

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 2009/10 financial year totalling just under \$12,978 million, an increase of \$899 million or 7.4% from 2008/09 (Supplementary Estimates) and covering the following:

Departmental Operating Appropriations

A total of just over \$217 million (1.7% 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 \$12,406 million (95.6% 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 \$12,382 million (95.5% of the Vote) and are to fund the purchases of health services as follows:

- Nearly \$9,700 million (74.8% of the Vote) to fund health services from DHBs through the DHB appropriations.
- Just over \$895 million (6.9% of the Vote) to purchase national disability support services.
- Nearly \$515 million (4.0% of the Vote) to purchase public health services.
- Almost \$841 million (6.5% of the Vote) to purchase national health services and provide clinical training for health professionals.
- Nearly \$242 million (1.9% of the Vote) to manage health sector risks.
- Just over \$154 million (1.2% of the Vote) to purchase primary health care services.
- Nearly \$36 million (0.3% of the Vote) to fund other health and disability services.

Other Expenses Incurred by the Crown

A total of nearly \$24 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 \$355 million (2.7% of the Vote) is to provide capital funding and will be spent as follows:

- Just over \$304 million (2.3 % 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 \$35 million (0.3% of the Vote) is to purchase or develop assets for use by the Ministry of Health.

In 2009/10 the appropriations in Vote Health have been changed by creating an appropriation for Primary Care Services funding for which was previously held in Health Services Funding.

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	2008/09		2009/10
	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.	28,822	27,822	23,614
Administration of Legislation and Regulations (M36) Implementation, enforcement and administration of health legislation and regulations.	34,879	34,579	36,724
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.	8,548	8,548	9,109
Information Services (M36) Provision of national health information services.	61,921	59,921	62,859
Payment Services (M36) Provision of health sector payments and the administration of contracts and payments.	20,042	19,542	19,937
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.	15,629	15,129	15,431
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.	48,153	46,153	49,575
Total Departmental Output Expenses	217,994	211,694	217,249
Non-Departmental Output Expenses			
Clinical Training Agency (M36) Provision of clinical training for doctors, nurses, dentists and other health professionals.	122,271	115,271	125,692
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.	881,337	881,337	941,884
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.	491,430	491,430	522,467
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.	1,027,024	1,027,024	1,078,053
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.	536,775	536,775	569,843

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
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.	932,041	932,041	999,265
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.	358,708	358,708	377,914
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.	287,506	287,506	307,500
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.	234,294	234,294	245,689
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.	373,103	373,103	399,608
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.	309,705	309,705	322,716
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.	389,731	389,731	417,725
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.	418,864	418,864	436,500
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.	137,842	137,842	143,662
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.	234,756	234,756	244,770
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.	115,426	115,426	123,786
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.	257,887	257,887	268,645
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.	781,745	779,745	841,504
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.	99,926	99,926	104,172

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
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.	1,013,278	1,013,278	1,065,771
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.	101,740	101,740	106,112
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.	172,777	172,777	181,245
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.	174,869	147,869	239,738
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.	1,751	1,751	1,700
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.	2,132	2,132	1,800
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.	14,659	14,659	14,484
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.	55,443	54,443	58,994
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.	123,302	118,402	172,018
National Disability Support Services (M36) Delivery of disability support services provided through DHBs and third-party service providers.	889,671	889,671	895,386
National Elective Services (M36) Funding for the purchase of additional elective surgery services.	195,198	185,198	189,898
National Emergency Services (M36) For the funding and purchase of health emergency services directly by the Crown.	69,358	69,358	81,194
National Māori Health Services (M36) For the funding and purchase of Māori health services directly by the Crown.	8,562	8,562	8,562
National Maternity Services (M36) For the funding and purchase of maternity services directly by the Crown.	137,333	133,333	137,483
National Mental Health Services (M36) For the funding and purchase of mental health services directly by the Crown.	55,445	54,045	69,268

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Non-Departmental Output Expenses - cont'd			
Primary Health Care Strategy (M36) This appropriation is limited to services to implement and deliver the Primary Health Care Strategy.	-	-	154,535
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.	17,719	16,019	17,510
Public Health Service Purchasing (M36) Public Health Services funded by the Ministry of Health from DHBs and other public health service providers.	453,201	445,801	514,781
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.	56	56	56
Total Non-Departmental Output Expenses	11,477,205	11,410,805	12,382,270
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.	3,483	3,483	2,570
Legal Expenses (M36) Funding for the defence and settlement of legal claims against the Crown.	1,778	1,778	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.	19,289	19,289	19,289
Total Non-Departmental Other Expenses	24,550	24,550	23,637
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.	35,455	35,455	35,410
Total Departmental Capital Expenditure	35,455	35,455	35,410
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.	99,918	61,923	279,249
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.	89,923	70,000	24,900
Residential Care Loans (M36) Funding to provide interest-free loans to people entering into aged residential care facilities.	15,000	12,000	15,000
Deficit Support for DHBs (M36) This appropriation is limited to equity injections to District Health Boards to address deficits.	100,000	75,000	-
Health Sector Projects (M36) Capital investment in specific health sector assets.	3,765	3,765	-

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Loan for consideration for the Queen Mary Hospital site in Hanmer Springs (M36) This appropriation is limited to provision of a two-year interest free loan to the Crown Health Financing Agency to provide consideration to the Canterbury District Health Board for the transfer of the Queen Mary Hospital site in Hanmer Springs.	14,800	14,800	-
Total Non-Departmental Capital Expenditure	323,406	237,488	319,149
Total Annual and Permanent Appropriations	12,078,610	11,919,992	12,977,715

Details of Projected Movements in Departmental Net Assets

Ministry of Health

Details of Net Asset Schedule	2008/09 Estimated Actual \$000	2009/10 Projected \$000	Explanation of Projected Movements in 2009/10
Opening Balance	19,973	33,740	The opening balance increases as a result of a capital injection in 2008/09 totalling \$24.578 million. This injection provides further funding for the B4 School Check information system (\$1 million) and the National Systems Development Programme (\$23.578 million). This increase is partly offset by a capital transfer from 2008/09 to 2009/10 of funding for Information Directorate projects (\$10.811 million).
Capital Injections	13,767	10,594	A breakdown of the 2008/09 capital injection is shown above. The 2009/10 capital injection provides funding for Information Directorate projects resulting from the capital transfer from 2008/09 (\$10.811 million). This increase is partly offset by a contribution from the Ministry of Health to the State Services Commission for the Identity Verification Service (\$217,000).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	33,740	44,334	