> blood grouping sera reagent red cell products 					

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

² In the 2012-13 annual report, Baxter Healthcare Pty Ltd imported Plasma and Recombinant Products figure of 33.06 included 6.30 Imported IVIg which has a category in subsequent reports. Care should be taken in making comparisons with previous reports.

Supplier	Products Purchased	2012-13 (\$M)	2013-14 (\$M)	2014-15 (\$M)	2015-16 (\$M)	2016-17 (\$M)
Bio-Rad Laboratories Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> ▪ blood grouping sera ▪ reagent red cell products 	0.63	0.57	0.52	0.48	0.54
Abacus ALS Pty Ltd	Diagnostic Reagent Products <ul style="list-style-type: none"> ▪ blood grouping sera ▪ reagent red cell products 	0.04	0.04	0.00	0.00	0.00
Total Purchases of Blood and Blood Products		1,016.72	1,033.43	1,029.56	1,089.70	1,084.40

Fresh blood products

The list of fresh blood products supplied in 2016-17 is at Appendix 2 *Fresh blood components supplied under contract by the Blood Service*. The four main products were:

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

As demonstrated in Table 2.2, the increase in fresh blood expenditure has progressively moderated over the last 10 years primarily as a result of improved efficiencies in Blood Service operations, and in the last five years, a significant reduction in the demand for some fresh blood products due to improved appropriate use and reduced wastage.

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

Year	Amount (\$M)	Growth (%)
2007-08	369.1	12.8
2008-09	417.2	13.0
2009-10	456.1	9.3
2010-11	496.6	8.9
2011-12	526.3	6.0
2012-13	549.3	4.4
2013-14	583.1	6.2
2014-15	547.1	-6.2
2015-16	588.4	7.5
2016-17	582.4	-1.0
Total	5115.6	6.09 (average)

Fresh blood expenditure in 2016-17 compared to 2015-16 decreased by 1.0 per cent. Key factors that have influenced the changes include the following:

- an increase in the quantity of collected plasma for fractionation from 601 tonnes to 637 tonnes
- rebased Output Based Funding Model (OBFM) to be based on the 2014-15 actual operating costs of the Blood Service, as well as restrained annual price indexation to 2.95 per cent
- reduction in demand for some fresh products as a result of improved appropriate use and reduced wastage.

Since the implementation of the OBFM in 2010-11 where governments paid for the actual costs of producing fresh blood products supplied by the Blood Service rather than a grant based funding model, the NBA has seen returns to government year on year as highlighted in Figure 2.1. In 2016-17, \$34.4 million was returned including \$22.3 million for the Blood Service operating surplus and a saving from the decrease in red blood cell demand of 1.4 per cent. This compared to \$63.1 million in 2015-16 (which included \$42.4 million operating surplus and 3.4 per cent reduction in red blood cell demand).

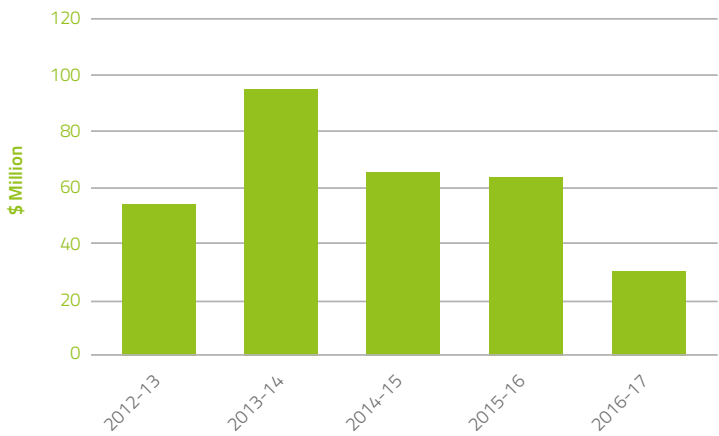


FIGURE 2.1 Returns to Government 2012-13 to 2016-17

Red blood cells

Red blood cells comprise approximately 23.6 per cent of total blood and blood product expenditure and are the largest item of cost in fresh products. Figure 2.2 illustrates that there was a decline in issues of red blood cells (1.4 per cent) compared to 2015-16, with continuation of the steady decline in issues per 1,000 head of population nationally from 33.3 in 2012-13 to 26.1 in 2016-17. In the last five years, demand for red cells has declined by 22 per cent, realising a saving in excess of \$103 million. The decline in red cell demand is the result of the ongoing success of programs to improve appropriate use and reduce wastage. These programs encompass a range of health provider and clinical engagement activities, development of best practice guidelines and tools, improved data collection and analysis and improved education and training arrangements. The publication and implementation of the PBM Guidelines underpins much of the success in improving appropriate use of fresh blood products.

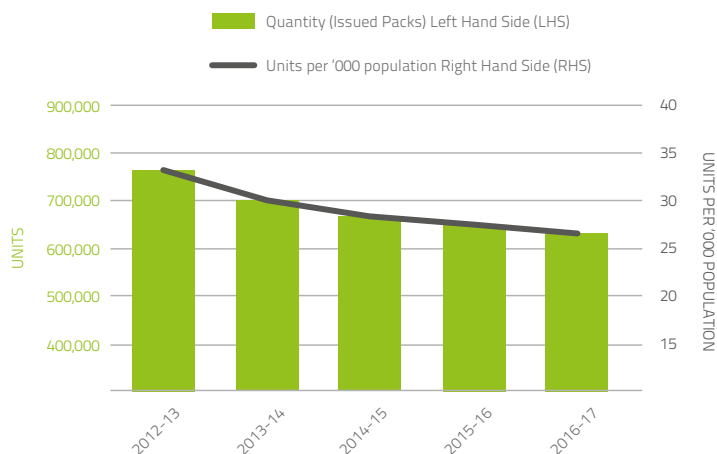


FIGURE 2.2 Red Cells issued by the Blood Service and per '000 population 2012-13 to 2016-17

Platelets

Platelets comprise 4.8 per cent of total blood and blood product expenditure. Figure 2.3 illustrates that there was no change in issues of platelets from 2015-16 and a small decrease in issues per 1,000 head of population. Platelets are either derived from an apheresis collection or a whole blood collection. In 2016-17, platelets issued were 64.6 per cent whole blood pooled (65.0 per cent in 2015-16) and 35.4 per cent apheresis (35.0 per cent in 2015-16).

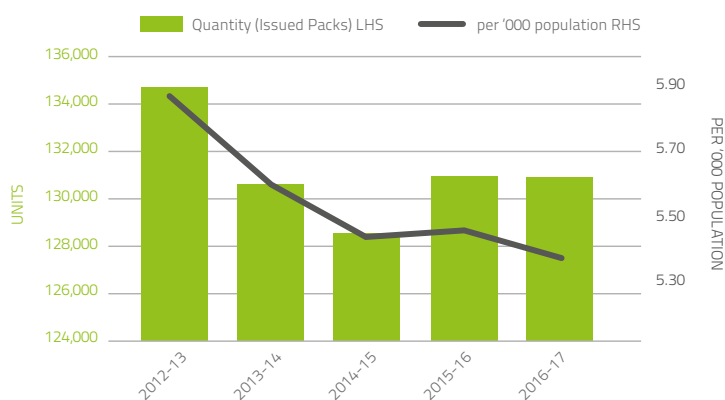


FIGURE 2.3 Platelets issued by the Blood Service and per '000 population 2012-13 to 2016-17

Plasma for fractionation

The Blood Service collects plasma for fractionation to supply to CSL Behring (Australia) Pty Ltd for the manufacture of plasma derived products. In 2016-17, the target for the quantity of plasma to be collected by the Blood Service was 631 tonnes. The Blood Service collections for 2016-17 were successful, with supply to CSL being 6 tonnes over target. The growth in apheresis plasma collection by the Blood Service over the last five years is shown in Figure 2.4 below. In 2012-13 the ratio of whole blood to apheresis plasma for fractionation was 37:63 and in 2016-17 28:72. This is in part due to the decline in red blood cell demand.

The growth in plasma collection for 2016-17 is consistent with governments' target of 5 per cent per annum.

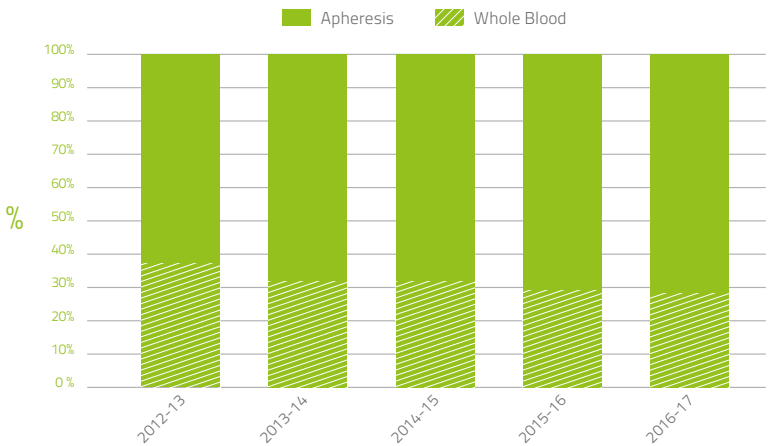


FIGURE 2.4 Whole blood to apheresis plasma for fractionation 2012-13 to 2016-17

Plasma and recombinant products

The cost of plasma derived and recombinant blood products issued under NBA arrangements in 2016-17 totalled \$504.6 million, an increase of \$0.5 million (0.1 per cent) from 2015-16. Increases in volumes for immunoglobulin (Ig), 11.2 per cent, and plasma derived factor VIII, 8.9 per cent, were the dominant factors relating to the growth in expenditure. Conversely, there were large reductions in demand for recombinant factor VIIa, 34.4 per cent and FEIBA, 45.2 per cent due to ongoing product trials in Australia. In addition there were cost reductions in recombinant factors VIII and IX following successful negotiations during recent procurement consultations that resulted in lower prices for these products. The cost of most other products increased by less than 2 per cent. The average unit price for domestically produced Ig decreased by 1.2 per cent due to the favourable price structure under the CSL Australian Fractionation Agreement (CAFA) in which price decreases with increases in volume.

In the 14 years to 2016-17, expenditure on plasma and recombinant products issued under NBA arrangements has increased from \$205.2 million to \$504.6 million. Key drivers of this increase are:

- \$337.9 million from increased demand
- \$51.8 million due to the safety based government policy decision to fund recombinant clotting factor products (rFVIII and rFIX).

The combined effect of demand and price drivers on expenditure can be seen in Figure 2.5. It is of note that significant improvements in price have driven a large increase in savings.

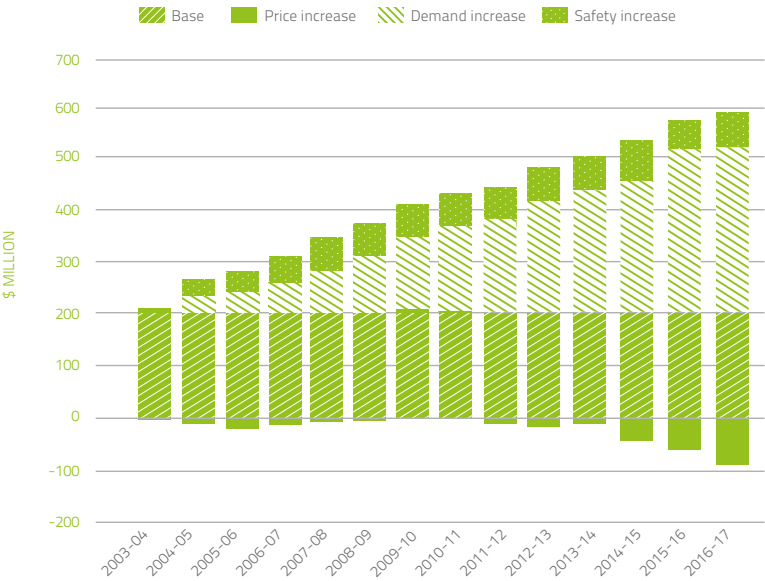


FIGURE 2.5 Plasma derived and overseas product expenditure: cumulative increases on 2003-04 base year

Issues of clotting factors

In 2016-17, clotting factors comprised 12.1 per cent of total blood and blood product expenditure. Figure 2.6 indicates that the demand for Factor VIII products increased by 1.5 per cent when compared to 2015-16. The demand for recombinant Factor VIII decreased by 0.5 per cent over 2015-16. Plasma derived Factor VIII demand increased by 18.9 per cent.

Patient participation in company clinical trials for recombinant Factor VIII products continues to contribute to the variability of year-to-year product growth.

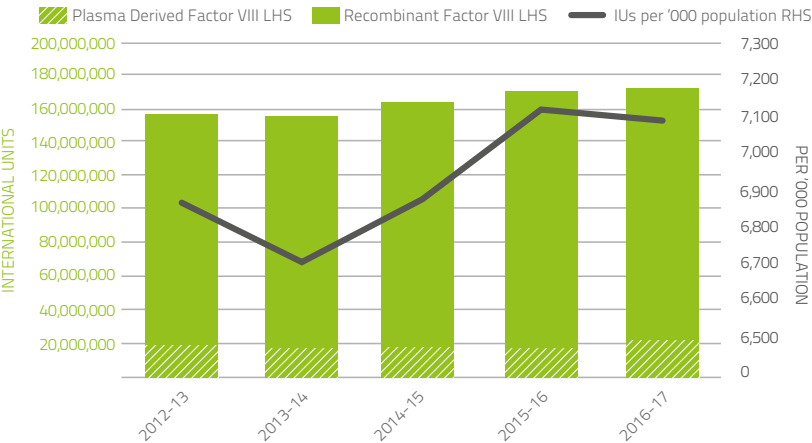


FIGURE 2.6 Issues of Factor VIII products 2012-13 to 2016-17 per '000 population

Figure 2.7 indicates that demand for Factor IX products in 2016-17 increased by 1.6 per cent compared to 2015-16. Plasma derived Factor IX demand decreased by 15.6 per cent in 2016-17 due to a reduction in specific patient requirements. Demand for Recombinant Factor IX increased by 1.6 per cent in 2016-17.

Patient participation in company clinical trials for recombinant Factor IX products continues to contribute to the variability of year-to-year product growth.

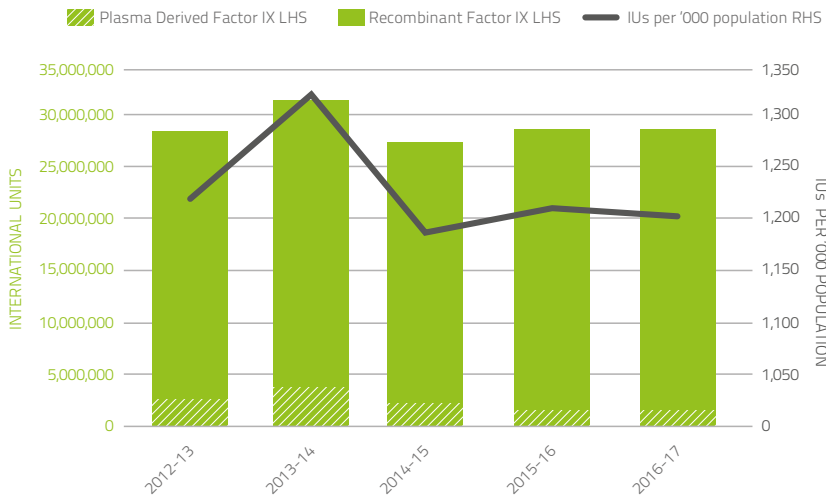


FIGURE 2.7 Issues of Factor IX products 2012-13 to 2016-17 per '000 population

The 2016-17 level of demand for Recombinant Factor VIIa decreased by 34.4 per cent and 45.2 per cent for FEIBA compared to 2015-16. Demand for Recombinant Factor VIIa and FEIBA can change significantly from year to year as a result of the variable needs of a small number of patients.

These products have also been variable due to ongoing clinical trials in the clotting factor space.

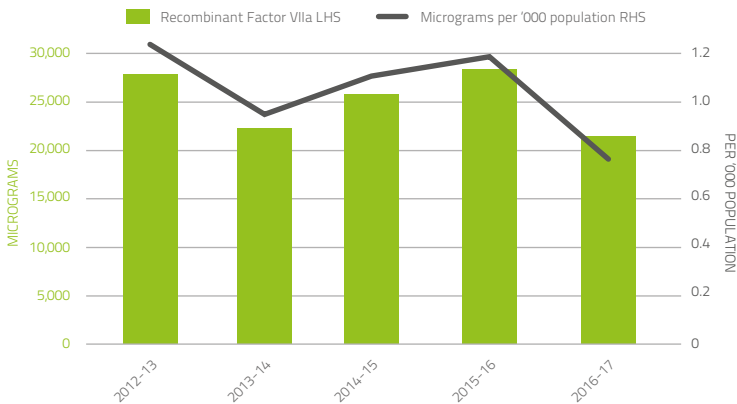


FIGURE 2.8 Issues of Factor VIIa products 2012-13 to 2016-17 per '000 population

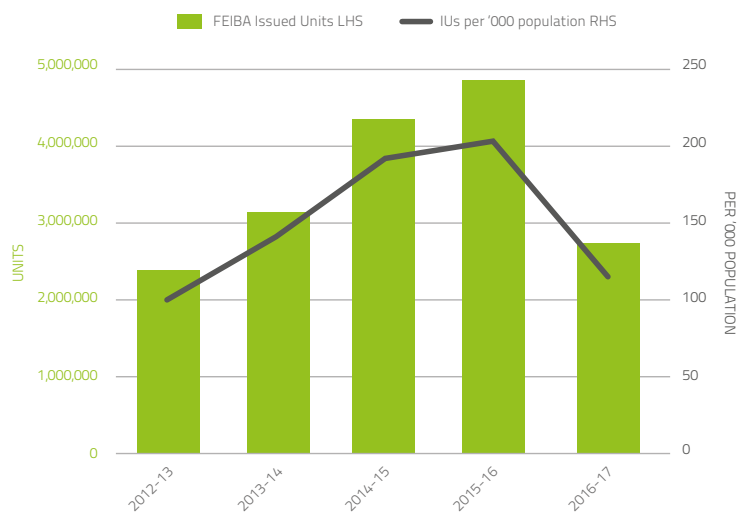


FIGURE 2.9 Issues of FEIBA, 2012-13 to 2016-17 per '000 population

Issues of immunoglobulin: Ig and Normal Immunoglobulin (Nlg)

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

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
10.9%	10.7%	11.0%	10.2%	12.4%	11.2%

In 2016-17, a total of 5.54 million grams of Ig was issued, representing a cost of \$532.3 million nationally (including the cost of plasma collections). Of this amount, 56 per cent was Ig produced in Australia and 44 per cent was imported. Figure 2.10 highlights that the relative proportion of imported Ig compared to domestic Ig is growing at a rate of approximately five per cent per year over the last five years. This reflects the shortfall between the annual growth of domestic demand (approximately 11 per cent) and the annual growth of domestic plasma collection used to manufacture Ig (approximately 5 per cent).

The NBA produced an annual report of Ig usage in 2015-16, to document trends in Ig use and provide insights into the drivers of use at the micro level.

The Report on the Issue and Use of IVIg 2015-16 can be found on the NBA website at <http://www.blood.gov.au/data-analysis-reporting>.

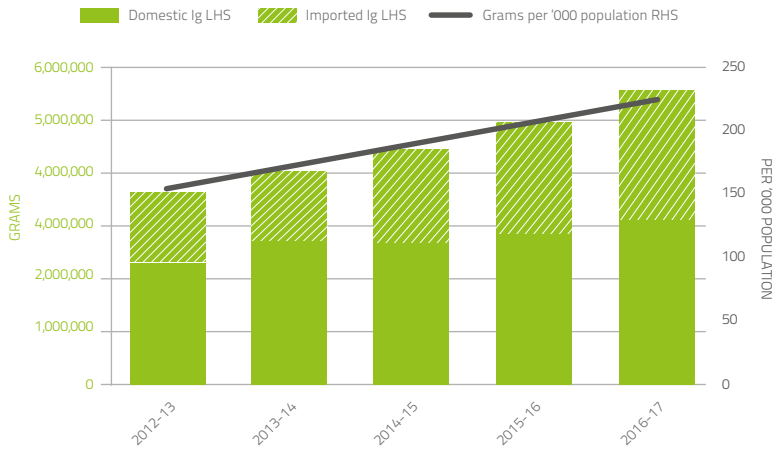


FIGURE 2.10 Issues of Ig products, 2012-13 to 2016-17 per '000 population

Contract Management

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

In 2016–17, the NBA managed 14 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 reagent products.

Deed of Agreement with the Australian Red Cross Society

The Deed of Agreement with the Australian Red Cross Society for the supply of fresh blood products by the Blood Service is one of the most important contracts managed by the NBA. The Blood Service is the sole supplier of fresh blood products. The provision of fresh blood products under the Deed is an essential clinical service that saves lives every day. The NBA has an ongoing program with the Blood Service to improve contract performance and accountability under the Deed. The NBA implemented a new nine year Deed of Agreement with the Australian Red Cross Society on 1 July 2016 and included a three year funding and service agreement.

Funding provided to the Blood Service is based on an OBFM arrangement. This was \$582.4 million in 2016–17, a decrease of \$6 million over the \$588.4 million provided in 2015–16.

Performance

The performance of the Blood Service is a key element in meeting blood sector objectives. Governments expect the Blood Service to deliver effective services at optimum value for money. Governments outline their expectations of the Blood Service in relation to performance through the Deed of Agreement and the Blood Service Statement of Expectations. Blood Service performance against selected indicators is outlined in Table 2.3.

TABLE 2.3 **Blood Service: selected key performance indicators, 2016-17**

Domain	Indicator		2015-16 result *	2016-17 Blood Service target	2016-17 result*
Donor management	First time donors	Whole Blood	94,220	100,000	95,970
		Apheresis Plasma	46,619	52,000	45,142
Supply chain management	Number of days within inventory bands (note: bands set by the Blood Service)		339	N/A	357
	Red cell yield (proportion of collections covered to supply)		91.6%	91.5%	91.3%
	Age of red cells at issue (days)		6.85	8.0	6.94
	Order fulfilment red cells		98.0%	N/A	98.4%
Quality and level of service	Health provider satisfaction with Blood Service (mean score out of 10)		8.8	8.9	9.1
Finance	Main operating program financial result		\$47.4 million surplus	>0	\$27.3 million surplus

* As measured by the Blood Service.

Implementing improvements to current arrangements

The NBA implemented a new Deed of Agreement with the Blood Service providing the legal framework for nine years which commenced on 1 July 2016, including the following:

- a funding and service agreement that includes the third cycle of the Output Based Funding Model (OBFM) for 2016-19
- the National Service Requirements and Standards that set out the Blood Service's relationships with health providers and the NBA. This includes business rules and standards for ordering, delivery, and receipt of products

NBA and Blood Service data and ICT systems security have been rigorously reviewed and upgraded in response to the Blood Service's potential data breach incident in 2016. The Blood Service has undertaken to action recommendations arising from various reviews of the incident, which the NBA will monitor in the coming year.

New technologies and processes will be trialled by the Blood Service with the aims of improving the efficiency of plasma collection and reducing costs, through the establishment of two pilot plasma only collection centres in Townsville and Canberra. The Townsville centre is due to open in September 2017, and the Canberra facility is expected to open in March 2018.



Blood Service research and development

Through a grant specified in the Deed of Agreement, the Blood Service received grant funding of approximately \$9.1 million for its research and development program. The Blood Service and the NBA negotiated a new Research and Development (R&D) Framework under the new Deed of Agreement arrangements on 1 July 2016. In 2016–17, the Blood Service had five research strategic themes:

- donor behaviour
- donor health and wellbeing
- product development and storage
- product safety
- product usage.

R&D business outcomes for the Blood Service were on track with 100 per cent of research projects completed in 2016–17 being translated into changed business practices or learnings.

This year, R&D at the Blood Service was focussed on understanding what motivates current and future donors, the safety and quality of blood components, development of sensitive, specific and cost-effective testing capabilities, enhancement of knowledge of transfusable blood components and their interactions with patients, and improvement of practice. A strong emphasis is placed on translational research through close interaction between R&D and operational arms of the business through all stages of a research project's life cycle.

CSL Australian Fractionation Agreement (CAFA)

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

In 2016-17, 637 tonnes of Australian plasma was pooled for fractionation under the CAFA, and expenditure on CAFA products totalled \$269.6 million.

Performance

The 2016-17 performance by CSL Behring (Australia) Pty Ltd against the CSL Australian Fractionation Agreement (CAFA) Key Performance Indicators (KPIs) is shown in Table 2.4. This table reports actual performance. Sufficient supply of all products was maintained at all times. The performance of CSL Behring (Australia) Pty Ltd was within defined tolerances for each of the KPIs where known issues were beyond the control of CSL Behring (Australia) Pty Ltd, including the dynamics of supply, demand and production for some products, which affected CSL Behring (Australia) Pty Ltd's ability to meet KPI standards.

TABLE 2.4 CSL Behring (Australia) Pty Ltd's performance under the CAFA, 2016-17

Description of performance measure		Results 2016-17				
		Q1	Q2	Q3	Q4	Annual
KPI1	Plasma stewardship	Achieved	Achieved	Achieved	Achieved	Achieved
KPI2	Production yield	4.884 g/kg	4.921 g/kg	4.724 g/kg	4.566 g/kg	4.774 g/kg
KPI3	Management of required inventory levels					
	Minimum starting plasma inventory	Not active in 2016-17				
	Products in inventory	100.00%	98.85%	100.00%	100.00%	99.71%
	Products in national reserve	100.00%	100.00%	100.00%	100.00%	100.00%
KPI4	Fulfilment of orders					
	Orders by distributor (Blood Service)	100.00%	99.83%	100.00%	98.27%	99.52%
	Orders by non-distributor	97.96%	100.00%	100.00%	100.00%	99.49%
KPI5	Shelf life of national reserve products	97.92%	100.00%	91.67%	100.00%	97.40%

Note: Values of less than 100 per cent but 90 per cent or more are considered to be achieved

Imported Ig

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

Two contracts are in place for supply of imported Ig under the national blood arrangements. The contracts commenced from September 2015 and expire on 31 December 2018. The suppliers are CSL Behring (Australia) Pty Ltd and Grifols Australia. In 2016-17, the NBA expended \$110.8 million for both contracts.

Performance

The 2016-17 performance of all suppliers against the contractual KPIs is shown in Table 2.5. Sufficient supply of products was maintained at all times in accordance with contractual requirements and was not affected by transient or administrative KPI deviations.

TABLE 2.5 Imported IVIg: Key performance indicators, by supplier, 2016-17

KPI	Performance	CSL Behring (Australia) Pty Ltd	Grifols Australia Pty Ltd
KPI1	In-country reserve	Achieved	Achieved*
KPI2	Shelf life on products delivered	Achieved*	Not achieved
KPI3	Delivery performance	Achieved*	Achieved*
KPI4	Reporting accuracy and timeliness	Achieved	Achieved*

*In these instances, the performance of the relevant supplier departed from the contracted requirement at some periods during the year and was managed by the NBA.



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 2016-17, the NBA managed the supply contracts for imported plasma and recombinant products with the following four companies:

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

Procurement processes and contract negotiations were completed during 2016-17 for contracts for the supply of Protein C, Activated Prothrombin Complex Concentrate, Factor XIII, Anti-Rh (D) Ig, Fibrinogen Concentrate, C1 Esterase Inhibitor Concentrate and Factor XI Concentrate.

Expenditure on the above contracts in 2016-17 amounted to \$119.5 million.

Performance

The 2016-17 performance of suppliers of imported plasma and recombinant blood products for each performance measure is shown in Table 2.6. All suppliers satisfactorily met required performance levels.

TABLE 2.6 **Imported plasma and recombinant blood products: key performance indicators, by supplier, 2016-17**

KPI	Performance measure	Baxalta Australia Pty Ltd (FEIBA/CEPROTIN)	Baxalta Australia Pty Ltd (ADVATE/RIXUBIS)	CSL Behring (Australia) Pty Ltd (RHOPHYLAC, RiaSTAP, FIBROGAMMIN, BERINERT)	CSL Behring (Australia) Pty Ltd (Factor XI Concentrate)	Novo Nordisk Pharmaceuticals Pty Ltd (NovoSeven)	Pfizer Australia Pty Ltd (XYNTHA, BENEFIX)
KPI1	In-country reserve	Achieved	Achieved	Achieved	Achieved	Achieved	Achieved
KPI2	Shelf life on products delivered	Achieved	Achieved*	Achieved	Achieved	Achieved*	Achieved
KPI3	Delivery performance	Achieved*	Achieved*	Achieved*	Achieved	Achieved	Achieved*
KPI4	Reporting accuracy and timeliness	Achieved	Achieved*	Achieved*	Achieved	Achieved*	Achieved*

*In these instances, the performance of the relevant supplier departed from the contracted requirement at some period during the year and was managed by the NBA.

Red cell diagnostic reagent products

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

The NBA has established a standing offer arrangement with the following four suppliers for the period 1 July 2016 to 30 June 2019:

- Bio-RAD Laboratories Pty Ltd
- Grifols Australia
- Ortho-Clinical Diagnostics (Johnson & Johnson Medical Pty Ltd)
- Seqirus Pty Ltd.

The standing offer lists more than 100 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 \$4.85 million per year. The NBA administers the cap for all jurisdictions and suppliers.

OBJECTIVE 2. IMPROVE RISK MANAGEMENT AND BLOOD SECTOR PERFORMANCE

In 2016–17, the NBA achieved a range of objectives to improve blood sector performance and risk management, particularly in the areas of Ig governance, evaluation of new products, ICT developments, data availability and analysis and risk and knowledge management.

Ig Governance

The NBA Ig Governance program was very active during 2016–17. The activities within the program continue to improve the governance and management of publicly funded Ig to ensure product use and management:

- reflects appropriate clinical practice
- represents efficient, effective and ethical expenditure of government funds
- is consistent with relevant national safety and quality standards for health care.

During the 2016–17 period, the program focussed on the four key activities listed below:

1. Launch of BloodSTAR (Blood System for Tracking Authorisations and Reviews)
2. Publication of the *National Policy: Access to Government Funded Immunoglobulin Products in Australia 2nd edition* (National Policy)
3. Publication of Module 2 of *Managing Blood and Blood Product Inventory: Guidelines for Australian Health Providers – Managing Intravenous and Subcutaneous Immunoglobulin Inventory* (Guidelines for Managing Blood and Blood Product Inventory)
4. Review of the *Criteria for the clinical use of intravenous immunoglobulin in Australia* (the Criteria).

To support this work, three meetings of the National Immunoglobulin Governance Advisory Committee (NIGAC) were convened.

Launch of BloodSTAR

During 2016–17, the NBA successfully launched BloodSTAR in all states except New South Wales. This included the seamless transition of 6,868 existing patients to the new system ensuring continuity in health care.

The NBA developed the new online system on behalf of all Australian Governments to support health providers in managing their Ig Governance obligations as set out in the National Policy. System capabilities support prescribers, nurses/midwives, dispensers and authorisers to deliver high quality care to patients across Australia. The system standardises and manages access to the supply of immunoglobulin products by enabling authorisation requests to be submitted electronically and work-flowed to an authoriser for assessment and approval. Authorisation requests can only be approved for funding by all governments through the national blood arrangements, for conditions identified in the *Criteria*. BloodSTAR will also enable collection of improved national data and enhance the ability to further develop the *Criteria* and provide an improved evidence base for practice improvement and research.

Publication of the second edition of the National Policy

The second edition of the National Policy was released in July 2016 to coincide with the launch of BloodSTAR. The document describes the authorisation arrangements for access to government-funded immunoglobulin products. This includes an explanation of roles, responsibilities, authority and accountability of those involved in requesting authorisation, authorising, supplying, managing and using immunoglobulin products throughout the supply chain within health services. The second edition of the National Policy incorporates business processes associated with BloodSTAR. It replaces the first edition of the Ig Governance National Policy November (released in 2014) in jurisdictions using BloodSTAR. The document underwent public consultation prior to release.

Publication of Module 2 of the Guidelines for Managing Blood and Blood Product Inventory

The Guidelines for Managing Blood and Blood Product Inventory provide better practice processes that can be used by health providers to ensure risks associated with receipt, storage, collection and transport of blood and blood products are mitigated. It also identifies improvement opportunities for implementation.

In 2016–17, the NBA developed Module 2 to supplement the overarching inventory management principles and support the implementation of BloodSTAR. The module aims to assist health providers in meeting the requirements of the National Policy by:

- describing how to establish and manage stock levels
- outlining the Ig product ordering models
- identifying different methods to determine ordering requirements/triggers
- providing recommendations for good practice.

The document underwent public consultation prior to release.

Blood System for Tracking Authorisations and Reviews (BloodSTAR) - Rollout

BloodSTAR was developed by the National Blood Authority (NBA) and first implemented in July 2016 as one of the key measures under the National Immunoglobulin (Ig) Governance Program. BloodSTAR was developed to improve the governance and management of government funded Ig to ensure that product use and management reflects appropriate clinical practice and represents efficient, effective and ethical expenditure of government funds.

BloodSTAR was rolled out across Australia via a staged state by state process. The NBA worked closely with each jurisdiction and relevant health sector stakeholders to map out key business process changes and to communicate these widely. The NBA and the Australian Red Cross Blood Service managed the transition from the predominantly paper based processes. Education and training on the system was provided via a series of face to face and online training sessions. Consent to record personal and sensitive information in BloodSTAR was obtained from patients who were authorised to receive Ig product beyond their state 'go live' date. Information was gathered on relationships between treating, administering and dispensing facilities so they could be matched and entered correctly to ensure continuity of care and a smooth transition.

BloodSTAR is now live in all states and territories except for NSW and manages all patients who are authorised under the *Criteria for the Clinical Use of Intravenous Immunoglobulin (IVIg) in Australia* to receive government funded Ig. There are currently over 7,700 patients with active authorisations and 6,800 users accessing the system as either, authorisers, medical officers, nurses, admin support officers or facility administrators.

The key benefits of BloodSTAR include ensuring consistency of processes and application of the *Criteria*, and transparency of information enabling support for patients across multiple sites. BloodSTAR will facilitate all future improvements and further development of the *Criteria* to ensure government funded Ig is directed to where there is evidence of greatest benefit.

BloodSTAR roll out

Jurisdiction	Scheduled Go-live Date	
Northern Territory	14 July	2016
South Australia	1 August	2016
Queensland	22 August	2016
Tasmania	14 September	2016
Victoria	26 September	2016
Australian Capital Territory	24 October	2016
Western Australia	5 December	2016
New South Wales	To be confirmed	





Review of the Criteria

The *Criteria* assists clinicians and transfusion medicine professionals to identify the conditions and circumstances for which immunoglobulin products are available for use under the national blood arrangements. The review of the *Criteria* continued in 2016-17. Work completed as part of this activity supports the *Criteria* to more clearly articulate and standardise the diagnostic, qualifying and review criteria, initial and continuing authorisation periods, dosing controls and ensure the submission of supporting evidence for access to funded Ig.

In 2016-17, Specialist Working Groups for Neurology, Immunology, Haematology and Transplantation Medicine assisted further progression of the review for medical conditions in chapters 7 (Exceptional therapeutic use) and 8 (Not supported) of the *Criteria* with a view to implementation in BloodSTAR. Public consultation was also undertaken to seek community wide feedback on the proposed revisions to the medical conditions included in chapters 7 and 8.

Adaptation of the *Criteria* for BloodSTAR

BloodSTAR (**B**lood **S**ystem for **T**racking **A**uthorisations and **R**eviews) is the new online system developed by the National Blood Authority on behalf of all Australian Governments to support health providers in managing their Ig Governance obligations as set out in the *National Policy: Access to Government Funded Immunoglobulin Products in Australia* (National Policy). The system standardises and manages access to the supply of immunoglobulin products for the treatment of conditions identified in the *Criteria for the clinical use of intravenous immunoglobulin in Australia* (the *Criteria*), funded by all governments through the national blood arrangements.

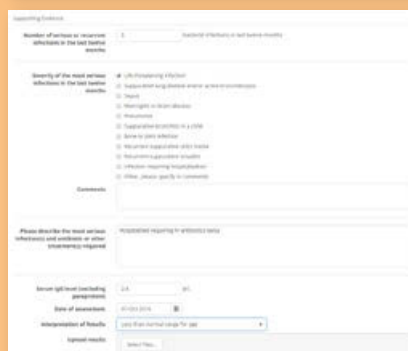
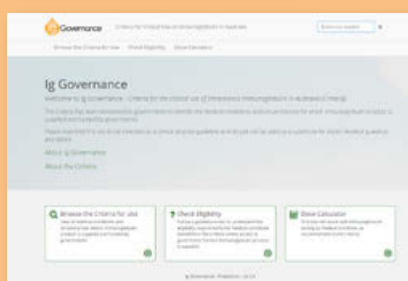
With the move to this new online system, the *Criteria* will no longer be published in printed form. The *Criteria* that has been uploaded into BloodSTAR has been based on an adaptation of the Second Edition (or Version 2) of the hard copy publication and the previous paper authorisation request forms. The adaptation has been required because there were certain fields in the system that could not be populated directly from Version 2 of the *Criteria* either because they were absent or ambiguous, or only referred to indirectly.

This is particularly the case for review criteria. In many instances, to allow prescribers to conduct a review within BloodSTAR, there must be an initial qualifying value, which is entered at the initial authorisation request. Where review or other criteria were inferred in Version 2 and the detail was available from Version 3 the information from Version 3, has been used to populate the required fields in BloodSTAR.

The evidence items fields are available in the system for the following reasons:

- ◆ To capture data or values (such as platelet count or Ig level) that are currently collected on the paper request forms
- ◆ To clarify qualifying criteria where the published version is silent or ambiguous (such as words like thrombocytopenia or recurrent)

- ◆ To assist prescribers with baseline values they may like to compare at review
- ◆ To assist in data analysis to inform future criteria access arrangements or development of the system.



Evaluation of new products

The working group established by the Jurisdictional Blood Committee (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 a Schedule 4 proposal for the inclusion of C1 Esterase Inhibitor Concentrate as a new product under the national blood arrangements. The Medical Services Advisory Committee (MSAC) provided advice on the proposal on 30 July 2015.

In late December 2015 the JBC agreed to recommend the inclusion of C1 Esterase Inhibitor Concentrate in the National Products and Services List and the 2016-17 NSP&B for Type I or II hereditary angioedema for the following indications:

- treatment of acute attacks
- pre-procedural (short term) prophylaxis for high risk procedures such as dental work, head or neck surgery, or surgery requiring intubation
- routine (long term) prophylaxis for patients who experience the equivalent of eight or more acute attacks per month.

The NBA worked with the Australasian Society of Clinical Immunology and Allergy (ASCI) to develop guidance and governance arrangements for use of C1 Esterase Inhibitor Concentrate for the clinical circumstances which reflect JBC's approval.

The NSP&B was subsequently approved by health ministers in April 2016. Supply of C1 Esterase Inhibitor Concentrate commenced in October 2016.

Data developments

In 2016-17, the NBA continued to build its data capture and analysis capabilities across all aspects of the supply chain. This area of activity is a key strategy to improve the overall efficiency and sustainability of the sector by providing a measurement for improvement.

A significant amount of data and information exists within the blood sector, however, the extent to which this data is currently available to the parties that need it, the quality of the data, and the capacity of the systems that hold it, varies widely. During 2016-17, the NBA progressed the following activities identified in the National Blood Sector Data and Information Strategy and Scorecard 2013-2016:

- continued to develop the list of system reports to be provided to stakeholders and developed specifications to assist in their development
- refined and implemented monthly and quarterly issue reports to be provided to stakeholders
- discard data
 - collected, analysed and distributed discard data from the BloodNet Fate Module to support the establishment of revised targets for discard rates in 2018-19 under the National Blood and Blood Product Wastage Reduction Strategy 2013-2017
 - specified further BloodNet discard reports on red blood cell ABO groups and reporting by public and private health providers

- Haemovigilance
 - developed the National Haemovigilance Report 2017 based on data for 2014–15 collected by states and territories. Refined and implemented the work plan to support implementation of the Strategic Framework for the National Haemovigilance Program approved in 2014–15
 - continued to develop revised haemovigilance tools and templates to support haemovigilance programs in Queensland
 - published the standards and minimum data sets for haemovigilance reporting for implementation in 2017–18
- Australian Bleeding Disorders Registry (ABDR)
 - published the ABDR Annual Report for 2015–16
 - continued to develop the set of data standards as part of the data integrity process for the ABDR for review by AHCDO Executive and the Data Managers
 - provided to AHCDO the 2015–16 ABDR Benchmarking Report
- the NBA signed Information Framework Agreements with SA in 2014–15, with NT, TAS and WA in 2015–16 and NSW in 2016–17. These agreements are required as part of the National Blood Sector Data and Information Governance Framework
- published the Ig Annual Report for 2015–16
- responded to 71 data requests from internal and external stakeholders.

Risk management

Focussing on risk management remained a high priority in 2016–17 to ensure a safe and secure blood supply within Australia. As part of that focus, the NBA commenced updating several programs during 2016–17 including:

- review and update of the NBA Risk Management Policy and Framework was undertaken and is expected to be endorsed by the Chief Executive in August 2017
- revision and testing of supply risk mitigation arrangements for imported products
- review and update of the NBA business contingency arrangements.

National Blood Supply Contingency Plan (NBSCP)

The NBSCP remains a body of work that will go to the Jurisdictional Blood Committee for endorsement in December 2017.

Recent changes have been made to the suite of documents including:

- expanded information covering roles and responsibilities
- communication channels in times of activation of the plan
- escalation and management responsibilities during an activation of the plan.



Business Contingency Plan (BCP)

The NBA commenced implementing the recommendations from an internal audit of the NBA Business Contingency Plan (BCP) during 2016–17. The BCP was seen as a detailed and robust approach to contingency planning. However, given the NBA has introduced several new programs recently, it was recommended a business impact analysis be carried out to review the suite of core business processes presently defined in the plan.

Review of Risk Management in the Blood Sector

The NBA continued to progress a range of recommendations resulting from an independent comprehensive Review of Risk Management in the Blood Sector, previously known as the National Managed Fund (NMF) Action Plan Review. This included approval of strategic level recommendations by all health ministers through the COAG Health Council. The Review concluded that the overall level of risk in the blood sector has reduced over the last decade due to a range of factors, including supply security improvements undertaken by the NBA. The negotiation between the NBA and the Australian Red Cross Society for the new Deed of Agreement implemented on 1 July 2016 addressed a number of these recommendations, together with a range of operational improvements for implementation in consultation with the Blood Service.

Supply Risk Mitigation for Plasma Derived and Recombinant Products

In 2016–17, the NBA conducted a specific risk simulation exercise to test the existing risk mitigation strategies in place under the National Blood Supply Contingency Plan (NBSCP). The risk exercise was conducted with an imported products supplier to simulate an interruption to product supply, testing the effectiveness of responses in a controlled environment. Lessons learned from the simulation exercise were used to update and improve the NBA's approach to risk management and assist in preparation for future activations of the NBSCP.



Information Communication Technology (ICT)

The NBA ICT teams continue to provide technology solutions and high quality support for NBA staff and deliver approved JBC strategies and projects. These projects are a key enabler of both data collection/analysis and business process reform across the sector. This is mainly incorporated under the Crimson Portfolio. The Crimson Portfolio incorporates the JBC approved Blood Sector Systems 2016 to 2019 project as well as BloodNet laboratory information system (LIS) integration stage 2 program and will deliver the following high level outcomes:

- policy compliance
- infrastructure updates
- platform enhancements
- reporting capability
- ABDR and MyABDR enhancements
- BloodNet enhancements
- BloodSTAR enhancements
- BloodNet–LIS interface.

BloodNet–LIS interface – Pathology North’s (NSW) LIS eBlood went live in October 2016. It is the first ever BloodNet–LIS developed and certified according to the newest specifications. Pathology Queensland (QLD) successfully implemented the first ever BloodNet–AUSLAB LIS interface going live in June 2017. All BloodNet–LIS interfaces currently in place are responsible for processing 35 per cent of total national issues of fresh blood products.

Australian Bleeding Disorders Registry (ABDR)

The ABDR and associated patient portal (MyABDR) is a clinical tool used on a daily basis by clinicians in all Australian haemophilia treatment centres to assist in the management and treatment of people with bleeding disorders. The NBA delivered a number of updates and improvements in 2016–17 to enhance the functionality and user experience with both ABDR and MyABDR. These changes included:

- system wide use of time zone processing which was particularly important for patients entering in MyABDR data
- updates to treatment plans
- additional requested validation messages and instructions as requested by users
- assorted user-requested functionality updates.

ICT Crimson

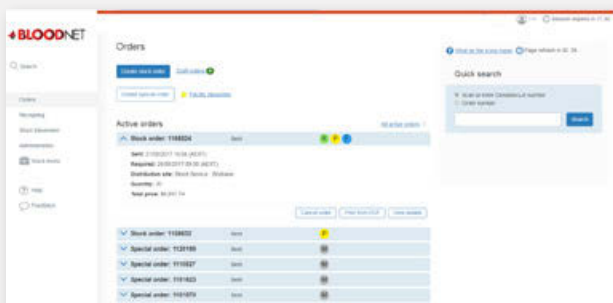
Crimson is a Jurisdictional Blood Committee approved project spanning over three years from 2016 to 2019. The aim of the project is to enhance Blood Sector Systems to continue to provide clinical, data, accountability and supply chain resilience and efficiency benefits to the NBA and across the blood sector.

The project also aims to ensure NBA systems are compliant with government policies and standards, including the Digital Transformation Agencies' Digital Service Standard. Through this, solutions are designed for users and feedback is sought regularly, improving the engagement of stakeholders and usability of systems. This ensures greater uptake and usage and improves accuracy and completeness of data collection for the benefit of all jurisdictions and the NBA.

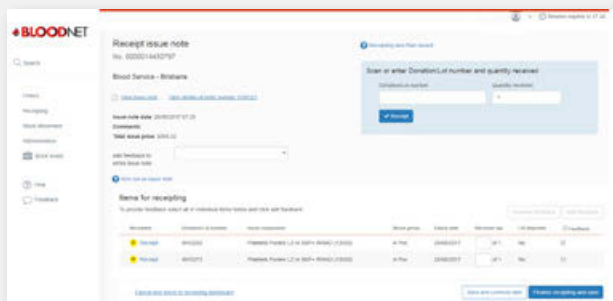
The Crimson project will develop and implement a range of improvements, including:

- ◆ streamlining of all user interfaces
- ◆ enhanced integration of modules and whole systems
- ◆ introduction of real time notifications
- ◆ improvements or development of reports
- ◆ ability to support all new barcoding formats
- ◆ enhancements to platforms and infrastructure.

Crimson incorporates the BloodNet 5 project - the redevelopment of the BloodNet system, and a vast array of improvements to the Australian Bleeding Disorders Registry (ABDR), MyABDR and BloodSTAR.



BloodNet 5 prototype image



BloodNet 5 prototype image

BloodNet

The BloodNet 5 redevelopment project commenced in late August 2016 and included a number of NBA ICT staff visiting laboratories across the country to gain exposure to real users and environments. In March 2017, BloodNet 5 passed the government's Digital Service Standard alpha assessment highlighting the successful approach to ensuring the new system is designed around end user needs. BloodNet 5 is currently scheduled for implementation in early 2018 and is progressing well.

The BloodNet Authorisation module was developed in 2016-17 enabling an interface between BloodNet and BloodSTAR to ensure that medical officers and nurses using BloodSTAR have consistent, up-to-date data from dispenses in BloodNet. Face to face and online training for this module were provided to each jurisdiction in conjunction with the national implementation of the BloodSTAR system.

The BloodNet User Reference Group met regularly throughout the year and provided feedback on how the authorisation module was working within laboratories after implementation. The NBA has responded to feedback and provided further updates to ensure the system is usable and suitable for all users.

In June 2017, QLD Health Auslab LIS interface with BloodNet was successfully established.

The BloodNet User Reference Group met regularly throughout the year to provide feedback to the NBA.



Image: BloodNet User Reference Group

BloodNet Redevelopment

BloodNet is Australia's online blood ordering and inventory management system. BloodNet provides the ability for Australian hospitals and laboratories to order blood and blood products and is supported by a 24-hour service to ensure that essential, lifesaving products get to where they are needed. Over one million orders have been placed in BloodNet since late 2010 and approximately 28,000 litres of blood are ordered and tracked each month.

BloodNet transformation

In 2009 the Queensland Department of Health developed an online system for ordering and tracking blood products called ORBS (Ordering, Receipting Blood System). This system was so successful that it was proposed for the NBA to develop a national system. A bespoke application called BloodNet was developed by the NBA in 2010 and has continued to be enhanced since this time.

In 2016, the NBA recognised the significant opportunity of redeveloping BloodNet to achieve compliance with the government's Digital Service Standard and received the Jurisdictional Blood Committee's authorisation to commission the BloodNet 5 project. The project will deliver a new BloodNet designed around users to make ordering blood products easier and faster and to build a more resilient and feature rich system.

The NBA visited 138 people across 39 different locations around Australia in order to gather feedback from users to ensure the new system meets their needs. The BloodNet User Reference Group was established to ensure feedback is discussed and progress on the system can be demonstrated at regular times through the project.

The redevelopment will come to fruition with the uptake by all health providers.

BLOODNET



BloodNet Milestone at Fiona Stanley Hospital, Western Australia

On 11 November 2016 PathWest Fiona Stanley Hospital Laboratory placed the one millionth order of blood product in the BloodNet system. The National Blood Authority and the Western Australian Department of Health visited the Fiona Stanley Hospital to celebrate this significant event. A commemorative award was presented by the NBA Chief Executive, Mr John Cahill to the PathWest Fiona Stanley Hospital Laboratory Senior Scientist, Ms Annette Le-Vielles.

The event in Perth highlighted the significant and critical role of BloodNet across the blood sector since it was rolled out across Western Australia.



2016-17

Sector monitoring

In 2016-17, the NBA continued its horizon scanning of international experience that may influence the management of blood and blood products in Australia. This monitoring activity informs the provision of current and proactive analysis to governments to enable the NBA to fulfil its functions under the National Blood Agreement.


Our focus in 2016-17 was:

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

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

During 2016-17, key developments included:

- increased availability of longer acting recombinant clotting factors for patient convenience
- further progress on an investigational humanised bispecific monoclonal antibody engineered to mimic the function of factor VIII, and simultaneously bind factors IXa and X
- the spin out of Biogen's global haemophilia business as a new public company, Bioverativ
- research of variable success on gene therapies directed at disorders such as haemophilia, sickle-cell disease and beta thalassemia, and continued interest in the treatment of haemophilia with RNAi therapeutics
- progress in developing treatment to reduce sickle-cell related pain crises
- further clinical trials of plasma-derived alpha-1 antitrypsin in a variety of settings
- introduction of new treatments for hereditary angioedema
- new haemostasis products
- interest in a variety of ways of storing/preserving blood and blood products
- further research on whether the age of red blood cells transfused affected clinical outcomes
- continuing endorsement of a restrictive transfusion policy, as the body of clinical experience grows in a range of surgical contexts

- 
- increased acceptance of the benefits of treating anaemia pre-operatively
 - more emphasis on maintaining iron levels in blood donors
 - further clinical experience of novel anticoagulants and reversing their effects when required
 - further stem cell research relevant to the blood sector, both on producing transfusable product and on modifying the surgical contexts in which transfusion may be considered
 - the development of an implant that resembles natural bone, with working marrow capable of producing blood
 - further understanding of how long the Zika virus remains in the human body and can be transmitted to others
 - continuing reports of cases of Middle East Respiratory Syndrome-Coronavirus (MERS-CoV), primarily in Saudi Arabia, with further confirmation that camels are a source of infection and hospital clusters are not uncommon
 - continuing reports of human cases of avian influenza A (H7N9) by the Chinese mainland health authorities, and further confirmation that live poultry markets are a major source of human infection. While temporary poultry market closures reduced environmental levels of H7N9 and other avian flu viruses, contamination returned to previous levels when markets re-opened.

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

In 2016-17, the NBA continued its intensive program to promote the safe and efficient use of blood and blood products. This includes the delivery of a range of key reference material and accelerated supporting implementation activities in relation to reducing wastage and improving fresh blood use based on the NBA-developed Patient Management Guidelines (PBM Guidelines).

Reference Development

In 2016-17, the NBA commenced a project to identify and implement a more sustainable methodology for reviewing and updating the PBM Guidelines. The NBA also commenced an update of the 2003 *Guidelines on the Prophylactic Use of Rh D Immunoglobulin (Anti-D) in Obstetrics* to ensure they continue to reflect current evidence and best clinical practice.

National Patient Blood Management Implementation Strategy 2017-2021

The National Patient Blood Management Implementation Strategy 2017-2021 takes a patient-centred approach intended to optimise clinical outcomes and improve patient safety.

Since the launch of the PBM Guidelines and accompanying implementation strategy, Australia has seen a significant reduction in the use of red blood cells. This reduction in use would not have occurred without the concerted effort of jurisdictional programs, clinical PBM champions and a willingness by healthcare professionals to adopt a patient focus rather than a product focus and using blood and blood products more appropriately and safely. The NBA estimates there remains significant scope for consolidation of gains already made and further penetration of PBM in clinical practice.

The core element of the strategy is to collaboratively facilitate activities and development of materials at a national level that support implementation at a health service organisation level. The four main elements covered in the 2013-17 strategy have been updated to six and now include:

- ◆ Guidelines
- ◆ Tools and resources
- ◆ Education and training
- ◆ Promotion and communication
- ◆ Data
- ◆ Research and development

The PBM activities to be undertaken are categorised to reflect these new elements in line with the revised goals and objectives. The content has been reviewed to align with the revised National Safety and Quality Health Service Standards, Blood and Blood Products Standard. The strategy also includes further information on partnerships, reviewing and updating PBM initiatives currently being implemented, and evaluation processes.



PBM Guidelines

Over 140,000 hard copies of the PBM modules 1 to 6 have been issued. They have also been 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 2016-17, the NBA turned its attention to maintaining the currency of the PBM Guidelines and commenced a review of the current development process. The review aims to identify and implement a model that allows updated clinical guidance to be published and disseminated as the evidence base and clinical practice evolves.

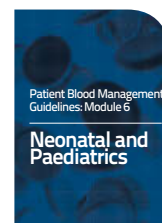
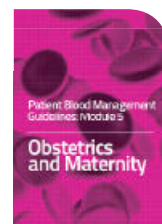
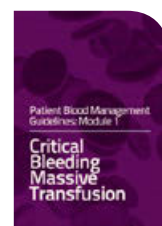
National Anti-D Guidelines

The NBA commenced a review of the 2003 *Guidelines on the Prophylactic Use of Rh D Immunoglobulin (Anti-D) in Obstetrics* in 2016-17 to ensure they continue to reflect current evidence and best clinical practice. A multi-disciplinary Expert Reference Group has been established to oversee the development of the new Guideline.

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 2016-17, the NBA continued its focus on activities to support implementation of measures to reduce wastage of blood and improve appropriate use through PBM as defined in the JBC approved National Blood and Blood Product Wastage Reduction Strategy 2013-2017 and the National Patient Blood Management Guidelines Implementation Strategy 2013-2017. The strategies address a significant proportion of requirements identified in the 2010 Australian health ministers' Statement on national stewardship expectations for the supply of blood and blood products. Although the strategies differ in terms of specific outcomes, the strategies share key common elements including the development of:

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



PBM Guidelines publication covers

Patient Blood Management Guidelines Review

The NBA completed the suite of the National Health and Medical Research Council (NHMRC)-approved Patient Blood Management Guidelines in 2016, comprising Critical Bleeding/Massive Transfusion (2011), Perioperative (2012), Medical (2012), Critical Care (2013), Obstetrics and Maternity (2015) and Neonatal and Paediatrics (2016).

The Patient Blood Management Guidelines provide evidence-based clinical guidance on optimisation of the patients' own blood, non-transfusion strategies to minimise blood loss and bleeding and strategies to manage anaemia.

Upon completion of the suite of the Patient Blood Management Guidelines, the NBA turned its attention to maintaining their currency and commenced a review and update process.

The review is considering a broader scope across the entire suite of modules rather than updating each module in isolation and aims to identify and implement a guideline model that allows updated clinical guidance to be published and disseminated as the evidence base and clinical practice evolves.

While the review is underway, the original modules remain available to guide practice. Copies of the Patient Blood Management Guidelines and their accompanying Quick Reference Guides can be downloaded or ordered free of charge at www.blood.gov.au/pbm-guidelines.



Red blood cell wastage and supply chain efficiencies

The National Blood Authority's Wastage Reduction Strategy 2013-17 has been very effective in helping to reduce unnecessary wastage of blood and blood products through two streams of work:

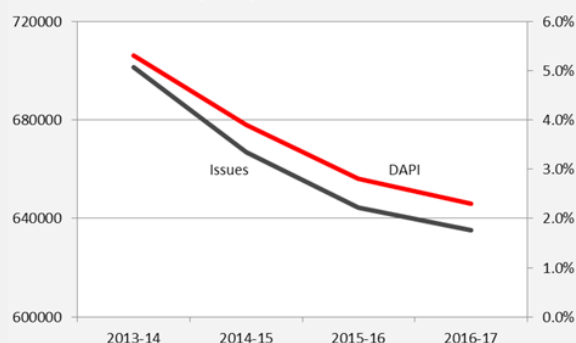
1. supply chain efficiencies from the point of collection to the point of issue of blood and blood products to health providers from suppliers and distributors
2. improving health provider inventory management from the point of receipt of blood and blood products to the transfusion of these units to patients.

Various projects, resources and direct health provider engagement have contributed to significant reductions in issues and wastage rates for red blood cells:

- ◆ National Blood and Blood Product Wastage Reduction Strategy 2013-17
- ◆ the National Patient Blood Management Guidelines (6 modules)
- ◆ manufacturing cost included on blood component labels
- ◆ national blood symposia highlighting strategies required to reduce wastage
- ◆ promoting strategies at key conferences and collaborative meetings
- ◆ National Safety and Quality Health Care Service National Safety and Quality Health Service (NSQHS)
- ◆ Standard 7 – Blood and Blood Products
- ◆ Managing blood and blood product inventory
- ◆ The National Inventory Management Framework project (NIMF)

A variety of free resources and 'Stop the Waste' promotional products are available to help health providers promote the wastage strategy including the below promotional items.

Red cells issues and discards as a percentage of issues (DAPI) 2013-14 to 2016-17





Promotion and communication

In 2016-17 the NBA continued its promotion and communication campaign to increase awareness of the need to improve clinical practice and inventory management in relation to blood products. This included representation and promotional and educational activities at a range of clinical and health sector conferences and events, including the following:

- 27th Annual Conference of the Australasian Society of Clinical Immunology and Allergy (ASCI), September 2016
- Haematology Society of Australia and New Zealand, Australian & New Zealand Society of Blood Transfusion and the Australasian Society of Thrombosis and Haemostasis (HAA), 2016, November 2016
- Inaugural Patient Blood Management Conference RBWH, Royal Brisbane Women's Hospital, February 2017
- Royal College of Pathologists – Pathology Update 2017, February 2017
- Transfusion Update Conference 2017, April 2017
- 3rd Intraoperative Management of Blood (IMOB) Australian and New Zealand College of Perfusionists (ANZCP), May 2017
- Australia & New Zealand College of Anaesthetists Annual Scientific Meeting (ANZCA), May 2017.

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

BloodMove Platelets Project significantly reduces platelet wastage for South Australia

Aim:

The aim of the BloodMove Platelets project was to minimise platelet wastage due to expiry. The data confirms a significant reduction in South Australia when compared with the national wastage figure over the past four years.

Implementation:

The BloodMove Platelets project was implemented in a staged manner following initial planning, preparation, consultation and education. Initial planning included auditing inventory levels, platelet usage and wastage patterns across all metropolitan public hospitals.

The BloodMove Platelets project aimed to minimise platelet wastage through a number of different strategies including:

- ♦ transfer of near expiry platelets to large metropolitan hospital laboratories
- ♦ establishing a common shared Day 5 Platelet Listing for use by all Adelaide metropolitan hospital and private laboratories (in preference to the use of available Day 3 or 4 platelets or by placing a BloodNet order)
- ♦ reducing platelet inventories deemed excessive.

Summary:

The BloodMove Platelets project has demonstrated a reduction in platelet wastage. High platelet wastage rates that were previously seen as unavoidable are now deemed unacceptable in the current climate of healthcare cost containment.

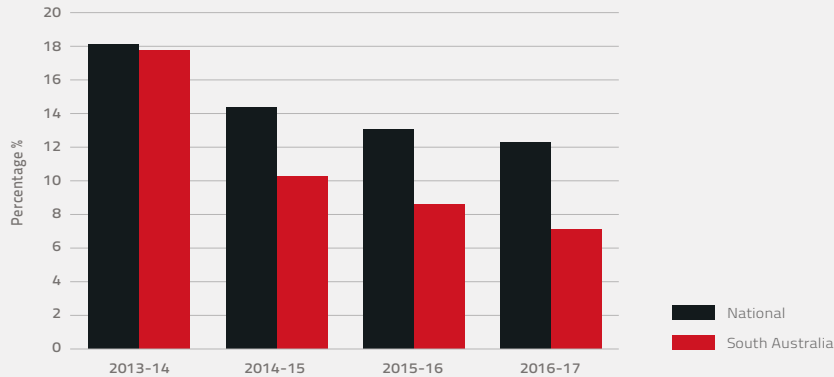
The BloodMove Platelets project involves a collaborative platelet inventory concept that moves Day 4 platelet blood stocks from low usage sites to high usage sites and then sharing a common multi-site near expiry Day 5 platelet inventory. Additionally, minor inventory level changes and dispatch practices were implemented.

Transfusion service laboratories across the SA Pathology network, together with the large private pathology transfusion service laboratories, have significantly reduced platelet wastage to levels previously thought as unachievable. This reduction was sustained for 36 months and currently appears to have stabilised. The flow-on substantial cost savings to jurisdictional governments will enable funding to potentially be redirected to other important areas.

Importantly, BloodMove practices have reduced the risk of a valuable resource, that is freely provided by blood donors, being wasted.

These initiatives have shown that with good planning, collaboration and education, significant reduction in platelet component wastage due to expiry is attainable.

Platelet Discard Rate 2013-14 to 2016-17 by per cent
National compared to South Australia



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 continues to rise.

In 2016–17, the NBA progressed the National Blood Sector Education and Training Strategy 2013–2016. The strategy outlines a plan to work with current education and training providers to address the growing demand for high quality, well-tailored education, training and health promotion materials to support the implementation of evidence-based practice and attainment of health service accreditation under the new standards.

BloodSafe eLearning Australia

BloodSafe eLearning Australia (BEA) provides online education and training resources for health professionals in Australia. The program aims to improve knowledge of patient blood management and clinical transfusion practice in order to improve patient outcomes.

The first course, Clinical Transfusion Practice, was released in late 2007. The course catalogue has since expanded to 17 courses and one mobile device application ('app'), with further courses in development. All courses are based on published guidelines, best practice and expert opinion.

At the end of June 2017 there were more than 425,000 learners registered with the program who had completed more than 850,000 courses.

For the 2016–17 reporting period the BEA program:

- received 58,510 new user registrations
- had 155,792 courses completed by users, with more than 12,983 courses completed on average each month
- was used by more than 1,500 Australian health care organisations (hospitals, pathology laboratories, staffing agencies etc) to improve staff knowledge and assist them to meet their accreditation requirements
- promoted the available courses in professional journals, at scientific, medical and nursing conferences, and provided resources for organisations to undertake their own promotions
- finalised new course content based on PBM Guideline Module 5 – Obstetrics and Maternity
- finalised and released a major review of the Clinical Transfusion Practice Collecting Blood Specimens and transporting blood courses
- commenced the development of courses to support the PBM Guidelines Module 6 – Neonatal and Paediatrics
- commenced major upgrades and new developments to the learning management system.



National Safety and Quality Health Service Standards

As part of the national health reforms, the ACSQHC (Commission) has developed the NSQHS Standards. These standards were intended to drive improvement in safety and quality for patients. They also provide a clear statement of the level of care consumers can expect from health services. The NBA is committed to supporting health service organisations to meet the requirements under Standard 7 Blood and Blood Products. During 2016-17 the NBA continued to work with the Commission and other stakeholders in the process to review Standard 7 in support of the development of the next edition of the Standards, scheduled for release in November 2017.

Thank you

The National Blood Authority (NBA) would like to acknowledge the extraordinary help and support of the clinical, scientific and consumer community. The NBA could not fulfil its role in the blood sector without the considerable contribution of all stakeholders but we wanted to draw readers' attention to the numerous groups that provide their valuable time and resources to a large number of initiatives and business as usual tasks. All external stakeholders in the blood sector provide the NBA with advice that allows us to produce quality outputs and meet the objectives of the national blood arrangements.

Thank you to our clinical, scientific, and consumer advisors.



These include the members of the:

- ◆ Jurisdictional Blood Committee Working Group for the review and update of the Patient Blood Management Guidelines
- ◆ The Patient Blood Management Guidelines Clinical/Consumer Reference Group for the update of the Critical Bleeding/Massive Transfusion module
- ◆ National Immunoglobulin Governance Advisory Committee including the Specialist working groups for Immunology, Haematology, Neurology and Transplantation medicine
- ◆ Australian Bleeding Disorders Registry Steering Committee
- ◆ Australian Bleeding Disorders Registry User Reference Group
- ◆ Australian Haemophilia Centre Directors' Organisation (external)
- ◆ National Patient Blood Management Steering Committee
- ◆ National Blood Sector Education and Training Committee
- ◆ Haemovigilance Advisory Committee
- ◆ BloodNet User Reference Group
- ◆ MyABDR User Reference Group

The NBA would also like to acknowledge the support it receives from the many colleges, societies and individuals, who contribute to our publications, resources and tools.

There are too many to list here but if readers want to know who we are thanking they can go onto our website at www.blood.gov.au for further information.

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'. The National Blood Research and Development Strategic Priorities 2013-16 is currently under review. 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, including from the National Health and Medical Research Council, by identifying that their research aligns with priorities communicated by governments.

National Blood Sector Research and Development Pilot

In September 2015 the NBA received approval from funding governments to implement a Pilot to fund research and development activities in the blood sector.

The Pilot was established to fund a limited number of projects or activities assessed as likely to produce valuable research outcomes in identified key priority areas. In addition, information gathered from the Pilot will be used to inform consideration by governments of the viability and potential value of further blood sector specific research and development funding.

The Pilot targeted the following topics, where the priority for research had been identified by pre-existing strategic programs of the NBA and governments in the blood sector:

- patient blood management evidence gaps, as identified in each module of the PBM Guidelines
- efficient and effective use of immunoglobulin products, as highlighted through the Ig Governance Program.

The overarching objectives are to identify and support strategic priority areas appropriate for targeted blood sector research funding that will:

- enhance the sustainability and affordability of the national supply of blood products, including through increased efficiency and reduced blood product usage and wastage
- identify appropriate use and reduce inappropriate use of blood products
- maintain or enhance clinical outcomes for patients by providing evidence or new knowledge to:
 - understand the biological action of blood products
 - identify optimum treatment, dosing or indications for use for blood products
 - compare the use of blood products with alternative strategies and treatments.

In 2016-17, the NBA commenced funding of nine successful research grant applications from Round 1 of the Pilot. Applications for the second round under the Pilot were invited in early 2017. Round 2 attracted 23 high quality applications of which seven were deemed suitable for funding. Grants for these projects will commence in early 2017-18.

The NBA received input from clinical academic, research and government experts who participated in the review process and assisted the NBA in determining the mix of projects to be funded within the Pilot's limited budget. The NBA is confident that the funded research will provide significant inroads towards achievement of the blood sector's research outcomes. The outcomes of each grant funding round are reported on the NBA's website.

National Blood Sector Research and Development Pilot

After the successful Round 1 of the Research and Development Pilot the NBA commenced and awarded grants for Round 2.

The NBA was impressed with the number and quality of submissions for Round 2. The NBA was grateful to have received high quality input from clinical, research and government experts who participated in the review process and assisted the NBA in determining the mix of projects to be funded within the limited pilot budget. The NBA is confident that the funded research will provide significant inroads towards achievement of the blood sector's research outcomes.

Through this pilot, the NBA will test and evaluate its capacity to meet the objectives of the NBA's Research and Development Framework objectives and its ability to administer a grants program.

The NBA sourced a group of peer reviewers from its clinical groups who had expertise in not only peer review but also in the topics of patient blood management and immunoglobulin therapy. The process was facilitated by an individual with significant expertise and experience in the management of scientific peer review processes. The process ensured that each application was evaluated in a fair, unbiased and equitable manner.

The topics funded for research in this Round 2 will address important knowledge gaps in both patient blood management and immunoglobulin therapy. Grants were offered as scholarships, seed grants or project grants. Research will inform clinical practice, practice improvement and policy.





PART



3

MANAGEMENT AND ACCOUNTABILITY

STRUCTURE, GOVERNANCE AND AUTHORITY IN THE BLOOD SECTOR

PLANNING FRAMEWORK

CUSTOMER SERVICE CHARTER

EXTERNAL SCRUTINY

FRAUD CONTROL

HUMAN RESOURCES AND PEOPLE MANAGEMENT

STRUCTURE, GOVERNANCE AND AUTHORITY IN THE BLOOD SECTOR

Governance Arrangement

The key governing bodies in the Australian blood sector and their roles and relationships with each other are set out in the National Blood Agreement and *National Blood Authority Act 2003* and are depicted in Figure 3.1.

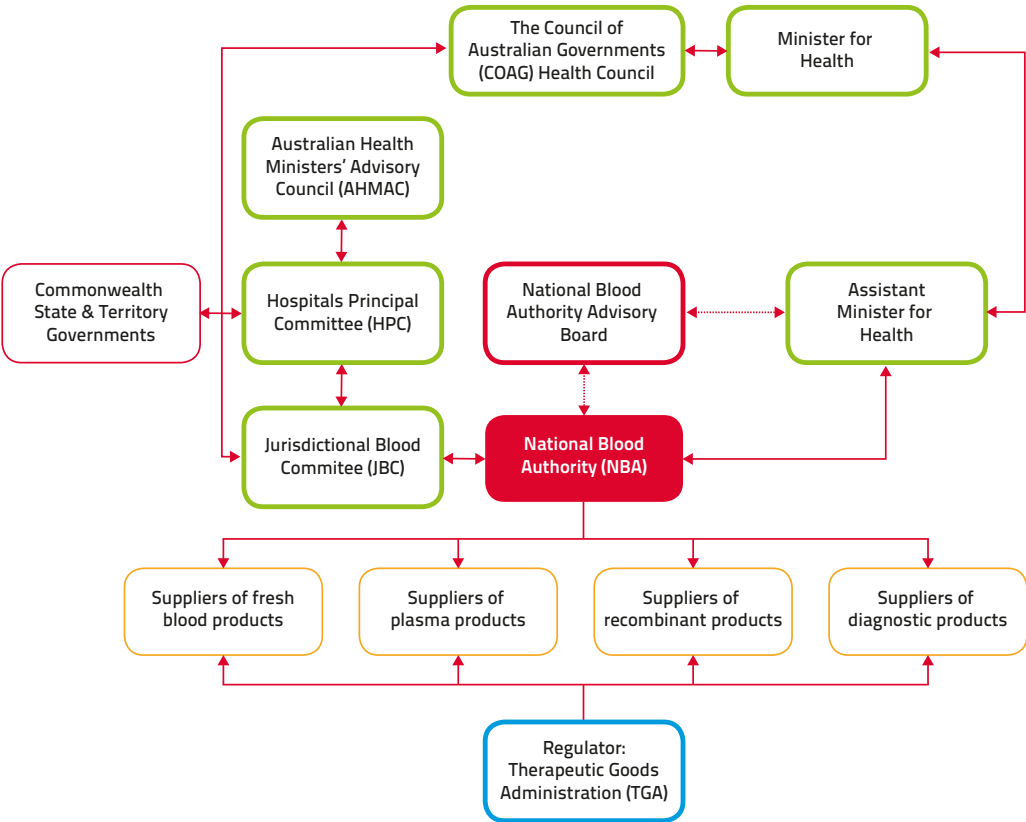


FIGURE 3.1 Governance and Authority in the Blood Sector

Establishment of the National Blood Authority (NBA)

The National Blood Agreement between all governments outlines the policy framework for the current national blood arrangements. The Agreement outlines the:

- nationally agreed objectives of governments for the blood sector (primary and secondary)
- governance arrangements for the sector
- administrative arrangements for the management of the national blood supply
- financial arrangements for the national blood supply.

The NBA emerged from the 2001 Review of the Australian Blood Banking and Plasma Product Sector (Stephen Review). The Stephen Review noted the need for changes to the inconsistent and fragmented arrangements that applied to the blood sector at that time. More specifically, there were 30 agreements in existence between the governments, the Blood Service and CSL. In addition, supply costs had tripled between 1991 and 1999.

The Stephen Review recommended the strengthening of the arrangements for the coordination and oversight of Australia's blood supply, including the establishment of a National Blood Authority to manage Australia's blood supply at a national level.

Negotiations to develop a national management framework commenced in June 2001 in consultation with the states, territories and other key interest groups.

Commonwealth legislation allowing for the establishment of the NBA passed through both Houses of Parliament and the new Authority came into existence on 1 July 2003.

NBA Governance Committees

An overview of the NBA Governance structure is shown in Figure 3.2.

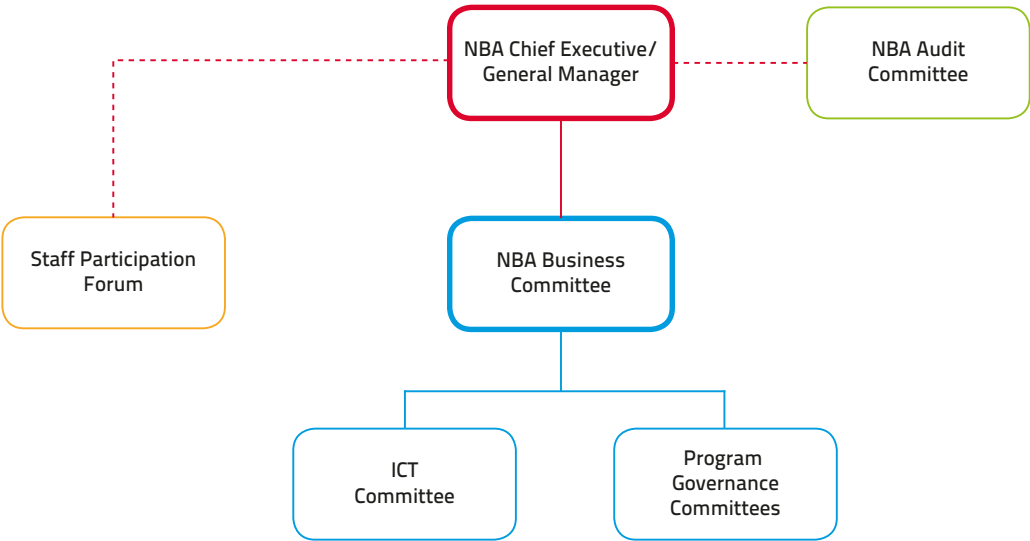


FIGURE 3.2 Governance and Authority in the NBA

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

- The **NBA Business Committee** is the primary governance committee for the NBA. It provides strategic oversight and direction for the management of the NBA and its business and finance activities.

The role of the NBA Business Committee is to:

- support and advise the Chief Executive
- provide strategic leadership, guidance and direction in relation to all business activities and processes and also in relation to people management, financial management and ICT issues
- review NBA business plans and activities, and monitor progress regularly against key milestones and deliverables
- consider NBA investment priorities and review these priorities on a regular basis
- oversee relevant sub-committees and project boards.

The Committee membership comprises the Chief Executive, Deputy General Manager, Executive Directors, Chief Finance Officer, HR Manager and the Chief Information Officer. The Committee is chaired by the Chief Executive and supported by the Executive Support Office. Other staff may be required to attend meetings for relevant agenda items.

- The **ICT Steering Committee**, chaired by the NBA Chief Executive, provides strategic direction and oversight of the NBA's information, communications, technology and knowledge management activities. Membership of the committee includes Senior Executive Management, the Chief Finance Officer and the Chief Information Officer.
- The **Project Governance Boards**, chaired by the NBA Chief Executive, provide governance oversight of major strategic projects of material significance. The terms of reference and membership of each board is specific to the project. Project Governance Boards operated in 2016-17 for the following projects:
 - BloodNet/ABDR Development and Enhancement
 - Ig Governance Project
 - BloodSTAR
 - Pilot to update PBM Guidelines: Module 1
 - National Blood Sector Research and Development Pilot.
- The **NBA Audit Committee** provides independent assurance and advice to the Chief Executive on strategies to enhance the organisation's governance control and risk management framework, the planning and conduct of the NBA internal audit program and support financial and legislative compliance. The Committee met six times in 2016-17.

Its membership in 2016-17 was as follows:

- Mr Ken Barker (Chair)
- Mr Andrew Harvey
- Mr Paul Bedbrook
- Representatives from the Australian National Audit Office (ANAO) and the NBA internal auditors (RSM Australia) also attend meetings as observers for most matters.
- The **Staff Participation Forum (SPF)** - the NBA has established a Staff Participation Forum (SPF) to consult directly with its employees and their representatives about significant decisions that affect their working lives. The SPF is a group comprised of NBA staff representatives, NBA Management representatives and a Work Health and Safety representative.



NBA Management

As at 30 June 2017, the NBA Senior Executive Management team comprised the following:

- Chief Executive – Mr John Cahill
- Deputy General Manager/General Counsel – Mr Michael Stone
- Executive Director Fresh Blood, Data & Clinical Development – Ms Sandra Cochrane
- Executive Director Supply Management Plasma & Recombinant Products – Mr Ian Kemp

As at 30 June 2017, the NBA comprised the following 15 teams/business streams:

- Legal Services
- Executive Support Group
- Secretariat and Communications
- Immunoglobulin Governance
- Research and Development
- Horizon Scanning
- Human Resources
- Blood Operations Centre
- Information Management
- Supply Management – Plasma & Recombinant Products
- Health Provider Engagement
- Business Support
- Supply Management – Fresh Blood
- Blood Sector Clinical Development
- Data and Information Analysis.

Internal Audit

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

RSM (Australia) conducted a range of audits and reviews in line with the work program developed in conjunction with the Audit Committee. The 2016-17 work program encompassed reviews of: contractor arrangements; workplace health and safety management systems; and post implementation review – transition to Shared Services Payroll Management.

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



PLANNING FRAMEWORK

The NBA has established a comprehensive planning framework (2013–16) as depicted in Figure 3.3.

Current programs include:

- National Wastage Reduction
- National Patient Blood Management Guidelines Implementation
- National Blood Sector ICT Strategy
- National Blood Sector Research and Development
- National Blood Sector Data and Information
- National Blood Education and Training
- National Contract Development and Management
- Ig Governance
- Corporate Management and Governance.

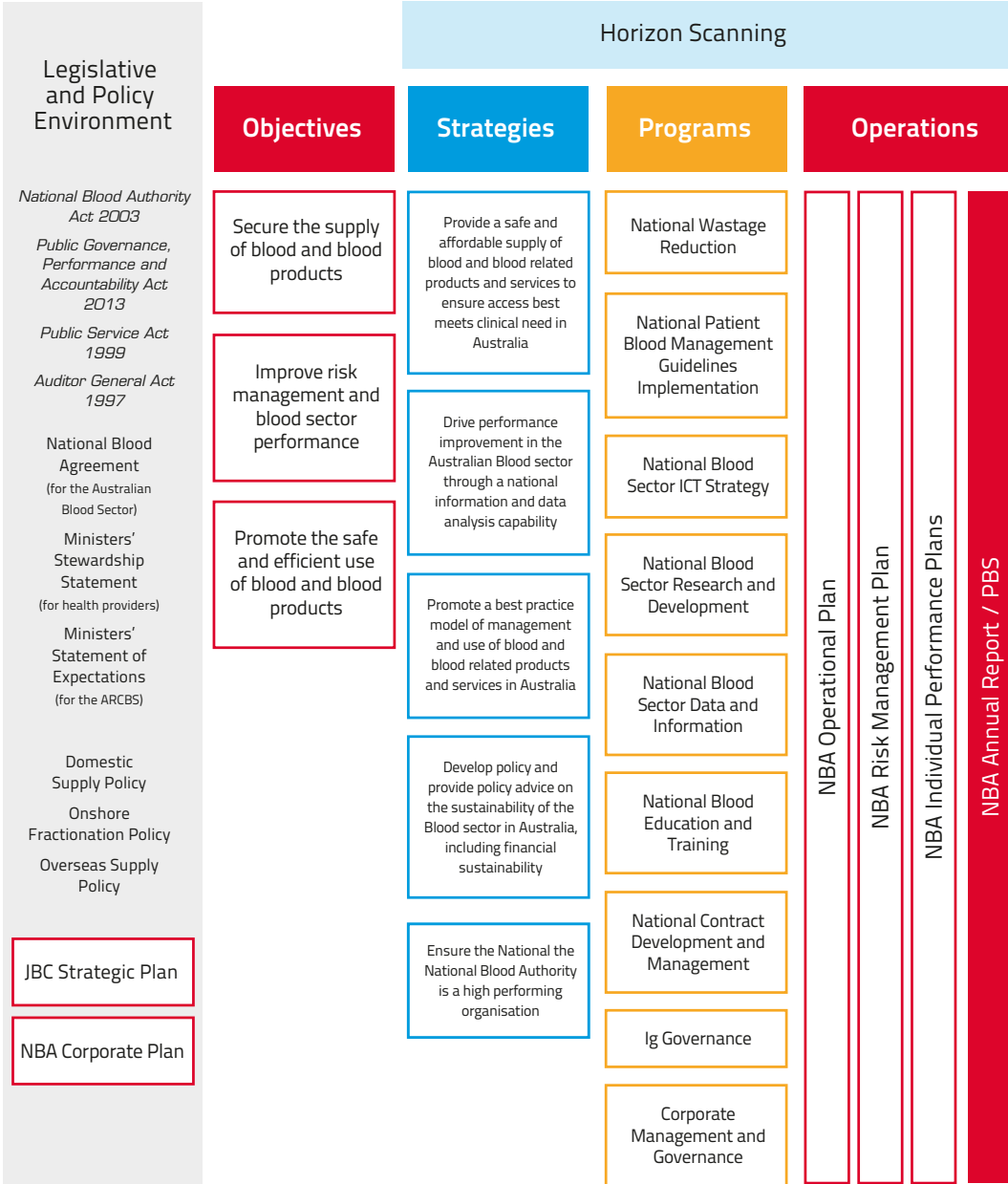


FIGURE 3.3 NBA Planning Framework

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

In 2016-17, the NBA delivered 98 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 five years.

TABLE 3.1 NBA's performance in achieving operational plan objectives, 2011-12 to 2016-17

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Performance (%)	87%	91%	96%	91%	97%	98%

Key operational achievements for 2016-17 included the following:

- the uninterrupted supply of blood and blood products to meet all clinical demand in accordance with the approved NSP&B
- implemented new Deed of Agreement with the Australian Red Cross Society signed on 20 February 2016
- Ig Governance program implemented and supports all supply authorisation for Ig, and new Ig governance system BloodSTAR implementation in all states and territories except NSW
- worked with jurisdictional and clinical committees to develop the new PBM Implementation Strategy for 2017-21
- commenced the redevelopment of BloodNet from the ground up to ensure the NBA improve speed and use of the system for the future. The redevelopment project, known as BloodNet 5, aims to release a range of enhancements, changes and improvements to the system
- national blood sector research and development Round 2 grants awarded
- continued collaborative work with the Australian Commission on Safety and Quality in Health Care (ACSQHC) on a review of the National Safety and Quality Health Service (NSQHS) Standards, Standard 7: Blood and Blood Products, and the completion of the National Patient Blood Management Collaborative, focussing on identification and management of pre-operative anaemia and iron deficiency
- publication of a range of data reports including the Report on the Issue and Use of Intravenous Immunoglobulin (IVIg) 2015-16, Australian Haemovigilance Report and the Australian Bleeding Disorders Registry Annual Report 2015-16.

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. 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 invited feedback on our performance and during 2016-17; the NBA recorded 54 instances of positive feedback and no negative feedback.

EXTERNAL SCRUTINY

There have been no judicial decisions, decisions of administrative tribunals or decisions of the Australian Information Commissioner in 2016-17 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 2016-17.

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 2016-17. There were no capability reviews released during 2016-17.

FRAUD CONTROL

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

The NBA updated its fraud risk assessment in 2016-17.

Fraud awareness training was conducted with NBA staff during 2016-17.

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

No instances of fraud were detected during the reporting year.

Certification of fraud control arrangements

I, John Cahill, certify that I am satisfied that for 2016-17, the National Blood Authority has:

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

John Cahill

Chief Executive
National Blood Authority



HUMAN RESOURCES AND PEOPLE MANAGEMENT

During 2016-17, the NBA continued its commitment to managing and developing its employees to meet organisational objectives. The results of the 2017 Australian Public Service Commission (APSC) Employee Census indicates the success of the NBA in continuing to be an organisation with a strong and happy team culture focussed on outcome delivery. The key points from the Employee Census are:

- 75 per cent of employees consider that their supervisor and senior leaders in the NBA act in accordance with the APS Values
- 62 per cent of employees stating that they consider the leadership of the NBA is of a high quality
- 60 per cent of employees consider that the most senior leaders are sufficiently visible i.e. seen in action
- 74 per cent of employees stating that the NBA's workplace culture supports people in achieving a good work-life balance
- 63 per cent of employees are satisfied with the work-life balance in their current job
- 64 per cent of employees feel they are valued for their contribution to the NBA
- 76 per cent of employees stating that they enjoy the work in their current job
- 68 per cent of employees feel a strong personal attachment to the NBA
- 84 per cent of employees are satisfied with the non-monetary employment conditions at the NBA e.g. leave and flexible work arrangements
- 74 per cent of employees would recommend the NBA as a good place to work
- 84 per cent of employees are proud to work at the NBA.

Employee and agency census

The surveys undertaken by the NBA in 2016-17 were the APSC State of the Service Employee Census and the APS State of the Service Agency Survey. The APSC set a target rate of 65 per cent of APS employee participation for the Employee Census and the NBA exceeded this with a 93 per cent return, 22 per cent higher than the APS participation rate of 71 per cent.

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

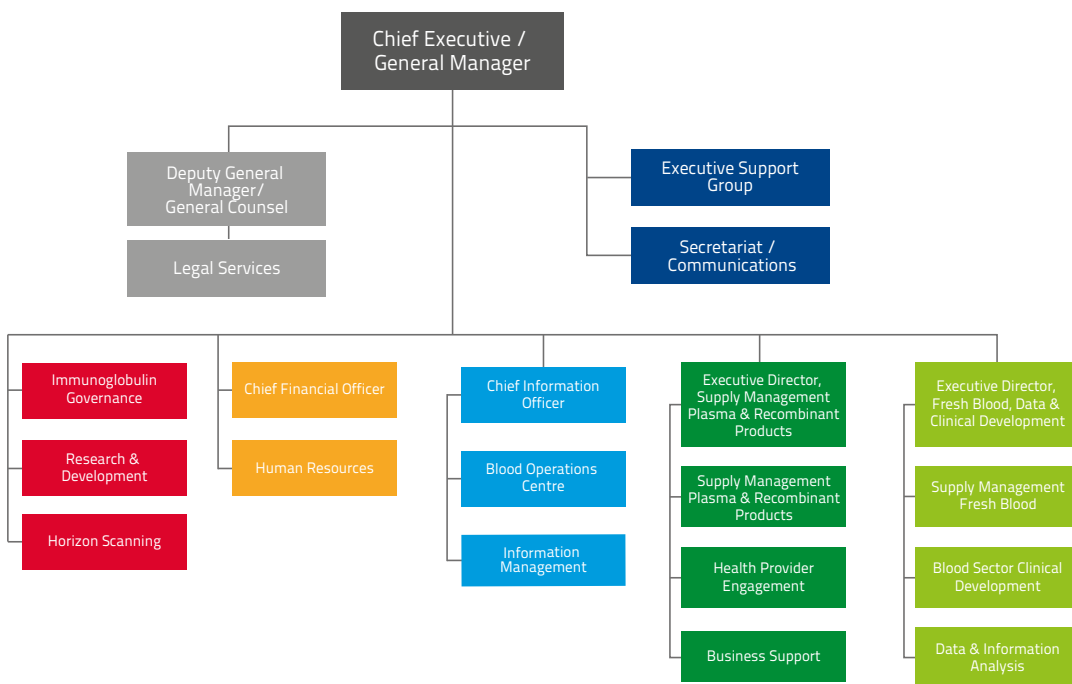


FIGURE 3.4 NBA Organisation as at 30 June 2017

Our values

The NBA strongly endorses the APS Values, Employment Principles and Code of Conduct and it is this basis which forms the expectations for the behaviour and conduct from all of our staff. Employees at the NBA understand their responsibilities associated with being a member of the APS and being a representative of the Australian Government.

Staffing information

The total number of APS staff employed in the NBA was 58 employees (53.05 full time equivalent) at the end of June 2017. Of these 58 employees, one person was on long-term leave. Tables 3.2 & 3.3 provide a breakdown of NBA staff numbers by classification, gender and employment type (prepared on substantive classification role as at 30 June 2017).

We have a diverse workforce with 14 per cent of NBA employees identifying as being from non-English speaking backgrounds and/or born outside of Australia.

Indigenous Staffing

In 2016-17, the NBA did not have any employees who reported as identifying themselves as Indigenous. In 2016-17 the NBA made efforts to attract indigenous employees through open/non-targeted recruitment and retention processes that included exploring alternate pathways such as the Australian Government Indigenous Program. In addition, previously established relationships with indigenous recruitment organisations have been strengthened.

TABLE 3.2 Number of male and female full-time and part-time NBA staff at 30 June 2017

Substantive Role Classification	Female (Full-Time)	Female (Part-Time)	Male (Full-Time)	Male (Part-Time)	Total
Chief Executive Officer	Nil	Nil	1	Nil	1
SES	Nil	Nil	1	Nil	1
EL2	3	Nil	3	Nil	6
Legal 1	Nil	Nil	1	Nil	1
EL1	12	3	8	Nil	23
APS6	5	3	Nil	Nil	8
APS5	5	3	3	Nil	11
APS4	4	Nil	2	Nil	6
APS3	1	Nil	Nil	Nil	1
Grand Total	30	9	19	0	58

TABLE 3.3 Number of male and female and ongoing and non-ongoing NBA staff at 30 June 2017

Substantive Role Classification	Female (Ongoing)	Female (Non-ongoing)	Male (Ongoing)	Male (Non-ongoing)	Total
Chief Executive Officer	Nil	Nil	1	Nil	1
SES	Nil	Nil	1	Nil	1
EL2	3	Nil	3	Nil	6
Legal 1	Nil	Nil	1	Nil	1
EL1	13	2	8	Nil	23
APS6	8	Nil	Nil	Nil	8
APS5	7	1	2	1	11
APS4	3	1	1	1	6
APS3	1	Nil	Nil	Nil	1
Grand Total	35	4	17	2	58

We have 56 staff located in the ACT, 1 in Victoria and 1 in NSW. Both the Victoria and NSW employees are part-time.

The average age of NBA staff is 43.45 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 2017

Age profile	Number of employees
20 – 25	1
26 – 30	5
31 – 35	10
36 – 40	9
41 – 45	11
46 – 50	6
51 – 55	6
56 – 60	7
61 – 65	2
66 +	1
Total	58

NBA Enterprise Agreement

The current enterprise agreement (EA) was approved on 12 January 2016. The table below details salary levels of staff by classification for 2016–17.

TABLE 3.5 Salary levels of NBA staff by classification at 30 June 2017

Classification	Minimum (\$)	Maximum (\$)
EL 2	116,189	130,906
EL1 Legal	97,348	117,864
EL 1	97,771	111,044
APS Level 6	79,215	89,365
APS Level 5	71,807	75,789
APS Level 4	66,020	69,760
APS Level 3	58,271	64,591

TABLE 3.6 Numbers of NBA staff on types of employment agreements

Staff	Enterprise Agreement	Common law or Section 24 Agreement
Chief Executive Officer	Nil	Nil
SES	Nil	1
Non-SES	56	Nil

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 <https://www.blood.gov.au/employment-benefits>.

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

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

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

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

Workforce planning, staff retention and turnover

Staff turnover remained steady at 20.7 per cent with 12 people leaving the NBA during 2016-17.

The average length of service for staff at the NBA is approximately 5.02 years, which is consistent with the previous year and 48 per cent of staff average length of service at the NBA is more than five years, an increase of 5 per cent from the previous year.



Productivity gains

During the year, the NBA continued to rationalise staffing levels, in particular program activities and contributed to the government's efficiency dividend strategy. This rationalisation will continue to be implemented throughout the 2017-18 year.

The NBA transitioned its payroll function to the Department of Health Shared Services Centre in 2015. The NBA continued to implement productivity gains by utilising a number of other Commonwealth panel arrangements for the provision of services such as recruitment, training, annual influenza vaccinations and the Employee Assistance Program (EAP).

Remuneration and performance pay

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

Professional and personal development

The NBA recognises the importance of ensuring that staff continue to develop their skills and this is facilitated through sourced internal training, in-house training programs and external training and development opportunities such as stakeholder engagement, conferences, seminars, accredited training organisations and learning institutions. To supplement this, during 2016-17 the NBA explored options for implementing an online e-Learning system in support of ongoing professional and personal development for staff.

As part of its role in the health sector, the NBA is encouraged to attend a number of health conferences to promote blood usage awareness. Opportunities are offered to staff from all areas of the NBA.

The NBA fosters a culture of cohesion to further enhance its organisational productivity, build team relationships, improve cross team communications, increase staff retention and further build and promote our positive, collegiate culture.

Staff health and wellbeing

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

- health memberships
- specialist advice/programs
- sporting clothing and equipment.



Work health and safety (WHS)

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

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

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

- the continued availability of workstation assessments for all new starters as well as assessments for existing staff who felt it necessary for their wellbeing
- access to the EAP
- expansion of ICT remote working capabilities to cover all staff, enabling staff to work from outside the office on an ad hoc basis
- a dedicated carer's room for parents who do not have the benefit of their own office and who need to bring their children into the workplace for short periods of time as a bridging arrangement for childcare
- sit-to-stand desks were purchased for all staff who requested them. This initiative continued to be rolled out to all staff in 2016-17 and will continue throughout 2017-18 as required
- development of a WHS Governance framework.



PART

4

PART 4

FINANCIAL MANAGEMENT

FINANCIAL MANAGEMENT

FINANCIAL PERFORMANCE

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FINANCIAL MANAGEMENT

Funding

The functions of the NBA are outlined in the *National Blood Authority Act 2003* and the National Blood Agreement. As a material statutory agency, the NBA has a range of corporate and compliance responsibilities under the *National Blood Authority Act 2003*, the *Public Governance, Performance and Accountability Act 2013*, and the *Australian Public Service Act 1999*, along with a responsibility to meet ministerial, parliamentary and financial reporting requirements.

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

Special accounts

The NBA operates through two special accounts, the National Blood Account and the NMF Blood and Blood Products Special Account 2017.

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 2017 was established under section 78 of the *Public Governance, Performance and Accountability Act 2013* 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 2016–17.

TABLE 4.1 Overall funding and expenditure for the NBA in 2016–17: a summary

	Funding Incl. Appropriations (\$M)	Expenditure (\$M)
Departmental – NBA Operations	10,012	9,615
Administered – national blood and blood product supply	1,050,159	1,062,835

FINANCIAL PERFORMANCE

This section provides a summary of the NBA's financial performance for 2016–17. Details of departmental and administered results are shown in the audited financial statements, and this summary should be read in conjunction with those statements.

Audit report

The NBA received an unqualified audit report for 2016–17.

Departmental finances

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

Operating result

The NBA's income statement reports a 2016–17 operating surplus of \$0.397 million, compared with an operating deficit of \$0.255 million in 2015–16. Table 4.2 shows the key results for the period 2012–13 to 2016–17.

TABLE 4.2 Key results in financial performance, 2012–13 to 2016–17

Revenue & expenses	2012–13 (\$'000)	2013–14 (\$'000)	2014–15 (\$'000)	2015–16 (\$'000)	2016–17 (\$'000)
Contributions from the Australian Government	6.201	6.090	6.266	5.719	5.636
Contributions from states and territories and other revenue	4.106	4.113	4.590	3.877	4.376
Total revenue	10.307	10.203	10.856	9.596	10.012
Employee expenses	6.490	6.632	6.695	6.469	6.744
Supplier expenses	3.569	3.149	3.753	3.002	2.350
Other expenses	0.890	0.657	0.439	0.380	0.521
Total expenses	10.949	10.438	10.887	9.851	9.615
Operating result	(0.642)	(0.235)	(0.031)	(0.255)	0.397

Revenue

Total departmental revenue received in 2016–17 amounted to \$10.012 million: \$5.636 million in funding from the Australian Government; \$4.295 million in contributions received from the states and territories and other revenue; and \$0.081 million for resources received free of charge. This represents an increase of \$0.416 million (4.3 per cent) on revenue received in 2015–16. Other revenue refers to contributions arising from officers transferring from other agencies.

Expenses

The NBA's expenses for 2016–17 amounted to \$9.615 million, 2.4 per cent lower than in 2015–16.

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 and cash equivalents of \$9.884 million at 30 June 2017. This included funds received from all jurisdictions and transferred to the Official Public Account held by the Department of Finance until required for expenditure. Trade and other receivables increased by \$0.070 to \$0.765 million.

Non-financial assets

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

Payables

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

Provisions

Employee provisions, which cover annual and long service leave entitlements, increased slightly by \$0.178 million to \$1.892million.

Administered finances

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

Revenue

Total revenue for 2016–17 is presented in Table 4.3. Total revenue increased by \$4.880 million (a 0.5 per cent increase, down from the 12.7 per cent increase the prior year) for the current financial year. In 2016–17, the NBA returned \$80.46 million (2015–16 \$113 million) to the Commonwealth, State and Territory Governments for the 2015–16 end of year reconciliation as part of the National Blood Agreement.

TABLE 4.3 Administered revenue, 2012–13 to 2016–17

Administered revenue	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)
Funding for supply of blood and blood products	1,049.337	1,095.922	922.718	1,040.865	1,046.325
Total administered revenues	1,058.281	1,101.410	927.522	1,045.279	1,050.159

Expenses

Total administered expenses for 2016–17 including grants and rendering of goods and services are presented in Table 4.4. Administered expenses for 2016–17 decreased by 0.3 per cent over those for 2015–16. The Blood Service as part of the Output Based Funding Model returned \$42.23 million in 2016–17 (2015–16 \$40.394 million).

TABLE 4.4 Key results of administered expenses, 2012–13 to 2016–17

Administered expense	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)	2016-17 (\$'000)
Grants to the private sector - non-profit organisation	8.092	8.331	8.577	8.830	0.401
Rendering of goods and services - external entities	1,003.772	1,035.847	960.818	1,056.815	1,061.265
Other	0.493	0.736	0.803	0.716	1.169
Total administered expenses	1,012.357	1,044.914	970.198	1,066.361	1,062.835



Administered assets and liabilities

Administered assets comprise the following:

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

Administered liabilities comprise payables to suppliers.

As a result of the deficit described above, net administered assets decreased by \$7.479 million during 2016–17.



ASSETS MANAGEMENT

The NBA has developed an asset replacement strategy to ensure that it has adequate funding for the replacement of assets as these come to the end of their useful life.

PURCHASING

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

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

Over recent years several internal audit 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 are constantly reviewed and refined as part of the NBA's own requirement for continual improvement in the management of its core business functions.

Exempt contracts

The Chief Executive 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 2016-17 that did not provide for the Auditor-General's access to the contractor's premises.

Consultants

The selection and engagement of consultants was treated in the same way as the procurement of other property and services and was conducted in accordance with the Public Governance, *Performance and Accountability Act 2013*, Commonwealth Procurement Rules and internal policies and procedures. During 2016–17, two new consultancy contracts were entered into involving total actual expenditure of \$58,960 (GST inclusive). In addition, two ongoing consultancy contracts were active during the 2016–17 year, involving actual expenditure of \$10,962 (GST inclusive). Total expenditure on consultancies in 2016–17 was \$69,922 (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, www.tenders.gov.au

Procurement Initiatives to Support Small Business

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

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

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

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

Table 4.5 shows total expenditure on all consultancy services from 2012–13 to 2016–17 covering both new contracts let in the applicable year and ongoing contracts let in previous years.

TABLE 4.5 Expenditure on consultancy services, 2012–13 to 2016–17

Year	No. let	Total expenditure on new and existing consultancies (\$)
2012–13	11	1,658,232
2013–14	20	2,277,034
2014–15	17	1,193,693
2015–16	11	424,193
2016–17	4	69,922



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FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Assistant Minister for Health

Opinion

In my opinion, the financial statements of the National Blood Authority for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the National Blood Authority as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the National Blood Authority, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising significant accounting policies and other explanatory information.

Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the National Blood Authority in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the National Blood Authority the Chief Executive is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Chief Executive is also responsible for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the National Blood Authority's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive is also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Muhammad Qureshi
Acting Executive Director

Delegate of the Auditor-General

Canberra
17 August 2017

NATIONAL BLOOD AUTHORITY
FINANCIAL STATEMENTS
for the year ended 30 June 2017

Statement by the Accountable Authority and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2017 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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



John Cahill
Accountable Authority

17 August 2017



Ashley Jackson
Chief Financial Officer

17 August 2017

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NATIONAL BLOOD AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	1.1A	6 744	6 469
Suppliers	1.1B	2 350	3 002
Grants - Non-profit organisations		140	-
Depreciation and amortisation	2.2	354	374
Finance costs - Unwinding of discount		2	(1)
Write-Down and Impairment of Assets - Revaluation decrements		10	-
Losses from asset sales		15	7
Total expenses		9 615	9 851
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	1.2A	496	290
Other revenue - Funding from State and Territory governments		3 799	3 493
Total own-source revenue		4 295	3 783
Gains			
Resources received free of charge - Remuneration of auditors		81	94
Total gains		81	94
Total own-source income		4 376	3 877
Net cost of services		5 239	5 974
Revenue from Government - Departmental annual appropriations		5 636	5 719
Surplus/(Deficit) attributable to the Australian Government		397	(255)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	2.2	101	-
Total other comprehensive income		101	-
Total comprehensive income/(loss) attributable to the Australian Government		498	(255)

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

NATIONAL BLOOD AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	2.1A	9 884	8 494
Trade and other receivables	2.1B	765	695
Total financial assets		10 649	9 189
Non-Financial Assets			
Leasehold improvements	2.2	732	794
Property, plant and equipment	2.2	497	554
Intangibles	2.2	116	169
Prepayments		168	149
Total non-financial assets		1 513	1 666
Total assets		12 162	10 855
LIABILITIES			
Payables			
Suppliers	2.3A	384	397
Other payables	2.3B	616	605
Total payables		1 000	1 002
Provisions			
Employee provisions	6.1	1 892	1 714
Other provisions	2.4	143	141
Total provisions		2 035	1 855
Total liabilities		3 035	2 857
Net assets		9 127	7 998
EQUITY			
Contributed equity		3 944	3 313
Reserves		460	359
Retained surplus		4 723	4 326
Total equity		9 127	7 998

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 2017

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	4 326	4 881	359	359	3 313	3 250	7 998	8 490
Adjusted opening balance	4 326	4 881	359	359	3 313	3 250	7 998	8 490
Comprehensive Income								
Other comprehensive income	-	-	101	-	-	-	101	-
Surplus / (Deficit) for the period	397	(255)	-	-	-	-	397	(255)
Total comprehensive income attributable to Australian Government	397	(255)	101	-	-	-	498	(255)
Transactions with owners								
<i>Distributions to owners</i>								
Returns of capital - Restructuring	-	(300)	-	-	-	-	-	(300)
<i>Contributions by owners</i>								
Departmental capital budget	-	-	-	-	631	63	631	63
Total transactions with owners	-	(300)	-	-	631	63	631	(237)
Closing balance as at 30 June attributable to Australian Government	4 723	4 326	460	359	3 944	3 313	9 127	7 998

Accounting Policy:

Equity Injection

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.

Other Distributions to Owners

The FRR require that distributions to owners be debited to contributed equity unless it is the in the nature of a dividend.

In 2015, the Government decided not to proceed with the merger of the National Blood Authority and the Organ and Tissue Authority, as previously announced in the 2014-15 Budget. Due to this decision, the NBA returned \$300k in 2015-16 to the Department of Finance.

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

NATIONAL BLOOD AUTHORITY
CASH FLOW STATEMENT
for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
OPERATING ACTIVITIES		
Cash received		
Appropriations	5 639	5 718
Sales of goods and rendering of services	4 300	3 742
Net GST received	228	308
Total cash received	10 167	9 768
Cash used		
Employees	6 517	6 373
Suppliers	2 716	3 547
Total cash used	9 233	9 920
Net cash from/(used by) operating activities	934	(152)
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of property, plant and equipment	8	1
Total cash received	8	1
Cash used		
Purchase of property, plant and equipment	105	106
Purchase of intangibles	9	33
Total cash used	114	139
Net cash (used by) investing activities	(106)	(138)
FINANCING ACTIVITIES		
Cash received		
Contributed equity - Departmental capital budget	562	145
Total cash received	562	145
Net cash from financing activities	562	145
Net increase / (decrease) in cash held	1 390	(145)
Cash and cash equivalents at the beginning of the reporting period	8 494	8 639
Cash and cash equivalents at the end of the reporting period ¹	9 884	8 494

¹ As shown in the Statement of Financial Position.

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 2017

		2017	2016
	Notes	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee Benefits	3.1A	345	269
Suppliers	3.1B	1 061 265	1 056 815
Grants - Non-profit organisations	3.1C	401	8 830
Depreciation and amortisation	4.2B	824	447
Total expenses		1 062 835	1 066 361
Income			
Revenue			
Non-taxation revenue			
Funding from governments	3.2	1 046 325	1 040 865
Interest - Deposits		3 834	4 411
Other revenue		-	3
Total non-taxation revenue		1 050 159	1 045 279
Total revenue		1 050 159	1 045 279
Net (cost of) / contribution by services		(12 676)	(21 082)
Surplus/(Deficit)		(12 676)	(21 082)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		7	-
Total other comprehensive income		7	-
Total comprehensive income/(loss)	3.1B & 3.2	(12 669)	(21 082)

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	4.1A	175 550	174 005
Trade and other receivables	4.1B	20 473	21 635
Other investments	4.1C	123 100	119 600
Total financial assets		319 123	315 240
Non-financial assets			
Inventories	4.2A	95 125	104 776
Property, plant and equipment	4.2B	103	188
Intangibles	4.2B	3 001	2 282
Prepayments		76 064	76 055
Total non-financial assets		174 293	183 301
Total assets administered on behalf of Government		493 416	498 541
LIABILITIES			
Payables			
Suppliers	4.3	53 843	51 489
Total payables		53 843	51 489
Total liabilities administered on behalf of Government		53 843	51 489
Net assets		439 573	447 052

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED RECONCILIATION SCHEDULE

as at 30 June 2017

	2017 \$'000	2016 \$'000
Opening administered assets less administered liabilities as at 1 July	447 052	461 064
Net (cost of)/contribution by services		
Income	1 050 159	1 045 279
Expenses		
Payments to entities other than corporate Commonwealth entities	(1 062 835)	(1 066 361)
Payments to corporate Commonwealth entities	-	-
Other comprehensive income		
Revaluations transferred to reserves	7	-
Transfers (to)/from the Australian Government:		
Appropriation transfers from Official Public Account:		
Annual appropriations	5 190	7 070
Closing assets less liabilities as at 30 June	439 573	447 052

Accounting Policy:

Administered Cash Transfers to and from the Official Public Account

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

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

NATIONAL BLOOD AUTHORITY
ADMINISTERED CASH FLOW STATEMENT
for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
OPERATING ACTIVITIES			
Cash received			
Commonwealth contributions		658 361	648 651
State and territory contributions		383 424	385 772
Interest		4 205	4 247
Net GST received		104 143	107 820
Other		(13)	43
Total cash received		1 150 120	1 146 533
Cash used			
Employees		345	270
Grants		401	8 830
Suppliers		1 147 942	1 169 322
Total cash used		1 148 688	1 178 422
Net cash from/(used by) operating activities		1 432	(31 889)
INVESTING ACTIVITIES			
Cash received			
Investments		58 200	57 062
Total cash received		58 200	57 062
Cash used			
Purchase of property, plant & equipment and intangibles		1 577	1 785
Investments		61 700	62 400
Total cash used		63 277	64 185
Net cash(used by) investing activities		(5 077)	(7 123)
Net increase/(decrease) in cash held		(3 645)	(39 012)
Cash and cash equivalents at the beginning of the reporting period		174 005	205 947
Cash from Official Public Account for:			
- Appropriations		5 190	7 070
Total cash from OPA		5 190	7 070
Cash and cash equivalents at the end of the reporting period¹	4.1A	175 550	174 005

¹ As shown in the administered schedule of assets and liabilities

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

NATIONAL BLOOD AUTHORITY
Overview Note
for the year ended 30 June 2017

Overview

Objectives of the National Blood Authority

The National Blood Authority (NBA) is a not-for-profit Australian Government controlled entity 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. The NBA manages the supply of blood and blood products on behalf of the Commonwealth and all state and territory governments, with the Commonwealth contributing 63 percent of funding, and State and Territory governments providing 37 percent.

The NBA is structured to meet the following 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 Outcome 1 are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the NBA in its own right. Administered activities involve the management or oversight by the NBA, on behalf of the governments, of items controlled or incurred by the governments.

The NBA conducts the following administered activities on behalf of the governments: management and coordination of Australia's blood supply in accordance with the National Blood Agreement agreed by the Australian Government and the governments of the States and Territories.

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

The NBA also manages another special account - the NMF Blood and Blood Products Special Account which is intended to meet potential blood and blood product liability claims against the Australian Red Cross Blood Service. This special account commenced on 1 April 2017. It replaces the National Managed Fund (Blood and Blood Products) Special Account which had a sunset clause and was terminated on 31 March 2017.

Details of planned activities for the year can be found in the Agency Portfolio Budget Statements for 2016-17 which have been tabled in Parliament.

Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by Section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2016; and
- Australian Accounting Standards and Interpretations - Reduced Disclosure Requirements 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.

NATIONAL BLOOD AUTHORITY Overview Note for the year ended 30 June 2017

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The NBA adopted all new, revised and amending standards and interpretations that were issued by the Australian Accounting Standards Board (AASB) prior to the signing of the statement by the Accountable Authority and Chief Financial Officer and are applicable to the current reporting period. The adoption of these standards and interpretations did not have a material effect, and are not expected to have a future material effect, on the NBA's financial statements.

During the period, the NBA adopted AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities*, and AASB 124 *Related Party Disclosures*. The result of the adoption of these standards have had an immaterial effect on the fair value disclosures included in the financial statements, and have had no impact on the disclosure of transactions with parties related to the NBA.

Future Australian Accounting Standard Requirements

The following new, revised, and amended standards and interpretations were issued by the AASB prior to the signing of the Statement by the Accountable Authority and Chief Financial Officer. The NBA has assessed the potential impact and does not expect these to have a future material financial impact on the financial statements.

- AASB 9 *Financial instruments* (applicable from the year ending 30 June 2018) represents the first phase of a three-phase process to replace AASB 139 *Financial Instruments: Recognition and Measurement*. The standard reduces the four categories of financial asset to two: amortised cost and fair value. Given the make-up of the NBA's financial assets (amortised cost items such as loans, receivables, term deposits), the new standard is not expected to impact its treatment or valuation of these assets.
- AASB 16 *Leases* (applicable in reporting periods beginning on or after 1 January 2019) introduces new criteria for assessing contracts to identify leases. From 1 July 2019 certain leases previously reported as expenses and commitments will be recorded on the Statement of Financial Position as right-of-use assets recorded at cost, and adjusted for depreciation and impairment or subject to revaluation, and lease liabilities adjusted for interest on the lease liability and payments made. Leases with terms for 12 months or less and for low-value items will be recorded as expenses. Given the amount and dollar value of the NBA current leases, the new standard is not expected to have a future material impact on the NBA's financial statements.

Taxation

The NBA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses, liabilities and assets are recognised net of GST except:

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

Reporting of Administered Activities

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

Except where otherwise stated, 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.

Events after the Reporting Period

Departmental

There were no events occurring after 30 June 2017 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

Administered

There were no events occurring after 30 June 2017 with the potential to significantly affect the ongoing structure and financial activities of the NBA.

NATIONAL BLOOD AUTHORITY
Overview Note
for the year ended 30 June 2017

New Accounting Policy Adopted

As per the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* Division 6 Section 48 (6): The balance of the special account has been accounted for as cash equivalents in the NBA's financial statements.

The impact of adopting this new accounting policy is that the balance of the special account has been reclassified from Receivables into cash, and the change has also been applied retrospectively to the prior year as per table below:

Statement affected	Item on the statement	2016-17		2015-16	
		Before	After	Before	After
Statement of Financial Position	Cash and cash equivalents	30	9,884	54	8,494
	Trade and other receivables	10,619	765	9,135	695
	<i>Subtotal</i>	<i>10,649</i>	<i>10,649</i>	<i>9,189</i>	<i>9,189</i>
Administered Schedule of Assets and Liability	Cash and cash equivalents	436	175,550	489	174,005
	Trade and other receivables	195,587	20,473	195,151	21,635
	<i>Subtotal</i>	<i>196,023</i>	<i>196,023</i>	<i>195,640</i>	<i>195,640</i>
Cash Flow Statement	Cash and cash equivalents at the beginning of the reporting period	54	8,494	21	8,639
	Cash and cash equivalents at the end of the reporting period	30	9,884	54	8,494
Administered Cash Flow Statement	Cash and cash equivalents at the beginning of the reporting period	489	174,005	334	205,947
	Cash and cash equivalents at the end of the reporting period	436	175,550	489	174,005
Note 2.1: Financial Assets	Note 2.1A Cash and Cash Equivalents	30	9,884	54	8,494
	Note 2.1B Trade and Other Receivables	10,619	765	9,135	695
	<i>Subtotal</i>	<i>10,649</i>	<i>10,649</i>	<i>9,189</i>	<i>9,189</i>
Note 4.1: Administered - Financial Assets	Note 4.1A Cash and Cash Equivalents	436	175,550	489	174,005
	Note 4.1B Trade and Other Receivables	195,587	20,473	195,151	21,635
	<i>Subtotal</i>	<i>196,023</i>	<i>196,023</i>	<i>195,640</i>	<i>195,640</i>
Note 7.2: Financial Instruments	Note 7.2: Categories of Financial Instruments	30	9884	54	8494
Note 7.3: Administered - Financial Instruments	Note 7.3A: Categories of Financial Instruments	436	175,550	489	174,005

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

1. DEPARTMENTAL FINANCIAL PERFORMANCE

This section analyses the financial performance of the NBA for the year ended 2017

	2017	2016
	\$'000	\$'000
NOTE 1.1: Expenses		
Note 1.1A: Employee Benefits		
Wages and salaries	4 705	4 406
Superannuation:		
Defined contribution plans	542	469
Defined benefit plans	338	368
Leave and other entitlements	1 010	1 214
Separation and redundancies	-	(230)
Other employee benefits	149	242
Total employee benefits	6 744	6 469

Accounting Policy:

Accounting policies for employee related expenses are contained in Note 6: People and Relationships.

Note 1.1B: Suppliers

Goods and services supplied and rendered		
Consultants	70	173
Contractors	90	58
Travel	247	321
Legal	1	294
IT services	819	871
Other	559	732
Total goods and services supplied or rendered	1 786	2 449
Goods supplied	299	245
Services rendered	1 487	2 204
Total goods and services supplied or rendered	1 786	2 449
Other suppliers		
Operating lease rentals	502	494
Workers compensation expenses	62	59
Total other suppliers	564	553
Total suppliers	2 350	3 002

Accounting Policy:

Leases

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

Leasing Commitments

The NBA in its capacity as lessee has entered the following non-cancellable lease:

The NBA has one current accommodation lease in the ACT. The lease commenced on 23 November 2012 for a period of 10 years and is for the NBA's present accommodation in the ACT. Any increases in rent is at a rate commensurate with CPI.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2017	2016
	\$'000	\$'000
Within 1 year	551	530
Between 1 to 5 years	2 565	2 899
More than 5 years	-	42
Total operating lease commitments	3 116	3 471

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

	2017	2016
	\$'000	\$'000

NOTE 1.2: Own-Source Income

OWN-SOURCE REVENUE

Note 1.2A: Sale of Goods and Rendering of Services

Rendering of services	496	290
Total sale of goods and rendering of services	496	290

Accounting Policy:

Revenue

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

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

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 the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Revenue from Government

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

GAINS

Note 1.2B: Reversal of Previous Asset Write-Downs

Accounting Policy:

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.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

2. DEPARTMENTAL FINANCIAL POSITION

This section analyses the NBA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

	2017	2016
	\$'000	\$'000
NOTE 2.1: Financial Assets		
Note 2.1A: Cash and Cash Equivalents		
Special Account - cash on hand or on deposit	30	54
Special Account - cash held in the OPA	9 854	8 440
Total cash and cash equivalents	9 884	8 494

Accounting Policy:

Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include (a) cash on hand, (b) demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and (c) cash in special accounts.

Note 2.1B: Trade and Other Receivables

Goods and Services receivables

Goods and services	100	82
Total goods and services receivables	100	82

Appropriations receivable:

For existing programs	640	574
Total appropriations receivable	640	574

Other receivables:

GST receivable from the Australian Taxation Office	25	39
Total other receivables	25	39

Total trade and other receivables (gross)

765	695
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Receivables are expected to be recovered in:

No more than 12 months	765	695
Total trade and other receivables (net)	765	695

Credit terms for goods and services were within 30 days (2016: 30 days)

Accounting Policy:

Financial Assets

The NBA classifies its financial assets in the following categories:

a) 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.

Loans and receivables

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

Allowances are made when collectability of the debt is no longer probable. Trade receivables are derecognised on payment.

Impairment of Financial Assets

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

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 2.2: Non-Financial Assets

Note 2.2: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Leasehold improvements	Other property, plant and equipment	Intangibles		Total
			Computer software internally developed	Computer software purchased	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016					
Gross book value	1 042	894	2 928	665	5 529
Accumulated depreciation, amortisation and impairment	(248)	(340)	(2 793)	(631)	(4 012)
Net book value 1 July 2016	794	554	135	34	1 517
Additions:					
By purchase	-	105	-	9	114
Depreciation and amortisation	(115)	(178)	(46)	(15)	(354)
Revaluations recognised in other comprehensive income	53	48			101
Revaluations recognised in net cost of services	-	(10)			(10)
Disposals:					
Other	-	(22)	-	-	(22)
Net book value 30 June 2017	732	497	89	27	1 345
Net book value as of 30 June 2017 represented by:					
Gross book value	765	542	2 928	673	4 908
Accumulated depreciation, amortisation and impairment	(33)	(45)	(2 839)	(646)	(3 563)
	732	497	89	27	1 345

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

No leasehold improvements, property, plant and equipment, or other intangibles are 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 on the next page. On 31/03/17, an independent valuer conducted revaluations of leasehold improvements and property, plant and equipment.

A revaluation increment for leasehold improvements of \$52,496.47 (2016: Nil) and an increment for property, plant and equipment of \$48,383.98 (2016: Nil) were credited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.

Revaluation decrements for property, plant and equipment of \$9,823.98 (2016: Nil) were recognised as an expense in the Statement of Comprehensive Income.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Accounting Policy:

Acquisition of Assets

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

Property, Plant and Equipment

Asset Recognition Threshold

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

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 most recent independent valuation was conducted by Australian Valuation Solutions on 31 March 2017.

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 is previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

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

Depreciation

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

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

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

Asset class	2017	2016
Infrastructure, Plant and Equipment	3 to 7 years	3 to 7 years
Leasehold improvements	Lease term	Lease term

Impairment

All assets were assessed for impairment at 30 June 2017. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Intangibles

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

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

Type	2017	2016
Purchased software	3 years	3 years
Internally developed software	5 years	5 years

All software assets were assessed for indications of impairment at 30 June 2017.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

	2017	2016
	\$'000	\$'000

NOTE 2.3: Payables

Note 2.3A: Suppliers

Trade creditors and accruals	384	397
Total suppliers	384	397

Settlement was usually made within 30 days.

Note 2.3B: Other Payables

Wages and salaries	63	17
Superannuation	7	3
Operating lease rentals and incentive	546	585
Total other payables	616	605

Accounting Policy:

Financial Liabilities

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

NOTE 2.4: Other Provisions

	Provision for restoration \$'000	Total \$'000
Carrying amount 1 July 2016	141	141
Unwinding of discount or change in discount rate	2	2
Closing balance 2017	143	143

The NBA currently has 1 agreement (2016: 1) for the leasing of premises which have provisions requiring the NBA to restore the premises to their original condition at the conclusion of the lease. The NBA has made a provision to reflect the present value of this obligation.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

3. INCOME AND EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT

This section analyses the activities that the NBA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

	2017	2016
	\$'000	\$'000
NOTE 3.1: Administered - Expenses		
Note 3.1A: Employee Benefits		
Wages and salaries	264	215
Superannuation:		
Defined contribution plans	17	15
Defined benefit plans	34	24
Leave and other entitlements	27	12
Other employee benefits	3	3
Total employee benefits ¹	345	269
¹ These salaries relate to a taskforce established to implement a program of work to improve governance and management of immunoglobulin products funded and supplied under the National Blood Agreement.		
Note 3.1B: Suppliers		
Goods and services supplied or rendered		
Purchases of blood and blood products	1 057 029	1 052 651
Consultants	1 345	1 800
Contractors	2 487	1 654
Travel	78	126
IT services	154	290
Other	172	294
Total goods and services supplied or rendered	1 061 265	1 056 815
Goods supplied	1 057 161	1 052 847
Services rendered	4 104	3 968
Total goods and services supplied or rendered	1 061 265	1 056 815

Accounting Policy:

Suppliers

Under the Deed of Agreement with the Australian Red Cross Blood Service (ARCBS), surpluses greater than \$5 million in any particular year are returned to the NBA in the following year. In 2016-17, \$42m (2016: \$28m) was returned by the ARCBS which related to the 2015-16 financial year. This return reduces supplier expenses in the current year.

Note 3.1C: Grants

Accounting Policy:

Grants

The NBA administers grants on behalf of the 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.

In 2015/16, the NBA administered only one grant for which the recipient was the Australian Red Cross Blood Service. Under the new deed with the ARCBS from 1 July 2016, research payments are no longer classified as Grants.

Research and Development

Under the National Blood Agreement, the NBA is charged with facilitating and funding appropriate research, policy development or other action in relation to new developments by relevant government or non-government persons or bodies. A nationally coordinated effort in research and development is required to address evidence gaps in the blood sector, and to enable responses to emerging evidence and new technologies. In September 2015, the NBA received approval from funding governments to implement a research and development pilot to support projects and activities likely to produce valuable outcomes in identified key priority areas in patient blood management and Immunoglobulin Governance. Expenditure to date for projects funded under the first round of the research and development pilot, is included in this year's financial statements.

NOTE 3.2: Administered - Income

	2017	2016
Non-Taxation Revenue	\$'000	\$'000
Funding from Governments		
Commonwealth contributions	658 361	648 651
State & Territory contributions	387 964	392 214
Total funding from governments	1 046 325	1 040 865

Accounting Policy:

Administered Revenue

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

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

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

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

Revenue, (and thus impacting on the operating deficit), reflects timing differences as a result of the reconciliation of the National Supply Plan & Budget from the prior year. The reconciliation normally results in a return of surpluses to Jurisdictions, where actual usage is less than budgeted. Due to its complexity and dependency on external sources for information, the reconciliation cannot be completed prior to the finalisation of that year's financial statements, and is thus recorded in the following year.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

4. ASSETS AND LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT

This section analyses assets used to conduct operations and the operating liabilities incurred as a result the NBA does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

	2017	2016
	\$'000	\$'000
NOTE 4.1: Administered - Financial Assets		
Note 4.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	436	489
Cash held in the OPA	175 114	173 516
Total cash and cash equivalents	175 550	174 005
Note 4.1B: Trade and Other Receivables		
Goods and services receivables		
Goods and services	11 946	13 061
Total goods and services receivables	11 946	13 061
Other receivables:		
Interest	1 679	2 050
GST receivable from the Australian Taxation Office	6 848	6 524
Total other receivables	8 527	8 574
Total trade and other receivables (gross)	20 473	21 635
Total trade and other receivables (net)	20 473	21 635
Trade and other receivables are expected to be recovered in:		
No more than 12 months	20 473	21 635
Total trade and other receivables (net)	20 473	21 635

Credit terms are within 30 days from date of invoice (2016: 30 days).

Accounting Policy:

Financial Assets

The NBA classifies its financial assets in the following categories:

- held-to-maturity investments; and
- 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

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.

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

Allowances are made when collectability of the debt is no longer probable. Trade receivables are derecognised on payment.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 4.1: Administered - Financial Assets	2017	2016
Note 4.1C: Other Investments	\$'000	\$'000
Deposits ¹	123 100	119 600
Total other investments	123 100	119 600

¹ Monies invested in term deposits with various approved institutions under Section 58 of the *Public Governance, Performance and Accountability Act 2013*, for the purposes of receiving passive investment income.

Accounting Policy:

National Managed Fund

The National Managed Fund was established to manage the liability risks of the Australian Red Cross Blood Service in relation to the provision of blood and blood products. The NBA manages this fund on behalf of the Australian Government and States and Territories. To facilitate the transfer of the fund to the NBA, a special account under Section 78 of the *Public Governance, Performance and Accountability Act 2013* was established, and this fund was transferred to the NBA for reporting.

The Fund came into effect on 1 July 2000 and to date no claims have been made against it. The balance of the fund as at 30 June 2017 is \$124,433,044 (30 June 2016: \$120,227,705), and is made up of a combination of cash (\$250,082), investments (\$123,100,000) and the balance of the special account (\$1,082,962).

NOTE 4.2: Administered - Non-Financial Assets	2017	2016
Note 4.2A: Inventories	\$'000	\$'000
National Reserve inventory held for distribution	49 559	53 934
Other inventory held for distribution	45 566	50 842
Total inventories	95 125	104 776

During 2016-17, \$919,857 of inventory held for distribution related to a net write-off of damaged and expired stock and was recognised as an expense (2016: \$482,490). 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.

Accounting Policy:

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:

- raw materials and stores - purchase cost on a first-in-first-out basis; and
- 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.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 4.2: Administered - Non-Financial Assets

Note 4.2B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles (2016-17)

	Property, plant and equipment	Intangibles		Total
		Computer software internally developed	Computer software purchased	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016				
Gross book value	430	3 804	147	4 381
Accumulated depreciation, amortisation and impairment	(242)	(1 522)	(147)	(1 911)
Net book value 1 July 2016	188	2 282	-	2 470
Additions:				
By purchase	20	-	-	20
Internally developed	-	1 557	-	1 557
Revaluations recognised in other comprehensive income	7	-	-	7
Depreciation and amortisation	(112)	(712)	-	(824)
Disposals				
Other	-	(126)	-	(126)
Net book value 30 June 2017	103	3 001	-	3 104
Net book value as of 30 June 2017 represented by:				
Gross book value	117	5 235	147	5 499
Accumulated depreciation, amortisation and impairment	(14)	(2 234)	(147)	(2 395)
	103	3 001	-	3 104

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

No property, plant or equipment or intangibles are 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 2.2. On 31/03/17, an independent valuer conducted revaluations of leasehold improvements and property, plant and equipment.

A revaluation increment for property, plant and equipment of \$6,733.65 (2016: Nil) was credited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.

	2017	2016
NOTE 4.3: Administered - Payables	\$'000	\$'000

Suppliers

Trade creditors and accruals	53 843	51 489
Total suppliers	53 843	51 489

Settlement was usually made within 30 days.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

5. FUNDING

This section identifies the NBA's funding structure.

NOTE 5.1: Appropriations

5.1A: Annual Appropriations (Recoverable GST exclusive)

Annual Appropriations for 2017

	Annual Appropriation ¹	Adjustments to appropriation ²	Total Appropriation	Appropriation applied in 2017 (current and prior years)	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL					
Ordinary annual services	5 640	296	5 936	5 639	297
Capital Budget ³	631	-	631	562	69
Total departmental	6 271	296	6 567	6 201	366
ADMINISTERED					
Ordinary annual services					
Administered items	5 190	n/a	5 190	5 190	-
Total administered	5 190	n/a	5 190	5 190	-

(1) Appropriation Act (No.1) 2016-17 \$0.004M was withheld (Section 51 of the PGPA Act) for the purpose of Govlink contract. Govlink is to replace individual Commonwealth entity contracts with a single coordinated procurement contract and is to be managed by Department of Finance.

(2) Adjustments to appropriation comprises Section 74 receipts.

(3) 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.

Annual Appropriations for 2016

	Annual Appropriation ¹	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2016 (current and prior years)	Variance
	\$'000	\$'000	\$'000	\$'000	\$'000
DEPARTMENTAL					
Ordinary annual services	5 849	90	5 939	5 718	221
Capital Budget ³	63	-	63	145	(82)
Total departmental	5 912	90	6 002	5 863	139
ADMINISTERED					
Ordinary annual services					
Administered items	7 070	n/a	7 070	7 070	-
Total administered	7 070	n/a	7 070	7 070	-

(1) Appropriation Act (No.3) 2014-15 \$0.300M was returned to the Consolidated Revenue Fund (CRF) as the Government decided not to proceed with the merger of the National Blood Authority and the Australian Organ and Tissue Donation and Transplantation Authority. In addition, savings of \$0.130M was returned to the CRF, from Appropriation Act (No.1) 2015-16.

(2) Adjustments to appropriation comprises Section 74 receipts.

(3) 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.

5.1B: Unspent Annual Appropriations (Recoverable GST exclusive)

	2017 \$'000	2016 \$'000
DEPARTMENTAL		
Cash	30	54
Appropriation Act (No.1) 2014-15	-	508
Appropriation Act (No.1) 2015-16	9	66
Appropriation Act (No.1) 2016-17	631	-
Total	670	628

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 5.2: Special Accounts

	The National Blood Account ¹		National Managed Fund (Blood and Blood Products) ²		NMF Blood and Blood Products Special Account 2017 ⁴	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance brought forward from previous period	189 200	217 923	290	1 421	579	-
Increases	1 057 447	1 051 120	48 489	61 306	14 003	-
Total increases	1 057 447	1 051 120	48 489	61 306	14 003	-
Decreases:						
Departmental	9 106	9 740	-	-	-	-
Total departmental decreases	9 106	9 740	-	-	-	-
Administered	1 045 763	1 070 103	48 200	62 437	13 500	-
Total administered decreases	1 045 763	1 070 103	48 200	62 437	13 500	-
Total decreases	1 054 869	1 079 843	48 200	62 437	13 500	-
Total balance carried forward to the next period	191 778	189 200	579 ³	290	1 082	-
Balance represented by:						
Cash held in entity bank accounts	214	203	-	-	-	-
Cash held in the Official Public Account	191 564	188 997	-	290	1 082	-
Total balance carried forward to the next period	191 778	189 200	-	290	1 082	-

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

Establishing Instrument: National Blood Authority Act 2003

Purpose: The National Blood Authority was established on 1 July 2003 with the principal role of managing the national blood arrangements, ensuring sufficient supply and to provide a new focus on the safety and quality of blood and blood products. The funding for blood and blood products is funded from a special account established under the *National Blood Authority Act 2003*, section 40. The 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: Public Governance, Performance and Accountability Act 2013 section 78*

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

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

³ This amount represents the balance of the special account as at 31 March 2017. The special account was closed on this date due to the sunset of the determination created to establish the special account. The closing balance was transferred to a new special account (NMF Blood and Blood Products Special Account 2017) established under a new determination for the same purpose. As at 30 June 2017, the closing balance of the National Managed Fund (Blood and Blood Products) special account was \$0.

⁴ *Appropriation: Public Governance, Performance and Accountability Act 2013 section 78*

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

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

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

6. PEOPLE AND RELATIONSHIPS

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

	2017 \$'000	2016 \$'000
NOTE 6.1: Employee Provisions		
Leave	1 892	1 714
Total employee provisions	1 892	1 714

Accounting Policy:

Employee Benefits:

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

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

Other long-term employee benefits (as defined in AASB 119 Employee Benefits) comprises of long service leave. The measurement of the long service leave liability is detailed further under the *Leave* section.

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 FRR 24.1(b) the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

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

Superannuation

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

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

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

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

The liability for superannuation recognised as at 30 June represents outstanding contributions as at 30 June 2017.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 6.2: Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors of that entity.

The entity has determined key management personnel to be the Portfolio Minister, Chief Executive, and Deputy General Manager and General Counsel. Key management personnel remuneration is reported in the table below:

	2017	2016
	\$	\$
Short-term employee benefits	465 846	384 720
Post-employment benefits	55 884	61 768
Other long-term benefits	53 261	37 280
Total key management personnel compensation expenses ¹	574 991	483 769

The total number of key management personnel that are included in the above table are 2 (2016: 2).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister, as these are not paid by the NBA.

NOTE 6.3: Related Party Disclosures

Related party relationships

The NBA is an Australian Government controlled entity. Related parties to the NBA are Portfolio Ministers, Key Management Personnel including the Chief Executive Officer and the Deputy General Manager and General Counsel, and other Australian Government entities.

Transactions with related parties

Given the breadth of Governments activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans in general government departments.

Giving consideration to relationships with related entities, and that transactions entered into during the reporting period by the NBA are within the normal course of business, it has been determined that there are no related party transactions to be separately disclosed.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

7. MANAGING UNCERTAINTIES

This section analyses how the NBA manages financial risks within its operating environment.

NOTE 7.1: Contingent Assets and Liabilities

Note 7.1A: 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.

Accounting Policy:

Contingent Liabilities and Contingent Assets

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

Note 7.1B: Administered - Contingent Assets and Liabilities

	2017 \$'000	2016 \$'000
Contingent liabilities		
Indemnities	190 367	210 793
Total contingent liabilities	190 367	210 793
Net administered contingent liabilities	190 367	210 793

Quantifiable Administered Contingencies

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

Unquantifiable Administered Contingencies

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

The Deed of Agreement between the Australian Red Cross Society (the Red Cross) and the NBA in relation to the operation of the Blood Service includes certain indemnities and a limit of liability in favour of the Red Cross. These cover a defined set of potential business, product and employee risks and liabilities arising from the operations of the Blood Service. Certain indemnities for specific risk events operate within the term of the Deed of Agreement, are capped and must meet specified pre-conditions. Other indemnities and the limitation of liability only operate in the event of the expiry and non renewal, or the earlier termination of the Deed of Agreement relating to the operation of the Red Cross or the cessation of funding for the principal sites, and only within a certain scope. All indemnities are also subject to appropriate limitations and conditions including in relation to mitigation, contributory fault, and the process of handling relevant claims.

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

Accounting Policy:

Indemnities

The maximum amounts payable under the indemnities given is disclosed above. 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.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 7.2: Financial Instruments

NOTE 7.2: Categories of Financial Instruments

	2017	2016
Financial Assets	\$'000	\$'000
Loans and receivables:		
Cash and cash equivalents	9 884	8 494
Trade and other receivables	100	82
Carrying amount of financial assets	9 984	8 576
Financial Liabilities		
At amortised cost:		
Trade and other creditors	384	397
Carrying amount of financial liabilities	384	397

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

NOTE 7.3: Administered - Financial Instruments

NOTE 7.3A: Categories of Financial Instruments

	2017	2016
Financial assets	\$'000	\$'000
Held-to-maturity investments:		
Deposits	123 100	119 600
Total held to maturity investments:	123 100	119 600
Loans and receivables:		
Cash and cash equivalents	175 550	174 005
Trade and other receivables	20 473	21 635
Total loans and receivables:	196 023	195 640
Total financial assets	319 123	315 240
Financial Liabilities		
Financial liabilities measured at amortised cost:		
Trade and other creditors	53 843	51 489
Total financial liabilities	53 843	51 489

Note 7.3B: Net Gains or Losses on Financial Assets

Held-to-maturity investments		
Interest Revenue	3 833	4 408
Net gain on held-to-maturity investments	3 833	4 408
Loans and receivables		
Interest Revenue	1	3
Net gain on loans and receivables	1	3
Net gain on financial assets	3 834	4 411

Accounting Policy:

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.

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

Allowances are made when collectability of the debt is no longer probable. Trade receivables are derecognised on payment.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

NOTE 7.4 Fair Value Measurement

Accounting Policy:

Fair Value Measurement

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years in compliance with AASB 13 requirements. The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows: Physical Depreciation and Obsolescence - Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost approach the estimated cost to replace the asset is calculated and then adjusted to take into physical depreciation and obsolescence. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. For all Leasehold Improvement assets, the consumed economic benefit / asset obsolescence deduction is determined based on the term of the associated lease.

	Fair value measurements at the end of the reporting period	
	2017	2016
	\$'000	\$'000
Non-financial assets		
Leasehold Improvements	732	794
Plant and Equipment	497	554

NOTE 7.5 Administered - Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2017	2016
	\$'000	\$'000
Non-financial assets		
Plant and Equipment	103	188

NATIONAL BLOOD AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

NOTE 8.1: BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES

The following tables provide a comparison of the original budget as presented in the 2016-17 Portfolio Budget Statements (PBS) to the 2016-17 final outcome as presented in accordance with Australian Accounting Standards for the NBA. The Budget is not audited.

Note 8.1A: Departmental Budgetary Reports

Statement of Comprehensive Income for the NBA

for the year ended 30 June 2017

	Actual	Budget ¹	Variance ²
	2017	2017	2017
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	6 744	6 680	64
Suppliers	2 350	2 719	(369)
Grants - Non-profit organisations	140	-	140
Depreciation and amortisation	354	365	(11)
Finance costs - Unwinding of discount	2	6	(4)
Write-Down and Impairment of Assets - Revaluation decrements	10	-	10
Losses from asset sales	15	-	15
Total expenses	9 615	9 770	(155)
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	496	-	496
Other revenue - Funding from State and Territory governments	3 799	3 671	128
Total own-source revenue	4 295	3 671	624
Gains			
Resources received free of charge - Remuneration of auditors	81	94	(13)
Total gains	81	94	(13)
Total own-source income	4 376	3 765	611
Net cost of services	5 239	6 005	(766)
Revenue from Government - Departmental annual appropriations	5 636	5 640	(4)
Surplus (Deficit) attributable to the Australian Government	397	(365)	762
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	101	-	101
Total other comprehensive income	101	-	101
Total comprehensive income/(loss) attributable to the Australian Government	498	(365)	863

1. The budget figure represents the NBA's original budgeted financial statements that were first presented to parliament in respect of the reporting period (i.e. from the NBA's 2016-17 Portfolio Budget Statements (PBS)).

2. Explanations of major variances are provided in Note 8.1B.

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

for the year ended 30 June 2017

Statement of Financial Position for the NBA
as at 30 June 2017

	Actual	Budget ¹	Variance ²
	2017	2017	2017
	\$'000	\$'000	\$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	9 884	21	9 863
Trade and other receivables	765	9 026	(8 261)
Total financial assets	10 649	9 047	1 602
Non-Financial Assets			
Leasehold improvements	732	806	(74)
Property, plant and equipment	497	696	(199)
Intangibles	116	222	(106)
Prepayments	168	220	(52)
Total non-financial assets	1 513	1 944	(431)
Total assets	12 162	10 991	1 171
LIABILITIES			
Payables			
Suppliers	384	618	(234)
Other payables	616	560	56
Total payables	1 000	1 178	(178)
Provisions			
Employee provisions	1 892	1 506	386
Other provisions	143	153	(10)
Total provisions	2 035	1 659	376
Total liabilities	3 035	2 837	198
Net assets	9 127	8 154	973
EQUITY			
Contributed equity	3 944	3 944	-
Reserves	460	359	101
Retained surplus	4 723	3 851	872
Total equity	9 127	8 154	973

1. The budget figure represents the NBA's original budgeted financial statements that were first presented to parliament in respect of the reporting period (i.e. from the NBA's 2016-17 Portfolio Budget Statements (PBS)).

2. Explanations of major variances are provided in Note 8.1B.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Statement of Changes in Equity for the NBA
for the year ended 30 June 2017

	Retained earnings			Asset revaluation surplus			Contributed equity/capital			Total equity	
	Actual	Budget ¹	Variance ²	Actual	Budget ¹	Variance ²	Actual	Budget ¹	Variance ²	Actual	Budget ¹
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance											
Balance carried forward from previous period	4 326	4 216	110	359	359	-	3 313	3 313	-	7 998	7 888
Adjusted opening balance	4 326	4 216	110	359	359	-	3 313	3 313	-	7 998	7 888
Comprehensive Income											
Other comprehensive income	-	-	-	101	-	101	-	-	-	101	-
Surplus / (Deficit) for the period	397	(365)	762	-	-	-	-	-	-	397	(365)
Total comprehensive income	397	(365)	762	101	-	101	-	-	-	498	(365)
Transactions with owners											
<i>Distributions to owners</i>											
Returns of capital - Restructuring	-	-	-	-	-	-	-	-	-	-	-
<i>Contributions by owners</i>											
Departmental capital budget	-	-	-	-	-	-	631	631	-	631	631
Total transactions with owners	-	-	-	-	-	-	631	631	-	631	631
Closing balance as at 30 June	4 723	3 851	872	460	359	101	3 944	3 944	-	9 127	8 154
Closing balance as at 30 June	4 723	3 851	872	460	359	101	3 944	3 944	-	9 127	8 154

1. The budget figure represents the NBA's original budgeted financial statements that were first presented to parliament in respect of the reporting period (i.e. from the NBA's 2016-17 Portfolio Budget Statements (PBS)).

2. Explanations of major variances are provided in Note 8.1B.

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

for the year ended 30 June 2017

Cash Flow Statement for the NBA

for the year ended 30 June 2017

	Actual	Budget ¹	Variance ²
	2017	2017	2017
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	5 639	5 640	(1)
Sales of goods and rendering of services	4 300	3 671	629
Net GST received	228	226	2
Cash transferred from the Official Public Account	-	(132)	132
Total cash received	10 167	9 405	762
Cash used			
Employees	6 517	6 680	(163)
Suppliers	2 716	2 725	(9)
Total cash used	9 233	9 405	(172)
Net cash from/(used by) operating activities	934	-	934
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment	8	-	8
Total cash received	8	-	8
Cash used			
Purchase of property, plant and equipment	105	631	(526)
Purchase of intangibles	9	-	9
Total cash used	114	631	(517)
Net cash (used by) investing activities	(106)	(631)	525
FINANCING ACTIVITIES			
Cash received			
Contributed equity - Departmental capital budget	562	631	(69)
Total cash received	562	631	(69)
Net cash from financing activities	562	631	(69)
Net increase / (decrease) in cash held	1 390	-	1 390
Cash and cash equivalents at the beginning of the reporting period	8 494	21	8 473
Cash and cash equivalents at the end of the reporting period	9 884	21	9 863

1. The budget figure represents the NBA's original budgeted financial statements that were first presented to parliament in respect of the reporting period (i.e. from the NBA's 2016-17 Portfolio Budget Statements (PBS)).

2. Explanations of major variances are provided in Note 8.1B.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 8.1B: Departmental Major Budget Variances for 2017

Explanations of major variances	Affected line items (and statement)
Statement of Comprehensive Income	
<u>Suppliers</u> This variance is as a result of a delay in undertaking budgeted procurements.	<i>Suppliers (Statement of Comprehensive Income) (Statement of Financial Position)</i>
<u>Rendering of Services</u> This variance resulted from unbudgeted additional funds from the Department of Health - Queensland \$0.200m and transfer of staff leave entitlements \$0.158m from other Commonwealth agencies .	<i>Sale of goods and rendering of services (Statement of Comprehensive Income) (Cash Flow Statement)</i>
Statement of Financial Position	
<u>Cash and cash equivalents</u> This variance is primarily as a result of reclassifying Special Account - cash held in the OPA from Trade and other receivables to Cash and cash equivalents in the financial statements. Refer 'New Accounting Policy Adopted' section in the Overview Note.	<i>Cash and cash equivalents, Trade and other receivables (Statement of Financial Position)</i>
<u>Trade and other receivables</u> This variance is primarily as a result of reclassifying Special Account - cash held in the OPA from Trade and other receivables to Cash and cash equivalents in the financial statements. Refer 'New Accounting Policy Adopted' section in the Overview Note.	<i>Trade and other receivables, Cash and cash equivalents (Statement of Financial Position)</i>
<u>Employee provisions</u> This variance is as a result of the transfer in of leave entitlements for staff joining the NBA from other Commonwealth agencies.	<i>Employee provisions (Statement of Financial Position), Rendering of services (Statement of Comprehensive Income)</i>
<u>Reserves</u> The variance is as a result of a revaluation in 2016-17 of non-financial assets as part of fair value measurement requirements.	<i>Reserves (Statement of Financial Position) (Statement of Changes in Equity)</i>
Cash Flow Statement	
<u>Purchase of property, plant and equipment</u> This variance is as a result of a delay in undertaking budgeted capital expenditure.	<i>Purchase of property, plant and equipment (Cash Flow Statement) Non-Financial Assets (Statement of Financial Position)</i>

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 8.1C: Administered Budgetary Reports

Administered Schedule of Comprehensive Income for the NBA
for the year ended 30 June 2017

	Actual 2017 \$'000	Budget ¹ 2017 \$'000	Variance ² 2017 \$'000
NET COST OF SERVICES			
Expenses			
Employee Benefits	345	323	22
Suppliers	1 061 265	1 126 179	(64 914)
Grants - Non-profit organisations	401	8 830	(8 429)
Depreciation and amortisation	824	445	379
Total expenses	1 062 835	1 135 777	(72 942)
Income			
Revenue			
Non-taxation revenue			
Funding from governments	1 046 325	1 140 364	(94 039)
Interest - Deposits	3 834	-	3 834
Total non-taxation revenue	1 050 159	1 140 364	(90 205)
Total revenue	1 050 159	1 140 364	(90 205)
Net (cost of) / contribution by services	(12 676)	4 587	(17 263)
Surplus/(Deficit)	(12 676)	4 587	(17 263)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus	7	-	7
Total other comprehensive income	7	-	7
Total comprehensive income	(12 669)	4 587	(17 256)

1. The budget figure represents the NBA's original budgeted financial statements that were first presented to parliament in respect of the reporting period (i.e. from the NBA's 2016-17 Portfolio Budget Statements (PBS)).

2. Explanations of major variances are provided in Note 8.1D.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Administered Schedule of Assets and Liabilities for the NBA
as at 30 June 2017

	Actual	Budget ¹	Variance ²
	2017	2017	2017
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents	175 550	336	175 214
Trade and other receivables	20 473	6 997	13 476
Other investments	123 100	124 253	(1 153)
Total financial assets	319 123	131 586	187 537
Non-financial assets			
Inventories	95 125	111 637	(16 512)
Property, plant and equipment	103	588	(485)
Intangibles	3 001	354	2 647
Prepayments	76 064	76 071	(7)
Total non-financial assets	174 293	188 650	(14 357)
Total assets administered on behalf of Government	493 416	320 236	173 180
LIABILITIES			
Payables			
Suppliers	53 843	63 562	(9 719)
Total payables	53 843	63 562	(9 719)
Total liabilities administered on behalf of Government	53 843	63 562	(9 719)
Net assets	439 573	256 674	182 899

1. The budget figure represents the NBA's original budgeted financial statements that were first presented to parliament in respect of the reporting period (i.e. from the NBA's 2016-17 Portfolio Budget Statements (PBS)).

2. Explanations of major variances are provided in Note 8.1D.

NATIONAL BLOOD AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Note 8.1D: Administered Major Budget Variances for 2017

Explanations of major variances	Affected line items (and statement)
Administered Schedule of Comprehensive Income	
<u>Suppliers</u>	
This variance is as a result of a range of factors including:	<i>Suppliers (Administered Schedule of Comprehensive Income), Deficit/Surplus (Administered Schedule of Comprehensive Income)</i>
- the return by the Blood Service of \$42.23m as a result of efficiencies associated with the 2015-16 Output Based Funding Model;	
- the impact of reduced contract prices as a result of new tenders in 2015-16 for imported blood products;	
- a continuation of a reduction in the demand for fresh blood products as a result of improved appropriate use and reduced wastage;	
- and an over estimation of budgeted supplier costs.	
<u>Grants - Non profit organisations</u>	
Under the new deed of agreement with the Blood Service, payments previously classified as grants are now classified under suppliers.	<i>Grants - non profit organisations, Suppliers (Administered Schedule of Comprehensive Income)</i>
<u>Funding from governments</u>	
The variance predominantly relates to two factors:	<i>Funding from governments (Administered Schedule of Comprehensive Income), Deficit/Surplus (Administered Schedule of Comprehensive Income)</i>
- the return of \$80.46m to the Commonwealth, and State and Territory Governments for the 2015-16 end of year reconciliation as part of the National Blood Agreement; and	
- the remaining balance being the mid year review reduction for the 2016-17 National Supply Plan and Budget.	
Administered Schedule of Assets and Liabilities	
<u>Cash and cash equivalents</u>	
This variance is primarily as a result of classifying Special Account	<i>Trade and other receivables (Administered Schedule of Assets and Liabilities)</i>
- cash held in the OPA as Cash and cash equivalents. The 2016-17 Portfolio Budget Statements does not disclose Special Account	
- cash held in the OPA in their statements.	
Refer change in accounting policies in Note 1 Overview Notes.	
<u>Trade and other receivables</u>	
This variance is as a result of timing of payments at year end.	<i>Trade and other receivables (Administered Schedule of Assets and Liabilities)</i>
<u>Inventories</u>	
This variance was caused by two main factors: a decrease in inventories held for distribution and a reduction in the plasma unit costs as a result of increased collection volumes.	<i>Inventories (Administered Schedule of Assets and Liabilities) Suppliers (Administered Schedule of Comprehensive Income)</i>
<u>Intangibles</u>	
This variance relates to the capitalisation of "BloodSTAR" (Blood System for Tracking Authorisations and Reviews), a new ICT system.	<i>Intangibles (Administered Schedule of Assets and Liabilities)</i>
<u>Suppliers</u>	
This variance is as a result of a decrease in Suppliers and timing of payments at year end.	<i>Suppliers (Administered Schedule of Assets and Liabilities)</i>

END OF FINANCIAL STATEMENTS



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PART



5

APPENDICES

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CONTRACT BY THE BLOOD SERVICE IN 2016-17

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APPENDIX 1. COMMITTEE AND BOARD MEMBER PROFILES



NBA Board Members (left to right) Chris Brook PSM, Gayle Ginnane (Chair), Alison Street AO, Patti Warn, Paul Bedbrook and Lyn Beazley AO. Inset: Mark Cormack.

NBA Board Continuing Members

Ms Gayle Ginnane — chair

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

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

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

Ms Ginnane was re-appointed Chair of the NBA Board in January 2017.

Mr Paul Bedbrook — financial expert

Mr Paul Bedbrook has had a connection with blood issues via his personal involvement with haemophilia for over two decades. He is the father of two adult sons with haemophilia. For much of this time Mr Bedbrook has been involved with the Haemophilia Foundation NSW (HFNSW) and the Haemophilia Foundation Australia (HFA). Mr Bedbrook 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 had over 30 years of experience in financial services. His current roles include: Chairman of Zurich Financial Services Australia Ltd, Independent non-executive Director of Credit Union Australia (CUA) Ltd and Independent Chairman of ASX listed Elanor Investors Group.

Mr Bedbrook was a senior executive for over 20 years with the Dutch global banking, insurance and investment group, ING. Mr Bedbrook's early career was as an Investment Analyst and Investment Portfolio Manager at ING, and between 1987 and 1995, he was the General Manager Investments and Chief Investment Officer for the Mercantile Mutual (ING) Group in Sydney. In the decade to 2010, Mr Bedbrook was President and CEO of INGDIRECT Canada, CEO and Director of ING Australia and Regional CEO of ING Asia Pacific based in Hong Kong.

Mr Bedbrook has been a member of the NBA Board since May 2011 and was appointed to his current Board role as financial expert in August 2013. Mr Bedbrook is also a member of the NBA Audit Committee.

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

Professor Chris Brook was a senior executive in Victorian Health for 30 years, fulfilling both professional (Chief Medical Officer and Director, Public Health) and management roles (Regional Director; Director Acute Health; Director Rural Health and Aged Care; and Executive Director Wellbeing, Integrated Care and Ageing).

Professor Brook has been part of blood and blood policy since 1988 and a national champion since the 1990s, including the several transformations in that time. He is especially proud of how treatment for people with haemophilia has utterly transformed in his time.

Professor Brook was re-appointed to the Board in January 2017.

Mr Mark Cormack — Australian Government representative

Mr Mark Cormack is responsible for strategic national health policy, portfolio strategies and international engagement at the Department of Health. His national program responsibilities include primary health, mental health, public hospital funding agreements and dental.

Mr Cormack has worked in and for the public healthcare sector for over 30 years in various capacities as a health professional, senior manager, policy maker, planner, agency head and industry advocate. He has a Bachelor of Applied Science (University of Sydney) and Master of Health Management (University of Wollongong).

Mr Cormack has had a number of senior roles in the public healthcare system, including Member of the Australian Health Ministers' Advisory Council (AHMAC), Chair of the AHMAC Health Policy Priorities Principal Committee and Board Director of National E-Health Transition Authority.

Prior to joining the Department of Health in February 2015, Mr Cormack was a Deputy Secretary in the then Department of Immigration and Border Protection (DIBP) responsible for managing and resolving the immigration status of people who do not have legal authority to be in Australia or who are in breach of their visa conditions. His group was also responsible for the onshore detention network, community detention, bridging visa program, and the Department's compliance and removals functions. In addition, he worked with other countries to implement offshore processing and refugee settlement. Mr Cormack was the Department's senior executive responsible for implementation of Operation Sovereign Borders.

Mr Cormack was appointed the first Chief Executive Officer of Health Workforce Australia (HWA) in January 2010. HWA was a Commonwealth Statutory Authority, established by the Council of Australian Governments which planned, funded, researched and delivered programs to enhance and develop Australia's health workforce.

From July 2006 to January 2010 Mr Cormack was Chief Executive of ACT Health.

Mr Cormack was re-appointed to the NBA Board in January 2017.

Ms Patricia (Patti) Warn — community representative

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

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

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

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

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

New Members

Professor Lyn Beazley AO – state and territory representative (small jurisdiction)

After graduating from Oxford and Edinburgh Universities, Professor Lyn Beazley built an internationally renowned research team in neuroscience that focussed on recovery from brain damage, with much of her investigations undertaken as Winthrop Professor at the University of Western Australia. Currently Professor Beazley is Sir Walter Murdoch Distinguished Professor of Science at Murdoch University.

Professor Beazley was the Chief Scientist of Western Australia from 2006 to 2013, advising the WA Government on science, innovation and technology, as well as acting as an Ambassador for science locally, nationally and internationally. Professor Beazley chairs several boards including the Terrestrial Ecosystems Research Network and serves on others including the WA State Government's Technology and Industry Advisory Council, the Royal Institution Australia and the Western Australian Art Gallery Foundation. Professor Beazley was a Trustee of the Western Australian Museum from 1999 to 2006 and currently is Patron of the Friends of the Museum.

In 2009 Professor Beazley was awarded Officer of the Order of Australia and elected a Fellow of the Australian Academy of Technological Sciences and Engineering. In 2011 Professor Beazley was inducted into the inaugural Western Australian Women's Hall of Fame and was elected a Fellow of the Australian College of Educators and a Companion of Engineers Australia. Professor Beazley has worked to promote science, technology, engineering and mathematics to the community, especially to young people. In 2015 she was inducted into the Western Australian Science Hall of Fame and was also announced the 2015 WA Australian of the Year.

Professor Beazley was appointed to the NBA Board in January 2017.

Associate Professor Alison Street AO – public health expert

Professor Alison Street graduated in 1971 from Monash University with first class honours in medicine.

After completing postgraduate training in clinical and laboratory haematology in Melbourne and Sydney, Professor Street spent three years in clinical research in Boston. Professor Street returned to Melbourne to work with Monash University and Alfred Health in 1984, where she retired from the positions of Head of Laboratory Haematology and Haemostasis-Thrombosis (including Haemophilia) in 2012.

Professor Street's main professional interests were in haemostasis-thrombosis, transfusion medicine and teaching. During her tenure at Alfred Health, Professor Street was Chief Examiner in haematology for the Royal College of Pathologists of Australasia between 2001 and 2006, and President of the Haematology Society of Australia and New Zealand between 1996 and 1998.

Professor Street was a Board member with the World Federation of Hemophilia (WFH) between 2002 and 2012 (Vice-President Medical between 2008 and 2012) and a Board member of the Australian Red Cross Blood Service (the Blood Service) between 1998 and 2004.

Professor Street's other appointments are:

- Clinical Adjunct Associate Professor in the Department of Immunology and Pathology, Monash University
- Chair of the NBA Haemovigilance Advisory Committee, and
- Member of the Steering Committee for the Asia-Pacific Haemophilia Working Group.

Professor Street received the Award of Officer in the Order of Australia in 2006 for services to haematology and the community of people with congenital bleeding disorders, and is an honorary life member of the Haematology Society of Australia and New Zealand, Australian Society of Thrombosis and Haemostasis and the Australian and New Zealand Society of Blood Transfusion.

Professor Street was appointed to the NBA Board in January 2017.



Audit Committee Chair

Mr Ken Barker


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

Mr Barker has worked with the former New South Wales Blood Transfusion Service, and has made important contributions to many of the key decisions and events that have shaped the current Australian blood sector: the establishment of the Australian Red Cross Blood Service and the NBA; provision of national indemnity arrangements for blood and blood products; the Stephen Review of the Australian Blood Banking and Plasma Product Sector; and the 2008 KPMG business study of the Blood Service.

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



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APPENDIX 2. FRESH BLOOD COMPONENTS SUPPLIED UNDER CONTRACT BY THE BLOOD SERVICE IN 2016-17

TABLE 5.1 Fresh blood components supplied under contract by the Blood Service, 2016-17

Product Type	Name	Presentation	JBC Price
Red blood cells	Whole blood (WB) red cells leucodepleted	>200ml ¹	\$401.94
	WB paediatric red cells leucodepleted (set of 4)	25-100ml ¹	\$420.67
	WB washed red cells leucodepleted	>130ml ¹	\$405.90
Platelets	WB platelet pool leucodepleted	>160ml ¹	\$277.88
	Apheresis platelet leucodepleted	100-400ml ¹	\$619.31
	Paediatric apheresis platelet leucodepleted (set of 4)	40-60ml ¹	\$797.55
Clinical fresh frozen plasma (FFP)	WB clinical FFP	295ml+/-10% ¹	\$176.12
	WB paediatric clinical FFP (set of 4)	60-80ml ¹	\$208.54
	Apheresis clinical FFP	295ml +/-10% ¹	\$262.48
Cryoprecipitate	WB cryoprecipitate	30-40ml ¹	\$155.09
	Apheresis cryoprecipitate	54-66ml ¹	\$325.58
Cryo-depleted plasma	WB cryo-depleted plasma	215-265ml ¹	\$139.86
	Apheresis cryo-depleted plasma	495-605ml ¹	\$320.25
Other products	Autologous donation	NA	\$401.94
	Directed donation complying with AHMAC guidelines	NA	\$401.94
	Serum eye drops	Single Collection	\$914.98
Plasma for Fractionation	Plasma for Fractionation ²	Presentation size NA, but costed per kg	\$362.43

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

² Plasma for Fractionation is supplied to CSL Behring (Australia) Pty Ltd for manufacturing plasma derived products

APPENDIX 3. PLASMA AND RECOMBINANT PRODUCTS SUPPLIED UNDER CONTRACT IN 2016-17

TABLE 5.2 Plasma and recombinant products supplied under contract, 2016-17

Product Type	Name	Presentation	Supplier	Price
Albumin (plasma derived - domestic)	Albumex	20% 10ml	CSL Behring (Australia) Pty Ltd	\$15.33 ¹
		20% 100ml		\$66.88 ¹
		4% 50ml		\$15.33 ¹
		4% 500ml		\$66.88 ¹
Factor VIIa (recombinant - imported)	NovoSeven	1mg	Novo Nordisk Pharmaceuticals Pty Ltd	\$1,299.75
		2mg		\$2,599.49
		5mg		\$6,498.72
		8mg		\$10,397.97
Factor VIII Anti-Inhibitor (plasma derived - imported)	FEIBA	500 IU	Baxalta Australia Pty Ltd	\$1,200.00
		1000 IU		\$2,400.00
		2500IU		\$6,000.00
Factor VIII (plasma derived - domestic)	Biostate	250 IU	CSL Behring (Australia) Pty Ltd	\$215.77 ¹
		500 IU		\$431.54
		1000 IU		\$863.08 ¹

Product Type	Name	Presentation	Supplier	Price
Factor VIII (recombinant - imported)	Advate	250 IU	Baxalta Australia Pty Ltd	\$75.00
		500 IU		\$150.00
		1000 IU		\$300.00
		1500 IU		\$450.00
		2000 IU		\$600.00
		3000 IU		\$900.00
Factor VIII (recombinant - imported)	Xyntha	250 IU	Pfizer Australia Pty Ltd	\$102.50
		500 IU		\$205.00
		1000 IU		\$410.00
		2000 IU		\$820.00
		3000 IU		\$1,230.00
Factor IX (plasma derived - domestic)	MonoFIX	1000 IU	CSL Behring (Australia) Pty Ltd	\$863.08 ¹
Factor IX (recombinant - imported)	BeneFIX	250 IU	Pfizer Australia Pty Ltd	\$240.00
		500 IU		\$480.00
		1000 IU		\$960.00
		2000 IU		\$1,920.00
		3000 IU		\$2,880.00
Factor IX (recombinant - imported)	Rixubis	250 IU	Baxalta Australia Pty Ltd	\$196.50
		500 IU		\$393.00
		1000 IU		\$786.00
		2000 IU		\$1,572.00
		3000 IU		\$2,358.00
Factor XI (plasma derived - imported)	Factor XI	1 IU	CSL Behring (Australia) Pty Ltd	\$12.11
Factor XIII (plasma derived - imported)	Fibrogammin	250 IU	CSL Behring (Australia) Pty Ltd	\$153.68
		1250 IU		\$768.46
Human prothrombin complex (plasma derived - domestic)	Prothrombinex	500 IU	CSL Behring (Australia) Pty Ltd	\$275.11 ¹
Fibrinogen Concentrate (plasma derived - imported)	RiaSTAP	1g	CSL Behring (Australia) Pty Ltd	\$755.31

Product Type	Name	Presentation	Supplier	Price
Human C1 esterase inhibitor concentrate (plasma derived – imported)	Berinert	500 IU	CSL Behring (Australia) Pty Ltd	\$888.31
Protein C concentrate (plasma derived – imported)	Ceprotin	500 IU	Baxalta Australia Pty Ltd	\$1,075.00
		1000 IU		\$2,150.00
Antithrombin III concentrate (plasma derived – domestic)	Thrombotrol	1000 IU	CSL Behring (Australia) Pty Ltd	\$1,391.71 ¹
Intravenous IVIg (plasma derived – domestic)	Intragam P	3g/50ml	CSL Behring (Australia) Pty Ltd	\$186.79 ¹
		12g/200ml		\$747.15 ¹
Intravenous IVIg (plasma derived – domestic)	Intragam 10	2.5g/25ml	CSL Behring (Australia) Pty Ltd	\$155.66 ¹
		10g/100ml		\$622.63 ¹
		20g/200ml		\$1,245.25 ¹
SCIg (plasma derived – domestic)	Evogam	0.8g/5ml	CSL Behring (Australia) Pty Ltd	\$49.81 ¹
		3.2g/20ml		\$199.24 ¹
IVIg (plasma derived – imported)	Flebogamma DIF	5% 0.5g/10ml	Grifols Australia Pty Ltd	\$22.50
		5% 2.5g/50ml		\$112.50
		5% 5g/100ml		\$225.00
		5% 10g/200ml		\$450.00
		5% 20g/400ml		\$900.00
		10% 5g/50ml		\$225.00
		10% 10g/100ml		\$450.00
		10% 20g/200ml		\$900.00
IVIg (plasma derived – imported)	Privigen	5g/50ml	CSL Behring (Australia) Pty Ltd	\$225.00
		10g/100ml		\$450.00
		20g/200ml		\$900.00
		40g/400ml		\$1,800.00
SCIg (plasma derived – imported)	Hizentra	1g/5ml	CSL Behring (Australia) Pty Ltd	\$57.43
		2g/10ml		\$114.86
		4g/20ml		\$229.72
		10g 50ml		\$574.30

Product Type	Name	Presentation	Supplier	Price
Normal Ig Nlg (plasma derived - domestic)	Normal Ig VF	2ml (0.32gm)	CSL Behring (Australia) Pty Ltd	\$31.31 ¹
		5ml (0.80gm)		\$51.33 ¹
CMV Ig (plasma derived - domestic)	CMV Ig	1.5 million units	CSL Behring (Australia) Pty Ltd	\$1,190.04 ¹
Hepatitis B Ig (plasma derived - domestic)	Hepatitis B Ig	100 IU (2ml)	CSL Behring (Australia) Pty Ltd	\$43.50 ¹
		400 IU (5ml)		\$99.59 ¹
Rh (D) Ig (plasma derived - imported)	Rhophylac	1500 IU	CSL Behring (Australia) Pty Ltd	\$395.25
Rh (D) Ig (plasma derived - domestic)	Rh (D) Ig	250 IU	CSL Behring (Australia) Pty Ltd	\$29.47 ¹
		625 IU		\$73.63 ¹
Tetanus Ig (plasma derived - domestic)	Tetanus Ig VF	250 IU	CSL Behring (Australia) Pty Ltd	\$43.00 ¹
		4000 IU		\$687.91 ¹
Zoster Ig (plasma derived - domestic)	Zoster Ig VF	200 IU	CSL Behring (Australia) Pty Ltd	\$272.75 ¹

¹ The price does not include the starting plasma provided to CSL Behring (Australia) Pty Ltd by the Australian Red Cross Blood Service.

APPENDIX 4. MANDATORY REPORTING

Work health and safety

- Refer Section 3

Statistics on employees who identify as Indigenous

- Refer Section 3

Procurement Initiatives to Support Small Business

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

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

The following initiatives employed by the National Blood Authority support small business:

- the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000
- Australian Industry Participation plans in whole-of-government procurement where applicable
- the Small Business Engagement Principles (outlined in the government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format
- electronic systems or other processes used to facilitate on-time payment performance, including the use of payment cards.

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

Advertising and market research

Section 311A of the *Commonwealth Electoral Act 1918* requires particulars of all amounts greater than \$13,000 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 2016–17.

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 2016–17, this included the following examples:

- increased use of audio and video conferencing and online collaboration in preference to face-to-face meetings requiring interstate or international travel
- recycling into three streams of waste – co-mingled material, paper and printer cartridges
- purchasing 100 per cent GreenPower for electricity use in our office and offsetting air travel through the GreenFleet 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 100 per cent recycled paper
- running the air conditioning systems on timers and occupancy sensors to ensure operation only during business hours when the immediate area is occupied
- participating in Earth Hour – the office was fully compliant and all staff were encouraged to participate
- ensuring that through purchasing activities further improvements were made within blood product supply contracts
- implemented an electronic document and records management system.

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

TABLE 5.3 NBA Environmental performance indicators

Theme	Performance measure	Indicator(s)	2012-13 ¹	2013-14 ²	2014-15 ³	2015-16 ⁴	2016-17 ⁵
Energy efficiency	Total consumption of energy	Amount of electricity consumed (kWh)	184,564 kWh	135,882 kWh	145,476 kWh	144,108 kWh	150,852 kWh
		Amount of gas consumed (MJ)	0 MJ	0 MJ	0 MJ	0 MJ	0 MJ
		Amount of other fuels consumed (\$/kWh/MJ/L)	0	0	0	0	0
		Air travel distances (km)	703,227 kms ⁷	878,974 kms ⁸	762,710 kms ⁹	1,111,186 kms ^{5,10}	494,671 kms ¹¹
	Total consumption of green energy	Amount of green energy purchased/consumed (\$/kWh)	184,564 kWh	135,882 kWh	145,476 kWh	144,108 kWh	0 kWh
	Greenhouse gas emissions	Amount of greenhouse gases produced (tonnes)	0 tonnes	0 tonnes	0 tonnes	0 tonnes	0 tonnes
	Relative energy uses	Amount of green energy purchased divided by the amount of electricity consumed	100%	100%	100%	100%	0%
		Amount of total energy consumed (kWh) per employee	3,025 kWh	2,123 kWh	1,993 kWh	1,947 kWh	1,927 kWh

Theme	Performance measure	Indicator(s)	2012-13 ¹	2013-14 ²	2014-15 ³	2015-16 ⁴	2016-17 ⁵
Waste	Total waste production	Amount of waste produced (tonnes)	9.93 tonnes	9.88 tonnes	11.96 tonnes	13.23 tonnes	10.43 tonnes
	Un-recyclable waste production	Amount of waste going to landfills (tonnes)	2.95 tonnes	2.95 tonnes	2.95 tonnes	1.65 tonnes	1.89 tonnes
	Recyclable waste production (excluding office paper)	Amount of waste going to recycling facilities (tonnes)	1.071 tonnes	1.162 tonnes	1.113 tonnes	1.2 tonnes	1.38 tonnes
	Paper waste production	Amount of waste paper going to recycling facilities (tonnes)	5.909 tonnes ¹²	5.77 tonnes	7.895 tonnes ¹³	9.07 tonnes ¹⁴	7.152 tonnes
		Amount of paper sourced from recyclable sources (tonnes)	0.925 tonnes	1.474 tonnes	1.819 tonnes	0.739 tonnes	1.495 tonnes
		Percentage of paper sourced from recyclable sources (per cent)	43%	96% ¹⁵	99.5%	99.8%	99.7%
	Use of renewable/recyclable products	Amount of products sourced from renewable/recyclable sources (tonnes)		1.533 tonnes ¹⁶	1.891 tonnes	0.737 tonnes ¹⁷	1.491 tonnes
	Relative waste production	Amount of total waste (tonnes) per employee	0.16 tonnes	0.15 tonnes	0.16 tonnes	0.18 tonnes	0.13 tonnes

Theme	Performance measure	Indicator(s)	2012-13 ¹	2013-14 ²	2014-15 ³	2015-16 ⁴	2016-17 ⁵
Water	Total consumption of water	Amount of water consumed (L)	393,846 L	400,000 L	340,000 L	414,820 L	441,681 L
	Grey water/ rainwater capture and use	<i>Not applicable to NBA tenancies</i>	na	na	na	na	na
	Relative consumption/ use of water	Amount of total water use (L) per employee	6,456 L	6,250 L	4,657 L	5,525 L	5,641 L

¹ The NBA moved to a new tenancy in February 2013; however, the lease for the old tenancy was still effective as at 30 June 2013. Calculations for per employee figures have been based on 53 FTE and 8 contractors.

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

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

⁴ Calculations for per employee figures have been based on 74 people (54 FTE and 20 contractors).

⁵ Calculations for per employee figures have been based on 78 people (53 FTE and 25 contractors).

⁶ The increase in kilometres travelled was due to the national implementation of BloodSTAR, requiring face to face engagement with stakeholders nationally.

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

⁸ Electricity fully off-set through 100% green energy purchased and the NBA off-set 878,974 kms in air travel through the GreenFleet program.

⁹ Electricity fully off-set through 100% green energy purchased and the NBA off-set 762,710 kms in air travel through the GreenFleet program.

¹⁰ Electricity fully off-set through 100% green energy purchased and the NBA off-set 1,111,186 kms in air travel through the GreenFleet program.

¹¹ Electricity fully off-set through 100% green energy purchased and the NBA off-set 494,671 kms in air travel through the GreenFleet program.

¹² Increase due to office relocation in February 2013 and consolidation of material.

¹³ During 2014-15, the NBA's digitisation of long-term retention records and associated destruction of the migrated records led to a significant increase in the volume of shredded paper sent for recycling.

¹⁴ The continuation of the project to digitise long-term retention records and the associated destruction of theses migrated records project has increased the volume of shredded paper sent for recycling.

¹⁵ Majority of paper sourced was 100% recycled.

¹⁶ Previous years data provided as a percentage when it should have been provided in tonnes.

¹⁷ The use of the EDRMS and the electronic distribution of Committee Papers has reduced the volume of products sourced overall.

Grant programs

Information on grants awarded by the NBA during the period 1 July 2016 to 30 June 2017 is available at www.blood.gov.au/governmental-compliance

Disability reporting

Since 1994, non-corporate Commonwealth entities 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, entities are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with a disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2014, and can be found at www.dss.gov.au

Information Publication Scheme statement

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

A copy of the NBA IPS Plan and associated published documents can be located at <http://www.blood.gov.au/ips>

Errata

Appendix 3. Table 5.2 Rixibus mis-classified. Correctly classified in 2016–17.

Snapshot: Plasmapheresis donors were reported as 548,274 which was the number of plasmapheresis donations.

Agency resource statements

The agency resource statement provides details of the funding sources that the NBA drew upon in 2016-17. In addition, it provides information about special accounts balances to be carried over to 2017-18.

	Actual Available Appropriation for 2016-17 \$'000	Payments made 2016-17 \$'000	Balance 2016-17 \$'000
	(a)	(b)	(a) - (b)
Ordinary Annual Services¹			
Departmental appropriation ²	6,271	6,201	70
Total	6,271	6,201	70
Administered expenses			
Outcome 1 ³	5,190	5,190	
Total	5,190	5,190	
Total ordinary annual services	11,461	11,391	
Special Accounts⁴			
Opening balance	189,490		
Appropriation receipts ⁵	11,391		
Non-appropriation receipts to Special Accounts	1,108,548		
Payments made		1,116,569	
Total Special Accounts	1,309,429	1,116,569	192,860
Total resourcing and payments	1,320,890	1,127,960	

¹ Appropriation Act (No. 1) 2016-17 and Appropriation Act (No. 3) 2016-17. This may also include Prior Year departmental appropriation and section 31 relevant agency receipts.

² Includes an amount of \$0.063 million in 2016-17 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

³ Includes an amount of \$nil in 2016-17 for the Administered Capital Budget.

⁴ Does not include 'Special Public Money' held in accounts like Other Trust Monies account (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Moneys Special accounts (SOETM).

⁵ Appropriation receipts from National Blood Authority annual appropriations for 2016-17 included above.

Resource for outcomes

This table provides details of the total funding for each outcome. In 2016-17 the NBA operated under a single outcome.

Outcome 1: Australia's blood supply is secure and well managed	Budget* 2016-17 \$'000	Actual Expenses 2016-17 \$'000	Variation 2016-17 \$'000
	(a)	(b)	(a) - (b)
Program 1.1: National blood agreement management			
Administered expenses			
Ordinary Annual Services (Appropriation Bill No. 1)	5,190	5,190	-
Special Accounts	1,135,777	1,045,763	90,014
Departmental expenses			
Departmental appropriation ¹	6,271	6,201	70
Special Accounts	9,305	9,106	199
Expenses not requiring appropriation in the Budget year	465	1,259	-794
Total for Program 1.1	1,157,008	1,067,519	89,489
Total expenses for Outcome 1	1,157,008	1,067,519	89,489
		2015-16	2016-17
Average Staffing Level (number)		51	53

* Full year budget, including any subsequent adjustment made to the 2016-17 Budget.

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

APPENDIX 5.

LIST OF REQUIREMENTS

Outlined in this section is the information provided in accordance with the Department of Finance's *Resource Management Guide No. 135 Annual reports for non-corporate Commonwealth entities* as at July 2017.

na denotes that the requirement was not applicable to the NBA during 2016-17.

nil denotes that this aspect was not reported on for the NBA in 2016-17.

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	iii
17AD(h)	Aids to access			
17AJ(a)	Front Pages	Table of contents.	Mandatory	iv
17AJ(b)	Index	Alphabetical index.	Mandatory	183-188
17AJ(c)	Appendix 6	Glossary of acronyms and abbreviations.	Mandatory	180-182
17AJ(d)	Appendix 5	List of requirements.	Mandatory	172-178
17AJ(e)	Front Pages	Details of contact officer.	Mandatory	ii
17AJ(f)	Front Pages	Entity's website address.	Mandatory	ii

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AJ(g)	Front Pages	Electronic address of report.	Mandatory	ii
17AD(a)	Review by accountable authority			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	8-16
17AD(b)	Overview of the entity			
17AE(1)(a)(i)	Part 1	A description of the role and functions of the entity.	Mandatory	2-3
17AE(1)(a)(ii)	Part 1	A description of the organisational structure of the entity.	Mandatory	4, 87
17AE(1)(a)(iii)	Part 2	A description of the outcomes and programs administered by the entity.	Mandatory	Section 2 p.83
17AE(1)(a)(iv)	Part 1	A description of the purposes of the entity as included in corporate plan.	Mandatory	2
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory	na
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	na
17AD(c)	Report on the Performance of the entity <i>Annual performance Statements</i>			
17AD(c)(i); 16F	Part 2	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	20-26
17AD(c)(ii)	<i>Report on Financial Performance</i>			
17AF(1)(a)	Part 4	A discussion and analysis of the entity's financial performance.	Mandatory	98-101
17AF(1)(b)	Part 4	A table summarising the total resources and total payments of the entity.	Mandatory	100

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AF(2)	Part 4	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	na
17AD(d)	Management and Accountability <i>Corporate Governance</i>			
17AG(2)(a)	Part 3	Information on compliance with section 10 (fraud systems).	Mandatory	85
17AG(2)(b)(i)	Part 3	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	85, iii
17AG(2)(b)(ii)	Part 3	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	85, iii
17AG(2)(b)(iii)	Part 3	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	85, iii
17AG(2)(c)	Part 3	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	76-85
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	na
<i>External Scrutiny</i>				
17AG(3)	Part 3	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	84

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(3)(a)	Part 3	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	84
17AG(3)(b)	Part 3	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	84
17AG(3)(c)	Part 3	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	84
<i>Management of Human Resources</i>				
17AG(4)(a)	Part 3	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	86-93
17AG(4)(b)	Part 3	<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> ▪ Statistics on staffing classification level; ▪ Statistics on full-time employees; ▪ Statistics on part-time employees; ▪ Statistics on gender; ▪ Statistics on staff location; ▪ Statistics on employees who identify as Indigenous. 	Mandatory	88-90
17AG(4)(c)	Part 3	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	91-93
17AG(4)(c)(i)	Part 3	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AD(4)(c).	Mandatory	90
17AG(4)(c)(ii)	Part 3	The salary ranges available for APS employees by classification level.	Mandatory	90
17AG(4)(c)(iii)	Part 3	A description of non-salary benefits provided to employees.	Mandatory	91
17AG(4)(d)(i)	Part 3	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	92

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	na
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	na
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	na
<i>Assets Management</i>				
17AG(5)	Part 4	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	101
<i>Purchasing</i>				
17AG(6)	Part 4	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory	103–104
<i>Consultants</i>				
17AG(7)(a)	Part 4	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	104
17AG(7)(b)	Part 4	A statement that "During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]".	Mandatory	104
17AG(7)(c)	Part 4	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	103–104
17AG(7)(d)	Part 4	A statement that "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."	Mandatory	104

PGPA Rule Reference	Part of Report	Description	Requirement	Page
<i>Australian National Audit Office Access Clauses</i>				
17AG(8)	Part 4	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	na
<i>Exempt contracts</i>				
17AG(9)	Part 4	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	103
<i>Small business</i>				
17AG(10)(a)	Part 4	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	104
17AG(10)(b)	Part 4	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	104
17AG(10)(c)	Part 4	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	If applicable, Mandatory	104
<i>Financial Statements</i>				
17AD(e)	Part 4	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	106

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AD(f)	<i>Other Mandatory Information</i>			
17AH(1)(a)(i)	Part 4	If the entity conducted advertising campaigns, a statement that "During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."	If applicable, Mandatory	165
17AH(1)(a)(ii)	Part 5	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	165
17AH(1)(b)	Part 5	A statement that "Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity's website]."	If applicable, Mandatory	169
17AH(1)(c)	Part 5	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	169
17AH(1)(d)	Part 5	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	169
17AH(1)(e)	Part 5	Correction of material errors in previous annual report.	If applicable, mandatory	169
17AH(2)	Part 5	<i>Information required by other legislation</i>	<i>Mandatory</i>	
		Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>).	Mandatory	93
		Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>).	Mandatory	165-168
		Agency Resource Statements and Resources for Outcomes.	Mandatory	170-171



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APPENDIX 6.

ACRONYMS AND ABBREVIATIONS

ABDR	Australian Bleeding Disorders Registry
ACSQHC	Australian Commission on Safety and Quality in Health Care
ACT	Australian Capital Territory
AHCDO	Australian Haemophilia Centre Directors' Organisation
AHMAC	Australian Health Ministers' Advisory Council
ANAO	Australian National Audit Office
Anti-D	Anti-D Rh D Immunoglobulin
ANZCA	Australia & New Zealand College of Anaesthetists Annual Scientific Meeting
ANZCP	Australian and New Zealand College of Perfusionists
APS	Australian Public Service
APSC	Australian Public Service Commission
ASCIA	Australasian Society of Clinical Immunology and Allergy
Blood Service	Australian Red Cross Blood Service
BloodSTAR	blood system for tracking authorisations and reviews
BCP	Business Continuity Plan
BEA	BloodSafe eLearning Australia
CAFA	CSL Australian Fractionation Agreement
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CUA	Credit Union Australia
DAPI	discards as a percentage of net issues
DTA	Digital Transformation Agency
EA	Enterprise Agreement
EAP	Employee Assistance Program
FEIBA	factor eight inhibitor bypass agent
FFP/FP	fresh frozen plasma/frozen plasma
FTE	full-time equivalent
FVIII	factor eight

FIX	factor nine
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
HFA	Haemophilia Foundation Australia
HFNSW	Haemophilia Foundation New South Wales
HPC	Hospitals Principal Committee
ICT	Information Communications Technology
Ig	immunoglobulin
IMOB	Intraoperative Management of Blood
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
MERS-CoV	Middle East Respiratory Syndrome-Coronavirus
MSAC	Medical Services Advisory Committee
MyABDR	MyABDR is a secure app for smartphones and web site for people with bleeding disorders or parents/caregivers to record home treatments and bleeds
NBA	National Blood Authority
NBSCP	National Blood Supply Contingency Plan
NHMRC	National Health and Medical Research Council
NIg	Normal immunoglobulin
NIGAC	National Immunoglobulin Governance Advisory Committee
NIMF	National Inventory Management Framework
NMF	National Managed Fund
NSP&B	National Supply Plan and Budget



NSQHS	National Safety and Quality Health Service
NSRS	national service requirements and standards
OBFM	Output Based Funding Model
ORBS	ordering, receipting blood system
PBM	patient blood management
PGPA	<i>Public Governance, Performance and Accountability Act</i>
Red Cross	The Australian Red Cross Society
R&D	research and development
rFVIIa	recombinant factor seven (A)
rFVIII	recombinant factor eight
rFIX	recombinant factor nine
RNAi	Ribonucleic acid interference
SCIg	subcutaneous immunoglobulin
SES	Senior Executive Service
SME	small and medium enterprises
SPF	staff participation forum
SWG	specialist working group
TGA	Therapeutic Goods Administration
TOIL	time off in lieu
vWD	von Willebrand disease
WFH	World Federation of Hemophilia
WB	whole blood

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