

Australian Capital Territory

# Financial Management (Performance Criteria) Amendment 2014 (No 1)

**Notifiable instrument NI2014-64**

made under the

**Financial Management Act 1996, S19D Amendment of Performance Criteria**

## EXPLANATORY STATEMENT

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This statement is made by the Health Directorate and outlines the reasons for the amendment of performance criteria under section 19D of the *Financial Management Act 1996*.

This Instrument provides for amendments to the below targets for hospital activity that are recorded within the ACT Budget Papers within the ACT Health and ACT Local Hospital Network Directorates.

Directorate: Health

Output Class1: Health and Community Care

Output 1.1: Acute Services

Accountability Indicators: 1.1.a, 1.1.b and 1.1.c

Output 1.2: Mental Health, Justice Health and Alcohol and Drug Services

Accountability Indicators: 1.2.a and 1.2.b

Output 1.4: Cancer Services

Accountability Indicators: 1.4.a and 1.4.b

Output 1.5: Rehabilitation, Aged and Community Care

Accountability Indicators: 1.5.b

Directorate: ACT Local Hospital Network Directorate

Output Class 1: ACT Local Hospital Network

Accountability Indicators: 1.a, 1.b, 1.c, 1.d

The original targets in the budget papers relating to National Weighted Activity Units (NWAU) were calculated incorrectly. New national counting rules specify how to count hospital activity.

Errors were made in the application of these rules in setting targets for 2013-14. The errors related to the application of the calculation methods and the inclusion of some activity that is outside of the scope for the counting of public hospital services.

The errors for the ACT Health Directorate related to the application of calculation methods. These errors also impact on the Local Hospital Network Directorate. However, the Local Hospital Network Directorate also included activity that is not in-scope for Commonwealth funding. This comprises activity that is funded by other sources, such as motor vehicle insurance companies and workers' compensation insurance episodes.

The errors occurred due to the unfamiliarity with the new national counting system. ACT Health is implementing new processes and systems to ensure more accurate development of targets using the new national counting system in future.

There is no impact on estimated Commonwealth funding for public hospital services in 2013-14 due to the error in the estimation of the target.