

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2015-2016, 1 - 2 June 2015

Ref No: SQ15-000373

OUTCOME: 7 – Health Infrastructure, Regulation, Safety and Quality

Topic: National Blood Authority

Type of Question: Written Question on Notice

Senator: Di Natale, Richard

Question:

Why has the National Blood Authority sought to have the Australian Red Cross Blood Service (ARCBS) return large dividends back to the Government?

Answer:

The National Blood Authority (NBA) is responsible to all Australian governments for the adequate, safe, secure and affordable supply of blood and blood products. A key element in meeting this responsibility is to ensure the operations of the Australian Red Cross Blood Service (Blood Service) under its Deed of Agreement with the NBA are effective, while also being as efficient as possible. Governments' budget for funding of the Blood Service is \$613 million in 2014-15.

The NBA continues to work with the Blood Service on an ongoing program to identify and realise operational efficiencies that improve value for money and service levels. These efficiencies, combined with a significant reduction in red blood cell demand as a result of a concurrent program to improve appropriate use of blood products, have resulted in the return of significant savings to governments as detailed in the table below.

	Blood Service Surplus (\$m)	Returned to Government (\$m)	Comments
2011-12	\$6.2	\$3.6	\$2.6 million retained by the Blood Service for risk reserves
2012-13	\$12.5	\$8.9	\$3.6 million retained by the Blood Service for risk reserves
2013-14	\$45.4	\$40.4	\$5 million retained by the Blood Service for risk reserves

Significant achievements of the Blood Service associated with these savings include:

- Improved donor services including major technological upgrades to the National Contact Centre to improve reliability and speed of communications with donors
- The active promotion of a culture of continuous improvement which has seen lean principles being adopted across the organisation
- Restructuring of manufacturing and quality divisions to enhance productivity enabling the Blood Service to deliver greater national consistency and improved services
- Improved efficiency and national consistency in service provision
- Improved inventory management and order fulfilment for health providers
- The transfer of manufacturing operations in Victoria and New South Wales to new state of the art Melbourne and Sydney Processing Centres
- Successful transitioning of processing and testing from Adelaide to Melbourne with no detriment to service delivery or quality
- Concurrent maintenance of a low level of donor adverse events incidences for all collection types