

Vote Health

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Health (M36)

ADMINISTERING DEPARTMENT: Ministry of Health

MINISTER RESPONSIBLE FOR MINISTRY OF HEALTH: Minister of Health

Overview of the Vote

The Minister of Health is responsible for appropriations in the Vote for the 2008/09 financial year totalling just over \$12,240 million and covering the following:

Departmental Operating Appropriations

A total of just over \$227 million (1.9% of the Vote) relates to the functions of the Ministry of Health for: policy advice, administering the purchasing of national health services, performance monitoring of the funders and providers of health and disability services, developing and administering legislation and regulations related to health service facilities, providers and public safety, ministerial servicing, and information services.

Non-Departmental Operating Appropriations

A total of just over \$11,768 million (96.1% of the Vote) is for operating expenses to be incurred on behalf of the Crown and is intended to be spent as follows:

Output Expenses

These total just over \$11,745 million (95.9% of the Vote) and are to fund the purchases of health services as follows:

- Nearly \$9,032 million (73.8% of the Vote) to fund health services from DHBs through the DHB appropriations.
- Just over \$880 million (7.2% of the Vote) to purchase national disability support services.
- Nearly \$548 million (4.5% of the Vote) to purchase public health services.
- Just over \$822 million (6.7% of the Vote) to purchase national health services and provide clinical training for health professionals.
- Nearly \$422 million (3.4% of the Vote) to purchase primary health care or other services, and manage health sector risks.
- Just over \$41 million (0.3% of the Vote) to fund other health and disability services.

Other Expenses Incurred by the Crown

A total of just over \$23 million (0.2% of the Vote) is for other expenses to fund provider development, legal expenses and international health obligations including World Health Organisation (WHO) membership.

Capital Expenditure

A total of nearly \$244 million (2.0% of the Vote) is to provide capital funding and will be spent as follows:

- just over \$201 million (1.6 % of the Vote) is to provide debt or equity for District Health Boards (DHBs) or the New Zealand Blood Service to cover new investments or for other purposes agreed by the Crown including balance sheet restructuring, or to invest in specific health sector assets
- \$15 million (0.1% of the Vote) is to provide interest-free loans to assist people in long term care
- just over \$28 million (0.2% of the Vote) is to purchase or develop assets for use by the Ministry of Health.

The Appropriations in Vote Health are unchanged since they were restructured from 1 July 2007.

Details of these appropriations are set out in Parts 2-6 for Vote Health in the Information Supporting the Estimates of Appropriations.

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Administration of Funding and Purchasing of Health and Disability Support Services (M36) Administration of the funding and purchasing of health and disability support services on behalf of the Crown, including post-clinical education and training. Services funded and purchased include some national personal health services, Māori health services, disability support services, mental health services, public health services and national screening services.	28,894	27,107	32,472
Administration of Legislation and Regulations (M36) Implementation, enforcement and administration of health legislation and regulations.	33,433	32,853	33,759
Funding and Performance of Crown Entities (M36) Administration of funding to DHBs and Crown Entities and the provision of advice on planning and performance, supporting and monitoring the implementation of strategic plans, assistance to meet legislative obligations and regulatory frameworks and advice on governance issues to Ministers and Crown Entities.	13,832	13,136	13,330
Information Services (M36) Provision of national health information services.	67,097	65,473	78,999
Payment Services (M36) Provision of health sector payments and the administration of contracts and payments.	18,464	18,058	17,606
Servicing of Ministers and Ministerial Committees (M36) Provision of administrative and advisory support services to the Minister and Associate Ministers of Health and ministerial advisory committees.	21,679	21,041	21,220
Strategy, Policy and System Performance (M36) Provision of health policy advice, leadership for the health and disability sector, and research and evaluation of long term strategic plans and regulatory frameworks.	32,432	31,446	30,069
Total Departmental Output Expenses	215,831	209,114	227,455
Non-Departmental Output Expenses			
Clinical Training Agency (M36) Provision of clinical training for doctors, nurses, dentists and other health professionals.	108,404	104,404	120,219
Health and Disability Support Services - Auckland DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Auckland DHB.	847,907	847,907	872,851
Health and Disability Support Services - Bay of Plenty DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Bay of Plenty DHB.	454,919	454,919	485,464
Health and Disability Support Services - Canterbury DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Canterbury DHB.	971,660	971,660	1,013,312

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
Health and Disability Support Services - Capital and Coast DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Capital and Coast DHB.	515,047	515,047	530,625
Health and Disability Support Services - Counties-Manukau DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Counties-Manukau DHB.	864,630	864,630	915,851
Health and Disability Support Services - Hawkes Bay DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Hawkes Bay DHB.	338,823	338,823	354,798
Health and Disability Support Services - Hutt DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Hutt DHB.	270,151	270,151	283,441
Health and Disability Support Services - Lakes DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Lakes DHB.	221,855	221,855	228,582
Health and Disability Support Services - MidCentral DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from MidCentral DHB.	354,834	354,834	368,404
Health and Disability Support Services - Nelson-Marlborough DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Nelson-Marlborough DHB.	297,571	297,571	306,518
Health and Disability Support Services - Northland DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Northland DHB.	359,716	359,716	383,484
Health and Disability Support Services - Otago DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Otago DHB.	403,025	403,025	414,879
Health and Disability Support Services - South Canterbury DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from South Canterbury DHB.	129,623	129,623	136,576
Health and Disability Support Services - Southland DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Southland DHB.	225,631	225,631	232,245
Health and Disability Support Services - Tairāwhiti DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Tairāwhiti DHB.	107,964	107,964	113,466
Health and Disability Support Services - Taranaki DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Taranaki DHB.	243,271	243,271	253,444
Health and Disability Support Services - Waikato DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Waikato DHB.	722,456	722,456	769,942

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Health and Disability Support Services - Wairarapa DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Wairarapa DHB.	95,086	95,086	98,861
Health and Disability Support Services - Waitemata DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Waitemata DHB.	956,500	956,500	997,874
Health and Disability Support Services - West Coast DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from West Coast DHB.	96,138	96,138	100,797
Health and Disability Support Services - Whanganui DHB (M36) Funding of personal and mental health services including services for the health of older people, provision of hospital and related services and management outputs from Whanganui DHB.	161,778	161,778	170,148
Health Services Funding (M36) Funding for priority Health sector initiatives including the implementation of the Primary Healthcare strategy and to address sector risks.	132,545	91,545	421,846
Management of Residual Health Liabilities and District Health Board Term Debt (M36) Funding for Crown Health Financing Agency (CHFA) to provide and manage the Crown term debt facilities for DHBs, provide independent advice to the Minister on the credit worthiness and financial sustainability of DHBs, and to manage residual area health board liabilities.	1,674	1,674	1,751
Meningococcal Vaccine Programme (M36) Funding for the purchase and delivery of a vaccine against the epidemic strain of group B meningococcal disease to target population groups.	6,765	6,765	6,632
Monitoring and Protecting Health and Disability Consumer Interests (M36) Provision of services to monitor and protect health consumer interests by the Health and Disability Commissioner, District Mental Health Inspectors and Review Tribunals, and the Mental Health Commission.	13,751	13,751	14,659
National Advisory and Support Services (M36) Provision of advisory and support services by independent service providers.	340	340	340
National Child Health Services (M36) For the funding and purchase of child health services directly by the Crown.	39,555	39,555	41,011
National Contracted Services - Other (M36) For the funding and purchase of other health services including mobile surgical services, telephone advice services, sexual and reproductive health services, and services associated with the implementation of the Oral Health and Cancer Control Strategies.	97,152	88,152	197,946
National Disability Support Services (M36) Delivery of disability support services provided through DHBs and third-party service providers.	834,179	834,179	880,362
National Elective Services (M36) Funding for the purchase of additional elective surgery services.	140,309	132,000	192,153
National Emergency Services (M36) For the funding and purchase of health emergency services directly by the Crown.	65,417	65,417	69,053
National Māori Health Services (M36) For the funding and purchase of Māori health services directly by the Crown.	8,639	8,639	9,671
National Maternity Services (M36) For the funding and purchase of maternity services directly by the Crown.	109,576	109,576	108,128

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
National Mental Health Services (M36) For the funding and purchase of mental health services directly by the Crown.	60,836	60,836	84,279
Problem Gambling Services (M36) Funding to support the research and implementation of strategies to prevent and minimise the harm from gambling, and for the provision of treatment services to problem gamblers and assistance to their families and whanau in accordance with the Gambling Act 2003.	17,289	17,289	17,719
Public Health Service Purchasing (M36) Public Health Services funded by the Ministry of Health from DHBs and other public health service providers.	359,603	358,034	547,707
Scientific Advice to Support Pest Management Strategies as They Affect Public Health (M36) Purchasing taxonomic services to support surveillance programmes for exotic mosquitoes of public health significance.	53	53	56
Total Non-Departmental Output Expenses	10,634,672	10,570,794	11,745,094
Non-Departmental Other Expenses			
Australian Kidney Foundation (M36) Contribution to the Australian Kidney Foundation to receive the Australia and New Zealand Dialysis and Transplant Registry.	15	15	15
International Health Organisations (M36) Funding for New Zealand's membership to the World Health Organisation (WHO), and the contribution to specific WHO projects.	2,230	2,230	2,230
Legal Expenses (M36) Funding for the defence and settlement of legal claims against the Crown.	7,958	7,958	1,778
Provider Development (M36) Funding support and provide assistance for the development of the third party health service workforce, in particular, Māori and Pacific people's providers.	13,889	13,889	19,289
Total Non-Departmental Other Expenses	24,092	24,092	23,312
Departmental Capital Expenditure			
Ministry of Health - Capital Expenditure PLA (M36) This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Health, as authorised by section 24(1) of the Public Finance Act 1989	18,537	8,139	28,022
Total Departmental Capital Expenditure	18,537	8,139	28,022
Non-Departmental Capital Expenditure			
Equity for Capital Projects for DHBs and the New Zealand Blood Service (M36) Capital contributions to DHBs and the New Zealand Blood Service to cover new investments and reconfiguration of their balance sheets.	83,571	83,571	158,686
Health Sector Projects (M36) Capital investment in specific health sector assets.	-	-	3,765
Loans for Capital Projects (M36) Provision of new loans to DHBs for the purpose of facilities redevelopment and other purposes agreed by the Crown including balance sheet reconfiguration.	105,692	105,692	38,955

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Residential Care Loans (M36) Funding to provide interest-free loans to people entering into aged residential care facilities.	15,000	15,000	15,000
Deficit Support for DHBs (M36) This appropriation is limited to equity injections to District Health Boards to address deficits.	37,000	37,000	-
Refinance of DHB Private Debt (M36) Provision of funding to DHBs to replace their current debts held by private banking institutions as they become due for refinancing.	70,000	70,000	-
Response to Significant Health Emergencies (M36) Capital purchase and development costs incurred to prepare for significant health emergencies.	4,597	4,597	-
Total Non-Departmental Capital Expenditure	315,860	315,860	216,406
Total Annual and Permanent Appropriations	11,208,992	11,127,999	12,240,289

Details of Projected Movements in Departmental Net Assets

Ministry of Health

Details of Net Asset Schedule	Estimated Actual 2007/08 \$000	Projected 2008/09 \$000	Explanation of Projected Movements in 2008/09
Opening Balance	18,623	33,951	The opening balance increases as a result of a capital injection in 2007/08 totalling \$15.328 million. This injection provides funding for the National Systems Development Programme (\$8.337 million), the National Mental Health Data Collection project (\$2.164 million), the Capitation Funding and Payments Processes (CFPP) workstream (\$1.940 million) the B4 School Check information system (\$1.350 million) and the NZ Cancer Registry Redevelopment (\$1.537 million).
Capital Injections	15,328	24,578	A breakdown of the 2007/08 capital injection is shown above. The 2008/09 capital injection provides further funding for the B4 School Check information system (\$1 million) and the National Systems Development Programme (\$23.578 million).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	33,951	58,529	