

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 2011/12 financial year totalling just over \$13,953 million covering the following:

Departmental Operating Appropriations

A total of almost \$205 million (1.5% 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 nearly \$13,295 million (95.3% 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 nearly \$13,267 million (95.1% of the Vote) and are to fund the purchases of health services as follows:

- Just over \$10,498 million (75.2% of the Vote) to fund health services from DHBs through the DHB appropriations.
- Just over \$1,028 million (7.4% of the Vote) to purchase national disability support services.
- Just over \$443 million (3.2% of the Vote) to purchase public health services.
- Just over \$807 million (5.8% of the Vote) to purchase national health services and to manage health sector risks.
- Just under \$156 million (1.1% of the Vote) to provide clinical training for health professionals.
- \$80 million (0.6% of the Vote) for a provision for DHB deficit support.
- Nearly \$179 million (1.3% of the Vote) to purchase primary health care services.
- Just over \$76 million (0.5% of the Vote) to fund other health and disability services.

Other Expenses Incurred by the Crown

A total of nearly \$28 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

Almost \$454 million (3.3% of the Vote) is to provide capital funding and will be spent as follows:

- Almost \$419 million (3.1 % of the Vote) is to provide debt or equity for District Health Boards (DHBs) or Health Sector Crown Agencies 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 \$20 million (0.1% of the Vote) is to purchase or develop assets for use by the Ministry of Health.

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 | 2010/11 | | 2011/12 |
|--|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Departmental Output Expenses | | | |
| Information and Payment Services MCOA (M36) | 78,420 | 78,420 | 79,279 |
| <i>Health Sector Information Systems</i> | 62,101 | 62,101 | 56,769 |
| This appropriation is limited to the provision of information technology services and the publication of data derived from these services to the health and disability system. | | | |
| <i>Payment Services</i> | 16,319 | 16,319 | 22,510 |
| This output class is limited to the administration and audit of contracts and payments on behalf of the Crown and Crown agencies. | | | |
| Managing the Purchase of Services (M36) | - | - | 25,528 |
| This appropriation is limited to purchasing services for the public and health and disability sector on behalf of the Crown, for those services where the Ministry has responsibility for the purchasing function (i.e. funding is not devolved to another entity). | | | |
| Policy Advice (M36) | - | - | 33,845 |
| This appropriation is limited to the provision of policy advice and ministerial servicing that relates to the health and disability system, including the provision of advice and information to the public and other agencies on health and disability policy issues. | | | |
| Regulatory and Enforcement Services (M36) | - | - | 38,748 |
| This appropriation is limited to implementing, enforcing and administering health- and disability-related legislation and regulations, and provision of regulatory advice to the sector and to Ministers, and support services for committees established under statute or appointed by the Minister pursuant to legislation. | | | |
| Sector Planning and Performance (M36) | - | - | 27,216 |
| This appropriation is limited to advising on and co-ordinating health sector planning and performance improvement; and funding, monitoring, and supporting the governance of, health sector Crown entities, and sector co-ordination. | | | |
| Regulatory and Health Emergency Response MCOA (M36) | 38,122 | 38,122 | - |
| <i>Regulatory and Enforcement Services</i> | 31,411 | 31,411 | - |
| This output class is limited to implementing, enforcing and administering health- and disability-related legislation and regulations; as well as providing advice to ministers and the sector on legislation and regulations. | | | |
| <i>Responding to National and International Health Emergencies</i> | 2,378 | 2,378 | - |
| This output class is limited to the provision of support services for the Ministry of Health's emergency management and preparedness functions; and providing advice to ministers and the sector on national and international health emergencies and emerging threats. | | | |
| <i>Supporting Ministerial Committees</i> | 4,333 | 4,333 | - |
| This output class is limited to the provision of administrative and support services to ministerial advisory committees. | | | |
| Sector Leadership and Services MCOA (M36) | 51,324 | 49,677 | - |
| <i>Health and Disability System Leadership and Planning</i> | 24,359 | 23,540 | - |
| This output class is limited to leading and monitoring planning across the health and disability system, and supporting coordination and issue resolution between health and disability service providers; assisting the sector to meet regulatory obligations; and advising ministers and the sector on the governance of publicly-funded health and disability agencies. | | | |

| | 2010/11 | | 2011/12 |
|---|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Titles and Scopes of Appropriations by Appropriation Type | | | |
| <i>Health and Disability System Performance Monitoring and Service Delivery</i> | 26,965 | 26,137 | - |
| This output class is limited to funding, purchasing and monitoring health and disability support services on behalf of the Crown; including funding and monitoring of District Health Boards and Crown agencies for which the Ministry of Health has responsibility, and other providers of health and disability support services. | | | |
| Strategy, Policy and System Performance (M36) | 40,938 | 39,531 | - |
| This appropriation is limited to the provision of policy analysis and advice, research and evaluation of long term strategic plans and regulatory frameworks; and the provision of advisory support services to the Minister and Associate Ministers of Health. | | | |
| Total Departmental Output Expenses | 208,804 | 205,750 | 204,616 |
| Non-Departmental Output Expenses | | | |
| Crown Health Financing Agency (M36) | 1,800 | 1,800 | 1,900 |
| 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. | | | |
| Health and Disability Support Services - Auckland DHB (M36) | 961,818 | 961,818 | 993,557 |
| 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. | | | |
| Health and Disability Support Services - Bay of Plenty DHB (M36) | 544,263 | 544,263 | 567,474 |
| 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. | | | |
| Health and Disability Support Services - Canterbury DHB (M36) | 1,128,477 | 1,128,477 | 1,167,291 |
| 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. | | | |
| Health and Disability Support Services - Capital and Coast DHB (M36) | 597,541 | 597,541 | 623,960 |
| 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. | | | |
| Health and Disability Support Services - Counties-Manukau DHB (M36) | 1,058,406 | 1,058,406 | 1,121,468 |
| 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. | | | |
| Health and Disability Support Services - Hawkes Bay DHB (M36) | 393,024 | 393,024 | 406,757 |
| 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. | | | |
| Health and Disability Support Services - Hutt DHB (M36) | 320,119 | 320,119 | 333,345 |
| 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. | | | |
| Health and Disability Support Services - Lakes DHB (M36) | 252,042 | 252,042 | 260,135 |
| 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. | | | |
| Health and Disability Support Services - MidCentral DHB (M36) | 409,902 | 409,902 | 424,893 |
| 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. | | | |
| Health and Disability Support Services - Nelson-Marlborough DHB (M36) | 333,921 | 333,921 | 345,263 |
| 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. | | | |

| Titles and Scopes of Appropriations by Appropriation Type | 2010/11 | | 2011/12 |
|--|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Non-Departmental Output Expenses - cont'd | | | |
| 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. | 430,972 | 430,972 | 448,202 |
| 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. | 148,377 | 148,377 | 152,762 |
| Health and Disability Support Services - Southern 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 Southern DHB. | 701,674 | 701,674 | 721,784 |
| 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. | 128,385 | 128,385 | 133,429 |
| 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. | 275,446 | 275,446 | 282,865 |
| 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. | 877,177 | 877,177 | 924,120 |
| 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. | 108,153 | 108,153 | 112,529 |
| 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. | 1,124,655 | 1,124,655 | 1,172,846 |
| 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. | 109,824 | 109,824 | 113,013 |
| 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. | 185,633 | 185,633 | 191,163 |
| Health Services Funding (M36) Funding to respond to emerging health sector risks, provision for DHB structural deficit support, and contingency funding for Government priority health policy initiatives. | - | - | 165,745 |
| Health Workforce Training and Development (M36) Provision of clinical training for doctors, nurses, dentists and other health professionals. | 130,137 | 130,137 | 155,549 |
| 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. | 15,766 | 15,766 | 15,231 |
| 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. | 62,337 | 62,337 | 68,130 |

| Titles and Scopes of Appropriations by Appropriation Type | 2010/11 | | 2011/12 |
|--|-------------------|------------------------------|-------------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| 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. | 155,372 | 126,372 | 111,262 |
| National Disability Support Services (M36) Delivery of disability support services provided through DHBs and third-party service providers. | 974,454 | 974,454 | 1,028,402 |
| National Elective Services (M36) Funding for the purchase of additional elective surgery services. | 241,026 | 241,026 | 260,056 |
| National Emergency Services (M36) For the funding and purchase of health emergency services directly by the Crown. | 85,689 | 85,689 | 86,831 |
| National Māori Health Services (M36) For the funding and purchase of Māori health services directly by the Crown. | 8,621 | 8,621 | 8,605 |
| National Maternity Services (M36) For the funding and purchase of maternity services directly by the Crown. | 137,476 | 137,476 | 147,307 |
| National Mental Health Services (M36) For the funding and purchase of mental health services directly by the Crown. | 58,878 | 58,878 | 70,192 |
| Primary Health Care Strategy (M36) This appropriation is limited to services to implement and deliver the Primary Health Care Strategy. | 175,007 | 175,007 | 178,771 |
| 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 whānau in accordance with the Gambling Act 2003. | 18,570 | 18,570 | 17,864 |
| Public Health Service Purchasing (M36) Public Health Services funded by the Ministry of Health from DHBs and other public health service providers. | 461,116 | 449,116 | 453,708 |
| 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. | 20 | 20 | - |
| Total Non-Departmental Output Expenses | 12,616,418 | 12,575,418 | 13,266,749 |
| Non-Departmental Other Expenses | | | |
| 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 | 2,030 |
| Legal Expenses (M36) Funding for the defence and settlement of legal claims against the Crown. | 1,778 | 1,778 | 1,028 |
| 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. | 25,539 | 25,539 | 24,874 |
| Total Non-Departmental Other Expenses | 29,547 | 29,547 | 27,932 |

| Titles and Scopes of Appropriations by Appropriation Type | 2010/11 | | 2011/12 |
|---|-------------------|------------------------------|-----------------|
| | Budgeted \$000 | Estimated Actual \$000 | Budget \$000 |
| Departmental Capital Expenditure | | | |
| Ministry of Health - Capital Expenditure PLA (M36) | 21,841 | 21,841 | 20,460 |
| 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. | | | |
| Total Departmental Capital Expenditure | 21,841 | 21,841 | 20,460 |
| Non-Departmental Capital Expenditure | | | |
| Equity for Capital Projects for DHBs and Health Sector Crown Agencies (M36) | 118,566 | 31,241 | 347,611 |
| Capital contributions to District Health Boards and health sector Crown agencies to cover new investments and reconfiguration of their balance sheets. | | | |
| Health Sector Projects (M36) | - | - | 2,665 |
| Capital investment in specific health sector assets. | | | |
| Loans for Capital Projects (M36) | 202,080 | 202,080 | 68,043 |
| Provision of new loans to DHBs for the purpose of facilities redevelopment and other purposes agreed by the Crown including balance sheet reconfiguration. | | | |
| Residential Care Loans (M36) | 15,000 | 15,000 | 15,000 |
| Funding to provide interest-free loans to people entering into aged residential care facilities. | | | |
| Deficit Support for DHBs (M36) | 80,000 | 80,000 | - |
| This appropriation is limited to equity injections to District Health Boards to address deficits. | | | |
| Loan For Consideration For The Lot 8 Kenepuru Site (M36) | 3,500 | 3,500 | - |
| This appropriation is limited to provision of a two-year interest free loan to the Crown Health Financing Agency to finance the purchase of the Lot 8 site in Kenepuru, and its subsequent management for resale. | | | |
| Refinance of DHB Private Debt (M36) | 70,000 | 70,000 | - |
| Provision of funding to DHBs to replace their current debts held by private banking institutions as they become due for refinancing. | | | |
| Total Non-Departmental Capital Expenditure | 489,146 | 401,821 | 433,319 |
| Total Annual and Permanent Appropriations | 13,365,756 | 13,234,377 | 13,953,076 |

Details of Projected Movements in Departmental Net Assets

Ministry of Health

| Details of Net Asset Schedule | 2010/11 Estimated Actual \$000 | 2011/12 Projected \$000 | Explanation of Projected Movements in 2011/12 |
|---|---|-------------------------------|---|
| Opening Balance | 31,401 | 43,254 | |
| Capital Injections | 11,853 | 1,100 | |
| Capital Withdrawals | - | - | |
| Surplus to be Retained (Deficit Incurred) | - | - | |
| Other Movements | - | - | |
| Closing Balance | 43,254 | 44,354 | |