Government of **Western Australia**
Department of **Health**

Annual Report 2017–2018

Department of Health Annual Report 2017–2018

Department of Health

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This annual report provides an overview of Department of Health operations for the financial year ended 30 June 2018.

Statement of compliance

HON ROGER COOK MLA
DEPUTY PREMIER
MINISTER FOR HEALTH; MENTAL HEALTH

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the Report of the Department of Health for the financial year ending 30 June 2018.

The Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Dr D J Russell-Weisz
DIRECTOR GENERAL
DEPARTMENT OF HEALTH

14 September 2018

Contents

From the Director General

Over the past year, the Department of Health has embraced its role as System Manager and worked diligently to steer the WA health system through a period of cultural change, growth and increased transparency.

As Director General, I am proud of the effort and commitment of our staff, who have continued to provide strong leadership for the broader health system. Through their enthusiasm and professionalism, the Department, in collaboration with Health Service Providers, has been able to lead and steward the system through this period of change.

The shining achievement of the 2017–18 financial year was the safe opening of Perth Children's Hospital. This was one of the most complex and challenging health projects ever undertaken in Western Australia, and its safe opening was a testament to the commitment, dedication and resilience of all those involved from right across the health system.

Another significant achievement this year was the release of the Sustainable Health Review (SHR) Interim Report.

The Department has worked hard to support the SHR, which was initiated by the State Government to inform future decisions about the way health is managed and delivered in Western Australia.

Our SHR team organised an extensive community and stakeholder consultation period spanning seven months, which resulted in more than 300 written submissions and 19 metropolitan and regional forums.

The feedback from patients, the community, and our workforce and partners has confirmed that we need to focus more on the whole person and all the factors that contribute to a healthier life, rather than solely on patients and hospitals.

This is an issue for health systems worldwide, as evidence increasingly shows that investment in prevention, rather than solely treatment of illness or injury, delivers better patient outcomes as well as being more cost effective.

In line with this shift to focus more on preventive health care, the Department organised the WA Preventive Health Summit, which focused on how to address two of WA's greatest public health challenges – obesity and alcohol.

The outcomes of the March Summit, which was attended by more than 165 people and attracted an online audience of 840 people, will inform the Final Report of the Sustainable Health Review – due for completion in November.

We also learned through the SHR consultations that Western Australians acknowledge the need for change and recognise that for every decision made about health services or treatments, there is a cost impact that cannot be ignored.

In recent years, the Department has focused on workforce, system and structural reform, as well as expenditure restraint, which has resulted in progress in tackling unsustainable health spending.

Health expenditure growth has been lower than five per cent per year over the past two years, compared with an average growth of nine per cent in the past decade. This is expected to drop even further, to two per cent this year.

WA Preventive Health Summit

It has taken strong financial management and accountability across the system to make this happen, particularly given the number of unique challenges facing the delivery of health care in Western Australia.

We have also supported the State Government in making the case to the Commonwealth for 'a fair share' of Federal healthcare funding for Western Australia.

Western Australia is missing out on nearly $1 billion per year in Federal healthcare funding, which requires the State to pick up the shortfall.

The *A Fair Share for WA Health Care* report, compiled with input from the Department, outlines challenges such as WA's vast, geographic spread; sparsely populated areas; lower numbers of GPs; lower share of PBS and MBS reimbursements than other Australian jurisdictions; and significantly lower numbers of aged care places.

This report has begun an important conversation between State and Federal jurisdictions about moving forward together to ensure the sustainability of the Western Australian health system.

WA also joined NSW as one of two states to take up the offer of a $13.3 million bonus for signing on to secure its Commonwealth public hospital and reform funding from 2020.

In 2017–18, the Department has made significant progress towards addressing the recommendations stemming from the *Review of Safety and Quality in the WA Health System*.

I commissioned the Review, conducted by international expert Professor Hugo Mascie-Taylor, last July in recognition of the need for continuous improvement and assurance during a time of system change.

Of the Review's 28 recommendations, 11 were completed, one was partially completed, and the others were underway as of 30 June.

The Department has also helped the State Government deliver on its election commitments, with achievements such as:

- completing Stage One of the Our Performance webpage to improve the transparency of our public reporting of key health information
- overseeing the introduction of the online feedback tool Patient Opinion across the health system
- funding a Youth Medical Service Health Hub in Peel
- funding preventive health programs such as the expansion of the Find Cancer Early Program into the Pilbara and South West, and a pilot of the Let's Prevent Program, run by Diabetes WA.

We have also made progress in supporting other election commitments including:

- commencing planning for the establishment of Medihotels at Fiona Stanley Hospital, Royal Perth Hospital and Joondalup Health Campus in collaboration with the relevant Health Service Providers
- opening of the first Urgent Care Clinic, at Royal Perth Hospital, enabling the public to make informed choices about how to deal with non-emergency care
- developing a State Men's Health and Wellbeing Policy
- commencing initial planning for the expansion of Joondalup Health Campus in collaboration with North Metropolitan Health Service
- tightening the policing of tobacco laws by amending the *Tobacco Products Control Act 2006* through the drafting, passage and enactment of the *Tobacco Products Control Amendment Bill 2017*.

Internally, our Executive committee has focused on developing the Department's culture in 2018.

Seventy-eight per cent of staff responded to the 2018 staff survey which was undertaken to assess workplace culture and staff engagement.

Survey results were presented to staff and corresponding action plans have been developed.

"...for every decision made about health services or treatments, there is a cost impact that cannot be ignored."

We aim to see an improvement in key areas of our cultural maturity in 2019 when we undertake our third Department of Health staff survey.

There is no question the Department of Health has undergone substantial structural and governance changes recently.

However, what has remained constant is the calibre and professionalism of its staff.

I would like to acknowledge the more than 900 people who make up the Department of Health's enthusiastic and committed team. It is their leadership and passion for overseeing a health system that provides safe, high quality health care to the people of Western Australia that will establish a strong foundation on which to build a sustainable future.

Dr D J Russell-Weisz
DIRECTOR GENERAL – DEPARTMENT OF HEALTH

Department of Health 2017–18 highlights

Opening of the new **Perth Children's Hospital**.

More than **300 public submissions and 19 forums** conducted to inform the **Sustainable Health Review**, with the Interim Report launched for further consultation.

More than **58,600 children** aged 12 months to four years **vaccinated against meningococcal ACWY** under an Australian-first program.

$13.3 million bonus for signing a new agreement for Commonwealth public hospital funding and health reform from 2020.

60 **Additional Transition Care Program** places secured to help older people remain independent after a hospital stay.

$3.5 million granted in conjunction with **Channel 7 Telethon Trust** to support 14 child and adolescent research projects.

$2.2 million granted through the **Research Translation Project** to support 11 research projects.

Approximately **1,000 junior doctors** placed across WA health services through the annual centralised intern and resident medical officers recruitment process.

78% **of staff** completed the Department of Health's staff survey, which was implemented to assess workplace culture and staff engagement.

More than **165 attendees and 840 online participants** at the Western Australian Preventive Health Summit *Action on Obesity and Alcohol.*

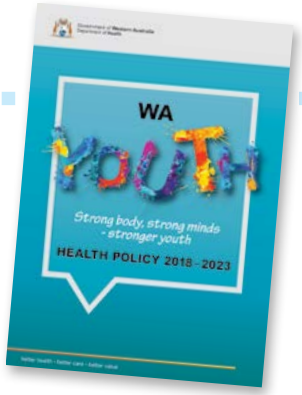
Highest **human papilloma virus vaccination rate** in boys in Australia.

141 **rural or remote** Western Australians received **specialist stroke consults** and 43 were transferred to metropolitan specialist stroke services under the Department of Health's regional-metropolitan acute stroke pathways and telestroke service.

More than half (55%) of patients were given a definitive diagnosis through WA's **Undiagnosed Diseases Program**.

Approximately **110 nominations** for WA Health Excellence Awards, which celebrate excellence in the WA public health system.

Released *WA Youth Health Policy 2018–2023*, informed by more than **170 public responses**.



38,000 WA health system employees completed **Aboriginal Cultural eLearning**.

More than **37,700 notifications** of **infectious diseases** collected.

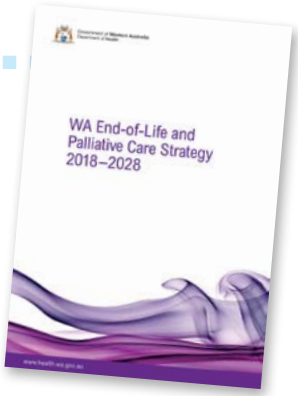
4,500 people with **hepatitis C** received new, curative treatment.

Launched **Section 51 pilot program** to increase the number of **Aboriginal employees** across the WA health system.

More than **500 nursing and midwifery students** supported in their studies through grants and scholarships.

Released the ***Nursing and Midwifery Strategic Priorities 2018–2021***.

Released the ***End of Life and Palliative Care Strategy 2018–2028***.



WA health system statistics

The Department of Health is the System Manager for the WA public health system, which in 2017–18:

employed more than **45,000 people**

received more than **one million emergency department visits**

performed more than **85,000 elective surgeries**

delivered nearly **25,000 babies**

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Overview of agency

Who we are

Our Vision

To deliver a safe, high quality, sustainable health system for all Western Australians

Our Mission

To lead and steward the WA health system

Our Values

- Respect
- Excellence
- Integrity
- Teamwork
- Leadership

Our Key Directions

Lead and steward through the provision of effective strategic direction, advice, management and oversight

Govern and assure through the identification and management of risk, accountability measures and monitoring performance

Protect and enable through legislation, regulation, policies, professional representation and research

Our Actions

Demonstrate respect, be accountable and have integrity

Achieve excellence through consulting, collaborating and being decisive

What we do

Provide strategic leadership and direction for health

The Department of Health sets the vision and direction for the WA health system, as well as providing executive oversight of strategic decision making, identifying the WA health system priorities, and guiding, overseeing and protecting the entire system. This includes encouraging both the achievement and delivery of government priorities, and responding to emerging and current needs of the Western Australian community.

Develop statewide health plans

The Department of Health is responsible for the development and implementation of WA health systemwide planning. System level service planning is a component of this and involves both long-term and short-term planning to ensure health care provision across the system is safe and of high quality, is coordinated and accessible, and represents best value for money. The Department of Health also initiates, supports and manages public health planning for the State to maximise the health and wellbeing of Western Australians.

Protect and promote public health

The Department of Health protects and promotes public health and wellbeing in the community by helping to prevent disease, injury, disability and premature death. This includes ensuring that environmental risks to health are minimised, monitoring and preventing communicable diseases, encouraging individuals and their communities to plan for, create and maintain a safe and healthy environment, and supporting programs and campaigns intended to improve public health.

Purchase health services

The Department of Health purchases health services from Health Service Providers through service agreements, and for the provision of specialised health services by contracted health entities.

Manage budget and resources efficiently

The Department of Health manages the WA health budget and allocation of State and financial resources so that resources are allocated fairly and used efficiently to deliver the best health outcomes for Western Australians.

Support and monitor the quality of health service delivery

The Department of Health provides decision-makers with the best available information. Performance measurement and policy evaluation are essential tools that enable government to drive health system improvement and get the best value for all Western Australians.

Develop the workforce and manage industrial relations

The Department of Health engages in strategic workforce planning and modelling, and invests in education and training to enhance the skills, capability, flexibility and satisfaction of the health system workforce. This contributes to achieving the required standards of performance, continuing to improve outcomes for patients, and encouraging advances in innovation and research capabilities for the State.

Manage information and communications technology

The Department of Health is responsible for planning and directing the future of health information management in the WA health system. Information and Communications Technology is a key enabler for efficient, effective and safe patient care and provides the foundation for ensuring patient information is accessible and can be shared when needed for treatment purposes.

Shared responsibilities with other agencies

The Department of Health, as part of the *WA Health Reform Program 2015–2020*, identified the need for stronger partnerships with other government agencies, non-government organisations, consumers, community groups, private providers and others; and continued protection of public health and safety through a mix of legislation, community education and targeted programs.

In 2017–18, the Department of Health partnered with a number of organisations to achieve a range of outcomes for the provision of health services and community-focused programs that protect and promote health and wellbeing. Some of Department of Health's partners and the important work they do are listed below.

Commonwealth Government

Delivering Commonwealth/State aged and continuing care services. Achievements include:

- the procurement of 60 additional Transition Care Program places
- the completion of 15,890 assessments and 849 Support Plan Reviews, as part of the Aged Care Assessment Program.

Oral Health Care of WA

Delivering Government-subsidised oral health services to the eligible population of WA. Achievements include:

- Australian Council on Healthcare Standards accreditation
- approval by the Australian Dental Council for the commencement of a new post-graduate course in Prosthodontics
- introduction of advanced dental technology training including digital imaging and prosthodontic computer aided treatment.

Injury Matters, Kidsafe WA, Royal Life Saving Society of WA

Conducting injury prevention initiatives in the community, such as:

- Falls Prevention Program, and Partnership and Sector Development Program
- Child Safety Program
- WA Water Safety Program.

WA Police Force, WA Country Health Service, City of Busselton and non-government organisations

Coordinating a medical zone for end of school-leavers in Dunsborough through:

- deployment of a WA Medical Assistance Team
- supporting logistics to school leaver events to support harm minimisation measures.

Cancer Council, Mental Health Commission

Reducing the prevalence of smoking in the community through:

- Make Smoking History
- WA Quitline
- Quitline Enhancement Project.

Commonwealth Department of Health

Supporting the conduct of high-quality clinical health research.

Achievements include:

- embedding new Clinical Trials Liaison Officers in health services in Metropolitan WA to undertake activities to encourage more clinical trials
- increased data system support for the WA Health Translation Network Clinical Trials and Data Management Centre.

Department of Education WA, Edith Cowan University, Foodbank, WA School Canteen Association

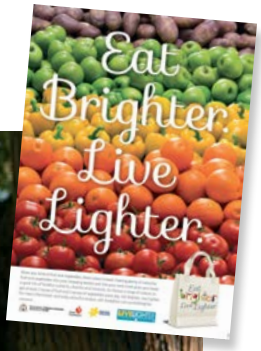
Promoting healthy eating habits in school students via:

- K-10 Food and Nutrition School Curriculum Support Materials
- WA School Breakfast and Nutrition Program
- School Healthy Food and Drink Program, and Healthy Options Policy.

National Heart Foundation (WA Division), Foodbank, WA Healthy Workplace Support Service, Better Health Company

Promoting healthy eating to prevent or reverse overweight and obesity in the community through:

- Adult Food Literacy Program – Food Sensations
- LiveLighter®
- Better Health 7–13 Family Obesity Program.



Exercise Centum, Claremont Showgrounds

St John Ambulance, WA Police Force, Department of Fire and Emergency Services, Department of Transport

Ensuring Western Australian emergency response teams are ready to respond to a mass casualty event incident through Exercise Centum – a multiagency simulated disaster management response.

Department of Veterans' Affairs (DVA), Department of Infrastructure, Regional Development and Cities

Ensuring statewide healthcare services are coordinated and responsive to community needs.

Achievements include:

- funding for services provided to eligible DVA patients in WA Hospitals for the next five years
- the development of a new Hospital Service Cost Recovery – Indian Ocean Territories Arrangement – that will increase the scope of the agreement to include non-inpatient services.

WA Primary Health Alliance

Ensuring patients access the right care at the right time in the right location.

Achievements include:

- development of a web-based portal with information for clinicians on referral and management pathways
- publishing the Potentially Preventable Hospitalisation report which highlights areas in WA that have higher rates of people with acute, chronic and vaccine preventable conditions.

St John Ambulance

St John Ambulance

Delivering ambulatory services to all Western Australians with a two-year contract extension to St John Ambulance to continue as the ambulance service provider across the State.

Cancer Council Western Australia

Raising public awareness and uptake in cancer prevention and screening programs across WA through:

- educational programs on prevention and early detection of cancer in the community
- events and information sessions on the Find Cancer Early program.

Diabetes Australia

Reducing the impact of diabetes in the community and planning for the implementation of the *Australian National Diabetes Strategy Plan 2016–2020*.

Local Government

Applying and enforcing the provisions of public health legislation including the *Public Health Act 2016*, *Health Act 1911*, and the *Food Act 2008* to protect the community.

Healthdirect Australia Ltd

Improving access to health care and health information for all Western Australians via:

- delivery of virtual health care activities through telehealth and digital health services
- the Chatbot program, enabling health consumers to use Facebook Instant Messenger to make informed decisions about their health.

Department of Communities, Department of Education WA, Telethon Kids Institute, Minderoo Foundation

Supporting children and their families to reach key developmental milestones before reaching school age.

Achievements include:

- preliminary progress to initiate and scope The Early Years Initiative, a 10-year partnership between communities, governments, researchers, and non-government organisations to better design and deliver services that support the health, learning, and development of children from conception to age four (school entry).

Operational structure

Our responsible Minister

The Department of Health is responsible to the Honourable Roger Cook MLA Deputy Premier; Minister for Health; Mental Health.

Our accountable authority

The Department of Health was established by the Governor under section 35 of the *Public Sector Management Act 1994*. The Director General of Health, Dr David Russell-Weisz, as the System Manager is responsible for the overall management and performance of the WA health system.

The Director General reports to the Minister for Health and provides leadership and stewardship over the strategic direction of the health system. This includes the development of an overarching systemwide strategy, effective service planning, and setting high level strategic priorities and goals for the WA health system.

The Department of Health supports the Director General in the performance of all legislative functions, including his functions as a System Manager under the *Health Services Act 2016*. The Act also provides mechanisms for the System Manager to govern the relationships between the WA health system and Health Service Providers and other agencies such as the Mental Health Commission.

Our legislative obligations

The Department of Health's functions and authority are derived from administering the following Acts of Parliament. Our Director General, on behalf of the Minister, is responsible for administering these Acts. In 2017–18 the Department of Health administered 27 Acts and 57 sets of subsidiary legislation.

Acts administered as at 30 June 2018

- *Anatomy Act 1930*
- *Blood Donation (Limitation of Liability) Act 1985*
- *Cremation Act 1929*
- *Fluoridation of Public Water Supplies Act 1966*
- *Food Act 2008*
- *Health (Miscellaneous Provisions) Act 1911*
- *Health Legislation Administration Act 1984*
- *Health Practitioners Regulations National Law (WA) Act 2010*
- *Health Professionals (Special Events Exemption) Act 2000*
- *Health Services (Quality Improvement) Act 1994*
- *Health Services Act 2016*
- *Human Reproductive Technology Act 1991*
- *Human Tissue and Transplant Act 1982*
- *Medicines and Poisons Act 2014*
- *National Health Funding Pool Act 2012*
- *Nuclear Waste Storage and Transportation (Prohibition) Act 1999*
- *Pharmacy Act 2010*
- *Private Hospitals and Health Services Act 1927*
- *Prostitution Act 2000* (except s.62 & Part 5, which are administered by the Department of the Attorney General)
- *Public Health Act 2016*
- *Queen Elizabeth II Medical Centre Act 1966*
- *Radiation Safety Act 1975*
- *Royal Perth Hospital Protection Act 2016*
- *Surrogacy Act 2008*
- *Tobacco Products Control Act 2006*
- *University Medical School, Teaching Hospitals Act 1955*
- *Western Australian Health Promotion Foundation Act 2016*

Acts passed during 2017–18

- *Health Practitioner Regulation National Law (WA) Amendment Act 2018*

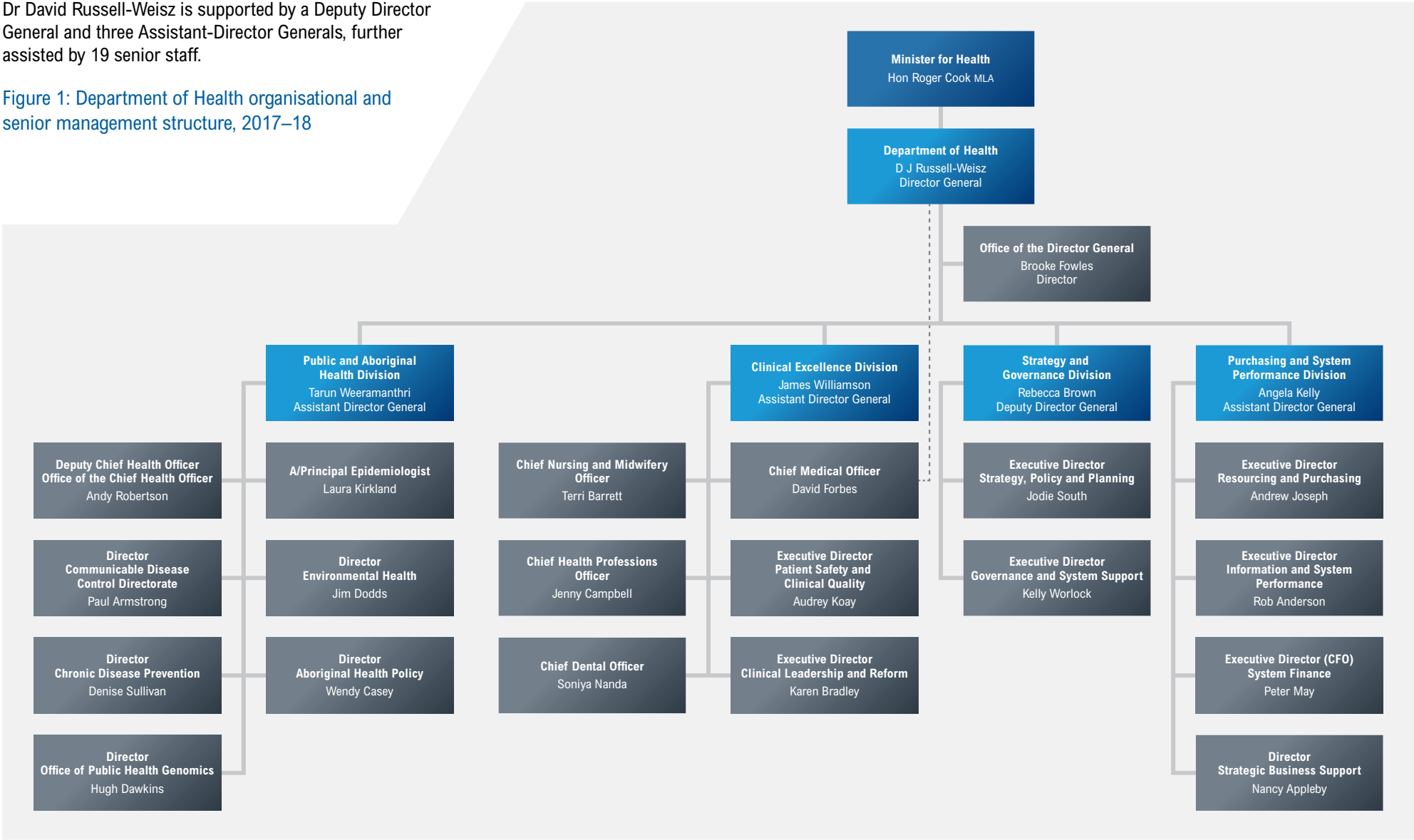
Bills in Parliament as at June 2018

- *Tobacco Products Control Amendment Bill 2017*

Our organisational structure

Dr David Russell-Weisz is supported by a Deputy Director General and three Assistant-Director Generals, further assisted by 19 senior staff.

Figure 1: Department of Health organisational and senior management structure, 2017–18



Dr James Williamson, Professor Tarun Weeramanthri, Dr David Russell-Weisz, Rebecca Brown and Angela Kelly

Our executive leadership team

Director General, Department of Health

Dr David Russell-Weisz
Director General

Since his appointment in 2015, Dr Russell-Weisz has steered the WA health system through a significant program of investment and reform, including the commissioning of the Perth Children's Hospital, which delivers world-class specialist paediatric and trauma services to children and adolescents.

Prior to this appointment, Dr Russell-Weisz led the commissioning of the State's flagship $2 billion Fiona Stanley Hospital. He also served as the Chief Executive of the North Metropolitan Health Service, leading the $1 billion redevelopment of the QEII Medical Centre, and overseeing three tertiary and three outer metropolitan hospitals.

A qualified pilot, Dr Russell-Weisz has also worked for the Royal Flying Doctor Service in regional and remote WA as a General Practitioner and then Director of Medical Services.

The Department of Health comprises the Office of the Director General and four Divisions:

- Strategy and Governance Division
- Public and Aboriginal Health Division
- Purchasing and System Performance Division
- Clinical Excellence Division

Office of the Director General

The Office of the Director General provides strategic leadership and planning to the WA health system, and an executive management function to the Department of Health and Health Service Providers.The Office also facilitates departmental and systemwide responses to external stakeholders, and the administration and operational support to the Director General.

The Office of the Director General is comprised of three areas: Communications, Ministerial Liaison and the Office of the Director General.

Strategy and Governance Division

Rebecca Brown
Deputy Director General

In 2017–18, Ms Rebecca Brown was Deputy Director General of the Department of Health, with responsibility for overseeing key changes and reforms across the WA health system. Prior to this, Ms Brown was Deputy Director General in the Department of the Premier and Cabinet, leading key reforms between the public and not-for-profit community sectors. Rebecca has also held various positions in the Department of Treasury, including as a member of the Corporate Executive.

The Strategy and Governance Division is responsible for the systemwide governance, strategy, policy and planning functions of the System Manager. The Governance and System Support Directorate within the Strategy and Governance Division supports the System Manager in systemwide workforce and employment matters, industrial relations, integrity, governance and assurance, mandatory policy frameworks; and legal and legislative services. The Strategy, Policy and Planning Directorate within the Strategy and Governance Division is responsible for supporting whole-of-Government initiatives including the Sustainable Health Review; advising the Director General and Minister on the national health reform agenda, oversight of ICT governance arrangements; and the modelling of health activity, workforce and costs.

Strategy and Governance Division's has two directorates: Governance and System Support; and Strategy, Policy and Planning; are supported by nine units covering Workforce and Employment; System Governance and Assurance; Systemwide Integrity; Systemwide Industrial Relations; Legal and Legislative Services; Modelling; Strategy and Planning; Policy and Intergovernmental Relations; and Information and Communications Technology.

Public and Aboriginal Health Division

Professor Tarun Weeramanthri
Assistant Director General

In 2017–18, Professor Tarun Weeramanthri was the Assistant Director General of the Public and Aboriginal Health Division, and also served as Western Australia's Chief Health Officer – a position he held since 2008. Professor Tarun Weeramanthri has a particular interest in innovative public policy, promoting the value of public health, and application of new and old technologies, including the use of spatial data in health. Professor Tarun Weeramanthri is the joint specialty chief editor of *Frontiers in Public Health Policy*, an international open-access journal. In 2014, he was awarded the Sidney Sax Public Health Medal, the highest award given by the Public Health Association of Australia, for his contribution to public health in Australia.

The Public and Aboriginal Health Division protects and promotes the health of the WA population by applying primary preventive measures, promoting healthy behaviours and environments, and intervening to reduce hazards to health. The Public and Aboriginal Health Division takes a population-wide approach and develops, coordinates and delivers a wide range of statewide public health policies and programs. The Division is responsible for overseeing matters such as regulation of food and tobacco products, water and radiation safety, regulation of medicines and poisons, vector control, waste-water management, immunisation, infectious disease surveillance, outbreak investigation, and disaster management, as well as both encouraging and enabling healthy lifestyles and Aboriginal health and wellbeing.

The Public and Aboriginal Health Division also collects and analyses statewide health information for surveillance and monitoring of the population's health status, and informing priority-setting and targeting of programs for the WA health system.

The Public and Aboriginal Health Division consists of seven Directorates: Chronic Disease Prevention; Communicable Disease Control; Environmental Health, Aboriginal Health Policy; Epidemiology; Office of Population Health Genomics; and Office of the Chief Health Officer.

Purchasing and System Performance Division

Angela Kelly
Assistant Director General

Ms Angela Kelly has held the role of Assistant Director General Purchasing and System Performance since its creation in April 2015. Ms Kelly is a graduate in Economics from the University of Western Australia and has more than 20 years' experience in the public health system. She has held a number of senior executive positions within the Department of Health, including Executive Director Resourcing and Performance; and Director of Health Infrastructure.

The Purchasing and System Performance Division is the primary point of liaison between the Department of Health and Department of Treasury. The Purchasing and System Performance Division is responsible for strategic management of the resource allocation process, including development of service agreements between the System Manager and Health Service Providers. It monitors and reports on WA health system performance, and operational and business systems. The Purchasing and System Performance Division manages major, whole-of-health contracts such as St John Ambulance, and provides strategic leadership and advice on financial management for the WA health system. It is also responsbile for the oversight of financial accounting and management including cash management, resource allocation, revenue strategy, policy and reporting, as well as the management of statewide health data collections and data linkage services.

The Purchasing and System Performance Division comprises four Directorates: Information and System Performance, System Finance, Resourcing and Purchasing, and Strategic Business Support.

Clinical Excellence Division

Dr James Williamson
Assistant Director General

Dr James Williamson is Assistant Director General leading the Clinical Excellence Division. Dr Williamson recently returned to Western Australia from Princess Alexandra Hospital in Brisbane, which was Australia's first major 'digital' hospital, where he pursued his interest in data analytics. Dr Williamson established the WA Drug Evaluation Panel and was appointed Clinical Lead for the State eHealth Program and the Musculoskeletal Health Network. Dr Williamson has served the Royal Australasian College of Physicians as Chair of the Specialist Advisory Committee in General Medicine and member of the Committee for Physician Training.

The Clinical Excellence Division is the focal point for clinical policy development, engagement with the clinical workforce and health research. It is responsible for building system capacity and capability through leadership development and system improvement. The Clinical Excellence Division provides strategic direction and administers State-funded research programs and contributes to national research directions, positioning WA to take advantage of non-State-based research funding sources. The Clinical Excellence Division implements systems and processes to support safety and quality, including setting and monitoring standards for the safety and quality of health care. It oversees the regulation and licensing of private healthcare facilities and reproductive technologies. The Clinical Excellence Division provides clinical advice to the WA health system, the Minister for Health and the Director General. It also provides system-level strategic planning, leadership, and workforce planning for each of the professional groups, and represents interests nationally and internationally concerning specific work needs.

The Clinical Excellence Division comprises six Directorates: Office of the Chief Health Professions Officer; Office of the Chief Nursing and Midwifery Officer; Office of the Chief Dental Officer; Office of the Chief Medical Officer; Patient Safety and Clinical Quality; and Clinical Leadership and Reform.

Aboriginal LEAD Program

Our people

As part of the systemwide reform, the Department of Health is transforming into a high-performing System Manager. Our success and effectiveness in transitioning to a System Manager is dependent on our staff.

To enable staff to work efficiently and effectively in the System Manager environment the Department of Health aims to:

- build a positive organisational culture
- develop leaders – leading an empowered organisation
- build capability and capacity – the right people, with the right skills, in the right place at the right time
- drive a learning organisation – people with the right skills to deliver great outcomes
- drive organisational performance – performance against goals and objectives.

Build a positive organisational culture

Building a vibrant and positive workplace is important in supporting an effective, functional and productive organisation. It also creates a positive learning environment and positions the Department of Health as an employer of choice. Part of building a positive culture is to clearly articulate the roles and responsibilities of an organisation and communicate a shared purpose.

In 2017–18, the *Establishing an Effective System Manager Discussion Paper* was released providing an opportunity for Department of Health staff to provide feedback on the future direction of the organisation, and to build a shared understanding of what it means to be a System Manager.

Following substantial changes to the Department of Health's structure in 2017 a staff survey was conducted. Seventy-eight per cent of staff responded to the survey which was undertaken to assess workplace culture and staff engagement.

Survey results were presented to staff and corresponding action plans have been developed.

Develop leaders – leading an empowered organisation

Effective leadership is crucial for the stewardship of the WA health system and the delivery of essential services to the community, particularly in times of significant change. The Department of Health is committed to building the leadership capability and expertise of its workforce to ensure it is suitably skilled for the future. Our capacity-building initiatives relate broadly to leadership and specialist capability.

50 staff attended leadership development programs

The Department of Health makes available to its leaders numerous development options including participating in courses and attending forums, and master classes arranged by the Public Sector Commission, the Institute of Public Administration Australia, and the Australia and New Zealand School of Government.

In addition, the development of a new Department of Health-specific leadership program to support executives, managers and emerging leaders is underway.

Build capability and capacity – the right people, with the right skills, in the right place at the right time

Delivery of the Department of Health System Manager functions and desired outcomes depends on the capability and capacity of our staff. A project is currently underway to develop a Department of Health capability framework and organisational-wide consultation has commenced.

Also, in recognition of the need to enhance the Department's public policy capability, the Policy Essentials Pilot Program was launched in October 2017. The program was developed and delivered by the Department's senior leaders.


Graduate Development Program

To build capacity, the Department of Health's Institute for Health Leadership coordinates an annual Graduate Development Program which attracts well-rounded graduates who seek a dynamic and highly advantageous introduction to a career in the WA health system. Throughout the 12-month program, the Graduate Officers experience a number of different work placements which enable them to develop a broad yet robust set of skills and knowledge across the Department of Health and Health Service Providers. Seventeen graduates completed the program in January 2018 and a further 15 graduates will complete the current program in January 2019. Graduates receive an industry-recognised Diploma of Leadership and Management qualification.

20 staff completed the Policy Essentials Pilot Program

Drive a learning organisation – people with the right skills to deliver great outcomes

Investment in learning and development helps build capability to fulfil an organisations objective. In 2017–18, the Department of Health offered over 50 skill development workshops and short courses to more than 150 staff.

Drive high organisational performance – performance against goals and objectives

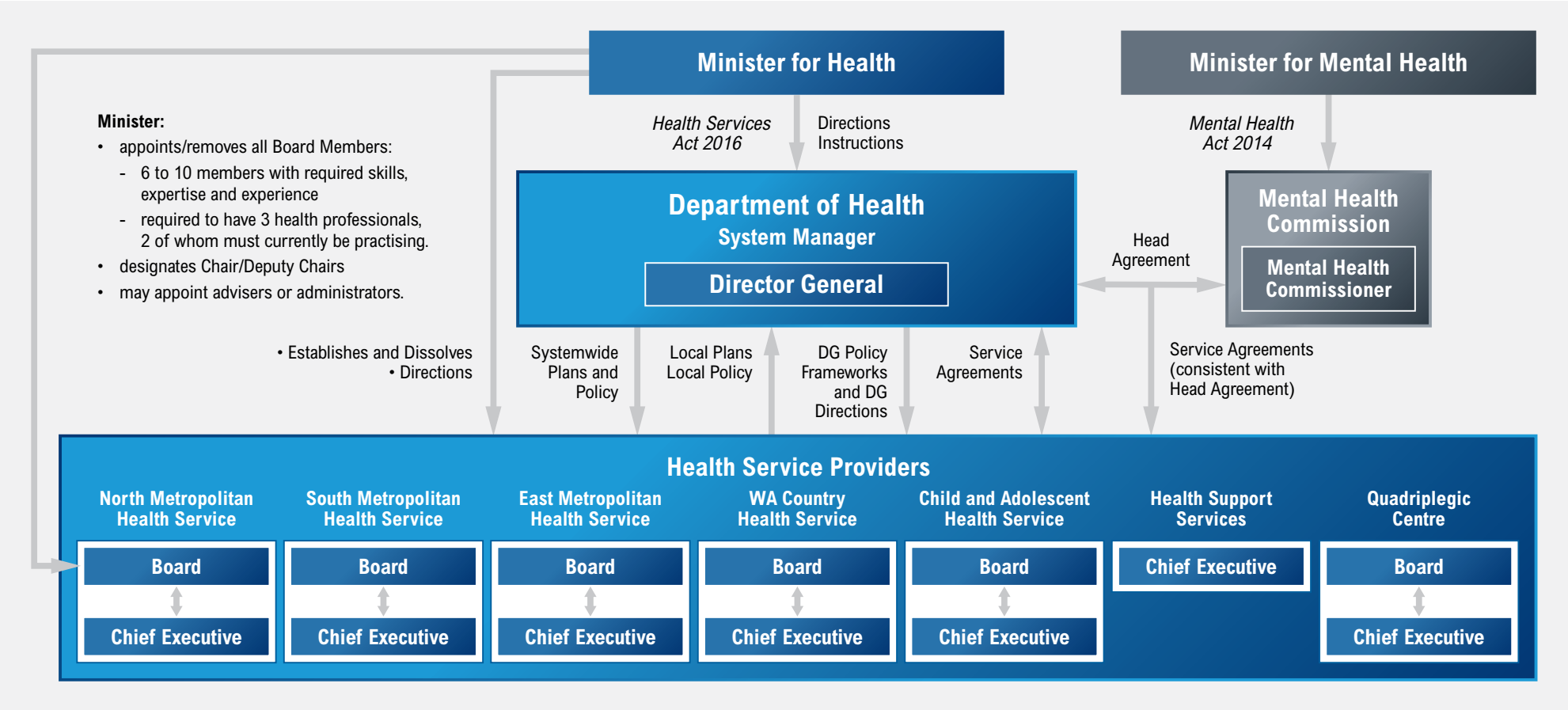
The Department of Health encourages communication, knowledge exchange and learning to support a high-performing organisation. Formal online and face-to-face learning programs and workshops that provide legislative and public sector compliance, occupational health and safety, and interpersonal skills development are provided. The Department supports on the job training and skill development, and opportunities to temporarily perform duties in a position at a higher classification level, or a secondment to other positions within the Department of Health or the wider public sector.

High-performing organisations set goals and develop a system for measuring progress toward goal achievement. This includes staff receiving ongoing feedback about their performance. The Department of Health proactively supports a performance development approach focused on mutual discussion and assessment of employee capability. This is achieved through personal development plans that form part of the annual performance development cycle. In 2017–18, the Department of Health performance development policy and guidelines were reviewed and an education program to encourage regular performance development discussions is underway. A dashboard reporting system project to facilitate regular human resource and organisational development metric reporting was also established.

Our governance structure

Since the *Health Services Act 2016* (the Act) was enacted on 1 July 2016, the WA health system has transitioned into a devolved governance structure creating a clear distinction between the roles of the System Manager and the Health Service Providers as separate statutory authorities. This structure, depicted in Figure 2, provides clear roles, responsibilities and accountabilities at all levels of the system governance model enabling decision-making closer to service delivery and patient care.

Figure 2: WA health system governance structure



Our management and oversight functions

Underpinning the WA health system governance structure the Department of Health is responsible for oversight and management of the WA health system through formal agreements, policy frameworks, outcome based management, and performance, evaluation and accountability.

Binding service agreements

The Department of Health purchases services from Health Service Providers through service agreements, and may arrange for the provision of health services contracted by health entities. The Department of Health enacted the following service agreements in 2017–18 (see Table 1).

Table 1: Service agreements enacted in 2017–18

Type	Provider	Agreement
Health Service Provider Agreements	Health Service Providers	Outlines the services and targeted levels of activity to be provided.
Mental Health Head Agreement	Mental Health Commissioner of Western Australia	Establishes the primary relationship and the purchasing framework for Commission health services provided by the Mental Health Commission from the WA health system.
Commission Service Agreement	Health Service Providers	Outlines the delivery of Commission health services aligned to the Mental Head Agreement.

Policy Frameworks

As the System Manager, the Director General issues binding policy frameworks to Health Service Providers to ensure service coordination, integration, effectiveness, efficiency and accountability in the provision of health services.

In 2017–18, 19 policy frameworks were issued to Health Service Providers. Each policy framework contains a variety of policy documents on a range of policy matters.

Outcome based management

The WA health system operates under the Outcome Based Management Framework to comply with its legislative obligation as a WA government agency. This framework describes how outcomes, services and key performance indicators are used to measure agency performance towards achieving the relevant overarching whole-of-government goal.

The WA health system Outcome Based Management Framework for 2017–18 was updated to reflect the implementation of the *Health Services Act 2016*. The revised Outcome Based Management Framework aims to provide a systematic approach to improving results through evidence-based decision-making, improved transparency and an increased focus on accountability for performance.

Under the new Framework the WA health system's overarching goal and outcomes structure (see Figure 3) are aligned to the State Government goals of strong communities and sustainable finances.

Figure 3: WA health system's Outcome Based Management Structure

Of the three WA health system outcomes, Outcomes 2 and 3 are aligned to the Department of Health for achievement. Activities aligned to both outcomes include aged and continuing care services, public and community health services, and health system management – policy and corporate services (see Figure 4).

The Department of Health is required to show the effectiveness and efficiency of outcomes and services for achievement against key performance indicators.

Performance against the outcomes and services are summarised in the Agency Performance section and described in detail under Key Performance Indicators in the Disclosure and Compliance section of this annual report.

Performance, evaluation and accountability

To ensure effective and consistent minimum standards of performance across the WA health system the Department of Health is responsible for:

1. setting clear accountabilities, interventions and escalation processes including mechanisms for remediation when performance does not meet expected standards
2. ensuring the roles, functions and powers legislated in the *Health Services Act 2016* are understood
3. establishing a common set of performance objectives and targets
4. alignment of performance management processes with service agreements and performance reporting
5. mandatory toolsets and business rules to support consistent results in performance monitoring and evaluation
6. enabling a clear understanding of performance levels and performance improvement opportunities.

Figure 4: Department of Health outcomes and services aligned to the WA health system's Outcome Based Management Structure

Agency performance

Summary of financial performance

Table 2 provides the financial and performance information of the Department of Health during 2017–18.

Full details of the Department of Health's financial performance are provided in the Financial statements section of this report.

Agencies are required to operate within an agreed working cash limit, defined as five per cent of budgeted cash payments. The approved working cash limit is the maximum level of cash required to meet commitments associated with payments for recurrent services. In 2017–18, the cash limit target and actual for the Department of Health was nil.

Table 2: Actual results versus budget targets for the Department of Health

Financial	2017–18 Target ($'000)[1]	2017–18 Actual ($'000)[1]	Variation (+/–) ($'000)[2]
Total cost of services	7,449,866	7,494,403	44,537
Net cost of services	5,129,906	5,055,865	(74,041)
Total equity	1,706,141	548,068	(1,158,073)
Net increase/decrease in cash held	1,005	117,209	116,204
Approved Salary expense level	107,874	129,219	21,347
Agreed borrowing limit	-	-	-

Notes:

1. As specified in the Budget Statements
2. Explanations can be found in the notes of the financial statements

Summary of key performance indicators

Key performance indicators assist the Department of Health to assess and monitor the extent to which State Government outcomes are being achieved. Effectiveness indicators provide information that aid with assessment of the extent to which outcomes have been achieved through the resourcing and delivery of services to the community. Efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service. Key performance indicators also provide a means to communicate to the community how the Department of Health is performing.

A summary of the Department of Health key performance indicators and variation from the 2017–18 targets is provided in Table 3.

Note: Table 3 should be read in conjunction with detailed information on each key performance indicator found in the Disclosure and Compliance section of this report.

Table 3: Actual results versus key performance indicator targets

Outcomes and related indicators (Effectiveness)	2017–18 Target	2017–18 Actual	Variation (actual minus target)
1. Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives			
1.1 Specific Home and Community Care contract provider client satisfaction survey:			
(a) Assist independence	85%	91%	6%
(b) Improve quality of life	85%	94%	9%
1.2 Rate per 1,000 Home and Community Care target population who receive Home and Community Care services	351	341	-10
1.3 Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program	65%	74%	9%
1.4 Percentage of people accessing community-based palliative care to assist them to die at home	68%	78%	10%
1.5 Loss of life from premature death due to identifiable causes of preventable disease or injury:			
(a) Lung cancer	1.8	1.5	-0.3
(b) Ischaemic heart disease	2.5	2.2	-0.3
(c) Falls	0.2	0.3	0.1
(d) Melanoma	0.5	0.3	-0.2
(e) Breast cancer	2.2	1.9	-0.3

Outcomes and related indicators (Effectiveness)	2017–18 Target	2017–18 Actual	Variation (actual minus target)
1.6 Percentage of fully immunised children			
(a) 12 months	95%	94%	-1%
(b) 2 years	95%	89%	-6%
(c) 5 years	95%	92%	-3%
1.7 Percentage of Western Australian Year 8 students that complete their HPV vaccination series	80%	74%	-6%
1.8 Response times for emergency road-based ambulance services (Percentage of Priority 1 calls attended to within 15 minutes in the metropolitan area)	90%	94%	4%
1.9 Eligible patients on the oral waiting list who have received treatment during the year	6,650	5,658	-992
2. Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system			
2.1 Proportion of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions	85%	39%	-46%

Services delivered and related indicators (Efficiency)	2017–18 Target	2017–18 Actual	Variation (actual minus target)
1. Aged and Continuing Care Services			
1.1 Average cost per client who receives support services from the Home and Community Care Program	$4,072	$4,303	$231
1.2 Average cost of a transition care day provided by contracted non-government organisations/service providers	$277	$312	$35
1.3 Average cost per home-based:			
(a) hospital day of care	$323	$314	-$9
(b) hospital occasion of service	$130	$129	-$1
1.4 Average cost per day of care for non-acute admitted continuing care	$552	$474	-$78
1.5 Average cost to support patients who suffer specific chronic illness and other clients who require continuing care	$30	$21	-$9
2. Palliative and Cancer Care Services			
2.1 Average cost per client receiving contracted palliative care services	$6,701	$5,462	-$1,239
3. Public Health Services			
3.1 Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury	$37	$43	$6
4. Patient Transport Services			
4.1 Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips	$455	$465	$10
5. Policy and Corporate Services			
5.1 Average cost of Public Health Regulatory Services per head of population	$4	$4	$0
5.2 Average cost per full time equivalent worker to undertake the System Manager role of providing strategic leadership, planning and support services to Health Service Providers	$5,394	$5,103	-$291

Patient evaluation of health services

Background

The Patient Evaluation of Health Services survey is conducted annually to gauge patient satisfaction levels with the WA health system. In 2017–18, the Department of Health surveyed over 7,500 people asking them about their health care experiences during their stay in hospital, or their attendance at an emergency department.

Patient satisfaction is influenced by seven stable aspects of health care:

1. **Access** – getting into hospital (wait times, admission, parking)
2. **Time and care** – the time and attention paid to patient care
3. **Consistency** – coordination and consistency of care
4. **Needs** – meeting the patient's personal as well as clinical needs
5. **Informed** – information and communication
6. **Involvement** – involvement in decisions about care and treatment
7. **Residential** – residential aspects of the hospital.

The relative importance a patient places on each of these aspects can vary over time and across patient groups. At the beginning of each Patient Evaluation of Health Services survey, the patient is asked to rank these seven aspects of health care from most important (7) to least important (1). This helps determine the relative importance that the patients placed on each aspect of care.

The patient is then asked a series of questions that relate to these seven aspects of health care. Responses from these questions are used to calculate the:

- **Mean (average) satisfaction scores** – represent how patients in WA hospitals rate each of the seven aspects of hospital service, presented as a score out of 100[1]
- **Overall indicator of satisfaction** – determined by the average of the seven aspect scores, weighted by their importance as ranked by patients
- **Outcome scale** – reflects how patients rate the outcome of their hospital stay (i.e. the impact on physical health and wellbeing).

Results

In 2017–18, results from the following patient groups are presented for all respondents in WA:

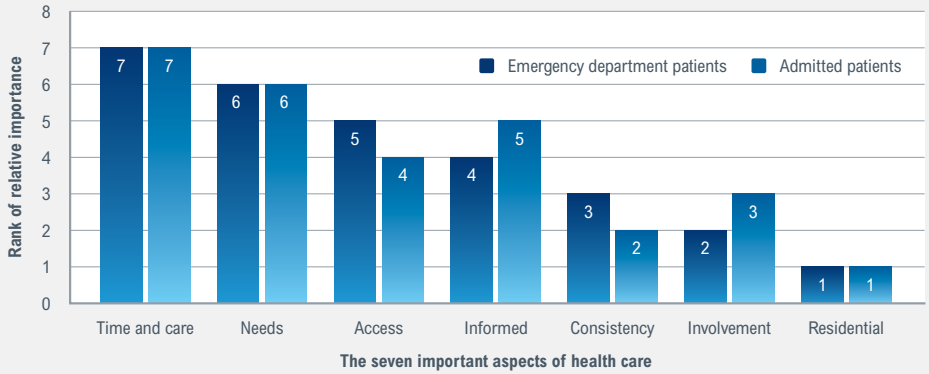
- emergency department patients, aged 16–74 years
- admitted patients, aged 16–74 years who were in hospital from 0–34 nights.

In 2017–18, the emergency department survey participation rate was 95 per cent with 1,133 adult patients interviewed. The admitted patient participation rate was 96 per cent with 4,091 adult patients interviewed.

Order of importance of aspects of health care

In 2017–18, both patient groups ranked Time and Care as the most important aspect of health care followed by Needs. Emergency department attendees ranked Access third, followed by Informed, Consistency and Involvement. Admitted patients ranked Informed third, followed by Access, Involvement and Consistency. Both patient groups ranked Residential as being the least important aspect of health care (see Figure 5).

Figure 5: The seven aspects of health care ranked by patient group from most important (7) to least important (1), 2017–18



1 The mean scale scores do not represent the percentage of people who are satisfied with the service; rather they represent how patients in WA State hospitals rated a particular aspect of health service. If all the patients thought the service was average and that some improvements could be made, the score would be 50, and if they were totally satisfied with the service the score would be 100.

Satisfaction with the aspects of health care

To determine if patient satisfaction with all aspects of health care is increasing, decreasing, or remaining the same over time, comparisons are made with results from previous years by patient group.

In 2017–18, mean satisfaction scores rated by emergency department patients were highest for Time and Care and lowest for Involvement (see Table 4). The 2017–18 emergency department Time and Care, Informed, Needs, Consistency and Residential scores were significantly higher when compared with 2014–15 (see Table 4). There were no other significant differences.

Table 4: Emergency department patients' mean scale scores, by aspect of health care, 2014–15, 2015–16 and 2017–18

Emergency department patients (16–74 years)			
Aspect	**2014–15**	**2015–16**	**2017–18**
Time and care	86.8#	88.8	89.6
Informed	82.2#	83.9	84.8
Needs	82.2#	83.5	84.5
Consistency	76.2#	78.4	79.7
Access	69.0	70.8	70.8
Residential	61.3#	65.1	64.9
Involvement	60.4	61.6	61.4

Notes:

# Indicates that the mean score for 2017–18 is significantly higher than the comparison score.

Prior year emergency department patient information includes Fremantle Hospital which no longer provides emergency care, and Swan District Hospital that has ceased operation.

Admitted patients' mean satisfaction scores in 2017–18 were highest for Needs and lowest for Residential. The 2017–18 Time and Care score was significantly higher when compared with 2016–17 and 2015–16, while the 2017–18 Informed, Access, Consistency and Residential scores were significantly higher when compared with 2015–16 (see Table 5). There were no other significant differences.

Table 5: Admitted patients' mean scale scores, by aspect of health care, 2015–16 to 2017–18

Admitted patients (16–74 years)			
Aspect	**2015–16**	**2016–17**	**2017–18**
Time and care	88.6#	89.1#	90.0
Needs	91.9	91.9	92.5
Informed	84.3#	84.9	85.8
Access	72.7#	73.6	74.5
Involved	75.6	75.6	76.6
Consistency	71.9#	73.2	74.3
Residential	65.1#	66.4	67.0

Notes:

# Indicates that the mean score for 2017–18 is significantly higher than the comparison score.

The mean satisfaction scores for patients admitted to a hospital in WA in 2017–18 were highest for Needs and Time and Care. Scores for Access, Consistency and Residential were significantly lower for patients attending metropolitan hospitals when compared to the State, and for patients attending country hospitals the Access, Consistency and Residential scores were significantly higher when compared to the State (see Table 6).

Table 6: Admitted patients' mean scale scores, by location, 2017–18

Aspect	State	Metropolitan	Country
Time and care	90.0	89.2	90.8
Needs	92.5	91.9	93.1
Informed	85.8	84.9	86.8
Access	74.5	72.3$	76.7#
Involved	76.6	75.9	77.4
Consistency	74.3	72.1$	76.6#
Residential	67.0	65.1$	69.0#

Notes:

Mean scores by location are only presented for admitted patients.

# Indicates that the location mean score for 2017–18 is significantly higher than the State comparison score.

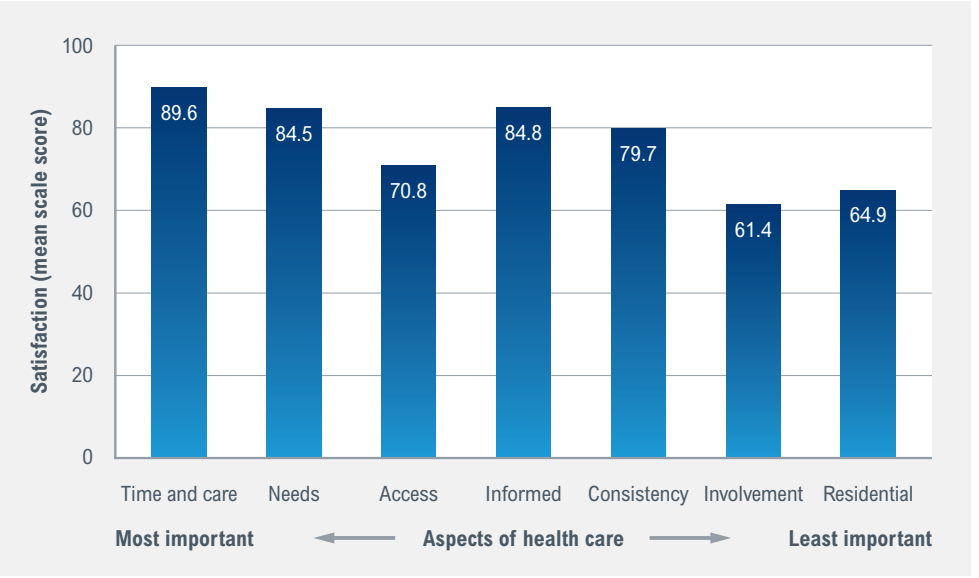
$ Indicates that the location mean score for 2017–18 is significantly lower than the State comparison score.

Comparing importance with the satisfaction of aspects of health care

Areas where changes or improvements might be most beneficial and appreciated by patients can be identified by comparing the relationship between how patients rank the importance of the aspects of health care and their satisfaction with those aspects.

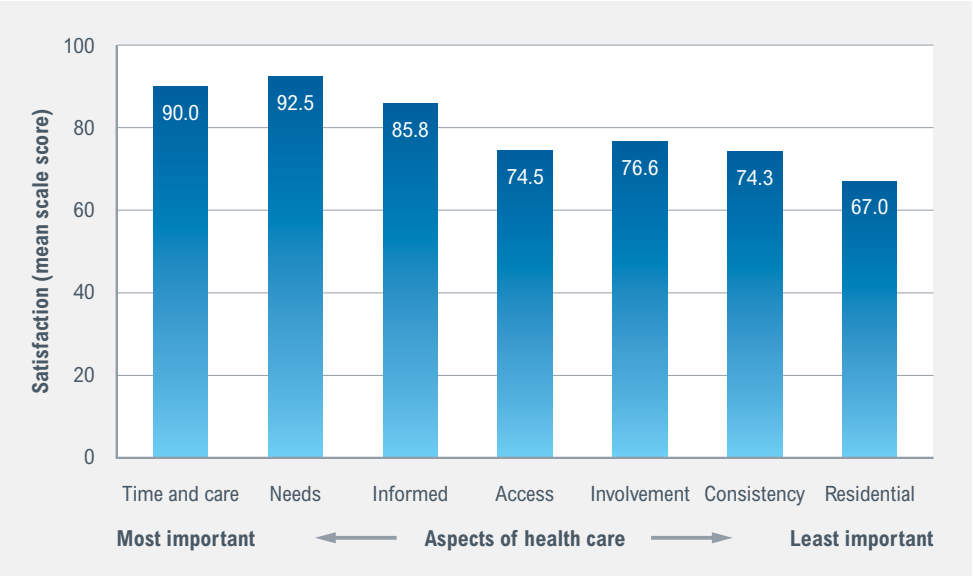
In 2017–18, emergency department patients ranked Time and Care as the most important aspect of health care and they were also most satisfied with this aspect. This patient group ranked Informed as the fourth most important aspect of health care, however Informed was the aspect of emergency department care with which they were most satisfied with, following Time and Care (see Figure 6).

Figure 6: Satisfaction with aspects of health care by rank of importance, emergency department patients, 16–74 years, 2017–18



In 2017–18, admitted patients ranked Time and Care as the most important aspect of health care, however in terms of satisfaction, this aspect was rated second. Admitted patients ranked Residential as the least important aspect of health care and it was also rated as the aspect of health care with which they were least satisfied (see Figure 7).

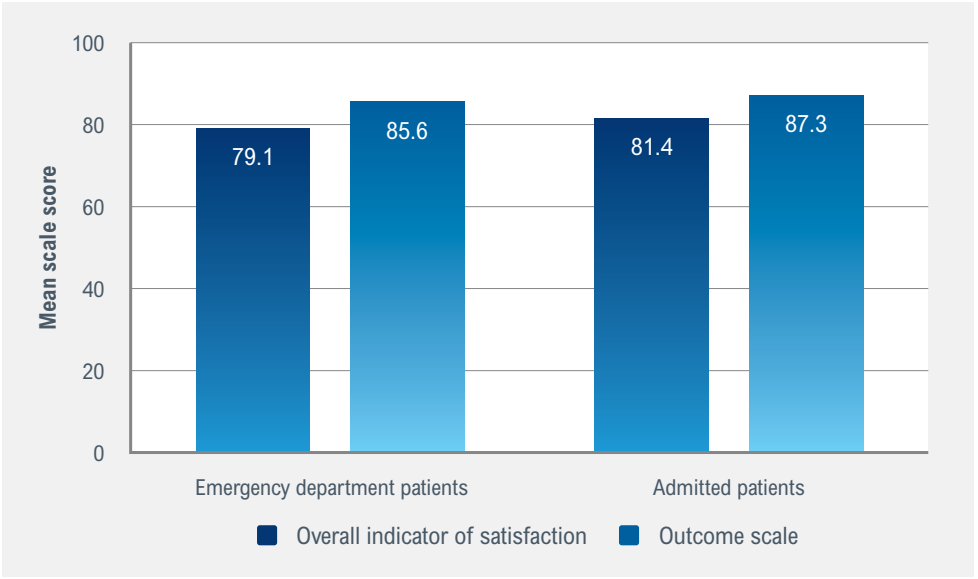
Figure 7: Satisfaction with aspects of health care by rank of importance, admitted patients, 16–74 years, 2017–18



Comparing overall satisfaction with patient rated outcomes

There is a relationship between patients' overall satisfaction with health care and how patients rate the outcome of their hospital visit. Figure 8 shows that emergency department and admitted patients rated the outcome of their visit similar to their overall indicator of satisfaction. This signifies that while patients were satisfied with their experience in WA hospitals, they were also similarly satisfied with the outcome of their hospital visit and the improvement in their condition.

Figure 8: The overall indicator of satisfaction compared with the patient rated outcome, emergency department and admitted patients, 2017–18



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Significant issues

As System Manager the Department of Health is responsible for the overall management, performance and strategic direction of the WA health system to ensure the delivery of high-quality, safe and timely health services. To meet this mandate the Department of Health is actively working toward:

- ensuring statewide community health needs are met
- developing our workforce and managing industrial relations
- managing health information and communications technology
- managing our budget and resources efficiently
- managing financial and service delivery performance.

Ensuring statewide community health needs are met

The WA health system continues to undergo major reform with a focus on delivering patient-centred, high quality and financially sustainable health care. The reform process included the Sustainable Health Review, which commenced in July 2017.

In 2018, the Sustainable Health Review Panel published its *Interim Report*, following extensive engagement with stakeholders across Western Australia. Insights were shared from consumers and carers, clinicians and health staff, Health Service Providers, non-government organisations, industry and the wider community. The Interim Report presents the Sustainable Health Review Panel's initial observations, preliminary directions, and recommendations for immediate action to develop a more sustainable WA health system.

Some of the recommendations for action outlined in the Interim Report are already being undertaken by the Department of Health to ensure statewide community needs are met including:

- prevention and health promotion
- provision of person-centre services
- support of health and medical research and innovation
- improved use of resources within the community
- increased collaboration to provide services to the community.

Chronic disease and injury are the leading causes of illness, disability and death in Western Australia. Most chronic diseases and injuries are preventable. Prevention, promotion and implementation of public health initiatives can improve health and wellbeing and reduce the incidence of preventable disease. In 2017–18, the Department of Health achieved the following prevention and health promotion initiatives:

- conducted the WA Preventive Health Summit Action on Obesity and Alcohol
- convened the Injury Prevention Summit highlighting current directions, trends and practices within the injury prevention sector
- published the *Lessons of Location: Potentially Preventable Hospitalisation Hotspots in Western Australia 2017* that identifies areas where community interventions are most needed
- commissioned the Let's Prevent Program to provide early intervention to people at high risk of developing diabetes and other chronic conditions
- published an Aboriginal health and wellbeing policy that includes provision for the development of health service provider Aboriginal Health and Wellbeing Action Plans.

The WA health system provides a range of public dental health services; however significant unmet need still exists. In 2017–18, a *National Partnership Agreement on Public Dental Services for Adults* was signed providing an additional $21.8 million to deliver additional public dental services to adults in Western Australia. Also, in collaboration with the WA Primary Health Alliance, oral health-specific pathways were developed to help optimise consumer outcomes, improve collaboration between health professionals and develop a greater understanding of the relationship between oral health and general health interaction.

Rare diseases are difficult to diagnose and evidence for best practice management is lacking. WA health information shows that 2 per cent of the WA population with a rare disease accounted for 10.5 per cent of all hospital admission costs. The paediatric Undiagnosed Diseases Program was established to achieve diagnoses for paediatric patients with long-standing, complex undiagnosed rare diseases. The paediatric Undiagnosed Diseases Program has achieved a diagnostic rate of 55 per cent, more than double the initial target. Following on from this success in 2017–18, the Department of Health established a complementary Transitional Undiagnosed Diseases Program for 16 to 17 year olds with undiagnosed rare diseases who are transitioning from paediatric to adult health services.

Prescription opioid use has increased rapidly across Australia in recent years. Diversion and misuse of these medicines represents an emergent public health issue with growing numbers of fatal overdoses attributed to prescription opioids. Licences and permits are critical to the integrity of the medicines and poisons supply chain. In 2017–18, new legislation was passed to align medicine and poison supply licenses and permits.

Research that is directed towards increasing the efficiency and cost-effectiveness of healthcare delivery can contribute to the sustainability of providing quality health services. The Department of Health funds health and medical research in Western Australia through the Research Translation Project program. In 2017, a total of $2.2 million was granted to support 11 research projects. In 2018, $2.5 million will be afforded to the Research Translation Project program.

Constraints on State and federal budgets have intensified the need for rigorous monitoring of State purchasing priorities to ensure the most effective use of limited resources. Optimising care in the community enables individuals to receive safe and quality care and to manage avoidable demand on acute and speciality services. In 2017–18, initiatives were introduced by the Department of Health to make better use of our resources and provide more care in the community, such as:

- Health pathways were developed to provide guidance to general practitioners on best practice referral options to support a person's health needs.
- Statewide reform of public sector outpatient services is being planned to include a range of improvement strategies over the next three years.
- The first Urgent Care Clinic opened, enabling the public to make informed choices about how to deal with non-emergency care.
- Site works began for Western Australia's first Medihotel, which will provide accommodation options to support patients who do not require acute inpatient care.

Developing our workforce and managing industrial relations

The WA health system workforce is the State's most valuable asset in delivering health services to the community, and achieving the State Government's vision for public health and reforms. Systemwide strategic planning and management of clinical and non-clinical professions are crucial to ensure that the healthcare needs of Western Australians are appropriately met. In preparing for the future of the health workforce within the WA health system it is imperative that all aspects of the workforce are considered.

In a time of strong supply, workforce shortages are still occurring within some areas of WA health system workforce. Areas of concern include:

- shortage of suitably trained and experienced doctors at resident and registrar level
- small but critical workforce shortage in health sciences and medical specialities
- attracting suitably trained health professionals and non-clinical workforce to live and work in some of our rural and remote locations.

Under the *Health Services Act 2016*, the Department of Health, as System Manager, is responsible for systemwide workforce planning, workforce modelling and monitoring.

In response to developing our workforce, the Department of Health in 2017–18 has:

- delivered the Future Focus: *The System Manager's Workforce Role* discussion paper
- implemented the Health Executive Service policy
- supported and maintained an Employment Policy Framework
- completed the Protection of Frontline Staff business case to secure funding for the election commitment concerning anti-stab vest and duress alarms
- conducted modelling to identify future supply gaps and risks for Radiation Oncology Medical Physicists
- completed cost modelling to highlight the costing and funding implications of workforce initiatives related to dental technicians, enrolled and registered nurses and midwives, and Health Services Union Industrial Agreements
- facilitated specialist training in rural locations for successful expressions of interest and areas of need
- supported 571 nursing and midwifery students via scholarships, including 324 undergraduate and 265 post-graduate students
- supported international medical graduates across three regional hospitals to achieve general registration
- published the report *General workforce supply and training: Optimising Western Australia's prevocational training to support general practice workforce development*
- coordinated the annual centralised intern and resident medical officers recruitment process which placed approximately 1,000 junior doctors across WA health services
- coordinated the centralised nursing and midwifery graduate recruitment process with a total of 789 nursing and midwifery graduate positions filled including 22 Aboriginal nurses
- supported 53 senior nurses and midwives in their studies for a Graduate Certificate in Nursing Leadership and management from Notre Dame University via the Leading Great Care Program.

Aboriginal people are significantly under-represented in the health workforce. This potentially contributes to the reduced access to health services for Aboriginal people. In response, the Department of Health implemented a range of key strategic employment initiatives in 2017–18 including:

- delivery of the Aboriginal Leadership Excellence and Development Program designed to identify, prepare and fast-track talented Aboriginal staff for senior management and executive positions
- establishment of the section 51 Pilot Program to increase the number of Aboriginal employees in the WA health system
- continued support of the employment of Aboriginal graduates into health through the GradConnect Program and Graduate Development Program
- funding for tertiary institutions and community controlled health registered training organisations, to support students in health careers
- obtainment of Commonwealth funding, resulting in the placement of five Aboriginal cadets across the WA health system.

Managing health information and communications technology

The WA health system relies on information and communications technology services to enable safe, high quality patient care. The technology landscape has advanced significantly and digital innovation has been embraced in a bid to foster new ideas and investigate new and better ways of managing healthcare.

In 2017–18, the Department of Health commenced planning for the development of a digital strategy to enable and meet the goals of the WA health system over the short, medium and long-term. This includes identifying priority health outcomes to be supported through digital transformation and determining the technology and investment required. As a key step in the development of a digital strategy the Department of Health produced a high-level overview and market scan of options for an Electronic Medical Record system.

There is a need to manage health information and communications technology efficiently to assist with provision of timely, relevant and accurate evidence for policy development, program and service implementation, and evaluation. In 2017–18, the Department of Health:

- commenced a review of the infrastructure capacity of the Department's Geographic Information Systems
- established crisis information sharing arrangements jointly with other government agencies through the use of a software package WebFUSION
- planned for an integrated business and records management information and communication technology system.

The Sustainable Health Review highlighted the need for improved transparency in public reporting as a driver of improvement, innovation and sustainability. In 2017–18, the Department of Health made publically available a series of web-based performance reports including elective surgery and emergency department access reports. In addition a wider transparency project is currently being scoped that will see improvements to the public reporting of key health system information, an expansion of the information available, and a dashboard approach to improve user experience and understanding of the information.

Managing our budget and resources efficiently

The WA health system is under sustained pressure as the demand for health services continues to grow at a rate that exceeds sustainable capacity. Health expenditure growth averaged 8 per cent from 2008–09 to 2016–17 but, in recent years, significant inroads have been made in arresting growth in health expenditure and putting WA public health system on a financially sustainable path. It has been projected that expenditure growth will average only 1 per cent from 2017–18 to 2020–21.

Implementation of various short-term financial strategies by the Department of Health has contributed to this slowing of expenditure growth while still ensuring that the healthcare needs of Western Australians are met. A combination of strong leadership, performance management, governance and policy changes have achieved this turnaround for the WA health system's financial performance. In 2017–18, further short-term strategies were achieved including:

- implementation of the Government's Voluntary Targeted Separation Scheme, including Senior Executive Service reduction
- State Fleet policy and procurement initiatives
- adjustments for indexation for non-government human services sector, and non-salary expenses.

To continue to contain recurrent expenditure growth, a series of long-term strategies and recommendations to improve the efficiency, accountability and transparency of the WA health system have been endorsed as part of the Purchasing for Value policy. This policy focuses on incentive and efficiency driven purchasing policies, leading to the provision of health services that can be accurately planned, resourced and managed to deliver high quality patient outcomes. Key purchasing policy and strategies will be implemented through a phased program (2018–19 to 2027–28), articulated through the State Transition to an Efficient Practice strategy, made up of short, medium and long term recommendations. The consultation process for the Purchasing for Value policy and the State Transition to an Efficient Practice strategy commenced in 2017–18.

Managing financial and service delivery performance

Resourcing is a key function of the Department of Health and meets with its legislative functions, as mandated by the *Health Services Act 2016* and the *Financial Management Act 2006*. Under the *Health Services Act 2016*, the Department of Health purchases health services from Health Service Providers through service agreements, and may arrange for the provision of health services by contracted health entities. In 2017–18 eight service agreements with Health Service Providers were executed.

The purchasing function of the Department of Health also extends to include responsibility for recommending to the Minister for Health the amounts that may be allocated via the annual State and Commonwealth Government budget allocation process, by advocating for the needs and priorities of the WA health system. In 2017–18, the Department of Health advocated and facilitated a new hospital-based remoteness adjustment to the Commonwealth Government funding model. As a result Commonwealth funding for the WA health system now takes into account the additional resources and funding required to provide health services in rural and remote areas of Western Australia.

Through service agreements and policy frameworks, the Department of Health sets the standards and parameters within which hospital and health services will be delivered. Such mechanisms enable the System Manager to achieve a consistent and cohesive health system. A key function of the Department of Health is to oversee and monitor the performance of the WA health system. Continuous assessment and trend analysis of performance can identify concerns and support improvement in health system delivery outcomes through legislation, policy frameworks and operational processes.

The Department of Health delivered an effective system performance management function throughout 2017–18 as per the standards and parameters outlined in the 2017–18 Performance Management policy. In the context of a responsive regulation model, regular performance review meetings, and audit and risk assessments with Health Service Providers were undertaken and remedial action taken as necessary. These were enhanced by the implementation of a new web-based *Health Service Performance Report* application available to both the System Manager and Health Service Providers.

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Disclosure and compliance

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF HEALTH

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Health which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Health for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Director General for the Financial Statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.

- Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Health. The controls exercised by the Department are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Health are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

The Director General's Responsibilities

The Director General is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities
As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of Controls
Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion
I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Health for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Health are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2018.

The Director General's Responsibility for the Key Performance Indicators
The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility
As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Department of Health for the year ended 30 June 2018 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
2 October 2018

Certification of financial statements

DEPARTMENT OF HEALTH

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The accompanying financial statements of the Department of Health have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to represent fairly the financial transactions for the financial year ending 30 June 2018 and financial position as at 30 June 2018.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Mr Peter May
CHIEF FINANCE OFFICER
DEPARTMENT OF HEALTH

14 September 2018

Dr David Russell-Weisz
DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

14 September 2018

Financial statements

Department of Health

Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 $000	2017 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1	129,219	116,942
Contracts for services	3.5	697,156	676,938
Supplies and services	3.6	67,243	74,230
Grants and subsidies	3.3	6,523,327	6,510,165
Depreciation and amortisation expense	5.1.1 & 5.2.1	915	591
Loss on disposal of non-current assets	6	66	29
Contribution to Capital Works Fund	3.4	2,990	27,372
Other expenses	3.7	73,487	80,823
Total cost of services		**7,494,403**	**7,487,090**
INCOME			
Revenue			
User charges and fees	4.2	6,049	6,077
Commonwealth grants and contributions	4.3	2,404,134	2,295,735
Other grants and contributions	4.4	8,175	7,508
Finance income	4.5	1,957	1,749
Other revenue	4.6	13,956	33,912
Total revenue		**2,434,271**	**2,344,981**
Gains			
Gain on disposal of non-current assets	4.7	4,267	-
Total Gains		**4,267**	**-**
Total income other than income from State Government		**2,438,538**	**2,344,981**
NET COST OF SERVICES		**5,055,865**	**5,142,109**
INCOME FROM STATE GOVERNMENT	4.1		
Service appropriations		5,060,671	5,139,298
Assets (transferred)/assumed		(6,560)	(15,867)
Services received free of charge		1,762	2,249
Royalties for Regions Fund		63,246	44,084
Total income from State Government		**5,119,119**	**5,169,764**
SURPLUS/(DEFICIT) FOR THE PERIOD		**63,254**	**27,655**
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	10.11	(13,473)	1,136
Total other comprehensive income		**(13,473)**	**1,136**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**49,781**	**28,791**

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.
Refer also the 'Schedule of Income and Expenses by Service'.

Department of Health

Statement of Financial Position

As at 30 June 2018

	Note	2018 $000	2017 $000
ASSETS			
Current Assets			
Cash and cash equivalents	8.1.1	261,309	127,968
Restricted cash and cash equivalents	8.1.2	112,850	129,463
Inventories	7.1	16,461	16,549
Receivables	7.2	50,126	64,211
Other current assets	7.5	4,003	3,870
Non-current assets classified as held for sale	10.10	215	12,489
Total Current Assets		**444,964**	**354,550**
Non-Current Assets			
Restricted cash and cash equivalents	8.1.2	967	485
Amounts receivable for services	7.3	55,792	55,046
Finance lease receivable	7.4	8,648	6,692
Infrastructure, property, plant and equipment	5.1	121,664	1,131,353
Intangible assets	5.2	761	105,822
Other non-current assets	7.5	2,224	2,910
Total Non-Current Assets		190,056	1,302,308
TOTAL ASSETS		**635,020**	**1,656,858**
LIABILITIES			
Current Liabilities			
Payables	7.6	63,170	81,020
Employee related provisions	3.2	17,402	18,935
Other current liabilities	7.7	1,114	6,147
Total Current Liabilities		**81,686**	**106,102**
Non-Current Liabilities			
Employee related provisions	3.2	5,266	5,022
Total Non-Current Liabilities		**5,266**	**5,022**
TOTAL LIABILITIES		**86,952**	**111,124**
NET ASSETS		**548,068**	**1,545,734**
EQUITY	10.11		
Contributed equity		-	1,041,854
Reserves		294,310	307,783
Accumulated surplus		253,758	196,097
TOTAL EQUITY		**548,068**	**1,545,734**

The Statement of Financial Position should be read in conjunction with the accompanying notes.
Refer also the 'Schedule of Assets and Liabilities by Service'.

Department of Health

Statement of Changes in Equity

For the year ended 30 June 2018

	Notes	2018 $000	2017 $000
CONTRIBUTED EQUITY	10.11		
Balance at start of period		1,041,854	(213,341)
Transactions with owners in their capacity as owners:			
Contributions by owners		207,771	1,259,165
Distributions to owners		(1,255,218)	(3,970)
Transfer of deficit to Accumulated Surplus		5,593	-
Balance at end of period		**-**	**1,041,854**
RESERVES	10.11		
Asset Revaluation Reserve			
Balance at start of period		307,783	306,647
Other comprehensive income for the period		(13,473)	1,136
Balance at end of period		**294,310**	**307,783**
ACCUMULATED SURPLUS/(DEFICIT)	10.11		
Balance at start of period		196,097	168,442
Surplus/(Deficit) for the period		63,254	27,655
Transfer of deficit from Contributed Equity		(5,593)	-
Balance at end of period		**253,758**	**196,097**
TOTAL EQUITY			
Balance at start of period		1,545,734	261,748
Total comprehensive income/(loss) for the period		49,781	28,791
Transactions with owners in their capacity as owners		(1,047,447)	1,255,195
Balance at end of period		**548,068**	**1,545,734**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Department of Health

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 $000 Inflows (Outflows)	2017 $000 Inflows (Outflows)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriations		4,705,562	4,743,697
Capital appropriations	10.11	85,857	121,456
Royalties for Regions Fund	4.1	63,246	44,084
Net cash provided by State Government		**4,854,665**	**4,909,236**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(129,509)	(119,698)
Supplies and services		(801,680)	(773,250)
Grants and subsidies		(6,168,965)	(6,132,752)
Contribution to Capital Works Fund		(2,990)	(27,372)
GST payments on purchases		(409,830)	(404,911)
Receipts			
User charges and fees		6,044	6,085
Commonwealth grants and contributions		2,367,312	2,264,526
GST receipts on sales		24,006	26,387
GST refunds from taxation authority		389,336	375,366
Other receipts		31,581	27,639
Net cash provided by (used in) operating activities	8.1.3	**(4,694,695)**	**(4,757,980)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of non-current assets		(38,451)	(91,860)
Proceeds from sale of non-current assets		14,545	-
Net cash provided by (used in) investing activities		**(23,906)**	**(91,860)**
Net increase (decrease) in cash and cash equivalents		136,064	59,396
Cash and cash equivalents at the beginning of the period		257,916	210,773
Cash and cash equivalents held by Children and Adolescent Health Service on behalf of the Health Ministerial Body		(18,855)	(12,253)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8.1.1	**375,126**	**257,916**

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Department of Health

Schedule of Income and Expenses by Service

For the year ended 30 June 2018

	Public Hospital Admitted Patients	Public Hospital Emergency Services	Public Hospital Non-Admitted Services	Mental Health Services	Aged and Continuing Care
	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000
COST OF SERVICES					
Expenses					
Employee benefits expense	-	-	-	-	282
Contracts for services	637	-	-	-	412,844
Supplies and services	-	-	-	-	1
Grants and subsidies	3,730,150	734,128	738,605	22,301	227,743
Depreciation and amortisation expense	-	-	-	-	-
Loss on disposal of non-current assets	-	-	-	-	-
Contribution to Capital Works Fund	-	-	-	-	-
Other expenses	581	-	-	-	2,845
Total cost of services	3,731,368	734,128	738,605	22,301	643,715
Income					
User charges and fees	-	-	-	-	-
Commonwealth grants and contributions	1,369,973	252,570	326,529	-	273,326
Other grants and contributions	-	-	-	-	-
Finance income (a)	-	-	-	-	-
Other revenue	-	-	-	-	-
Gains					
Gain on disposal of non-current assets	-	-	-	-	-
Total income other than income from State Government	1,369,973	252,570	326,529	-	273,326
NET COST OF SERVICES	2,361,395	481,558	412,076	22,301	370,389
Income from State Government					
Service appropriations	2,457,418	487,936	431,565	21,616	420,114
Assets (transferred)/assumed	-	-	-	-	-
Services received free of charge	-	-	-	-	-
Royalties for Regions Fund	3,784	11,896	1,641	603	5,984
Total income from State Government	2,461,202	499,832	433,206	22,219	426,098
SURPLUS/(DEFICIT) FOR THE PERIOD	99,807	18,274	21,130	(82)	55,709

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year, therefore no comparative figures are available, however prior year service structure follows on the next page.

Department of Health

Schedule of Income and Expenses by Service

For the year ended 30 June 2018

	Public and Community Health Services	Community Dental Health Services	Small Rural Hospital Services	Health System Management Policy and Corporate Services	Health Support Services	TOTAL
	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000
COST OF SERVICES						
Expenses						
Employee benefits expense	8,608	-	-	120,329	-	129,219
Contracts for services	232,275	13,504	-	37,896	-	697,156
Supplies and services	43,727	-	-	23,515	-	67,243
Grants and subsidies	530,368	71,607	213,988	7,179	247,258	6,523,327
Depreciation and amortisation expense	3	-	-	912	-	915
Loss on disposal of non-current assets	1	-	-	65	-	66
Contribution to Capital Works Fund	90	2,990	-	(90)	-	2,990
Other expenses	2,695	-	-	67,366	-	73,487
Total cost of services	817,767	88,101	213,988	257,172	247,258	7,494,403
Income						
User charges and fees	96	-	-	5,953	-	6,049
Commonwealth grants and contributions	63,694	-	118,042	-	-	2,404,134
Other grants and contributions	-	8,175	-	-	-	8,175
Finance income (a)	-	-	-	1,957	-	1,957
Other revenue	10,320	(8,175)	-	11,811	-	13,956
Gains						
- Gain on disposal of non-current assets	-	-	-	4,267	-	4,267
Total income other than income from State Government	74,110	-	118,042	23,988	-	2,438,538
NET COST OF SERVICES	743,657	88,101	95,946	233,184	247,258	5,055,865
Income from State Government						
Service appropriations	663,741	83,711	81,572	165,490	247,508	5,060,671
Assets (transferred)/assumed	-	-	-	(6,560)	-	(6,560)
Services received free of charge	-	-	-	1,762	-	1,762
Royalties for Regions Fund	16,059	-	23,279	-	-	63,246
Total income from State Government	679,800	83,711	104,851	160,692	247,508	5,119,119
SURPLUS/(DEFICIT) FOR THE PERIOD	(63,857)	(4,390)	8,905	(72,492)	250	63,254

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year, therefore no comparative figures are available, however prior year service structure follows on the next page.

Department of Health

Schedule of Income and Expenses by Service

For the year ended 30 June 2017

	Public Hospital Admitted Patients	Home-Based Hospital Programs	Palliative Care	Emergency Department	Public Hospital Non-Admitted Patients	Patient Transport
	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000
COST OF SERVICES						
Expenses						
Employee benefits expense	232	297	-	-		252
Contracts for services	33,383	30,161	22,565	-	-	135,991
Supplies and services	-	-	-	-		
Grants and subsidies	3,960,437	2,099	2,887	722,085	855,413	90,620
Depreciation and amortisation expense	-	-	-	-		
Loss on disposal of non-current assets	-	-	-	-	-	
Contribution to Capital Works Fund	-	-	-	-	-	
Other expenses	19,551	-	-	-	-	43
Total cost of services	4,013,603	32,557	25,452	722,085	855,413	226,906
Income						
User charges and fees	-	-	-	-		
Commonwealth grants and contributions	1,397,393	45	-	228,842	337,044	1,583
Other grants and contributions	-	-	-	-	-	-
Finance income (a)	-	-	-	-	-	-
Other revenue	2,164	-	-	-	-	-
Total income other than income from State Government	1,399,557	45	-	228,842	337,044	1,583
NET COST OF SERVICES	2,614,046	32,512	25,452	493,243	518,369	225,323
Income from State Government						
Service appropriations	2,619,627	32,512	22,930	467,504	523,198	205,327
Assets (transferred)/assumed	-	-	-	-	-	-
Services received free of charge	-	-	-	-	-	-
Royalties for Regions Fund	3,803	-	648	16,471	1,966	9,547
Total income from State Government	2,623,430	32,512	23,578	483,975	525,164	214,874
SURPLUS/(DEFICIT) FOR THE PERIOD	9,384	-	(1,874)	(9,268)	6,795	(10,449)

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Department of Health

Schedule of Income and Expenses by Service

For the year ended 30 June 2017

	Prevention, Promotion & Protection	Dental Health	Continuing Care	Mental Health	Health System Management Policy and Corporate Services	Health Support Services	TOTAL
	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000
COST OF SERVICES							
Expenses							
Employee benefits expense	5,812	-	25	-	110,324	-	116,942
Contracts for services	43,414	13,950	352,546	292	44,636	-	676,938
Supplies and services	48,996	-	-	-	25,234	-	74,230
Grants and subsidies	377,426	80,638	147,695	14,142	1,889	254,834	6,510,165
Depreciation and amortisation expense	19	-	-	-	572	-	591
Loss on disposal of non-current assets	-	-	-	-	29	-	29
Contribution to Capital Works Fund	-	-	-	-	27,372	-	27,372
Other expenses	1,916	-	186	-	59,127	-	80,823
Total cost of services	477,583	94,588	500,452	14,434	269,183	254,834	7,487,090
Income							
User charges and fees	1,324	-	-	-	4,753	-	6,077
Commonwealth grants and contributions	104,897	6,514	219,417	-	-	-	2,295,735
Other grants and contributions	7,508	-	-	-	-	-	7,508
Finance income (a)		-	-	-	1,749	-	1,749
Other revenue	30	-	-	-	31,718	-	33,912
Total income other than income from State Government	113,759	6,514	219,417	-	38,220	-	2,344,981
NET COST OF SERVICES	363,824	88,074	281,035	14,434	230,963	254,834	5,142,109
Income from State Government							
Service appropriations	380,836	88,087	264,524	13,867	266,007	254,879	5,139,298
Assets (transferred)/assumed	(585)	-	-	-	(15,282)	-	(15,867)
Services received free of charge	-	-	-	-	2,249	-	2,249
Royalties for Regions Fund	3,562	-	7,797	290	-	-	44,084
Total income from State Government	383,813	88,087	272,321	14,157	252,974	254,879	5,169,764
SURPLUS/(DEFICIT) FOR THE PERIOD	19,989	13	(8,714)	(277)	22,011	45	27,655

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

Department of Health

Schedule of Assets and Liabilities by Service

As at 30 June 2018

	Public Hospital Admitted Services	Public Hospital Emergency Services	Public Hospital Non-Admitted Services	Mental Health Services	Aged and Continuing Care
	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000
Assets					
Current assets	42,116	13,415	3,143	259	20,692
Non-current assets (a)	-	-	-	-	1,039
TOTAL ASSETS	42,116	13,415	3,143	259	21,731
Liabilities					
Current liabilities	32	-	-	-	226
Non-current liabilities	-	-	-	-	9
TOTAL LIABILITIES	32	-	-	-	235
NET ASSETS	42,084	13,415	3,143	259	21,496

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year, therefore no comparative figures are available, however prior year service structure folows on the next page.

Department of Health

Schedule of Assets and Liabilities by Service

As at 30 June 2018

	Public and Community Health Services	Community Dental Health Services	Small Rural Hospital Services	Health System Management Policy and Corporate Services	Health Support Services	TOTAL
	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000
Assets						
Current assets	20,971	-	10,005	334,363	-	444,964
Non-current assets (a)	450	-	-	188,567	-	190,056
TOTAL ASSETS	21,421	-	10,005	522,930	-	635,020
Liabilities						
Current liabilities	11,553	3,258	-	66,617	-	81,686
Non-current liabilities	320	-	-	4,937	-	5,266
TOTAL LIABILITIES	11,873	3,258	-	71,554	-	86,952
NET ASSETS	9,548	(3,258)	10,005	451,376	-	548,068

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year, therefore no comparative figures are available, however prior year service structure folows on the next page.

Department of Health

Schedule of Assets and Liabilities by Service

As at 30 June 2017

	Public Hospital Admitted Patients	Specialised Mental Health	Home-Based Hospital Programs	Palliative Care	Emergency Department	Public Hospital Non-Admitted Patients	Patient Transport
	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000
Assets							
Current assets	41,881	-	3,323	2,566	33,067	2,449	7,946
Non-current assets (a)	1,117	-	-	1,531	-	-	-
-	42,998	-	3,323	4,097	33,067	2,449	7,946
Liabilities							
Current liabilities	151	-	259	-	-	-	3,780
Non-current liabilities	36	-	2	-	-	-	-
TOTAL LIABILITIES	187	-	261	-	-	-	3,780
NET ASSETS	42,811	-	3,062	4,097	33,067	2,449	4,166

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

Department of Health

Schedule of Assets and Liabilities by Service

As at 30 June 2017

	Prevention, Promotion & Protection	Dental Health	Continuing Care	Mental Health	Health System Management Policy and Corporate Services	Health Support Services	TOTAL
	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000
Assets							
Current assets	26,909	10,400	18,423	237	207,001	348	354,550
Non-current assets (a)	-	-	-	-	1,299,399	261	1,302,308
-	26,909	10,400	18,423	237	1,506,400	609	1,656,858
Liabilities							
Current liabilities	2,809	1,975	812	-	96,316	-	106,102
Non-current liabilities	310	-	-	-	4,674	-	5,022
TOTAL LIABILITIES	3,119	1,975	812	-	100,990	-	111,124
NET ASSETS	23,790	8,425	17,611	237	1,405,410	609	1,545,734

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.

Department of Health

Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2018

	2018 Estimate $000	2018 Actual $000	Variance $000	2018 Actual $000	2017 Actual $000	Variance $000
Delivery of Services						
Item 11 Net amount appropriated to deliver services (a)	4,919,381	4,937,862	18,481	4,937,862	5,018,081	(80,219)
Section 25 transfer of service appropriation	-	(954)	(954)	(954)	501	(1,455)
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	716	716	-	716	716	-
- Lotteries Commission Act 1990	133,081	123,047	(10,034)	123,047	120,000	3,047
Total appropriations provided to deliver services	5,053,178	5,060,671	7,493	5,060,671	5,139,298	(78,627)
Capital						
Item 91 Capital appropriations	186,194	200,255	14,061	200,255	157,810	42,445
GRAND TOTAL	5,239,372	5,260,926	21,554	5,260,926	5,297,108	(36,182)
Details of Expenses by Service						
2018						
Public Hospital Admitted Services (c)	4,253,002	4,278,209	25,207	4,278,209	-	4,278,209
Public Hospital Emergency Services (c)	804,479	806,039	1,560	806,039	-	806,039
Public Hospital Non-Admitted Services (c)	838,848	937,439	98,591	937,439	-	937,439
Mental Health Services (c)	715,431	728,810	13,379	728,810	-	728,810
Aged and Continuing Care (c)	485,156	596,076	110,920	596,076	-	596,076
Public and Community Health Services (c)	1,038,497	818,123	(220,374)	818,123	-	818,123
Community Dental Health Services (c)	110,192	111,929	1,737	111,929	-	111,929
Small Rural Hospital Services (c)	264,304	233,532	(30,772)	233,532	-	233,532
Health System Management - Policy and Corporate Services	194,425	247,641	53,216	247,641	-	247,641
Health Support Services	238,193	250,895	12,702	250,895	-	250,895
2017						
Public Hospital Admitted Patients	-	-	-	-	4,449,046	(4,449,046)
Home-Based Hospital Programs	-	-	-	-	39,061	(39,061)
Palliative Care	-	-	-	-	38,924	(38,924)
Emergency Department	-	-	-	-	762,914	(762,914)
Public Hospital Non-Admitted Patients	-	-	-	-	1,045,052	(1,045,052)
Patient Transport	-	-	-	-	267,645	(267,645)
Prevention, Promotion & Protection	-	-	-	-	491,679	(491,679)
Dental Health	-	-	-	-	111,552	(111,552)
Continuing Care	-	-	-	-	419,725	(419,725)
Contracted Mental Health	-	-	-	-	693,356	(693,356)
Health System Management - Policy and Corporate Services					266,774	(266,774)
Health Support Services					245,533	(245,533)
Total Cost of Services	8,942,527	9,008,693	66,166	9,008,693	8,831,260	177,433
Less Total income	(3,811,803)	(3,907,385)	(95,582)	(3,907,385)	(3,827,734)	(79,651)
Net Cost of Services	5,130,724	5,101,308	(29,416)	5,101,308	5,003,526	97,782
Adjustments (a)	(77,546)	(40,637)	36,909	(40,637)	135,772	(176,409)
Total appropriations provided to deliver services	5,053,178	5,060,671	7,493	5,060,671	5,139,298	(78,627)
Capital Expenditure						
Purchase of non-current physical assets	586,858	356,954	(229,904)	356,954	321,563	35,391
Repayment of borrowings	66,639	66,666	27	66,666	78,569	(11,903)
Adjustments for other funding sources (b)	(467,303)	(223,365)	243,938	(223,365)	(242,322)	18,957
Capital appropriations	186,194	200,255	14,061	200,255	157,810	42,445

The Summary of Consolidated Account Appropriations and Income Estimates comprises the Department and Health Service Providers within WA Health which are North Metropolitan Health Service, East Metropolitan Health Service, South Metropolitan Health Service, Childrens and Adolescent Health Service, Health Support Services and WA Country Health Service.

(a) Adjustments comprise movements in cash balances, movements in accrual items such as receivables and payables, Royalties for Regions funding and resources received free of charge from other state government agencies.

(b) Adjustments comprise $27.0 million funding for New Children's Hospital, $194.9 million funding for Royalties for Regions, $2.6 million CWP Treasury Administered funding and include movements in cash balances and other accrual items such as receivables and payables.

(c) WA Health has introduced a new Outcome Based Management (OBM) Framework coming into effect in the 2017/18 financial year. Implementation of new OBM framework resulted in the realignment of budget setting between hospital and non-hospital services, based on actual costs under the new OBM Framework.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1 Basis of preparation

The Department's financial statements for the year ended 30 June 2018 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars ($'000).

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 14 September 2018.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

1) The Financial Management Act 2006 **(FMA)**
2) The Treasurer's Instructions **(the Instructions or TI)**
3) Australian Accounting Standards **(AAS)** including applicable interpretations
4) Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The Financial Management Act 2006 and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Department evaluates these judgements regularly.

Buildings

A number of buildings that are located on the land of local government agencies have been recognised in the financial statements. The Department believes that, based on past experience, its occupancy in these buildings will continue to the end of their useful lives.

Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Buildings

In order to estimate fair value on the basis of existing use, the depreciated replacement costs are determined on the assumption that the buildings will be used for the same functions in the future. A major change in utilisation of the buildings may result in material adjustment to the carrying amounts.

Note 1 Basis of Preparation (continued)

Key sources of estimation uncertainty (continued)

Employee benefits provision

In estimating the non-current long service leave provision, employees are assumed to leave the Department each year on account of resignation or retirement at 7.5%. This assumption was based on an analysis of the turnover rates exhibited by employees over a five years period. Employees with leave benefits to which they are fully entitled are assumed to take all available leave uniformly over the following five years or to age 65 if earlier.

Other estimations and assumptions used in calculating the Department's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior, to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Note 2 Department of Health outputs

How the Department operates

This section includes information regarding the nature of funding the Department receives and how this funding is utilised to achieve the Department's objectives. This note also provides the distinction between controlled funding and administered funding:

Reporting entity

The reporting entity comprises the Department, the Ministerial Body and is based on the control exercised by the Department over the funding provided to the Health Service Providers (HSPs). The HSP's include North Metropolitan Health Service, East Metropolitan Health Service, South Metropolitan Health Service, Childrens and Adolescent Health Service, Health Support Services and WA Country Health Service.

As from 1 July 2012, the Department of Health administers two agency special purpose accounts, the State Pool Account and the State Managed Fund Account, established and maintained pursuant to section 16(1)(d) of the Financial Management Act 2006. The purposes of the special purpose accounts are outlined at note 10.8 'Special purpose financial statements'. The new funding arrangement established under the National Health Reform Agreement requires the Commonwealth Government to make payments of activity based funding and block grant funding to the State Pool Account, from which the block grant funding is subsequently paid to the State Managed Fund Account. The State is required to make payments of activity based funding to the State Pool Account and the block grant funding to the State Managed Fund Account.

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at note 11.1 'Administered assets and liabilities' and note 11.2 'Disclosure of administered income and expenses by service'.

Note 2 Department of Health outputs (continued)

Reporting Entity (continued)

The Department of Health is a WA Government department and is controlled by the State of Western Australia, which is the ultimate parent. The Department is a not-for-profit reporting entity (as profit is not its principal objective).

The Department of Health was established by the Governor under Section 35 of the Public Sector Management Act 1994 (PSM). The Director General of Health is the appointed chief executive officer (CEO) and is responsible for fulfilling the functions of a CEO as set out in the PSM Act.

On 1 July 2016, the Health Services Act 2016 (the Act) commenced operation introducing a contemporary devolved governance model for the WA health system. The Director General is established as the System Manager and is responsible for the strategic direction, oversight and management of the WA health system.

The Act provides the establishment of the Health Ministerial Body, a body corporate through which the Minister can perform any of the Minister's functions under the Act. Any act done through the Ministerial Body is regarded as services under the control of the Department of Health for the purposes of the Financial Management Act.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

2.1 The Department of Health objectives

Mission

The mission of the Department is to lead and steward the WA health system. The Department is predominantly funded by Parliamentary appropriations.

Exemption

ON 13 September 2017, approval was obtained which exempts the Department from the reporting requirements of Treasurer's Instructions 1101 (7)(ix) and 1105 (4)(iv) in relation to the Application of Australian Accounting Standards and Other Pronouncements, and preparing Consolidated Financial Statements. The exemption relates to the financial years from 2016/17 to 2018/19.

Services

Income, expenses, assets and liabilities attributable to the Department's services are set out in the 'Schedule of Income and Expenses by Service' and the 'Schedule of Assets and Liabilities by Service'.

The Summary of Consolidated Account Appropriations and Income Estimates comprises the Department of Health and Statutory Authorities within WA Health which are Child and Adolescent Health Service, North Metropolitan Health Service, South Metropolitan Health Service, East Metropolitan Health Service, WA Country Health Service, Health Support Services, Queen Elizabeth II Medical Centre Trust and Quadriplegic Centre Board.

WA Health introduced a new OBM Framework coming into effect in the 2017/18 financial year which resulted in the realignment of budget setting between hospital and non-hospital services, based on actual costs under the new OBM Framework. Accordingly, the 2017/18 actuals are not always comparable to the 2016/17 actuals. The Department and Health Service Providers within WA Health provide the following services:

Public Hospital Admitted Services

Public hospital admitted patient services describe the care services provided to inpatients in public hospitals (excluding specialised mental health wards) and to public patients treated in private facilities under contract to the Department of Health. An admission to hospital can be for a period of one or more days and includes medical and surgical treatment, renal dialysis, oncology services and obstetric care.

Note 2 The Department's outputs (continued)

2.1 The Department of Health objectives (continued)

Public Hospital Emergency Services

Emergency department services describe the treatment provided in metropolitan and major rural hospitals to those people with sudden onset of illness or injury of such severity and urgency that they need immediate medical help which is either not available from their general practitioner, or for which their general practitioner has referred them for treatment. An emergency department can provide a range of services and may result in admission to hospital or in treatment without admission. Not all public hospitals provide emergency care services. Privately provided contracted emergency services are included.

Public Hospital Non-admitted Services

Medical officers, nurses and allied health staff provide non-admitted (out-patient) care services and include clinics for pre and post-surgical care, allied health care and medical care as well as emergency services provided in the remainder of rural hospitals not included under the Emergency Department service.

Mental Health Services

Mental health services describe inpatient care in an authorised ward and community mental health services provided by Health Services under an agreement with the Mental Health Commission for specialised admitted and community mental health.

Aged and Continuing Care Services

The provision of aged and continuing care services and community based palliative care services. Aged and continuing care services include programs that assess care needs of older people, provide functional interim care or support for older, frail, aged and younger people with disabilities to continue living independently in the community and maintain independence, inclusive of the services provided by WA Quadriplegic Centre. Aged and Continuing Care Services is inclusive of community based palliative care services that are delivered by private facilities under contract to WA Health, which focus on the prevention and relief of suffering, quality of life and choice of care close to home for patients.

Public and Community Health Services

Public and Community Health Services include include programs implemented to increase optimal health and wellbeing, encourage healthy lifestyles, reduce the onset of disease and disability, reduce the risk of long-term illness and disability with early detection and developmental interventions, or monitor the incidence of disease in the population to determine the effectiveness of health measures and provide direction for new policies and programs. Specific areas of service include genomics, the management and development of health information, Aboriginal health, breast screening services, child and community health, health promotion, communicable disease control, environmental health, disaster planning and management, statutory medical notifications and services provided by the Office of the Chief Medical Officer.

Community Dental Health Services

Dental Health Services include the school dental service, providing dental health assessment and treatment for school children, the adult dental service for financially and/or geographically disadvantaged people and specialist and general dental and oral health care provided by the Oral Health Centre of Western Australia to holders of a Health Care Card. Services are provided through government funded dental clinics, itinerant services and private dental practionioners participating in the metropolitan, country and orthodontidc patient dental subsidy schemes.

Small Rural Hospital Services

Provides emergency care and limited acute medical/minor surgical services for country residents/visitors, by small and rural hospitals classified as block funded. Includes community care services aligning to local community needs.

Health System Management - Policy and Corporate Services

Provide strategic leadership, policy, planning services, system performance management, and purchasing linked to state-wide planning budgeting and regulation processes.

Note 2 The Department's outputs (continued)

2.1 The Department of Health objectives (continued)

Health Support Services

Provide purchased health support services to WA Health entities inclusive of corporate recruitment and appointment, employee data management, payroll services, workers compensation calculation and payments and processing of termination and severance payments. Health Support Services includes finance and business systems services, Information Technology and Information Communications Technology services, workforce services, project management of system wide projects and programs and the management of the supply chain and whole of health contracts.

Note 3 Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

	Notes	2018 $000	2017 $000
Employee benefits expenses	3.1	129,219	116,942
Employee related provisions	3.2	22,668	23,957
Grants and subsidies	3.3	6,523,327	6,510,165
Contribution to capital works fund	3.4	2,990	27,372
Contracts for services	3.5	697,156	676,938
Supplies and services	3.6	67,243	74,230
Other expenditure	3.7	73,487	80,823

3.1 Employee benefits expenses

	2018 $000	2017 $000
Salaries and wages	109,356	101,578
Superannuation - defined contribution plans (a)	9,613	9,457
Termination benefits	10,250	5,907
Total employee benefits expenses	**129,219**	**116,942**

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) of $7.954 million ($8.138 million in 2016/17) and other eligible funds. These transactions are considered to be significant related party transactions.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the agency is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Note 3 Use of our funding (continued)

3.1 Employee Benefits expenses (continued)

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Department purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the Department's obligations to the related superannuation liability.

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

3.2 Employee related provisions

	2018 $000	2017 $000
Current		
Employee benefits provision		
Annual leave (a)	9,073	9,212
Long service leave (b)	8,280	9,604
Deferred salary scheme (c)	49	119
Total current employee related provisions	**17,402**	**18,935**
Non-current		
Employee benefits provision		
Long service leave (b)	5,266	5,022
Total employee related provisions	**22,668**	**23,957**

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 $000	2017 $000
Within 12 months of the end of the reporting period	6,257	6,228
More than 12 months after the end of the reporting period	2,815	2,984
	9,073	**9,212**

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Note 3 Use of our funding (continued)

3.2 Employee Related Provisions (continued)

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as the agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:	2018 $000	2017 $000
Within 12 months of the end of the reporting period	2,054	1,857
More than 12 months after the end of the reporting period	11,492	12,770
	13,546	**14,627**

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2018 $000	2017 $000
Within 12 months of the end of the reporting period	-	-
More than 12 months after the end of the reporting period	49	119
	49	**119**

(d) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Key sources of estimation uncertainty – long service leave
Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the agency's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.
Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Note 3 Use of our funding (continued)

3.3 Grants and subsidies

	2018 $000	2017 $000
Recurrent		
Funding for the Delivery of Health Services by Autonomous Statutory Authorities (a):		
North Metropolitan Health Service (b)	1,735,006	1,777,858
East Metropolitan Health Service (b)	1,107,636	1,073,935
South Metropolitan Health Service (b)	1,395,704	1,415,222
Children and Adolescent Health Service (b)	451,868	433,304
Health Support Services (b)	247,293	254,879
WA Country Health Service (b)	1,396,858	1,399,221
Quadriplegic Centre Board	9,181	9,951
Queen Elizabeth II Medical Centre Trust	647	674
Commonwealth Specific Grants (d)	153,268	113,365
Research and development grants	18,958	20,547
Spectacle subsidy scheme	58	72
Other (c)	6,850	11,137
	6,523,327	**6,510,165**

(a) Includes the non-cash component of service appropriations.

(b) The Health Services Act 2016 came into effect from 1 July 2016. Changes under this Act included the establishment of Health Services (Child and Adolescent, East Metropolitan, North Metropolitan, South Metropolitan and WA Country Health Services) and Health Support Services (HSS) as separate legal entities. These transactions are considered to be a significant related party transactions.

(c) Includes $4.66 million grant to PlusLife.

(d) Distributed as State Appropriations in prior financial years.

Transactions in which the Department provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

3.4 Contribution to Capital Works Fund

	2018 $000	2017 $000
Contribution to Capital Works Fund	2,990	27,372
	2,990	**27,372**

$2.990 million was paid to the Capital Works Fund during the 2017/18 financial year, an administered trust account of the Department, to fund the capital works program for the Health Services.

Note 3 Use of our funding (continued)

3.5 Contracts for services

	2018 $000	2017 $000
Home and community care	279,976	274,811
Patient transport service	144,258	136,037
Other aged care services	107,054	102,316
Mental health	60	292
Blood and organs	36,431	32,419
Aboriginal health	9,101	9,431
Palliative care	21,983	22,565
Oral health	13,504	13,950
Other contracts	84,789	85,117
Total Contracts for services	**697,156**	**676,938**

3.6 Supplies and services

	2018 $000	2017 $000
Medical supplies	49,085	59,106
Other consumables	8,280	5,385
Operating lease rentals	9,878	9,739
Total supplies and services	**67,243**	**74,230**

3.7 Other expenditures

	2018 $000	2017 $000
Advertising	1,238	1,167
Ex-gratia payments (b)	14,611	19,185
Communication	1,491	994
Computer related expenses	3,294	2,541
Doubtful debts expense	2	7
Insurance	560	332
Legal expenses	806	1,240
Other employee related expenses	2,153	2,032
Promotional expenses	34	23
Repairs and maintenance	26,314	37,918
Scholarships	1,564	1,754
Travel related expenses	1,110	646
Workers' compensation insurance (a)	435	285
Freight and cartage	953	809
Special functions	616	367
Other (c)	18,306	11,523
Total other expenditures	**73,487**	**80,823**

Note 3 Use of our funding (continued)

3.7 Other Expenditures (continued)

Contracts for services

Contracts for services mainly consist of payments to external organisations for the purchase of services, including home and community care (HACC), palliative care, patient transport, aged care serices, blood programs, environmental health, communicable disease programs and health promotion.

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Other expenditures:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

(a) Employment on-costs include workers' compensation insurance only. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Under the Private Patient Scheme approved by the State Government, the Department commenced the ex-gratia payments towards patient fee debts in July 2015. The total amounts of ex-gratia payments is $14.611 million for 2017/18 ($0.189 million Child and Adolescent, $1.480 million for East Metropolitan Health Service, $1.433 million for North Metropolitan Health Service, $9.021 million for South Metropolitan Health Service, $2.427 million for WA Country Health Service), with $.061 million yet to be allocated.

(c) Includes $8.474 million compensation payment to Capella Parking Pty Limited and $3.743 million Perth Children's Hospital ICT project expenditure.

Note 4 Our funding sources

How we obtain our funding

This section provides additional information about how the Department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

	Notes	2018 $000	2017 $000
Income from State Government	4.1	5,119,119	5,169,764
User charges and fees	4.2	6,049	6,077
Commonwealth grants and contributions	4.3	2,404,134	2,295,735
Other grants and contributions	4.4	8,175	7,508
Finance income	4.5	1,957	1,749
Other revenue	4.6	13,956	33,912
Gains	4.7	4,267	-

4.1 Income from State Government

	2018 $000	2017 $000
Service appropriation (a)		
Appropriation received to deliver services	4,936,908	5,018,582
Amount authorised by other statutes:		
Salaries and Allowances Act 1975	716	716
Lotteries Commission Act 1990	123,047	120,000
	5,060,671	**5,139,298**

Note 4 Our funding sources (continued)

4.1 Income from State Government (continued)

	2018 $000	2017 $000
Assets (transferred)/assumed (b)		
The following assets have been transferred from/(to) other state government agencies during the period:		
Assets transferred in:		
Cash transfer from North Metropolitan Health Service reagrding the SPA reform program	21	-
Assets transferred out:		
Land (a)	(6,431)	(835)
Buildings	(150)	(15,032)
Total assets (transferred)/assumed	**(6,560)**	**(15,867)**

On 1 July 2016, the Health Ministerial Body (HMB) entered into joint arrangements with each Health Service Provider for the management and control of land and buildings, where ownership is with the HMB, but management and control are with the Health Service Provider. The joint arrangements are reflected in the Memoranda of Understanding (Memoranda) between the HMB and the Health Service Providers. As only the HMB can dispose land and buildings that vest within it (as legal owner), pursuant to s13(2), management and control of the land and buildings outlined in the Memoranda are to be transferred from the Health Service Provider to the HMB, prior to disposal.

(a) Includes transfer of Alma Street land to the Department of Planning, Lands and Heritage (DPLH) $3.4 million, and Selby Street reserve land in Shenton Park to the Department of Education $3.03 million.

Services received free of charge from other State government agencies during the period (c)	2018 $000	2017 $000
Department of Education - accommodation	953	926
Landgate - valuation services and land information	155	318
State Solicitor's Office - legal service	654	1,005
Total services received	**1,762**	**2,249**

Royalties for Regions Fund (d)

Regional Community Services Account (d):	2018 $000	2017 $000
Regional Workers Incentives	7,879	7,974
Royal Flying Doctor Service	2,792	7,898
Pilbara Health Partnership	3,205	3,299
Find Cancer Early Program	382	-
Meet and Greet Service	458	-
Expand the Ear Bus Program	822	-
District Medical Work-2	25,000	-
Fitzroy Kids Health	-	50
Improving Ear, Eye & Oral Health Child Aboriginal	1,422	981
Patient Assisted Travel Scheme	11,008	10,742
Regional Palliative Care	500	1,250
Renal Dialysis Service	1,363	511
Busselton ICT	915	-
Regional (Kalgoorlie Esperance) Telehealth	-	168
Total Regional Community Services Account	**55,746**	**32,874**

Note 4 Our funding sources (continued)

4.1 Income from State Government (continued)

	2018 $000	2017 $000
Regional Infrastructure and Headworks Account (d):		
SIHI Residential Aged & Dementia Care	7,500	11,210
Total Royalties for Regions Fund	63,246	44,084
Total income from State Government	**5,119,119**	**5,169,764**

(a) **Service Appropriations** are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:
• Cash component; and
• A receivable (asset)

The receivable (holding account - note 7.3) comprises the following:

- The budgeted depreciation expense for the year; and
- Any agreed increase in leave liabilities during the year.

As from 1 July 2012, activity based funding and block grant funding have been received from the Commonwealth Government under the National Health Reform Agreement. In previous financial years, the equivalent Commonwealth funding was received in the form of Service Appropriations from the State Treasurer. See note 4.3 'Commonwealth grants and contributions' for further information.

(b) **Transfer of assets**: Discretionary transfers of assets (including grants) and liabilities between State government agencies/departments are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

(c) **Services received free of charge** or for nominal cost are recognised as revenues at the fair value of those services if it can be reliably measured and if they would have been purchased if they were not donated.

(d) T**he Regional Infrastructure and Headworks Account, and, Regional Community Services Accounts** are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the agency gains control on receipt of the funds.

Note 4 Our funding sources (continued)

	2018 $000	2017 $000
4.2 User charges and fees		
User charges and fees	6,049	6,077
Total user charges and fees	**6,049**	**6,077**

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods
Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership are transferred to the purchaser and can be measured reliably.

Provision of services
Revenue is recognised by reference to the stage of completion of the transaction.

Net appropriation determination
The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2017-2018 Budget Statements, the Department retained $451 million in 2018 ($417 million in 2017) from the following:

- Proceeds from fees and charges
- Sale of goods
- Commonwealth specific purpose grants
- Other departmental revenue

Grants, donations, gifts and other non-reciprocal contributions
Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Note 4 Our funding sources (continued)

4.3 Commonwealth grants and contributions

	2018 $000	2017 $000
Cash Grants - Recurrent		
National Health Reform Agreement (NHRA) (a):		
Health Service Providers	1,940,432	1,886,931
Public Health	40,629	39,306
Specific Purpose Grants:		
Home and Community Care	184,147	182,224
Department of Veterans' Affairs	69,238	60,000
Public Health Programs	-	1,774
Aged Care Programs	48,338	33,217
Multi-Purpose Services Sites	29,443	31,655
Public Health Outcome Funding Agreement - Vaccines	3,486	13,573
Other Public Health Programs	-	-
Dental	12,113	6,514
NP Reward Funding	24,343	-
Other programs	15,143	9,331
Non-Cash Contributions		
Vaccine inventories received free of charge	36,822	31,210
Total Commonwealth grants and contributions	**2,404,134**	**2,295,735**

(a) As from 1 July 2012, activity based funding and block grant funding have been received from the Commonwealth Government under the National Health Reform Agreement (NHRA) for services, health teaching, training and research provided by local hospital networks or other organisations, and any other matter that under that Agreement is to be funded through the National Health Funding Pool, the State Managed Fund (Health) Account and the State Managed Fund (Mental Health) Account. The new funding arrangement established under the Agreement requires the Commonwealth to make funding payments to the State Pool Account from which distributions to the local hospital networks are made by the Department of Health and Mental Health Commission. All moneys in the State Pool Account and in the State Managed Fund (Health) Account are fully allocated to local hospital networks in each financial year (refer note 10.8 'Special Purpose financial statements'). Under the National Health Reform Agreement, the Commonwealth Government also provides public health funding to the Department of Health.

4.4 Other grants and contributions

	2018 $000	2017 $000
Department of Education - Health services for students at public schools	8,175	7,508
Total other grants and contributions	**8,175**	**7,508**

4.5 Finance income

	2018 $000	2017 $000
Finance lease income	1,957	1,749
Total finance lease income	**1,957**	**1,749**

4.6 Other revenue

	2018 $000	2017 $000
General public contributions and donations	2,000	2,065
Transfer of Telethon Kids Institute revenue to Ministerial Body	9,828	31,210
Other revenue	2,128	637
Total other revenue	**13,956**	**33,912**

Note 4 Our funding sources (continued)

4.7 Gains

	2018 $000	2017 $000
Net proceeds from disposal of non-current assets		
Property, plant and equipment	4,267	-
Net gain	**4,267**	**-**

The net gain consists mainly of the profit on sale of Woodside Hospital offset by the proceeds from the sale of Calista Avenue, Kwinana property. Both these properties were previously non-current assets held for sale and have been realised in the current financial year.

Note 5 Key assets

Assets the Agency utilises for economic benefit or service potential

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2018 $000	2017 $000
Property, plant and equipment	5.1	121,664	1,131,353
Intangibles	5.2	761	105,822
Total key assets		**122,425**	**1,237,174**

5.1 Infrastructure, property, plant and equipment

	2018 $000	2017 $000
Land		
At fair value (a)	76,124	3,621
Buildings		
At fair value (a) (c)	19,344	6,811
	19,344	6,811
Site infrastructure		
At fair value (b) (c)	888	941
	888	941
Computer equipment		
At cost	225	234
Accumulated depreciation	(169)	(143)
	56	91
Furniture and fittings		
At cost	84	84
Accumulated depreciation	(42)	(33)
	42	51
Other plant and equipment		
At cost	2,532	2,643
Accumulated depreciation	(2,037)	(1,977)
	495	666

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

	2018 $000	2017 $000
Works in progress		
Buildings under construction (at cost)	22,537	1,006,012
Other Work in Progress (at cost)	2,103	113,085
	24,640	1,119,097
Artworks		
At cost	75	75
Total property, plant and equipment	**121,664**	**1,131,353**

Reconciliations

	2018 $000	2017 $000
Land		
Carrying amount at start of period	3,621	12,576
Transfers from/(to) other reporting entities*	89,288	(8,749)
Disposals	(3,032)	-
Revaluation increments / (decrements)	(13,753)	(206)
Carrying amount at end of period	**76,124**	**3,621**
Buildings		
Carrying amount at start of period	6,811	11,341
Transfers from/(to) other reporting entities*	12,542	(5,760)
Revaluation increments/(decrements)	421	1,499
Depreciation	(430)	(269)
Carrying amount at end of period	**19,344**	**6,811**
Site Infrastructure		
Carrying amount at start of period	941	2,352
Transfers from/(to) other reporting entities*	-	(1,356)
Depreciation	(53)	(55)
Carrying amount at end of period	**888**	**941**
Computer Equipment		
Carrying amount at start of period	91	19
Additions	16	142
Transfers from/(to) other reporting entities*	(16)	-
Depreciation	(35)	(70)
Carrying amount at end of period	**56**	**91**
Furniture & fittings		
Carrying amount at start of period	51	60
Depreciation	(9)	(9)
Carrying amount at end of period	**42**	**51**

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

	2018 $000	2017 $000
Other Plant & equipment		
Carrying amount at start of period	666	792
Additions	-	47
Transfers	(12)	(7)
Other disposals	(2)	(20)
Depreciation	(157)	(146)
Carrying amount at end of period	**495**	**666**
Works in progress		
Carrying amount at start of period	1,119,097	-
Additions	59,488	40
Expensed	(23,428)	-
Transfer PCH WIP to CAHS	(1,177,467)	-
Transfers from other asset classes	46,950	1,119,057
Carrying amount at end of period	**24,640**	**1,119,097**
Artworks		
Carrying amount at start of period	75	85
Other disposals	-	(10)
Carrying amount at end of period	**75**	**75**
Total property, plant and equipment		
Carrying amount at start of period	1,131,353	27,226
Additions	59,504	229
Expensed	(23,428)	-
Disposals	(3,034)	(30)
Revaluation increments/(decrements)	(13,332)	1,293
Depreciation	(684)	(549)
Transfers from other asset classes	46,950	-
Transfers from/(to) other reporting entities*	101,802	1,103,185
Transfer PCH WIP to CAHS (refer below)	(1,177,467)	-
Carrying amount at end of period	**121,664**	**1,131,353**

*Consists of other state government agencies, including Health Service Providers and the Department of Planning, Lands and Heritage

Perth Childrens Hospital (PCH) asset transfers to the Children and Adolescent Health Service (CAHS)

	$000
Buildings and Site Infrastructure	911,811
Medical Equipment	84,333
Furniture and Fittings	11,140
Motor Vehicles and Other Plant and Equipment	83,070
ICT Assets	82,181
Art Works	4,932
	1,177,467

The staged opening of Perth Children's Hospital (PCH) took place in May/June 2018. The Director General was responsible for the commissioning and delivery of PCH prior to the opening date of 14 May 2018. From the arrival of the first patient on 14 May PCH was declared as a health service area under CAHS, pursuant to the Health Services Amendment Order 2018.

Note 5 Key Assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

Initial recognition

Items of property, plant equipment and infrastructure, costing $5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant, equipment and infrastructure costing less than $5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land, and
- buildings and
- infrastructure

Land is carried at fair value.

Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

(a) Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: $34,057,600 (2017: $3,619,650). For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

(b) **Site infrastructure** was revalued as at 1 July 2015 by Rider Levett Bucknall WA Pty Ltd (Quantity Surveyor).The valuations were performed during the year ended 30 June 2016 and recognised at 30 June 2016. A revaluation of site infrastructure has not been undertaken in the 2017/18, as no external events have occurred since the last date of valuation, such as changes in market conditions, that would indicate that the fair value of site infrastructure recorded have materially changed. The fair value is determined on the basis of depreciated replacement cost.

Site infrastructure include roads, footpaths, paved areas, at-grade car parks, boundary walls, boundary fencing, boundary gates, covered ways, landscaping and improvements, external stormwater and sewer drainage, external water, gas and electricity supply, and external communication cables.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

(c) During 2016/17 financial year, the Department reviewed the depreciation method of buildings and site infrastruture and changed method from diminishing value with a straight line switch method to straight-line, to bring it in line with other asset classes. It is also the method applied by Landgate Valuation Services to derive their depreciated replacement cost valuation for building assets. The impact of this change is increase in depreciation expense by $149,438 each year from 2017-18 and onwards.

Note 5 Key Assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

Other Work in Progress includes the transfer of Perth Children's Hospital related work in progress to the Ministerial Body.

Revaluation model:
Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions.

In the absence of market-based evidence, fair value of land, buildings and site infrastructure (clinical sites) is determined on the basis of existing use. This normally applies where buildings and site infrastructure are specialised or where land use is restricted. Fair value for existing use buildings and site infrastructure is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

When buildings and site infrastructure are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation reserve.

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 5.1 'Property, plant & equipment'.

5.1.1 Depreciation and impairment

Charge for the period	2018 $000	2017 $000
Depreciation		
Buildings	430	269
Infrastructure	53	55
Computer equipment	35	70
Furniture and fittings	9	9
Other plant and equipment	157	146
Total depreciation	**684**	**549**

As at 30 June 2018 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2018 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Note 5 Key Assets (continued)

5.1.1 Depreciation and impairment (continued)

Finite useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

In order to apply this policy, the following methods are utilised:

Land - not depreciated
Buildings - straight line
Site Infrastructure - straight line
Plant and equipment - straight line

The depreciation method for buildings and site infrastructure was changed to straight line on 1 July 2016. Up to 30 June 2016, building and site infrastructure were depreciated using the diminishing value with a straight line switch method.

Buildings	50 years
Site Infrastructure	50 years
Computer equipment	4 to 5 years
Furniture and fittings	5 to 20 years
Other plant and equipment	2 to 15 years

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

As the agency is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at the end of each reporting period.

Refer to note 5.2.1 Amortisation and Impairment

Refer also to note note 7.2 'Receivables' for impairment of receivables.

Note 5 Key Assets (continued)

5.2 Intangible Assets

	2018 $000	2017 $000
Computer software		
At cost	1,024	640
Accumulated amortisation	(273)	(43)
	751	597
Works in progress (a)	10	105,224
Total intangible assets	**761**	**105,822**

Reconciliations

Computer software	2018 $000	2017 $000
Carrying amount at the start of period	597	-
Additions	385	640
Amortisation expense	(231)	(43)
Carrying amount at the end of period	**751**	**597**
Works in progress		
Carrying amount at the start of period	105,224	-
Additions	-	833
Transfer to other asset class	(47,334)	-
Transfer PCH WIP to CAHS and Health Support Services (refer below)	(57,880)	104,391
Carrying amount at the end of period	**10**	**105,224**
Total intangible assets		
Carrying amount at the start of period	105,821	-
Additions	385	1,473
Amortisation expense	(231)	(43)
Transfer PCH WIP	(57,880)	104,391
Transfer to other asset class	(47,334)	-
Carrying amount at the end of period	**761**	**105,821**

Perth Childrens Hospital asset additions by the Children and Adolescent Health Service and Health Support Services

	$000
Computer software transferred to CAHS	52,400
ITC assets transferred to Health Support Services	5,480
	57,880

Note 5 Key Assets (continued)

5.2 Intangible Assets (continued)

Capitalisation/Expensing of Assets
Acquisitions of intangible assets costing $5,000 or more and internally generated intangible assets costing $50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of

The expected useful live for below class of intangible asset is:

Computer software	5 years

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Sofeware costing less than $5,000 is expensed in the year of acquisition.

5.2.1 Amortisation and impairment

	2018 $000	2017 $000
Amortisation		
Computer Software	231	43
Total amortisation	**231**	**43**

A at 30 June 2018 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the assets value over its estimated useful life.

Note 6 Loss on disposal of non-current assets

	2018 $000	2017 $000
Carrying amount of non-current assets disposed:		
Property, plant and equipment	66	29
Net loss	**66**	**29**

Refer to note 5.1 'Infrastructure, property, plant and equipment'.

Note 7 Other assets and liabilities

This section sets out those assets and liabilities that arose from the Department's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 $000	2017 $000
Inventories	7.1	16,461	16,549
Receivables	7.2	50,126	64,211
Amounts receivable for services	7.3	55,792	55,046
Finance Lease receivable	7.4	8,648	6,692
Other assets	7.5	6,227	6,780
Payables	7.6	63,170	81,020
Other current liabilities	7.7	1,114	6,147

Note 7 Other assets and liabilities (continued)

7.1 Inventories

	2018 $000	2017 $000
Current		
Drug supplies (at cost)	9,794	9,742
State Distribution Centre - supply stores (at cost)	6,667	6,807
Total current inventories	**16,461**	**16,549**

Since the opening of the State Distribution Centre at Jandakot during the 2013/14 financial year, the financial responsibility for the supply inventory stores has been with the Department of Health.

Inventories are measured on a weighted average cost basis at the lower of cost and net realisable value.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

7.2 Receivables

	2018 $000	2017 $000
Current		
Receivables	556	16,739
Allowance for impairment of receivables	(8)	(13)
Accrued revenue	19,189	13,221
	19,737	29,947
GST receivable (a)	30,389	34,264
Total current receivables	**50,126**	**64,211**

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	13	6
Doubtful debts expense	1	7
Amounts written off during the period	(6)	-
Balance at end of period	**8**	**13**

The agency does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(a) Accounting procedure for Goods and Services Tax

Rights to collect amounts receivable from the Australian Taxation Office and responsibilities to make payments for GST have been assigned to the Department of Health. This accounting procedure was a result of application of the grouping provisions of "A New Tax System (Goods and Services Tax) Act 1999" whereby the Department of Health became the Nominated Group Representative (NGR) for the GST Group as from 1 July 2012. The entities in the GST group include the Department of Health, North Metropolitan Health Service, East Metropolitan Health Service, South Metropolitan Health Service, Childrens and Adolescent Health Service, Health Support Services and WA Country Health Service, Mental Health Commission, QE II Medical Centre Trust, and Health and Disability Services Complaints Office.

GST receivables on accrued expenses are recognised by the Health Service. Upon the receipt of tax invoices, GST receivables for the GST group are recorded in the accounts of the Department of Health. Additionally, the Department recognises GST receivables on its own accrued expenses.

Refer to note Note 12.1 Financial Instruments

Note 7 Other assets and liabilities (continued)

7.3 Amounts receivable for services (Holding Account)

	2018 $000	2017 $000
Non-current	55,792	55,046

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The Department receives service appropriation funding from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

7.4 Finance lease receivable

	2018 $000	2017 $000
Non-current	8,648	6,692

Leases of property, plant and equipment, where the lessee has substantially all of the risks and rewards of ownership, are classified as finance leases.

The Department as lessee

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments determined at the inception of the lease. The assets are disclosed as leased property, plant and equipment, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

Leases in which the lessor retains significantly all of the risks and rewards of ownership are classified as operating leases. Operating lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased items.

The Department as lessor

The finance lease asset is recognised as a receivable at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return of the lessor's net investment in the finance lease. The finance lease asset has been prepaid as described below.

To establish the pre-paid lease structure for the multi-deck car park at the Queen Elizabeth II Medical Centre site , the State and the Capella Parking Pty Limited exchanged invoices for equal amounts in January 2014 for the Construction Payment and Rental Prepayment as outlined in the Project Agreement. The pre-paid lease structure is an in-substance finance lease arrangement between the State and Capella, as Capella as the lessee has taken on the majority of risks and rewards of ownership of the multi-deck car park. The Project Agreement has a term of 26 years. The Department of Health, as representative of the State, recognises the accretion of the residual interest in the asset (multi-deck car park) over the term of the arrangement as income to gradually build the value of the asset on the statement of financial position over time.

Note 7 Other assets and liabilities (continued)

7.5 Other assets

	2018 $000	2017 $000
Current		
Prepayments (a)	4,003	3,870
Total current	**4,003**	**3,870**
Non-current		
Prepayments (a)	2,224	2,910
Total non-current	**6,227**	**6,780**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(a) Includes (i) prepayment for palliative care services in 2011/12, to be received over the next ten financial years; and (ii) prepayments to the National Blood Authority under the National Blood Agreement.

7.6 Payables

	2018 $000	2017 $000
Current		
Trade payables	21,521	18,365
Accrued salaries	2,751	1,751
Accrued expenses	38,898	60,904
Total current	**63,170**	**81,020**

Refer to note 12.1 'Financial Instruments'.

Payables are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (refer note 8.1.2 'Restricted cash and cash equivalents') consists of amounts paid annually, from Department appropriations for salaries expense, into a Treasury suspense account to largely meet the additional cash outflow for employee salary payments in reporting period with 27 pays instead of the normal 26. No interest is received on this account.

7.7 Other current liabilities

	2018 $000	2017 $000
Unearned Income	1,114	6,147
	1,114	**6,147**

Note 8 Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Department.

8.1 Cash and cash equivalents

8.1.1 Reconciliation of cash

	Notes	2018 $000	2017 $000
Cash and cash equivalents		261,309	127,968
Restricted cash and cash equivalents	8.1.2	113,817	129,948
Balance at end of period		**375,126**	**257,916**

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

8.1.2 Restricted cash and cash equivalents

	2018 $000	2017 $000
Current		
Commonwealth Specific Purpose Grants (a)	64,444	85,871
Royalties for Regions Fund (b)	27,183	36,042
Telethon - Perth Children's Hospital Research Fund (c)	7,978	7,550
Proceeds from sale of properties	13,245	
	112,850	**129,463**

Note 8 Financing (continued)

8.1.2 Restricted cash and cash equivalents (continued)

	2018 $000	2017 $000
Non-Current		
Accrued Salaries Suspense Account (d)	967	485
	113,817	**129,948**

(a) Funds held for the specific purposes include DVA Hospital Contributions ($21.2 million), Public Health Outcome Funding Agreement (PHOFA) and Vaccines ($3.4 million), Subacute Care ($17.0 million), Emergency Department ($4.8 million), Aged Care programs ($8.2 million), Home Community Care Aged Care ($8.0 million) and other initiatives and programs ($1.8 million).

(b) Unspent funds are committed to projects and programs in WA regional areas.

(c) Funds received from the Channel 7 Telethon Trust, the Department of Health and other donors to fund and promote child and adolescen health research in Western Australia. Refer to note 10.8 'Special purpose financial statements'.

(d) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

8.1.3 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	Notes	2018 $000	2017 $000
Net cost of services		(5,055,865)	(5,142,109)
Non-cash items:			
Depreciation and amortisation expense	**5.1.1 & 5.2.1**	915	591
Doubtful debts expense	**7.2**	1	7
Services received free of charge	**4.1**	1,762	2,249
Net (gain)/loss on disposal of property, plant and equipment	**6**	66	30
Transfer of non-cash funding to Health entities		354,362	377,413
Donation of non-current assets		-	(65)
Adjustments for other non-cash items		15,468	126
(Increase)/decrease in assets:			
Inventories		88	(827)
Receivables		14,086	(23,187)
Finance lease receivable		(1,957)	(1,749)
Other assets		551	6,360
Increase/(decrease) in liabilities:			
Payables		(17,849)	19,375
Employee related provisions		(1,290)	(1,565)
Other liabilities		(5,033)	5,371
Net cash provided by/(used in) operating activities		**(4,694,695)**	**(4,757,980)**

At the end of the reporting period, the Department had fully drawn on all financing facilities, details of which are disclosed in the financial

The mandatory application of AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107 imposed disclosure impacts only. The Model agency is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Note 8 Financing (continued)

8.2 Commitments

The commitments below are inclusive of GST:

	2018 $000	2017 $000

8.2.1 Non-cancellable operating lease commitments

Commitments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	10,106	9,438
Later than 1 year and not later than 5 years	138	9,571
	10,244	**19,009**

The leases are non-cancellable, with rent payable monthly in advance. Operating leases relating to government owned buildings have contingent rental obligations based upon current property valuations. There are no restrictions imposed by these leasing arrangements on other financing transactions. The Department is currently negotiating with the Department of Finance regarding a new 3-5 year lease for 189 Royal St. This may not be completed until early 2019.

8.2.2 Private sector contracts for the provision of health services

Expenditure commitments in relation to private sector organisations contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

Within 1 year	432,837	612,335
Later than 1 year and not later than 5 years	458,883	378,162
	891,720	**990,497**

8.2.3 Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	10,510	-
	10,510	**-**

Capital expenditure commitments relating to the Perth Children's Hospital.

8.2.4 Other expenditure commitments

Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

Within 1 year	11,643	17,718
Later than 1 year and not later than 5 years	5,089	2,068
	16,732	**19,786**

Judgements made by management in applying accounting policies – operating lease commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

Note 8 Financing (continued)

8.3 Services provided free of charge

During the period the following services were provided to other W.A. agencies free of charge for functions outside the normal operations of the Department:

	2018 $000	2017 $000
Contiguous Local Authorities Group	837	819
Department of Education	243	237
Department of Planning & Infrastructure	146	155
Water Corporation	178	190
	1,404	**1,401**

Note 9 Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the agency.

	Note
Financial risk management	**12**
Contingent assets	**9.1.1**
Contingent liabilities	**9.1.2**
Fair value measurements	**9.2**

9.1 Contingent assetes and liabilities

	2018 $000	2017 $000
9.1.1 Contingent assets		
The following contingent assets are excluded from the assets included in the financial statements:		
Interstate charging for patients transferred to hospitals inside of Western Australia	3,777	5,818
9.1.2 Contingent liabilities		
The following contingent liabilities are excluded from the liabilities included in the financial statements:		
Interstate charging for patients transferred to hospitals outside of Western Australia	12,222	8,122

9.2 Fair value measurements

Assets measured at fair value: **2018**	Level 1 $000	Level 2 $000	Level 3 $000	Fair value at end of period $000
Non-current assets classified as held for sale (note 10.10)		215		215
Land (note 5.1)				-
Vacant land		34,058		34,058
Specialised			42,066	42,066
Buildings (note 5.1)				
Vacant Building		890		890
Specialised			18,454	18,454
Site Infrastructure (note 5.1)			888	888
	-	**35,163**	**61,408**	**96,571**

There were no transfers between Levels 1, 2, or 3 during the current period.

Note 9 Risks and Contingencies (continued)

9.2 Fair value measurements (continued)

Assets measured at fair value:	Level 1 $000	Level 2 $000	Level 3 $000	Fair value at end of period $000
2017				
Non-current assets classified as held for sale (note 10.1)	-	12,489	-	12,489
Land (note 5.1)				
Vacant land	-	3,620	1	3,621
Specialised	-	-	-	-
Buildings (note 5.1)				
Specialised	-	-	6,811	6,811
Site Infrastructure (note 5.1)	-	-	941	941
	-	**16,109**	**7,753**	**23,862**

There were no transfers between Levels 1, 2, or 3 during the previous period.

Valuation techniques used to derive level 2 and level 3 fair values

The Department obtains independent valuations of land and buildings from the Western Australian Land Information Authority (Landgate Valuation Services) annually, and independent valuations of site infrastructure from external quantity surveyors. There were no changes in valuation techniques during the period. Two principal valuation techniques are applied to the measurement of fair values:

Market value type assets - level 2 valuations

The Department's vacant land are valued under the market approach. This approach provides an indication of value by comparing the asset with similar properties for which price information is available. Analysis of comparable sales information and market data provides the basis for fair value measurement.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, Landgate Valuation Services considers current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, and adjusts the valuation for differences in property characteristics and market conditions.

For properties with buildings and other improvements, the land value is measured by comparison and analysis of open market transactions on the assumption that the land is in a vacant and marketable condition. The amount determined is deducted from the total property value and the residual amount represents the building value.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Current use type assets - level 3 valuations

Properties of a specialised nature that are rarely sold in an active market or are held to deliver public services are referred to as non-market or current use type assets. These properties do not normally have a feasible alternative use due to restrictions or limitations on their use and disposal. The existing use is their highest and best use.

For current use land assets, fair value is measured firstly by establishing the opportunity cost of public purpose land, which is termed the hypothetical alternate land use value. This approach assumes unencumbered land use based upon potential highest and best alternative use as represented by surrounding land uses and market analysis.

Note 9 Risks and Contingencies (continued)

9.2 Fair value measurements (continued)

Valuation techniques used to derive level 2 and level 3 fair values (continued)

Fair value of the land is then determined on the assumption that the site is rehabilitated to a vacant marketable condition. This requires costs associated with rehabilitation to be deducted from the hypothetical alternate land use value of the land. Costs may include building demolition, clearing, planning approvals and time allowances associated with realising that potential.

In some instances the legal, physical, economic and socio political restrictions on a land results in a minimal or negative current use land value. In this situation the land value adopted is the higher of the calculated amount or the amount determined on the basis of comparison to market corroborated evidence of land with low level utility. Land of low level utility is considered to be grazing land on the urban fringe of the metropolitan area with no economic farming potential or foreseeable development or redevelopment potential at the measurement date.

Current use type assets - level 3 valuations

The Department's community health centres throughout the State and public health buildings located on hospital sites are specialised buildings and site infrastructure valued under the cost approach. This approach uses the depreciated replacement cost method which estimates the current cost of reproduction or replacement of the buildings and site infrastructure, on its current site, less deduction for physical deterioration and relevant forms of obsolescence. Depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

The actual construction cost, with adjustment of the annual movement in building cost index, is an approximation of current replacement cost in the first three years. The building cost index is published by the Department of Finance's Building Management and Works.

The techniques involved in the determination of the current replacement costs include:

a) Review and updating of the 'as-constructed' drawing documentation;

b) Categorisation of the drawings using the Building Utilisation Categories (BUC's) which designate the functional areas typically provided by the following types of clinical facilities. Each BUC has different cost rates which are calculated from the historical construction costs of similar clinical facilities and are adjusted for the year-to-year change in building costs using building cost index.

- Community Health Centres
- Buildings on hospital sites utilised for Public Health

c) Measurement of the general floor areas;

d) Application of the BUC cost rates per square meter of general floor areas;

e) Application of the applicable regional cost indices, which are used throughout the construction industry to estimate the additional costs associated with building construction in locations outside of the Perth area.

The maximum effective age used in the valuation of specialised buildings and site infrastructure is 50 years. The effective age of buildings and infrastructure is initially calculated from the commissioning date, and is reviewed after the building and site infrastructure have undergone substantial renewal, upgrade or expansion.

The straight line method of depreciation is applied to derive the depreciated replacement cost, assuming a uniform pattern of consumption over the initial 37 years of asset life (up to 75% of current replacement costs). All specialised buildings and infrastructure are assumed to have a residual value of 25% of their current replacement costs.

The valuations are prepared on a current use basis until the year in which the current use is discontinued.

Buildings with definite demolition plan are not subject to annual revaluation. The depreciated replacement costs at the last valuation dates for these buildings are written down to the Statement of Comprehensive Income as depreciation expenses over their remaining useful life.

Note 9 Risks and Contingencies (continued)

9.2 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (Level 3)

2018	Land $000	Buildings $000	Site Infrastructure $000
Fair value at start of period	1	6,811	941
Additions	69,365	11,652	
Revaluation increments/(decrements)	(8,968)	421	
Disposals	(3,032)		
Transfers from/(to) other reporting entities	(15,300)	-	
Depreciation Expense		(430)	(53)
Fair value at end of period	**42,066**	**18,454**	**888**

2017	Land $000	Buildings $000	Site Infrastructure $000
Fair value at start of period	8,751	11,341	2,352
Revaluation increments/(decrements)		1,499	
Transfers from/(to) other reporting entities	(8,750)	(5,760)	(1,356)
Depreciation Expense	-	(269)	(55)
Fair value at end of period	**1**	**6,811**	**941**

Valuation processes

The Department manages the valuation processes. These include the provision of property information to quantity surveyor and Landgate Valuation Services and the review of the valuation reports. Valuation processes and results are discussed with the chief finance officer at least

Landgate Valuation Service determines the fair values of the Department's land and buildings, and prior to 1 July 2014, also determined the fair values of site infrastructure. After 1 July 2014, external quantity surveyors determine the fair values of site infrastructure.

Amendments to AASB 136

Mandatory application of AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities has no financial impact for the Department as the Department is classified as not-for-profit and regularly revalues specialised infrastructure, property, plant and equipment assets. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.

Note 10 Other Disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

10.1 Events occurring after the end of the reporting period

On 11 August 2017, the State Government accepted the recommendation of the Chief Health Officer regarding concern over water issues at the Perth Children's Hospital. The Department of Health, the Department of Finance and the Building Commission will develop a plan to implement the recommendation.

The Perth Children's Hospital facility is currently under a two year defects liability period with the Managing Contractor.

10.2 Future impact of Australian Accounting Standards issued not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 '*Application of Australian Accounting Standards and Other Pronouncements'* or by an exemption from TI 1101. (By virtue of a limited exemption, the Department has early adopted AASB 2015-7 *Amendments to Australian Accounting Standard - Fair Value Disclosures of Not-for-Profit Public Sector Entities*.) Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

Title		Operative for reporting periods beginning on/after
AASB 9	*Financial Instruments* This Standard supercedes AASB 139 *Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments. The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2018

Note 10 Other Disclosures

10.2 Future impact of Australian Accounting Standards issued not yet operative (continued)

Title		Operative for reporting periods beginning on/after
AASB 15	*Revenue from Contracts with Customers* This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7. The Department's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.	1 Jan 2019
AASB 16	*Leases* This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Whilst the impact of AASB 16 has not yet been quantified, the entity currently has non-cancellable operating lease commitments for $10.244 million. The Department anticipates most of this amount will be brought onto the Statement of Financial Position.	1 Jan 2019
AASB 1058	*Income of Not-for-Profit Entities* This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit(NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, or a contribution by owners, related to an asset (such as cash or another asset) received by the Department. The Department anticipates that the application will not materially impact appropriations or untied grant revenues.	1 Jan 2019
AASB 1059	*Service Concession Arrangements: Grantors* This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Department has not identified any public private partnerships within scope of the Standard.	1 Jan 2019

Note 10 Other disclosures (continued)

10.2 Future impact of Australian Accounting Standards issued not yet operative (continued)

Title		Operative for reporting periods beginning on/after
AASB 2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]* This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. *The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, theDepartment is only insignificantly impacted by the application of the Standard.*	1 Jan 2018
AASB 2014-1	*Amendments to Australian Accounting Standards* Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Department was not permitted to early adopt AASB 9.	1 Jan 2018
AASB 2014-5	*Amendments to Australian Accounting Standards arising from AASB 15* This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2014-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
AASB 2015-8	*Amendments to Australian Accounting Standards – Effective Date of AASB 15* This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.	1 Jan 2018

Note 10 Other disclosures (continued)

10.2 Future impact of Australian Accounting Standards issued not yet operative (continued)

Title		Operative for reporting periods beginning on/after
AASB 2016-3	*Amendments to Australian Accounting Standards – Clarifications to AASB 15* This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact.	1 Jan 2018
AASB 2016-7	*Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities* This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.	1 Jan 2018
AASB 2016-8	*Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	1 Jan 2019

10.3 Key management personnel

The Department has determined key management personnel to include Ministers and senior officers of the Department. The Department does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Department for the reporting period are presented within the following bands:

Compensation Band ($)	2018	2017
700,001 - 710,000	1	-
660,001 - 670,000	-	1
590,001 - 600,000	-	1
510,001 - 520,000	1	-
460,001 - 470,000	-	1
380,001 - 390,000	1	-
370,001 - 380,000	-	1
360,001 - 370,000	1	-
350,001 - 360,000	-	1
340,001 - 350,000	-	1
310,001 - 320,000	1	-
170,001 - 180,000	1	-
	6	**6**

Note 10 Other disclosures (continued)

10.3 Key management personnel (continued)

	2018 $000	2017 $000
Short-term employee benefits	2,098	2,436
Post-employment benefits	216	269
Other long-term benefits	136	95
Total compensation of senior officers	**2,450**	**2,800**

Total compensation includes the superannuation expense incurred by the Department in respect of senior officers.

10.4 Related Party Transactions

The Departmentis a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the department include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB)

Significant transactions with government related entities

Significant transactions with government related entities include:

- service appropriations from the Department of Treasury (note 4.1)
- services received free of charge from Department of Education, Landgate , and State Solicitor's Office (note 4.1)
- Royalties for Regions Fund (note 4.1)
- assets transferred to other government agencies (note 4.1)
- grants from the Department of Education (note 4.4)
- Grants and subsidies to Health Service Providers (note 3.3)
- superannuation payments to GESB (note 3.1)

Material transactions with other related parties

Remuneration applicable to Key Management Personnel is disclosed under Note 10.3 Key Management Personnel.

The Department had no material related party transactions with Ministers/Senior Officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

10.5 Related bodies

A related body is a body that receives more than half its funding and resources from the Department and is subject to operational control by the Department.

The Department had no related bodies for the reporting period.

Note 10 Other disclosures (continued)

10.6 Affiliated bodies

An affiliated body is a body which receives more than half its funding and resources from the Department but is not subject to operational control by the Department.

The nature of assistance provided in the form of grants and subsidies to all non-government agencies (whether affiliated or not) during the year are outlined below:

	2018 $000	2017 $000
Research and development	19,948	21,749
Public health	5,909	9,766
	25,857	**31,515**

10.7 Other statement of receipts and payments

	2018 $000	2017 $000
Commonwealth Grant - Christmas and Cocos Island		
Balance at the start of period	1	(34)
Receipts		
Commonwealth grant	5,821	2,798
Payments		
Purchase of WA Health Services (a)	(5,921)	(2,763)
Balance at the end of period	**(99)**	**1**

(a) Costs incurred in 2016/17

10.8 Special purpose financial statements

State Pool Account

The purpose of the special purpose account is to hold money paid by the Commonwealth, the State or another State under the National Health Reform Agreement for funding health services.

	2018 $000	2017 $000
Balance at start of period	-	-
Controlled by Department of Health		
Receipts:		
Commonwealth activity based funding for Health Service Providers	1,705,608	1,688,524
Commonwealth activity based funding for Department of Health	42,179	-
Commonwealth block funding for Health Service Providers	192,644	198,407
Commonwealth public health funding for Department of Health	40,629	39,306
State activity based funding from Department of Health	1,743,262	2,058,042
Payments:		
Commonwealth activity based funding to Health Service Providers	(1,705,608)	(1,688,524)
Commonwealth activity based funding to Department of Health	(42,179)	-
Commonwealth block funding to State Managed Fund (Health) Account	(192,644)	(198,407)
Commonwealth public health funding to Department of Health	(40,629)	(39,306)
State activity based funding to Health Service Providers	(1,743,262)	(2,058,042)
Balance at end of period	**-**	**-**

Note 10 Other disclosures (continued)

10.8 Special purpose financial statements (continued)

	2018 $000	2017 $000
Administered by Department of Health		
Receipts:		
Commonwealth activity based funding for Mental Health Commission (MHC)	106,980	89,121
Commonwealth block funding for Mental Health Commission	86,089	73,699
State activity based funding from Mental Health Commission	177,213	161,977
Payments:		
MHC Commonwealth activity based funding to Health Service Providers	(105,462)	(87,735)
MHC Commonwealth activity based funding to non-government organisation (NGO)	(1,518)	(1,386)
Commonwealth block funding to Mental Health Commission	(86,089)	(73,699)
MHC State activity based funding to Health Service Providers	(177,213)	(161,977)
	-	-
Balance at end of period	-	-

State Managed Fund (Health) Account

The purpose of the special purpose account is to hold money received by the Department of Health for the purposes of health funding under the National Health Reform Agreement that is required to be undertaken in the State through a State Managed Fund.

	2018 $000	2017 $000
Balance at the start of period	-	-
Controlled by Department of Health		
Receipts:		
Commonwealth block funding from State Pool Account	192,644	198,407
State block funding from Department of Health	252,969	253,203
Payments:		
Commonwealth block funding to Health Service Providers	(192,644)	(198,407)
State block funding to Health Service Providers	(252,969)	(253,203)
	-	-
Administered by Department of Health		
Receipts:		
Mental Health Commission - Commonwealth block funding	78,933	72,638
Mental Health Commission - State block funding	188,428	175,974
Payments:		
Mental Health Commission - Commonwealth block funding to Health Service Providers	(78,933)	(72,638)
Mental Health Commission - State block funding to Health Service Providers	(188,428)	(175,974)
	-	-
Balance at the end of period	-	-

Note 10 Other disclosures (continued)

10.8 Special purpose financial statements (continued)

Southern Inland Health Initiative Special Purpose Account

The purpose of the special purpose account is to hold capital and recurrent funds for expenditure on approved Southern Inland Health Initiative projects as authorised by the Treasurer and the Minister, pursuant to section 9(1) of the *Royalties for Regions Act 2009* to be charged to the Royalties for Regions Fund and credited to the Account.

	2018 $000	2017 $000
Recurrent		
Balance at the start of period	33,457	103,052
Receipts		
Aged & Dementia Program	7,500	11,210
Payments to WA Country Health Service		
District Medical Workforce Investment	(7,889)	(30,421)
District Hospital Investment Program		(5,392)
Telehealth Investment Program	(4,750)	(4,846)
Aged & Dementia Program	(5,222)	(14,146)
Payments to Metropolitan Health Service		
Southern Inland Health Initiatives - Stream 5	-	-
Payments to Department of Health		
Sliver Chain	-	-
Diabetic Assocation of WA	-	-
District Hospital Investment Program - Stream 2	-	(26,000)
	23,096	33,457
Capital		
Balance at the start of period	23,045	52,735
Receipts		
District Hospital Investment Program - Stream 2	84,809	26,000
Primary Health Centres Demonstration Program - Stream 3	9,899	-
Small Hospital and Nursing Post Refurbishment Program - Stream 4	10,558	-
Payments		
District Hospital Investment Program - Stream 2	(84,809)	(36,740)
Primary Health Centres Demonstration Program - Stream 3	(9,899)	(3,950)
Small Hospital and Nursing Post Refurbishment Program - Stream 4	(33,603)	(15,000)
Telehealth Investment Program		-
	-	23,045
Balance at the end of period	**23,096**	**56,502**

Note 10 Other disclosures (continued)

10.8 Special purpose financial statements (continued)

Telethon - Perth Children's Hospital Research Fund

The purpose of the special purpose account is to receive funds from the Channel 7 Telethon Trust, the Department of Health and other donors to fund and promote child and adolescent health research in Western Australia.

Controlled by Department of Health	2018 $000	2017 $000
Balance at the start of period	7,550	6,400
Receipts	4,145	4,164
Payments	(3,716)	(3,013)
Balance at the end of period	**7,979**	**7,550**

10.9 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current reporting period is as follows:	2018 $000	2017 $000
Auditing the accounts, financial statements, controls, and key performance indicators	354	350

10.10 Non-current assets classified as assets held for sale

	2018 $000	2017 $000
Opening balance	12,489	-
Add: Assets reclassified as held for sale (a)	215	12,645
Less: write-down from cost to fair value less selling costs	(140)	(156)
Less: assets sold	(12,349)	-
Closing balance	215	12,489

(a) In 2017-18, the following listed land and buildings with a fair value of $0.215 million were transferred back to the ministerial body which have the ownership on these assets to sale:

Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

All Crown land holdings are vested in the Department by the Government. The Department of Lands (DOL) is the only agency with the power to sell Crown land. The Department transfers the Crown land and any attaching buildings to DOL when the land becomes available for sale.

10.11 Equity

The Western Australian Government holds the equity interest in the Department on behalf of the community. Equity represents the residual interest in the net assets of the Department. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

Note 10 Other disclosures (continued)

10.11 Equity (continued)

	2018 $000	2017 $000
Contributed equity		
Balance at start of period	1,041,854	(213,341)
Contributions by owners		
Capital appropriation (a)	85,857	121,456
Transfer Princess Margaret Hospital to Ministerial Body	59,450	-
Transfer Perth Childrens' Hospital WIP to Ministerial Body	-	1,125,239
Transfer of assets from other agencies (a)	62,463	12,471
Distributions to owner		
Transfer of assets to other agencies (a) (c)	(1,250,647)	(2,770)
Transfer of deficit to Accumulated Surplus	5,593	
Other	(4,570)	(1,200)
Balance at end of period	**-**	**1,041,854**

(a) Treasurer's Instruction 955 '*Contributions by Owners Made to Wholly Owned Public Sector Entities*' designates capital appropriations as contributions by owners in accordance with AASB Interpretation 1038 '*Contributions by Owners Made to Wholly-Owned Public Sector Entities*'.

(b) AASB 1004 '*Contributions*' requires transfers of net assets as a result of a restructure of administrative arrangements to be accounted for as contributions by owners and distributions to owners.

Under Treasurer's Instruction 955 non-discretionary and non-reciprocal transfers of net assets between state government agencies have been designated as contributions by owners in accordance with AASB Interpretation 1038. Where the transferee agency accounts for a non-discretionary and non-reciprocal transfer of net assets as a contribution by owners, the transferor agency accounts for the transfer as a distribution to owners.

(c) Includes the transfer of Perth Children's Hospital related work in progress to the Ministerial Body.

Asset revaluation reserve		
Balance at start of period	307,783	306,647
Net revaluation increments/(decrements):		
Land	(13,907)	(303)
Buildings	434	1,439
	(13,473)	1,136
Balance at end of period	**294,310**	**307,783**
Accumulated surplus		
Balance at start of period	196,097	168,442
Result for the period	63,254	27,655
Transfer of deficit from Contributed Equity	(5,593)	-
Balance at end of period	**253,758**	**196,097**

10.12 Supplementary financial information

	2018 $000	2017 $000
Write-offs		

During the reporting period, the Department has written off debts and inventory under the authority of:

The Accountable Authority	39	51
	39	**51**

Notes to the Financial Statements

For the year ended 30 June 2018

Note 10.13.1 Explanatory statement (Controlled Operatons)

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown below. Narratives are provided for selected major variances, which are generally greater than:

5% and $25.0 million for the Statement of Comprehensive Income and Cash Flows; and
5% and $25.0 million for the Statement of Financial Position.

Statement of Comprehensive Income Variances	Variance Note	Estimate 2018 $000	Actual 2018 $000	Actual 2017 $000	Variance between estimate and actual $000	Variance between actual results for 2018 and 2017 $000
COST OF SERVICES						
Expenses						
Employee benefits expense		107,874	129,219	116,942	21,345	12,277
Contracts for services		708,458	697,156	676,938	(11,302)	20,218
Supplies and services	1	40,454	67,243	74,230	26,789	(6,987)
Grants and subsidies		6,540,458	6,523,327	6,510,165	(17,131)	13,162
Depreciation and amortisation expense		894	915	591	21	324
Loss on disposal of non-current assets		-	66	29	66	37
Contribution to Capital Works Fund		-	2,990	27,372	2,990	(24,382)
Other expenses		51,728	73,487	80,823	21,759	(7,336)
Total cost of services		**7,449,866**	**7,494,403**	**7,487,090**	**44,537**	**7,312**
INCOME						
Revenue						
User charges and fees		9,056	6,049	6,077	(3,007)	(28)
Commonwealth grants and contributions	2,A	2,284,279	2,404,134	2,295,735	119,855	108,399
Other grants and contributions		-	8,175	7,508	8,175	667
Finance income		-	1,957	1,749	1,957	208
Other revenue	3,B	26,625	13,956	33,912	(12,669)	(19,956)
Total revenue		**2,319,960**	**2,434,271**	**2,344,981**	**114,311**	**89,290**
Gains						
Gain on disposal of non-current assets	C	**-**	4,267	**-**	4,267	4,267
Total income other than income from State Government		**2,319,960**	**2,438,538**	**2,344,981**	**118,578**	**93,557**
NET COST OF SERVICES		**5,129,906**	**5,055,865**	**5,142,109**	**(74,041)**	**(86,244)**
INCOME FROM STATE GOVERNMENT						
Service appropriations		5,041,025	5,060,671	5,139,298	19,646	(78,627)
Assets (transferred)/assumed	4,D	-	(6,560)	(15,867)	(6,560)	9,307
Services received free of charge		-	1,762	2,249	1,762	(487)
Royalties for Regions Fund	5,E	89,886	63,246	44,084	(26,640)	19,162
Total income from State Government		**5,130,911**	**5,119,119**	**5,169,764**	**(11,792)**	**(50,645)**
SURPLUS/(DEFICIT) FOR THE PERIOD		**1,005**	**63,254**	**27,655**	**62,249**	**35,599**
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		0	(13,473)	1,136	(13,473)	(14,609)
Total other comprehensive income		**0**	**(13,473)**	**1,136**	**(13,473)**	**(14,609)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,005**	**49,781**	**28,791**	**48,776**	**20,990**

Notes to the Financial Statements

For the year ended 30 June 2018

Note 10.13.2 Explanatory statement (Controlled Operatons) - (continued)

Statement of Financial Position Variances	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2018 and 2017
	Note	2018	2018	2017		
	$000	$000	$000	$000	$000	$000
ASSETS						
Current Assets						
Cash and cash equivalents		128,973	261,309	127,968	132,336	133,341
Restricted cash and cash equivalents		129,948	112,850	129,463	(17,098)	(16,613)
Inventories		16,880	16,461	16,549	(419)	(88)
Receivables		43,132	50,126	64,211	6,994	(14,085)
Other current assets		3,870	4,003	3,870	133	133
Non-current assets held for sale	6,F	12,489	215	12,489	(12,274)	(12,274)
Total Current Assets		**335,292**	**444,964**	**354,550**	**109,672**	**90,414**
Non-Current Assets						
Restricted cash and cash equivalents		-	967	485	967	482
Amounts receivable for services		55,939	55,792	55,046	(147)	746
Finance lease receivable		6,692	8,648	6,692	1,956	1,956
Infrastructure, property, plant and equipment	7,G	1,392,253	121,664	1,131,353	(1,270,589)	(1,009,689)
Intangible assets	H	-	761	105,822	761	(105,061)
Other non-current assets		2,910	2,224	2,910	(686)	(686)
Total Non-Current Assets		**1,457,794**	**190,056**	**1,302,308**	**(1,267,738)**	**(1,112,252)**
TOTAL ASSETS		**1,793,086**	**635,020**	**1,656,858**	**(1,158,066)**	**(1,021,838)**
LIABILITIES						
Current Liabilities						
Payables		62,080	63,170	81,020	1,090	(17,850)
Employee related provisions		18,935	17,402	18,935	(1,533)	(1,533)
Other current liabilities		908	1,114	6,147	206	(5,033)
Total Current Liabilities		**81,923**	**81,686**	**106,102**	**(237)**	**(24,416)**
Non-Current Liabilities						
Employee related provisions		5,022	5,266	5,022	244	244
Total Non-Current Liabilities		**5,022**	**5,266**	**5,022**	**244**	**244**
TOTAL LIABILITIES		**86,945**	**86,952**	**111,124**	**7**	**(24,172)**
NET ASSETS		**1,706,141**	**548,068**	**1,545,734**	**(1,158,073)**	**(997,666)**
EQUITY						
Contributed equity		1,141,867	(5,593)	1,041,854	(1,147,460)	(1,047,447)
Reserves		307,534	294,310	307,783	(13,224)	(13,474)
Accumulated surplus		256,740	259,351	196,097	2,611	63,254
TOTAL EQUITY		**1,706,141**	**548,068**	**1,545,734**	**(1,158,073)**	**(997,666)**

Notes to the Financial Statements

For the year ended 30 June 2018

Note 10.13.3 Explanatory statement (Controlled Operatons) - (continued)

Statement of Cash Flow Variances	Variance Note	Estimate 2018	Actual 2018	Actual 2017	Variance between estimate and actual	Variance between actual results for 2018 and 2017
		$000	$000	$000	$000	$000	$000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriations		4,662,439	4,705,562	4,743,697	43,123	(38,135)
Capital appropriations		-	85,857	121,456	85,857	(35,599)
Royalties for Regions Fund	8	89,886	63,246	44,084	(26,640)	19,162
Net cash provided by State Government		**4,752,325**	**4,854,665**	**4,909,236**	**102,340**	**(54,571)**
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(107,418)	(129,509)	(119,698)	(22,091)	(9,811)
Supplies and services	9	(40,454)	(801,680)	(773,250)	(761,226)	(28,430)
Grants and subsidies	10	(6,898,921)	(6,168,965)	(6,132,752)	729,956	(36,213)
Contribution to Capital Works Fund		-	(2,990)	(27,372)	(2,990)	24,382
GST payments on purchases	11	(282,117)	(409,830)	(404,911)	(127,713)	(4,919)
Other payments	12	(24,487)	-	-	24,487	-
Receipts						
User charges and fees		9,056	6,044	6,085	(3,012)	(41)
Commonwealth grants and contributions		2,284,279	2,367,312	2,264,526	83,033	102,786
GST receipts on sales		19,435	24,006	26,387	4,571	(2,381)
GST refunds from taxation authority	13	262,682	389,336	375,366	126,654	13,970
Other receipts		26,625	31,581	27,639	4,956	3,942
Net cash provided by (used in) operating activities		**(4,751,320)**	**(4,694,695)**	**(4,757,980)**	**56,625**	**63,285**
CASH FLOWS FROM INVESTING ACTIVITIES						
Payment for purchase of non-current assets	I	-	(38,451)	(91,860)	(38,451)	53,409
Proceeds from sale of non-current assets		-	14,545	-	14,545	14,545
Net cash provided by (used in) investing activities		**-**	**(23,906)**	**(91,860)**	**(23,906)**	**67,954**
Net increase (decrease) in cash and cash equivalents		1,005	136,064	59,396	135,059	76,669
Cash and cash equivalents at the beginning of the period		257,916	257,916	210,773	-	47,143
Cash and cash equivalents held by Children and Adolescent Health Service on behalf of the Health Ministerial Body		-	(18,855)	(12,253)	(18,855)	(6,602)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**258,921**	**375,126**	**257,916**	**116,205**	**117,209**

10.13.4 Explanatory statement

Note	Major Estimate and Actual (2018) Variance Narratives for Controlled Operations	2018 Estimate $000	2018 Actual $000	Variance $000
1	**Supplies and services** The variance is mainly due to actual costs exceeding estimates for drug supplies ($4.9 million), other medical and surgical ($4.3 million), operating lease expenses ($9.8 million) and other additional uncapitalised equipment ($6.8 million).	40,454	67,243	26,789
2	**Commonwealth grants and contributions** The variance is mainly due to $42.6 million increase in National Health Reform Agreement revenue and $78 million increase in Commonwealth revenue, when compared to the estimate.	2,284,279	2,404,134	119,855
3	**Other revenue** The estimate includes $24.3 million National Partnership Payments Revenue which should be included under Commonwealth grants and contributions.	26,625	13,956	(12,669)
4	**Assets (transferred)/assumed** Assets transferred during 2017/18, including Alma street Fremantle ($3.55 million) and Shenton Park land ($3.03 million), were not included in the estimate.	-	(6,560)	(6,560)
5	**Royalties for Regions Fund** The variance is mainly due to a decrease in Royalty for Region funding received when compared to estimates, primarily relating to Southern Inland Health Initiatives (SIHI).	89,886	63,246	(26,640)
6	**Non-current assets held for sale** The variance is mainly due to the sale of Woodside hospital ($8.489 million) and Alma street Fremantle ($3.75 million) during 2017/18, not reflected in the estimate.	12,489	215	(12,274)
7	**Infrastructure, property, plant and equipment** The Perth Children's hospital was commissioned during 2017/18 and control of the capitalised work in progress transferred to the Child and Adolescent Health Service. The estimate did not include the commissioning of the hospital during 2017/18.	1,392,253	121,664	(1,270,589)
8	**Royalties for Regions Fund** The variance is mainly due to a decrease in Royalty for Region funding received when compared to estimates, primarily relating to Southern Inland Health Initiatives (SIHI).	89,886	63,246	(26,640)
9	**Supplies and services** $736.2 million of the estimate allocation for the supplies and services was included in the grants and subsidies estimate and variance of $25.0 million relates to actuals exceeding estimates as noted in 1 above.	(40,454)	(801,680)	(761,226)
10	**Grants and subsidies** $736.2 million of the estimate allocation for the Supplies and Services was included in the Grants and Subsidies estimate.	(6,898,921)	(6,168,965)	729,956
11	**GST payments on purchases** The variance is mainly due to actual costs exceeding estimates, resulting in higher amounts of GST claimed.	(282,117)	(409,830)	(127,713)
12	**Other payments** The estimate includes $11.289 million equipment purchases (non capital), $0.64 million repairs and maintenance, $0.41 million motor vehicle expenses, $0.49 million patient transport and $10.55 million other payments. The actual payments for this category are mapped to Supplies and Services.	(24,487)	-	24,487
13	**GST refunds from taxation authority** The variance is due to actual GST payments on purchases exeeding estimates, resulting in higher GST refunds from the taxation authority.	262,682	389,336	126,654

Note	10.13.4 Explanatory statement (continued) Major Actual (2018) and Comparative (2017) Variance Narratives for Controlled Operations	2018 Actual $000	2017 Actual $000	Variance $000
A	**Commonwealth grants and contributions** The increase is mainly due to increases in Commonwealth NHRA funding of $53.5M, and Commonwealth Programs revenue of $54.8m, when compared to prior financial year.	2,404,134	2,295,735	108,397
B	**Other revenue** The variance is mainly due to a reduction in grants received from the Telethon Kids Institute during 2017/18 when compared to prior year ($9.828 million in 2017/18; $31.21 million in 2016/17).	13,956	33,912	(19,956)
C	**Gain on disposal of non-current assets** The variance is largely due to a gain on disposal of Woodside Hospital in Fremantle during 2017/18.	4,267	0	4,267
D	**Assets (transferred)/assumed** Assets transferred during 2017/18 include Alma street Fremantle ($3.55 million) and Shenton Park land ($3.03 million).	(6,560)	(15,867)	9,307
E	**Royalties for Regions Fund** The variance relates mainly to additional revenue received for District Medical Workforce ($25 million), offset by reduced receipts from Royal Flying doctor ($5.1 million) and Royalties for Regions - SIHI Residential Aged and Dementia Care Investment Program ($3.7 million).	63,246	44,084	19,163
F	**Non-current assets held for sale** The variance is mainly due to the $12.49 million disposal of Alma St Fremantle, Calista Avenue Kwinana, and Woodside Hospital Fremantle properties during 2017/18.	215	12,489	(12,274)
G	**Infrastructure, property, plant and equipment** The variance is due to the commissioning of Perth Children's hospital during 2017/18. Control of the capitalised work in progress transferred from the Health Ministerial Body to the Child and Adolescent Health Service when the hospital was commissioned.	121,664	1,131,353	(1,009,689)
H	**Intangible assets** The variance is due to the commissioning of Perth Children's Hospital ICT assets during 2017/18 with control transferring to Child and Adolescent Health Service and Health Support Services.	761	105,822	(105,060)
I	**Payment for purchase of non-current assets** The decrease predominantly relates to the a reduction in purchases non-current assets relating to the Perth Children's Hospital project in 2017/18 when compared to prior year.	(38,451)	(91,860)	53,409

Note 11 Administered disclosures

This section sets out all of the statutory disclosures regarding the financial performance of the entity.

11.1 Administered assets and liabilities

	2018 $000	2017 $000
Current Assets		
Cash and cash equivalents	169,278	185,609
Receivables	-	-
Total administered current assets	169,278	185,609
Current Liabilities		
Payables	-	-
Total administered current liabilities	-	-

The Department administers the Capital Works Fund for the Asset Investment Program on behalf of State Government which are not controlled by, nor integral to the function of the Department. The administered assets, liabilities, income and expenses are not recognised in the principal statements of the Department but are presented at note 11.1 "Administered assets and liabilities' and note 11.2 'Disclosure of administered income and expenses by service' using the same basis as the financial statements.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 11.2 Disclosure of administered income and expenses by service

	Public Hospital Admitted Patients	Public Hospital Emergency	Public Hospital Non-Admitted	Mental Health Services	Aged and Continuing Care Services	Public and Community Health Services
	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000	2018 $000
COST OF SERVICES						
Expenses						
Funding for Capital Works Fund transferred to:						
Health Service Providers	274,630	44,978	40,994	3,585	21,235	25,345
State Pool Account and State Managed Fund Account administered for Mental Health Commission						
Transfer of activity based funding to Health Service Providers	-	-	-	284,194	-	-
Transfer of block funding to Health Service Providers	-	-	-	274,516	-	-
Total administered expenses	**274,630**	**44,978**	**40,994**	**562,295**	**21,235**	**25,345**
Income						
Administered for Capital Works Fund:						
Capital appropriations	132,777	18,461	17,558	8,210	10,424	12,807
Royalties for Regions Fund	122,129	21,333	19,324	314	8,809	11,419
Commonwealth grants and contributions	-	-	-	-	-	-
Contribution from Department of Health	150	-	-	-	-	-
State Pool Account and State Managed Fund Account administered for Mental Health Commission						
Commonwealth activity based funding for MHC	-	-	-	106,980	-	-
Commonwealth block funding for MHC	-	-	-	86,089	-	-
State activity based funding from MHC	-	-	-	177,213	-	-
State block funding from MHC	-	-	-	188,428	-	-
Total administered income	**255,056**	**39,794**	**36,882**	**567,234**	**19,233**	**24,226**

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 11.2 Disclosure of administered income and expenses by service (continued)

	Community Dental Health Services	Small Rural Hospital Services	Health System Management - Policy and Corporate Services	Health Support Services	Total
	2018	2018	2018	2018	2018
	$000	$000	$000	$000	$000
COST OF SERVICES					
Expenses					
Funding for Capital Works Fund transferred to:					
Health Service Providers	2,890	7,218	9,859	13,534	444,268
State Pool Account and State Managed Fund Account administered for Mental Health Commission					
Transfer of activity based funding to Health Service Providers	-	-	-	-	284,194
Transfer of block funding to Health Service Providers	-	-	-	-	274,516
Total administered expenses	**2,890**	**7,218**	**9,859**	**13,534**	**1,002,978**
Income					
Administered for Capital Works Fund:					
Capital appropriations	1,391	3,637	7,455	17,167	229,887
Royalties for Regions Fund	1,240	3,243	3,620	3,481	194,912
Commonwealth grants and contributions	-	-	-	-	-
Contribution from Department of Health	2,990	-	-	-	3,140
State Pool Account and State Managed Fund Account administered for Mental Health Commission					
Commonwealth activity based funding for MHC	-	-	-	-	106,980
Commonwealth block funding for MHC	-	-	-	-	86,089
State activity based funding from MHC	-	-	-	-	177,213
State block funding from MHC	-	-	-	-	188,428
Total administered income	**5,621**	**6,880**	**11,075**	**20,648**	**986,649**

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 11.2 Disclosure of administered income and expenses by service (continued)

	Public Hospital Admitted Patients	Emergency Department	Public Hospital Non-Admitted Patients	Mental Health	Continuing Care	Home-Based Hospital Programs	Palliative Care
	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000	2017 $000
COST OF SERVICES							
Expenses							
Funding for Capital Works Fund transferred to:							
Health Service Providers	162,541	26,110	26,657	1,193	2,312	140	122
State Pool Account and State Managed Fund Account administered for Mental Health Commission							
Transfer of activity based funding to Health Service Providers	-	-	-	251,098	-	-	-
Transfer of block funding to Health Service Providers	-	-	-	249,673	-	-	-
Total administered expenses	**162,541**	**26,110**	**26,657**	**501,964**	**2,312**	**140**	**122**
Income							
Administered for Capital Works Fund:							
Capital appropriations	102,783	12,652	13,619	715	1,924	92	79
Royalties for Regions Fund	31,930	5,034	4,081	-	-	-	-
Commonwealth grants and contributions	-	-	-	-	-	-	-
Contribution from Department of Health	-	-	-	-	-	-	-
State Pool Account and State Managed Fund Account administered for Mental Health Commission							
Commonwealth activity based funding for MHC	-	-	-	89,121	-	-	-
Commonwealth block funding for MHC	-	-	-	73,699	-	-	-
State activity based funding from MHC	-	-	-	161,977	-	-	-
State block funding from MHC	-	-	-	175,974	-	-	-
Total administered income	**134,713**	**17,686**	**17,700**	**501,486**	**1,924**	**92**	**79**

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year.

Note 11.2 Disclosure of administered income and expenses by service (continued)

	Patient Transport	Prevention, Promotion & Protection	Dental Health	Health System Management Policy and Corporate Services	Health Support Services	TOTAL
	2017	2017	2017	2017	2017	2017
	$000	$000	$000	$000	$000	$000
COST OF SERVICES						
Expenses						
Funding for Capital Works Fund transferred to:						
Health Service Providers	3,308	11,522	2,746	121,734	3,772	362,157
State Pool Account and State Managed Fund Account administered for Mental Health Commission						
Transfer of activity based funding to Health Service Providers	-	-	-	-	-	251,098
Transfer of block funding to Health Service Providers	-	-	-	-	-	249,673
Total administered expenses	**3,308**	**11,522**	**2,746**	**121,734**	**3,772**	**862,928**
Income						
Administered for Capital Works Fund:						
Capital appropriations	2,161	7,251	1,794	105,684	4,464	253,218
Royalties for Regions Fund	-	-	-	-	-	41,045
Contribution from Department of Health	-	-	-	27,370	-	27,370
Contribution from Department of Health	-	-	-	-	-	-
State Pool Account and State Managed Fund Account administered for Mental Health Commission						
Commonwealth activity based funding for MHC	-	-	-	-	-	89,121
Commonwealth block funding for MHC	-	-	-	-	-	73,699
State activity based funding from MHC	-	-	-	-	-	161,977
State block funding from MHC	-	-	-	-	-	175,974
Total administered income	**2,161**	**7,251**	**1,794**	**133,054**	**4,464**	**822,404**

WA Health has introduced a new OBM Framework which came into effect in the 2017/18 financial year.

Note 12 Risks and Contingencies (continued)

12.1 Financial risk management

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, finance leases, receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment, as shown in the table at Note12.1(c) 'Financial instruments disclosures' and Note 7.2 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

All debts are individually reviewed, on a timely basis at 30, 60, 90 and 120 days. In circumstances where a third party is responsible for payment, or there are legal considerations, payment of accounts can be delayed considerably. Unpaid debts are referred to an external debt collection service within six months of the account being raised.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating client ratings. For financial assets that are either past due or impaired, refer to Note 9(c) "Ageing analysis of financial assets"

Liquidity risk

The Department is exposed to liquidity risk through its normal course of business. Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2018	2017
Financial Assets	$000	$000
Cash and cash equivalents	261,309	127,968
Restricted cash and cash equivalents	113,817	129,948
Receivables (a)	84,177	91,685
Total financial assets	459,303	349,601
Financial Liabilities		
Financial liabilities measured at amortised cost	63,170	81,020
Total financial liability	63,170	81,020

(a) The amount of receivables excludes the GST receivable from the ATO (statutory receivable).

(c) **Ageing analysis of financial assets**

			Past due but not impaired				
	Carrying amount	Not past due and not impaired	1 to 3 months	3 months to 1 year	1-5 years	More than 5 years	Impaired financial assets
	$000	$000	$000	$000	$000	$000	$000
2018							
Cash and cash equivalents	261,309	261,309	-	-	-	-	-
Restricted cash and cash equivalents	113,817	113,817	-	-	-	-	-
Receivables (a)	19,737	19,663	71	65	(62)	-	-
Finance lease receivable	8,648	8,648	-	-	-	-	-
Amounts receivable for services	55,792	55,792	-	-	-	-	-
	459,303	**459,229**	**71**	**65**	**(62)**	**-**	**-**
2017							
Cash and cash equivalents	127,968	127,968	-	-	-	-	-
Restricted cash and cash equivalents	129,948	129,948	-	-	-	-	-
Receivables (a)	29,947	29,893	98	86	(131)	-	-
Finance lease receivable	6,692	6,692	-	-	-	-	-
Amounts receivable for services	55,046	55,046	-	-	-	-	-
	349,601	**349,547**	**98**	**86**	**(131)**	**-**	**-**

(a) The amount of receivables excludes the GST receivable from the ATO (statutory receivable).

(d) **Liquidity risk and interest rate exposure**

The following table details the Department's interest rated exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposures and maturity analysis of financial assets and financial liabilities

			Interest rate exposure				Maturity dates			
	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal Amount	Up to 3 months	3 months - 1 year	1-5 years	More than 5 years
	%	$000	$000	$000	$000	$000	$000	$000		$000
2018										
Financial Assets										
Cash and cash equivalents		261,309	-	-	261,309	261,309	261,309	-	-	-
Restricted cash and cash equivalents		113,817	-	-	113,817	113,817	113,817	-	-	-
Receivables (a)		19,737	-	-	19,737	19,737	19,737	-	-	-
Finance lease receivable		8,648	-	-	8,648	8,648	-		-	8,648
Amounts receivable for services		55,792	-	-	55,792	55,792	-	-	-	55,792
		459,303	**-**	**-**	**459,303**	**459,303**	**394,863**	**-**	**-**	**64,440**
Financial Liabilities										
Payables		63,170	-	-	63,170	63,170	63,170	-	-	-
		63,170	**-**	**-**	**63,170**	**63,170**	**63,170**	**-**	**-**	**-**
2017										
Financial Assets										
Cash and cash equivalents		127,968	-	-	127,968	127,968	127,968	-	-	-
Restricted cash and cash equivalents		129,948	-	-	129,948	129,948	129,948	-	-	-
Receivables (a)		29,947	-	-	29,947	29,947	29,947	-	-	-
Finance lease receivable		6,692			6,692	6,692	-		-	6,692
Amounts receivable for services		55,046	-	-	55,046	55,046	-	-	-	55,046
		349,601	**-**	**-**	**349,601**	**349,601**	**287,863**	**-**	**-**	**61,738**
Financial Liabilities										
Payables		81,020	-	-	81,020	81,020	81,020	-	-	-
		81,020	**-**	**-**	**81,020**	**81,020**	**81,020**	**-**	**-**	**-**

(a) The amount of receivables excludes the GST receivable from the ATO (statutory receivable).

(e) **Interest rate sensitivity analysis**

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
2018	Carrying Amount $000	Surplus $000	Equity $000	Surplus $000	Equity $000
Financial Assets					
Cash and cash equivalents	261,309	(2,613)	(2,613)	2,613	2,613
Restricted cash and cash equivalents	113,817	(1,138)	(1,138)	1,138	1,138
Receivables	19,737	(197)	(197)	197	197
Finance lease receivable	8,648	(86)	(86)	86	86
Total increase / (decrease)		**(4,035)**	**(4,035)**	**4,035**	**4,035**

		-100 basis points		+100 basis points	
2017	Carrying Amount $000	Surplus $000	Equity $000	Surplus $000	Equity $000
Financial Assets					
Cash and cash equivalents	127,968	(1,280)	(1,280)	1,280	1,280
Restricted cash and cash equivalents	129,948	(1,299)	(1,299)	1,299	1,299
Receivables	29,947	(299)	(299)	299	299
Finance lease receivable	6,692	(67)	(67)	67	67
Total increase / (decrease)		**(2,946)**	**(2,946)**	**2,946**	**2,946**

Certification of key performance indicators

DEPARTMENT OF HEALTH

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2018

I hereby certify the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Health's performance and fairly represent the performance of the Department for the financial year ended 30 June 2018.

Dr David Russell-Weisz
DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

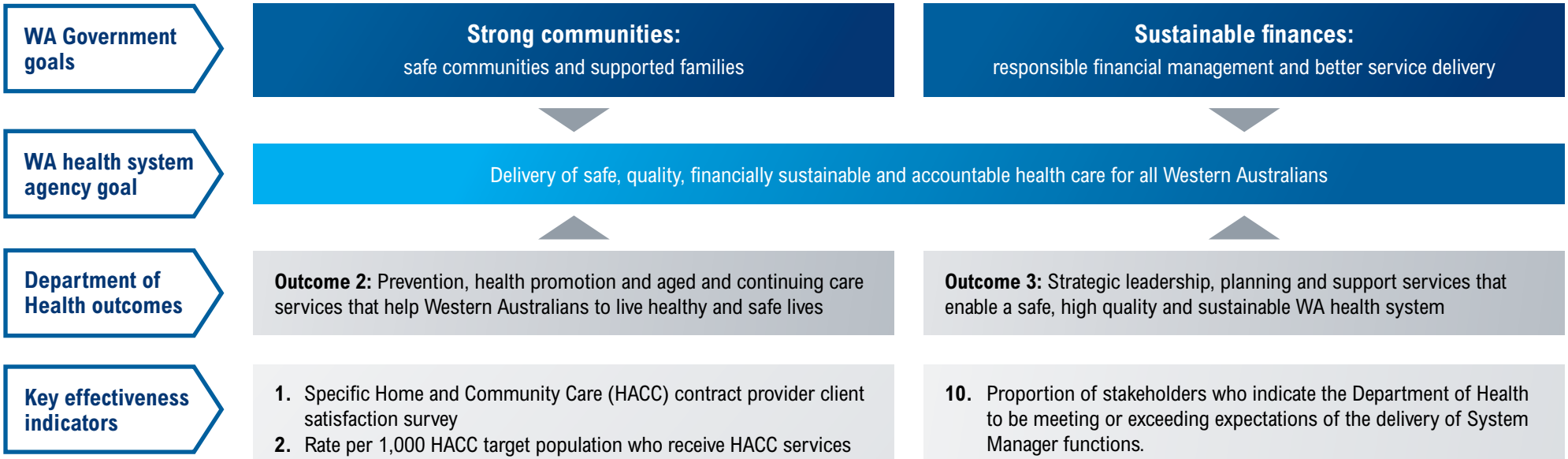
14 September 2018

Key performance indicators

Key effectiveness indicators

The 2017–18 Department of Health effectiveness key performance indicators aligned to State government goals are demonstrated in Figure 9.

Figure 9: 2017–18 effectiveness key performance indicators aligned to the State Government goals



Specific Home and Community Care contract provider client satisfaction survey

Outcome 2
Effectiveness KPI

Rationale

The Home and Community Care Program aims to provide basic support services to older people, people with a disability, and their carers to assist them to continue living at home and be more independent in the community. The program aims to reduce the use of residential and acute care, reduce the risk of premature or inappropriate long-term residential care, improve functioning and support independence in the community, support carers, and enhance the quality of life for these Western Australians in need.

To drive the continuous improvement of the Home and Community Care Program, the *Home and Community Care Client Quality of Life Survey* has been developed. This survey obtains feedback from clients about the effectiveness of the program in supporting them to remain living independently in the community.

Through measuring client satisfaction on the Home and Community Care Program's success of supporting clients to be independent and in improving their quality of life, areas of improvement can be identified. This enables improvements in service planning and the development of targeted strategies and interventions that focus on improving the program's effectiveness and ensuring the provision of the most appropriate care to those in need. This enhances the wellbeing and quality of life for Western Australians in need.

Target

The target for 2017–18 is:

a) 85 per cent of home and community care clients believe home and community care helps them to be independent.

b) 85 per cent of home and community care clients believe home and community care improves their quality of life.

Results

In 2017–18, 1,047 Home and Community Care clients were involved in the Home and Community Care Program, Quality of Life Client Survey. This equates to a participation rate of 82.8 per cent.

Of all survey respondents 91 per cent believed the Home and Community Care Program helped them to be independent, while 94 per cent stated it improved their quality of life (see Table 7). The proportion of clients who believed that they were more independent as a result of the program, was the highest since 2014–15, and well above the target of 85 per cent.

Table 7: Home and Community Care Program, Quality of Life Client Survey results, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18	Target
Percentage of clients that believe the Home and Community Care program helps them to be independent	89.0%	82.9%	80.8%	82%	91%	85%
Percentage of clients that believe the Home and Community Care program improves their quality of life	93.9%	92.0%	86.1%	94%	94%	85%

Notes:

1. Results include care recipients (people receiving HACC support, including Aboriginal and Torres Strait Islanders and Culturally and Linguistically Diverse clients) and carers (defined as receiving respite care or carer counselling) who receive carer-specific HACC support.
2. Results exclude clients who chose not to answer that particular question, or who felt the service/s they received from the Home and Community Care Program were not applicable to the question.
3. The survey sampling error at a confidence interval of 95 per cent for key performance indicator (a) [89.7, 93.1] and (b) [92.8, 95.6].

Data source: Home and Community Care Program Quality of Life Client Survey, The University of Western Australia Aged Care Research and Evaluation Unit.

Rate per 1,000 Home and Community Care target population who receive Home and Community Care services

Outcome 2
Effectiveness KPI

Rationale

The Home and Community Care Program is a joint Commonwealth, State and Territory initiative under the *Home and Community Care Act 1985*, aimed at providing basic support services to older people, people with a disability, and their carers to assist them to continue living at home and be more independent in the community. The program aims to reduce the use of residential and acute care, reduce the risk of premature or inappropriate long-term residential care, improve functioning and support independence in the community, support carers and enhance the quality of life for those Western Australians in need.

The reach and effectiveness of the Home and Community Care Program can be determined through monitoring the number of people in the target population who have received home and community care services. This, in turn, can support the development of targeted strategies that aim to ensure that the people with the greatest need have access to the services they require and are provided with the care they need in the most appropriate setting.

Target

For 2017–18, the target is 351 per 1,000 Home and Community Care target population.

Results

In 2017–18, the rate per 1,000 target population receiving Home and Community Care services was 341, below the target of 351 (see Table 8).

Table 8: Rate per 1,000 Home and Community Care target population receiving Home and Community Care (HACC) services, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
HACC target population (per 1,000)	362	370	349	353	**341**
Target (per 1,000)	347	343	350	350	**351**

Note: The calculation of this indicator is based on:

a. estimates derived from ABS population projections applied to the ABS Survey of Disability, Ageing and Carers (SDAC) rates.

b. estimated proportion of people living in the community who have a profound, severe or moderate disability.

Data sources: Home and Community Care Minimum Data Set, Australian Government Department of Health.

Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program

Outcome 2
Effectiveness KPI

Rationale

The Transition Care Program is a joint Federal, State and Territory initiative that aims to optimise the functioning and independence of older people after a hospital stay and enable them to return home rather than prematurely enter residential care. Transition Care Program services take place in either a residential or a community setting, including in a client's home. A number of care options are available, designed to be flexible in helping meet each person's needs. Services may include:

- case management, including establishing community support and services and, where required, identifying residential care options
- medical services provided by a General Practitioner
- low intensity therapy such as physiotherapy and occupational therapy
- emotional support and future care planning via a social worker
- nursing support
- personal care
- domestic help
- other therapies as required.

This indicator measures the effectiveness of the Transition Care Program through measuring functional ability improvements in clients utilising the program. Monitoring the success of this indicator can enable improvements in service planning and the development of targeted strategies and interventions that focus on improving the program's effectiveness, and ensuring the provision of the most appropriate care to those in need. This enhances the health and wellbeing of older Western Australians.

Target

The 2017–18 target for the percentage of clients maintaining or improving functional ability is 65 per cent or above.

A greater percentage of transition care clients with stable or improved functional ability than the target would indicate good performance.

Results

In 2017–18, the percentage of clients maintaining or improving functional ability was 74 per cent (see Table 9).

In 2017–18, to reduce the number of patients waiting in WA metropolitan hospitals for transfer to aged care services, an additional 60 Transition Care Program places were procured by the Department of Health.

Table 9: Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Clients maintaining or improving functional ability	68%	69%	70%	73%	**74%**
Target	≥65%	≥65%	≥65%	≥65%	**≥65%**

Note: In 2016–17, the process for the collection and collation of client information was enhanced to enable more comprehensive and accurate reporting of client functional ability improvements.

Data sources: Unpublished data – Department of Health.

Percentage of people accessing community-based palliative care to assist them to die at home

Outcome 2
Effectiveness KPI

Rationale

The preferred choice of the majority of Australians to die in their home and not in a hospital has been well documented, however while 60–70 per cent of people want to die at home, only about 14 per cent do so.[2] In addition to potential distress for patients and families, acute hospital admissions in some patients' final days of life may create avoidable pressures on the hospital system. This is likely to become an increasingly significant issue as the population ages and as an increasing proportion of people live with chronic diseases.

The WA health system contracts specialist community-based palliative care services in the metropolitan area. This indicator aims to measure the effectiveness of these services in allowing patients to die in the comfort of their home.

Target

The 2017–18 target for the percentage of people accessing community based palliative care to assist them to die at home is 68 per cent or above.

Results

In 2017–18, 78 per cent of people in the metropolitan area accessed community palliative care services to enable them to die at home (see Table 10).

Table 10: Percentage of people accessing community-based palliative care to assist them to die at home, 2017–18

	2017–18	Target
Percentage of people accessing community-based palliative care	**78%**	**≥68%**

Notes:

1. Specialist community-based palliative care refers to palliative care that is provided by a multidisciplinary team within a private residence (i.e. 'in-home' care), but not a residential care facility.
2. The calculation of this indicator is based on:
   a. People living in the Perth metropolitan area who have an active, progressive and advanced disease, who require access to specialist palliative care services
   b. Access to the service requires a medical opinion that the patient requires palliative care.
3. While there are some services providing community-based palliative care outside of the metropolitan area, activity data is not available within the Non Admitted Patient Activity and Wait List Data Collection system.
4. In 2017–18, this KPI was new to the suite of Department of Health key performance indicators.

Data source: Non Admitted Patient Activity and Wait List Data Collection, Purchasing and System Performance Division Department of Health.

2 http://palliativecare.org.au/wp-content/uploads/dlm_uploads/2014/05/140520-NPCW-Media-Release-Consumer-Media-FINAL.pdf

Loss of life from premature death due to identifiable causes of preventable disease or injury: (a) Lung cancer; (b) Ischaemic heart disease; (c) Falls; (d) Melanoma; (e) Breast cancer

Outcome 2
Effectiveness KPI

Rationale

This indicator measures the potential years of life lost for the most common causes of premature deaths, which is one of the most important means of monitoring and evaluating the effectiveness, quality and productivity of health systems. The WA health system aims to reduce the loss of life from preventable disease or injury, through the application of existing public health or medical interventions.

The potential years of life lost from premature death are measured for lung cancer, ischaemic heart disease, falls, melanoma, and breast cancer. These conditions contribute significantly to the burden of disease and injury within the community and are considered *National Health Priority Areas*.

The data obtained from this indicator assists health system managers to best determine effective and quality targeted promotion and prevention initiatives, which in turn aids in reducing the loss of life from these preventable conditions.

Target

The 2016 target per preventable condition is based on the 2013 National Person Years of Life Lost per 1,000 population:

Preventable condition	Target (in years)
(a) Lung cancer	1.8
(b) Breast Cancer	2.2
(c) Ischaemic heart disease	2.5
(d) Falls	0.2
(e) Melanoma	0.5

Improved or maintained performance will be demonstrated by a result below or equal to the target.

Results

In 2017–18, the result for potential years of life lost due to lung cancer was 1.5, ischaemic heart disease 2.2, melanoma 0.3 and breast cancer 1.9; all below set targets. The years of life lost from premature death due to falls was 0.3, slightly above the target of 0.2 (see Table 11).

Table 11: Person years of life lost due to premature death associated with preventable conditions, 2007–2016

Condition	Calendar years										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Target
Lung cancer	2.1	1.8	2.1	1.7	1.8	1.8	1.5	1.7	1.8	**1.5**	**1.8**
Breast Cancer	2.6	2.9	2.5	2.1	2.3	2.1	2.3	1.7	2.0	**1.9**	**2.2**
Ischaemic heart disease	3.6	3.3	3.3	3.0	3.0	2.5	2.6	2.7	2.6	**2.2**	**2.5**
Falls	0.4	0.5	0.5	0.3	0.3	0.4	0.4	0.2	0.5	**0.3**	**0.2**
Melanoma	0.6	0.5	0.7	0.5	0.5	0.7	0.4	0.3	0.5	**0.3**	**0.5**

Notes:

1. Age-standardised Person Years of Life Lost per 1,000 population.
2. 2007–2014 deaths are final, 2015 deaths are revised and 2016 deaths are preliminary.
3. The following ICD 10 Codes were used:
   - Lung cancer C33 to C34.9
   - Ischaemic Heart Disease I20 to I25.9
   - Falls W00. to W19.9 or X59. to X59.9 (with any multiple cause codes of: S02. to S02.9 or S12. to S12.9 or S22. to S22.9 or S32 to S32.9 or S42. to S42.9 or S52. to S52.9 or S62. to S62.9 or S72. to S72.9 or S82. to S82.9 or S92. to S92.9 or T02. to T02.9 or T08. to T08.9 or T10. to T10.9 or T12. to T12.9 or T14.2)
   - Melanoma C43 to C43.9
   - Breast cancer (C50.0 – C50.9) (females only).
4. Minor methodological improvements and updates to death data mean that figures are not directly comparable with previous reports
5. The target for this reporting year was not approved and therefore is not included as the comparative to actual. To provide a comparative reference the targets for the 2017–18 reporting period are based on 2016–17 approved targets for each condition.

Data sources: Mortality database; Australia Bureau of Statistics estimated resident population, Epidemiology Branch Department of Health.

Percentage of fully immunised children: (a) 12 months; (b) 2 years; (c) 5 years

Outcome 2
Effectiveness KPI

Rationale

In accordance with the *National Partnership Agreement on Essential Vaccines*, the WA health system aims to minimise the incidence of major vaccine preventable diseases in Australia by achieving or sustaining high levels of immunisation coverage across WA, with equity of access to vaccines and immunisation services. Immunisation is a simple, safe and effective way of protecting people against harmful diseases before they come into contact with them in the community. Immunisation not only protects individuals, but also others in the community, by reducing the spread of disease. Without access to immunisation, the consequences of any illness or disability are likely to be more disabling and more likely to contribute to a premature death.

This indicator measures the percentage of fully immunised children that have received age appropriate immunisations in order to facilitate the effectiveness of health promotion strategies that aim to reduce the overall incidence of potentially serious disease.

Target

The target for children fully immunised at 12 months, two years, and five years of age has been set at 95 per cent or above. This is based on the National aspirational immunisation coverage target of 95 per cent.[3]

The National aspirational immunisation coverage target prior to 2017 was ≥90%.

Results

The proportion of Western Australian children at 12 months of age who were immunised in 2017 did not meet the target of 95 per cent (see Table 12). The rates of immunisation of Aboriginal children at this age were below that of non-Aboriginal children particularly in the Metropolitan area.

The percentage of children immunised at two years of age residing in metropolitan and country areas were below the 95 per cent target threshold. Since 2017, immunisation rates of Aboriginal children in the metropolitan area remained static, while rates among Aboriginal children living in the country had decreased.

Overdue vaccinations and ease of access to services continues to be a challenge in ensuring high immunisation coverage rates among children at 12 months and two years.

The percentage of Aboriginal children aged five who were immunised in 2017 exceeded the target of 95 per cent. However, non-Aboriginal rates of immunisation among this age group were below the target.

The Department of Health continues to focus on improving the timeliness of vaccination of children in rural and remote areas, and among children at 12 months and two years.

To provide flexible immunisation service provision to meet the needs of the community the new Perth Children's Hospital offers patients and families the opportunity to have their scheduled immunisation needs met through a dedicated five day a week, drop in, nurse-led centre.

To support Aboriginal children in the metropolitan area who are overdue for their 12-month vaccinations, a dedicated Aboriginal Health Officer is available to families to assist in organising appointments and transport to enable them to access vaccination services.

Vaccination providers in rural areas are following up children overdue with their vaccinations by reminding carers via different communication mechanisms.

3 The national aspirational immunisation coverage target has been set at 95%. Available from: https://beta.health.gov.au/topics/immunisation/childhood-immunisation-coverage and http://www.federalfinancialrelations.gov.au/content/npa/health/national-partnership/essential_vaccines_2017-1.pdf

Table 12: Percentage of children fully immunised, by selected age cohort, by Aboriginality, 2013–2017

Children fully immunised		2013	2014	2015	2016	2017	Target
12 months (%)							
State	Aboriginal	82.5	84.0	83.4	88.0	**87.7**	≥95%
	Non-Aboriginal	90.3	91.5	92.6	93.2	**93.9**	
Metropolitan	Aboriginal	75.7	76.6	77.6	83.7	**84.4**	
	Non-Aboriginal	90.2	91.3	92.4	93.1	**93.9**	
Country	Aboriginal	87.0	88.8	87.4	91.1	**90.3**	
	Non-Aboriginal	91.1	92.4	93.6	93.7	**94.0**	
2 years (%)							
State	Aboriginal	90.4	85.7	83.2	83.8	**82.6**	≥95%
	Non-Aboriginal	90.7	89.0	88.4	90.5	**89.5**	
Metropolitan	Aboriginal	85.7	80.7	77.8	80.7	**81.0**	
	Non-Aboriginal	90.2	88.6	88.0	90.1	**89.3**	
Country	Aboriginal	93.6	89.2	87.0	86.0	**83.8**	
	Non-Aboriginal	92.9	90.8	90.1	92.2	**90.7**	
5 years (%)							
State	Aboriginal	90.3	92.3	92.0	94.1	**95.9**	≥95%
	Non-Aboriginal	89.6	90.4	91.0	91.3	**92.3**	
Metropolitan	Aboriginal	84.6	87.7	88.2	91.3	**95.1**	
	Non-Aboriginal	89.0	90.1	90.7	90.8	**92.0**	
Country	Aboriginal	94.1	95.2	94.6	95.9	**96.5**	
	Non-Aboriginal	91.6	91.8	92.5	93.7	**93.4**	

Notes:

1. Data is based on children aged 12 ≤ 15 months, 24 ≤ 27 months and 60 ≤ 63 months between 1 January 2017 – 31 December 2017.
2. 'Fully immunised' for children aged 4 years and under includes immunisation for hepatitis B, diphtheria, tetanus, pertussis, pneumococcus, haemophilius influenzae type B, poliomyelitis, measles, mumps, rubella, varicella (chicken pox) meningococcal C and rotavirus.
3. The definition of fully immunised for measuring coverage rates was expanded to include the 18 month DTPa (Acellular pertussis vaccine) dose for children 24 ≤ 27 months in 2017.
4. National data for immunisation coverage for all children per age cohort can be accessed at: Immunisation coverage rates for all children.

Data source: Australian Immunisation Register, Communicable Disease Control Public and Aboriginal Health Division Department of Health

Percentage of Western Australian Year 8 students that complete their HPV vaccination series

Outcome 2
Effectiveness KPI

Rationale

This indicator measures uptake of the human papilloma virus (HPV) vaccination, which is the approved public health intervention for reducing the risk of developing HPV-associated cancer and disease. The combination of HPV vaccination and cervical screening can provide the greatest protection against cervical cancer. It is important that as many people as possible get vaccinated. Not only does vaccination protect vaccinated individuals against infection by the HPV types targeted by the respective vaccine, but also vaccination of a significant proportion of the population can reduce the prevalence of the vaccine-targeted HPV types in the population, thereby providing some protection for individuals who are not vaccinated (a phenomenon called herd immunity).

Vaccinating against HPV provides highly effective protection against the development of HPV-related cancers and disease. HPV vaccination influences cancer control, sexual health and is indicative of other vaccine compliance. The best time to be vaccinated is before a person becomes sexually active. A three dose schedule provides optimal protection.

The HPV vaccine is provided free in schools to all males and females in Year 8 under the Western Australian School Based Immunisation Program.

Target

The target for 2017 for WA female and male school students enrolled in Year 8 who have completed the three dose HPV vaccination series, is 80 per cent or above.

An above target result of this indicator would reflect positive performance.

Results

In 2017–18, 74 per cent of male and 74 per cent of female Year 8 school students completed the three dose HPV vaccination series, slightly below the target of 80 per cent (see Table 13). School students in the metropolitan area (75%) were more likely to have received the three dose vaccine than their country counterparts (69%). While vaccination rates are favourable improvements can be made to address participation rates associated with school absenteeism and parental consent processes.

A key strategy to improve overall HPV vaccine series completion rates is to introduce HPV vaccinations in Year 7. Absenteeism of school students is lower in the Year 7 cohort in comparison to students in Year 8 and above.

To improve uptake of HPV vaccination in school students in the country, vaccination providers are making a concerted effort to contact carers by phone, SMS and written correspondence to encourage participation.

Table 13: Percentage of WA school students enrolled in Year 8 that completed their HPV vaccination series, by gender, 2017

Year 8 school students who completed the three dose HPV vaccination series	2017	Target
Female	**74%**	**≥80.0%**
Male	**74%**	**≥80.0%**

Notes:

1. Results are based on enrolled Year 8 students registered in the WA School-based Immunisation Program database.
2. Year 8 students registered in the WA School-based Immunisation Program database are based on enrolled school student information provided by the WA Department of Education and WA Catholic and Independent schools.
3. There is no national target for this indicator. The target value of 80% represents a 94% completion rate among WA Year 8 students who have consented to receive the vaccine.

Data source: WA School-based Immunisation Program database, Communicable Disease Control Public and Aboriginal Health Division Department of Health.

Response times for emergency road-based ambulance services (Percentage of Priority 1 calls attended to within 15 minutes in the metropolitan area)

Outcome 2
Effectiveness KPI

Rationale

To ensure Western Australians receive the care and medical transport services they need, when they need it, the Department of Health has entered into a contractual relationship with a contracted service provider to deliver emergency road-based patient transport services in the Perth metropolitan area. This collaboration ensures that patients have access to an effective and rapid response emergency road-based service to ensure the best possible health outcome for patients requiring urgent medical treatment.

Response times for emergency patient transport services have a direct impact on the speed with which a patient receives appropriate medical care and provide a good indication of the effectiveness of road-based patient transport services delivered to the WA public. It is understood that adverse effects on patients and the community are reduced if response times are decreased.

This indicator measures the response of patient transport services provided within the metropolitan areas of WA to patients with the highest need (Priority 1) of urgent medical treatment. Through surveillance of this measure over time, the effectiveness of emergency road-based patient transport services can be determined. This facilitates further development of targeted strategies and improvements to operational management practices aimed at ensuring optimal restoration to health for patients in need of urgent medical care.

Target

The target for 2017–18 is 90% or above of Priority 1 calls attended to within 15 minutes in the metropolitan area by the contracted service provider.

The target is as specified in the WA health system Service Agreement with the contractor.

Results

In 2017–18, 94 per cent of priority 1 calls in the metropolitan area were attended to within 15 minutes, above the target of 90 per cent (see Table 14).

Table 14: Percentage of Priority 1 calls attended to within 15 minutes in the metropolitan area by the contracted service provider, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18	Target
Percentage of Priority 1 calls attended within 15 minutes	93.2%	92.6%	93.0%	93.0%	**94.1%**	**≥90.0%**

Notes:

1. This indicator was previously reported as 'Response times for patient transport services' which informed on the:
   a) Percentage of Priority 1 calls attended to within 15 minutes in the metropolitan area by St John Ambulance WA (SJA-WA)
   b) Percentage of Royal Flying Doctor Service (Western Operations) inter-hospital transfers meeting the statewide contract target response time for Priority 1 calls.
2. While results for the Royal Flying Doctor Service are no longer reported the 2017–18 results remain comparable with prior year reporting of response times for patient transport provided by SJA-WA.

Data source: Unpublished data – Department of Health.

Eligible patients on the oral waiting list who have received treatment during the year

Outcome 2
Effectiveness KPI

Rationale

Oral health, including dental health, is fundamental to overall health, wellbeing and quality of life with poor oral health likely to exist when general health is poor and vice versa. This makes access to timely oral treatment services critical in reducing the burden of oral disease on individuals and communities, as it can enable early detection and diagnosis with the use of preventative interventions rather than extensive restorative or emergency treatments.

To facilitate the equity of access to dental health care for all Western Australians, specialised oral treatment services are provided through State Government subsidised dental care for Health Care card holders and general dental care to eligible patients within their local catchment area by the Oral Health Centre of Western Australia.

Costly treatment and high demand on public dental health services emphasises the need for a focus on prevention and health promotion.

This indicator measures the access to specialised oral treatment services by monitoring the number of all eligible patients on the oral waiting list who have received treatment during the year. Through monitoring specialised oral treatment services received by eligible patients, the areas of greatest need can be identified, which can aid in facilitating the development of more effective targeted programs to ensure improved oral care for Western Australians.

Target

The 2017–18 target by dental speciality:

Dental speciality	Number eligible patients
General practice	1,550
Oral Surgery	940
Orthodontics	2,080
Paedodontics	820
Periodontics	500
Other	760
Total	**6,650**

Results

In 2017–18, the number of eligible patients receiving treatment through the Oral Health Centre of Western Australia was 5,658. This is below the target of 6,650 and is associated with the demand for orthodontics, paedodontics and periodontics remaining above staff capacity (see Table 15).

However, in 2017–18 there was an increase in student and speciality staff availability in the area of general practice, and a higher surgical throughput of patients seen in hospital. This has resulted in the number of eligible patients receiving treatment being above the set targets for general practice and the specialties Oral Surgery and Other.

Table 15: Number of eligible patients on the Oral Health Centre of Western Australia dental waiting list who have received treatment in the financial year, 2014–15 to 2017–18

Dental speciality	Year				
	2014–15	2015–16	2016–17	2017–18	Target
General practice	1,179	639	1,465	**1,817**	**1,550**
Oral Surgery	762	1,206	913	**1,102**	**940**
Orthodontics	1,034	1,248	1,141	**864**	**2,080**
Paedodontics	385	349	450	**591**	**820**
Periodontics	334	575	613	**145**	**500**
Other[1]	2,169	3,637	2,355	**1,139**	**760**
Total	5,863	7,654	6,937	**5,658**	**6,650**

Notes:

1. 'Other' includes the specialities of Endodontics, Oral Pathology, Restorative Care (including general restorative care treatment) and Temporomandibular Joint.
2. In a full financial year patient waitlists are influenced by:
   - a constant supply of dental specialists
   - the number of patient referrals to the Oral Health Centre of Western Australia.
3. Aspirational targets have been formulated on agreement with the Oral Health Centre of Western Australia.

Data source: Unpublished data – Department of Health.

Proportion of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions

Outcome 3
Effectiveness KPI

Rationale

On 1 July 2016 the WA Department of Health, led by the Director General, was established as the System Manager. The System Manager is responsible for the overall management, performance and strategic direction of the WA health system that ultimately ensures the delivery of high quality, safe and timely health services. This indicator measures clients' perceptions of how well the Department of Health is delivering its functions as a System Manager.

Target

The 2017–18 target for the percentage of stakeholders who indicate that the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions is 85% or above.

Results

The percentage of stakeholders who indicated the Department of Health was meeting or exceeding the expectations of the delivery of System Manager functions was 39 per cent (see Table 16).

Although the target was not met, the respondents stated that the Department of Health reassuringly provided the necessary stewardship, regulation, and system oversight of the WA health system.

However, respondents asserted that both budget and resource allocation processes, and the management of performance data and analysis of performance trends were not meeting current expectations.

Overall, respondents stated that the Department of Health needs to:

1. adopt a more collaborative approach in client interactions specifically in the area of information sharing and health system funding
2. evolve as a System Manager focusing on strengthening its role in the area of governance, and providing legislation and strategic leadership
3. foster effective partnerships internal and external to health to achieve positive community outcomes.

In September 2017, following the implementation of the *Health Services Act 2016*, the Department of Health introduced a new organisational structure. The new structure will ensure the Department of Health:

- develops a strong and stable senior leadership team with the skills and capabilities to define and deliver our priorities, shape our culture, and lead a flexible and agile workforce
- establishes and communicates clearly the purpose and functions to be undertaken in its role as System Manager
- establishes clear priorities and develops fit-for-purpose processes to enable an effective and efficient organisation.

The Department of Health is committed to ensuring that it works collaboratively with internal and external stakeholders to develop critical roles and functions in the areas of workforce and employment, governance and assurance, planning and funding. Improved clarity concerning these functions will be communicated to key stakeholders to ensure it builds and maintains collaborative and productive working relationships across the WA health system.

Table 16: Department of Health stakeholder survey results, 2017–18

	2017–18	Target
Percentage of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions	**39%**	**≥85%**

Notes:

1. The survey sampling error at a confidence interval of 95 per cent is [21.12, 62.68] and therefore caution should be taken in the interpretation of the results.
2. The target group included individuals who have contact with the Department of Health as System Manager and are best positioned to accurately assess its performance against its functions.
3. The survey involved an online survey questionnaire via Citizen Space[4] and invited participants to provide their responses to prescribed questions.
4. Overall satisfaction was based on respondents providing feedback on the delivery of 10 System Manager functions delivered by the Department of Health. Respondents rated the 10 System Manager functions using a 5 point Likert scale from well below expectations (1) to well above expectations (5).
5. To calculate the KPI result a respondent's average response (i.e. rating of 1 to 5) for each System Manager function was combined to determine whether the respondent's expectations had been met. If a respondents average response was ≥ 3 then it meant that the Department of Health had met or exceeded expectations.
6. Privacy and confidentiality of personal information via the online consultation using Citizen Space was in accordance with Australian Government's standards for hosting.
7. The 2017–18 target is considered aspirational. The target was developed based on a jurisdictional review of targets and performance results of agencies with similar or comparative effectiveness survey KPIs. In subsequent reporting years historical data will be used to develop baseline measures for performance improvement purposes.

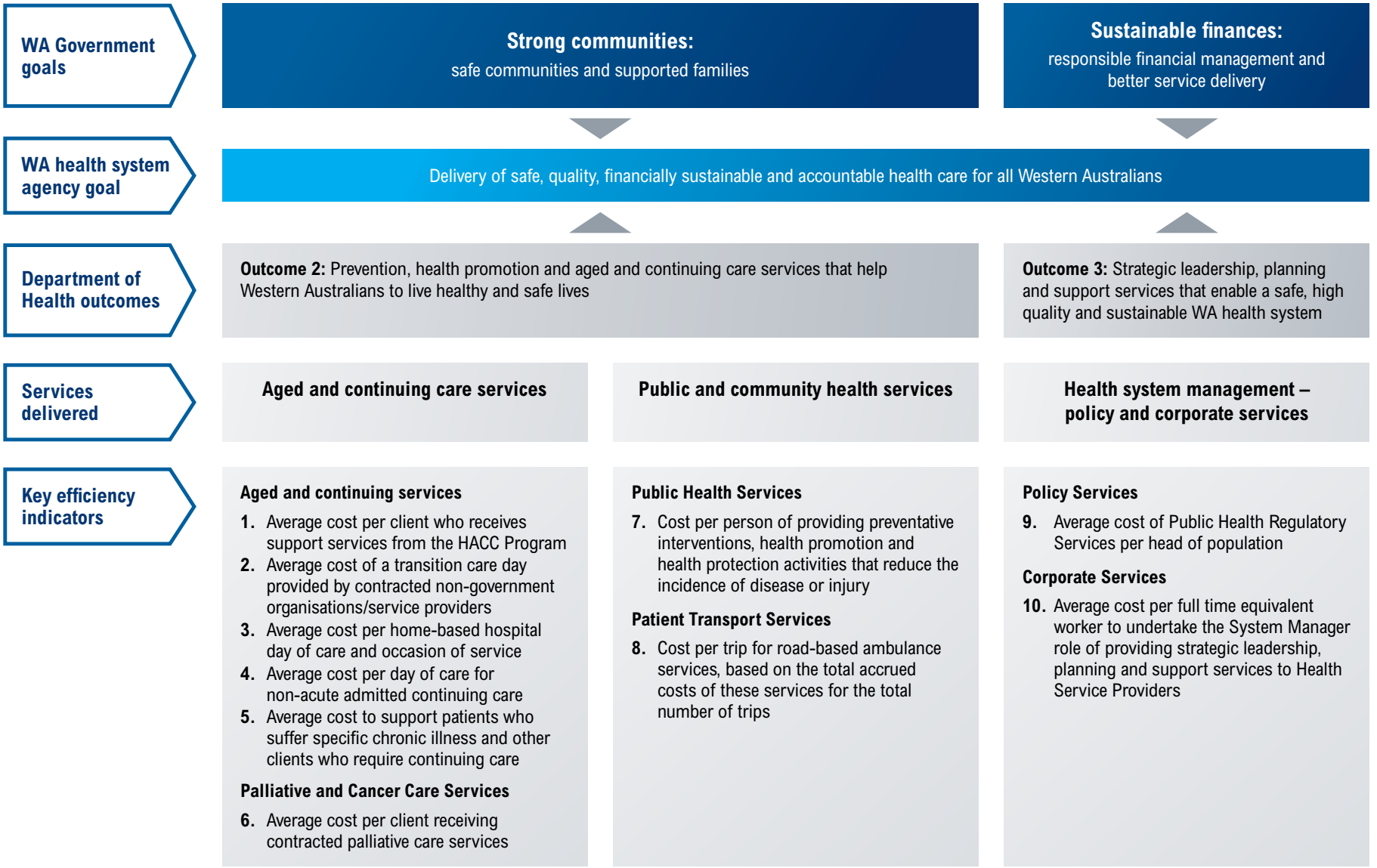
Data Source: Citizen Space, Purchasing and System Performance Division Department of Health.

4 Citizen Space is operated by a contracted independent third party Delib Australia Pty Ltd.

Key efficiency indicators

The 2017–18 Department of Health efficiency key performance indicators aligned to State Government goals are demonstrated in Figure 10.

Figure 10: 2017–18 efficiency key performance indicators aligned to the State government goals



Average cost per client who receives support services from the Home and Community Care Program

Outcome 2
Aged and continuing care services
Efficiency KPI

Rationale

The Western Australian Home and Community Care Program is a joint funding initiative of the Commonwealth and WA State Government's that provides basic support services for eligible people of all ages with a disability and their carers to assist them to continue living independently at home. Home and community care support is designed to assist people with the greatest need and aims to maximise their independence.

This indicator provides an indication of the average cost per person with an ongoing functional disability living in the community who receives support services from the Home and Community Care Program.

Target

The 2017–18 target unit cost per client who receives support services from the Home and Community Care Program is $4,072. A result below the target is desirable.

Results

In 2017–18, the average cost per person to deliver home and community care services to individuals with an ongoing functional disability was $4,303. This is above the target of $4,072 (see Table 17).

Table 17: Average cost per client who receives support services from the Home and Community Care Program, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$3,745	$3,901	$3,991	$4,015	**$4,303**
Target	$3,649	$4,111	$4,082	$4,009	**$4,072**

Notes:

1. The calculation of this indicator includes clients who receive Home and Community Care funded services and who have agreed for their personal information to be captured in the Home and Community Care Minimum data set.
2. The financial figures include the total allocation of Home and Community Care funding. This consists of funding to community based, non-government and local government organisations, and funding allocated to the WA Department of Health and WA Country Health Service.
3. In 2016–17, with the advent of the Department of Health assuming the role of 'System Manager' a methodological change was required to how Department of Health corporate expenditure was allocated to key performance indicators. As a result caution should be taken in the interpretation of 2016–17 (and beyond) findings with prior year results.
4. Previously reported by the title *Average cost per person of Home and Community Care services delivered to people with long term disability*.

Data sources: Home and Community Care Minimum Data Set, Australian Government Department of Health; Oracle 11i Financial System Department of Health.

Average cost of a transition care day provided by contracted non-government organisations/service providers

Outcome 2
Aged and continuing care services
Efficiency KPI

Rationale

The Transition Care Program is a joint Commonwealth and State and Territory initiative that aims to optimise the functioning and independence of older people and enable them to return home after a hospital stay rather than prematurely enter residential care. The Transition Care Program is tailored to meet the needs of the individual and aims to facilitate a continuum of care for older people in a non-hospital environment while giving them more time and support to make a decision on their longer term care arrangements.

Target

The 2017–18 target unit cost is $277 per transition care day. A result below the target is desirable.

Results

In 2017–18, the average cost per transition care day was $312. This is above the target of $277 (see Table 18). The variance to target was associated with the procurement of 60 new Transition Care Program places in the metropolitan area post budget expenditure allocation.

Table 18: Average cost per transition care day provided by contracted non-government organisations/service providers, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$282	$305	$316	$308	**$312**
Target	$272	$305	$300	$308	**$277**

Notes:

1. Transition Care services are provided in in either a residential or a community setting, including in a client's home.
2. Previously reported by the title *Average cost per transition care day*.

Data source: Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Average cost per home-based hospital day of care and occasion of service

Outcome 2
Aged and continuing care services
Efficiency KPI

Rationale

Home Based Hospital Programs have been implemented as a means of ensuring all Western Australians have timely access to effective health care. These programs aim to provide safe and effective medical care for patients in their home that may otherwise require a hospital admission.

In addition to the Home Based Hospital Programs that are delivered by the public health system, the Western Australian Government has entered a collaborative agreement with the non-government sector to provide these programs for suitable patients.

The home based hospital service may be delivered as in-home acute medical care, measured by days of care, or as post-discharge or sub-acute medical intervention, delivered as occasions of service (visits).

Target

The 2017–18 target unit costs for:

a) home based hospital day of care is $323

b) home based hospital occasion of service is $130.

Results

In 2017–18, the average cost per home based hospital day of care was $314, below the target of $323 (see Table 19).

Table 19: Average cost per home based hospital day of care, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$371	$292	$312	$316	**$314**
Target	$301	$311	$353	$293	**$323**

In 2017–18, the average cost per home based hospital occasion of service was $129, below the target of $130 (see Table 20).

Table 20: Average cost per home-based hospital occasion of service, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$129	$117	$129	$121	**$129**
Target	$118	$124	$125	$125	**$130**

Notes:

1. Days of care are defined as the number of days where a patient has received one or more service events that includes a face-to-face visit or phone call with significant clinical content and is recorded in the patient record.
2. In 2016–17, with the advent of the Department of Health assuming the role of 'System Manager' a methodological change was required to how Department of Health corporate expenditure was allocated to key performance indicators. As a result caution should be taken in the interpretation of 2016–17 (and beyond) findings with prior year results.

Data source: Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Average cost per day of care for non-acute admitted continuing care

Outcome 2
Aged and continuing care services
Efficiency KPI

Rationale

The goal of non-acute care is the prevention of deterioration in the functional and current health status of patients, such as frail older people or younger people with a disability. Non-acute care is usually provided in a hospital while patients are awaiting placement into residential care, waiting for the services they will need at home to be organised or vital modifications to be made to their homes or when requiring respite care.

In addition to the non-acute admitted continuing care services that are delivered by the public health system, the State Government has entered into collaborative agreements with private providers to provide continuing care for non-acute patients.

Target

The 2017–18 target unit cost is $552 per day of care for non-acute admitted continuing care. A result below the target is desirable.

Results

In 2017–18, the average cost per day of care for non-acute admitted continuing care was $474. This was below the target of $552 (see Table 21). The lower expenditure to target is attributable to an overestimation of contracted service expenditure used in deriving the 2017–18 budget target.

Table 21: Average cost per day of care for non-acute admitted continuing care, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$751	$721	$764	$714	**$474**
Target	$667	$767	$769	$780	**$552**

Data source: Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Average cost to support patients who suffer specific chronic illness and other clients who require continuing care

Outcome 2
Aged and continuing care services
Efficiency KPI

Rationale

Chronic conditions pose a significant burden on healthcare in Western Australia. Most chronic conditions do not resolve spontaneously, and are generally not cured, requiring ongoing care and support. As such, the Government has identified several chronic conditions e.g. diabetes, which require special health services to improve quality of life.

In addition to chronic diseases, ongoing care and support are also required for those who have permanent disabilities, which aims to enhance their health and wellbeing. This care is provided through residential, community or respite care through organisations that have collaborative agreements with the State Government.

Target

The 2017–18 target unit cost is $30 to support patients who suffer specific chronic illness and other clients who require continuing care. A result below the target is desirable.

Results

In 2017–18, the average cost to support patients who suffer specific chronic illness and other clients who require continuing care was $21, well below the target of $30 (see Table 22). The lower expenditure to target is attributable to an overestimation of contracted service expenditure used in deriving the 2017–18 budget target.

Table 22: Average cost to support patients who suffer specific chronic illness and other clients who require continuing care, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$49.28	$42	$40	$36	**$21**
Target	$48.93	$72	$51	$42	**$30**

Data sources: Unpublished data – Department of Health; Australian Bureau of Statistics 2015 Survey of Disability, Ageing and Carers (Cat. No. 4430.02015); Oracle 11i Financial System Department of Health.

Average cost per client receiving contracted palliative care services

Outcome 2
Aged and continuing care services
Efficiency KPI

Rationale

Palliative care is aimed at improving the quality of life of patients and families who face life-threatening illness, by providing pain and symptom relief, spiritual and psychosocial support from diagnosis to the end of life and bereavement. In addition to palliative care services that are provided through the public health system, the State Government has entered into collaborative agreement with private sector health providers to provide palliative care services for those in need.

Target

The 2017–18 target unit cost is $6,701 per client receiving contracted palliative care services. A result below the target is desirable.

Results

The cost per client receiving contracted palliative care services for 2017–18 is $5,462, below the target of $6,701 (see Table 23). This decrease is attributed to an increase in occasions of care provided to individual clients receiving palliation.

Table 23: Average cost per client receiving contracted palliative care services, 2013–14 to 2017–18

	2015–16	2016–17	2017–18
Average cost	$3,902	**$4,425**	**$5,462**
Target			**$6,701**

Notes:

1. Effective palliative care requires a broad multidisciplinary approach and may be provided in hospital or at home. The services include nursing and medical services at home, respite care, care in designated inpatient palliative care facilities, and community care and support.
2. Changes to contract arrangements came into effect in 2017–18 with the transfer of two contracted services to Health Service Providers that were previously managed by the Department of Health. Data for 2015–16 and 2016–17 has been reinstated.

Data source: Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury

Outcome 2
Public and community health services
Efficiency KPI

Rationale

In order to improve, promote and protect the health of Western Australians it is critical that the WA health system is sustainable by providing effective and efficient care that best uses allocated funds and resources. The delivery of effective targeted preventative interventions, health promotion and health protection activities aims at reducing disease or injury within the community, fostering the ongoing health and wellbeing of Western Australians.

Target

The target unit cost for 2017–18 is $37 per person to provide preventative interventions, health promotion and health protection activities.

A result below the target is desirable.

Results

In 2017–18, the average cost to provide preventative interventions, health promotion and health protection activities was $43 (see Table 24). The variance to target is attributable to additional Commonwealth funding provided under the National Partnership Agreement for essential vaccines.

Table 24: Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury, 2013–14 to 2017–18

	2013–14	2014–15	2015–16	2016–17	2017–18
Average cost	$55.01	$55	$49	$42	**$43**
Target	$56.37	$54	$55	$51	**$37**

Notes:

1. The population projections for 2017 used in the calculation of this indicator are based on the Australian Bureau of Statistics 2011 Census. 2016 census data is not available until September 2018.
2. Previously reported by the title *Cost per capita of providing preventative interventions, health promotion and health protection activities*.

Data sources: Estimated resident population, Epidemiology Branch, Department of Health, Australia Bureau of Statistics; Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips

Outcome 2
Public and community health services
Efficiency KPI

Rationale

To ensure Western Australians receive the care they need, when they need it, a strong partnership has been forged within the healthcare community including a collaborative agreement between a contracted service provider and the Department of Health. This collaboration ensures that patients have access to an effective emergency road-based patient transport service that aims to ensure the best possible health outcomes for patients requiring urgent medical treatment and transport services.

Target

The target unit cost for 2017–18 is $455 per trip for emergency road-based patient transport services.

A result below the target is desirable.

Results

In 2017–18, the average cost per trip for emergency road-based patient transport services is $465 (see Table 25).

Table 25: Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips, 2017–18

	2017–18	Target
Cost per trip for road-based ambulance services	**$465**	**$455**

Note: Historically the expenditure for Royal Flying Doctor Service (RFDS) and St John Ambulance was summed in the single indicator *Cost per capita of Royal Flying Doctor Service Western Operations and St John Ambulance Australia – WA Ambulance Service Agreements*. From 2017–18, the RFDS funding is managed by WA Country Health Service and the St John Ambulance funding is managed by Department of Health.

Data source: Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Average cost of Public Health Regulatory Services per head of population

Outcome 3
Health system management – policy and corporate services
Efficiency KPI

Rationale

As System Manager, the Department of Health performs systemwide regulatory functions including the regulation of food safety, vector control, waste-water management, tobacco licensing, radiation safety and medicines and poisons in order to promote health in the community; prevent disease before it occurs; and manage risks to human health, whether natural or man-made.

This indicator measures the Department of Health's ability to provide these functions in an efficient manner and aligns with a key provision of the *Public Health Act 2016* to consolidate and streamline regulatory tools to regulate any given risk to public health.

Target

The target unit cost for 2017–18 is $4 per head of population to provide public regulatory services.

A result below the target is desirable.

Results

In 2017–18, the average cost of providing public health regulatory services to the community was $4 (see Table 26).

Table 26: Average cost of public health regulatory services per head of population, 2017–18

	2017–18	Target
Average cost	**$4**	**$4**

Note: Regulatory services are defined as functions that the Public and Aboriginal Health Division, Department of Health have a statutory responsibility to administer, monitor or enforce legislation or regulations.

Data source: Oracle 11i Financial System Department of Health; Human Resource Data Warehouse Department of Health; Australia Bureau of Statistics estimated resident population, Epidemiology Branch Department of Health.

Average cost per full time equivalent worker to undertake the System Manager role of providing strategic leadership, planning and support services to Health Service Providers

Outcome 3
Health system management – policy and corporate services
Efficiency KPI

Rationale

The delivery of systemwide health and corporate policy and programs enables the Department of Health to perform its role as a change agent leading development and implementation of policy to meet the State's health needs. This indicator aligns to the strategic policy and planning services provided by the Department of Health to the whole of the WA health system. It measures how efficient the Department is in its provision of System Manager services of strategic leadership, planning and support to the whole of WA health system.

Target

The target unit cost for 2017–18 is $5,394 per full time equivalent worker to undertake the System Manager role of providing strategic leadership, planning and support services to Health Service Providers.

A result below the target is desirable.

Results

In 2017–18, the average cost per full time equivalent worker to undertake the System Manager role was $5,103, below the target of $5,394 (see Table 27).

Table 27: Average cost per full time equivalent worker to undertake the System Manager role of providing strategic leadership, planning and support services to Health Service Providers, 2016–17 to 2017–18

	2016–17	2017–18
Average cost	$7,698	**$5,103**
Target	N/A	**$5,394**

Notes:

1. Health Service Providers include North Metropolitan Health Service, South Metropolitan Health Service, East Metropolitan Health Service, Child and Adolescent Health Service, WA Country Health Service; Health Support Services, and Department of Health staff that provide a public health regulatory function.
2. Full Time Equivalent figures (FTE) used in the calculation of this indicator are based on Actual (Paid) month to date FTE.

Data sources: Oracle 11i Financial System Department of Health; Human Resource Data Warehouse Department of Health.

Ministerial directives

Treasurer's Instructions 903 (12) requires disclosing information on any Ministerial directives relevant to the setting of desired outcomes or operational directives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.

On 28 August 2017, the Minister for Health, Hon Roger Cook MLA, issued a direction to the Director General of the Department of Health to conduct an inquiry into processes regarding sponsored travel and gifts in the Department of Health and the Health Service Providers. The Department of Health provided the Minister for Health with the outcomes of the inquiry by the required timeframe specified within the directive.

Summary of boards and committees remuneration

The total annual remuneration in 2017–18 for all Department of Health boards or committees is listed below (see Table 28). During the reporting period there was a nine per cent reduction in remuneration in comparison to 2016–17.

For details of individual board or committee members please refer to Appendix 1.

Table 28: Summary of State Government boards and committees within the Department of Health, 2017–18

Boards/Committee name	Total remuneration
Animal Resources Authority Board	$4,840
Cannabis-Based Product Assessment Panel	$0
Cardiovascular Health Network Executive Advisory Group	$60
Department of Health WA Human Research Ethics Committee	$47,150
Diabetes and Endocrine Health Network Executive Advisory Group	$120
Falls Prevention Health Network Executive Advisory Group	$0
Fluoridation of Public Water Supplies Advisory Committee	$1,172
Local Health Authorities Analytical Committee	$1,660
Musculoskeletal Health Network Executive Advisory Group	$60
Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia	$13,448
Perinatal and Infant Mortality Committee	$54,656
Pharmacy Registration Board of Western Australia	$22,760
Radiological Council	$7,200
Renal Health Network Executive Advisory Group	$0
Respiratory Health Network Executive Advisory Group	$0
Stimulant Assessment Panel	$1,600
Western Australian Aged Care Advisory Council (Ceased in July 2017)	$0
Western Australian Board of the Medical Board of Australia	$40,798
Western Australian Board of the Nursing and Midwifery Board of Australia	$28,890
Western Australian Child and Youth Health Network Executive Advisory Group	$0
WA Health Transition Reconfiguration Steering Committee (Ceased in October 2016)	$0
WA Reproductive Technology Council	$16,401
WA Reproductive Technology Counselling Committee	$1,278
WA Reproductive Technology Counselling Embryo Storage Committee	$1,491
WA Reproductive Technology Counselling Licensing and Administration Advisory Committee	$852
WA Reproductive Technology Counselling Preimplantation Genetic Diagnosis Technical Advisory Committee	$0
WA Reproductive Technology Counselling Scientific Advisory Committee	$923
Women's and Newborn's Health Network Executive Advisory Group	$120
Total	**$245,479**

Other financial disclosures

Pricing policy

The *National Health Reform Agreement 2011* sets the policy framework for the charging of public hospital fees and charges. Under the Agreement, an eligible person who receives public hospital services as a public patient in a public hospital or a publicly contracted bed in a private hospital is treated "free of charge".

This arrangement is consistent with the Medicare principles which are embedded in the *Health Services Act 2016*.

The majority of hospital fees and charges for public hospitals are set under Schedule 1 of the *Health Services (Fees and Charges) Order 2016* and are reviewed annually. The following informs WA public hospital patients' fees and charges for:

- **Nursing Home Type Patients**

  The State charges public patients who require nursing care and/or accommodation after the 35th day of their stay in hospital, providing they no longer need acute care and they are deemed to be Nursing Home Type Patients. The total daily amount charged is no greater than 87.5 per cent of the current daily rate of the single aged pension and the maximum daily rate of rental assistance.

- **Compensable or ineligible patients**

  Patients who are either 'private' or 'compensable' and Medicare ineligible (overseas residents) may be charged an amount for public hospital services as determined by the State. The setting of compensable and ineligible hospital accommodation fees is set close to, or at, full cost recovery.

- **Private patients (Medicare eligible Australian residents)**

  The Commonwealth Department of Health regulates the Minimum Benefit payable by health funds to privately insured patients for private shared ward and same day accommodation. The Commonwealth also regulates the Nursing Home Type Patient 'contribution' based on March and September pension increases. To achieve consistency with the *Commonwealth Private Health Insurance Act 2007*, the State sets these fees at a level equivalent to the Commonwealth Minimum Benefit.

- **Veterans**

  Hospital charges of eligible war service veterans are determined under a separate Commonwealth-State agreement with the Department of Veterans' Affairs. Under this agreement, the Department of Health does not charge medical treatment to eligible war service veteran patients, instead medical charges are fully recouped from the Department of Veterans' Affairs.

The following fees and charges also apply:

- The **Pharmaceutical Benefits Scheme** regulates and sets the price of pharmaceuticals supplied to outpatients, patients on discharge and for day admitted chemotherapy patients. Inpatient medications are supplied free of charge.
- The **Dental Health Service** charges to eligible patients for dental treatment are based on the Department of Veterans' Affairs Fee Schedule of dental services for dentists and dental specialists. Eligible patients are charged the following co-payment rates:
  - 50 per cent of the treatment fee if the patient holds a current Health Care Card or Pensioner Concession Card
  - 25 per cent of the treatment fee if the patient is the current holder of one of the above cards and receives a near full pension or an allowance from Centrelink or the Department of Veterans' Affairs.
- There are other categories of fees specified under Health Regulations through Determinations, which include the supply of surgically implanted prostheses, Magnetic Resonance Imaging services and pathology services. The pricing for these hospital services is determined according to their cost of service.

Capital works

Since 2004–05, the WA health system has experienced a period of significant infrastructure development with many of these developments successfully completed or nearing completion.

The $7 billion capital works program consists of new builds, upgrades and refurbishment of facilities for more than 100 infrastructure projects that are being jointly managed by the Health Service Providers and the Department of Health.

In 2017–18, no major investment works were completed. Table 29 shows projects that were in progress in 2017–18 managed by the Department of Health.

Table 29: Major Asset Investment Program works in progress during 2017–18

Project name	Estimated total cost in 2017–18 ($ '000)i	Reported in 2016–17 ($ '000)ii	Variance ($ '000)	Expected completion date	2016–17 and 2017–18 variation to cost explanation (≥10%)
Equipment Replacement Program	437,423	433,960	3,463	Ongoing	
ICT iPharmacy	1,301	1,364	-63	September 2017	
Kings Park Link Bridge	6,700	6,700	0	TBA	
Minor Buildings Works	156,073	160,642	-4,569	Ongoing	
Medical Accounts Assessment System	2,500	-	2,500	April 2018	New project
National Partnership Agreement – Improving Public Hospital Services	88,402	88,227	175	March 2018	
Perth Children's Hospital – Development	1,144,102	1,160,168	-16,066	April 2017	
Perth Children's Hospital Information Communication Technology	177,778	162,373	15,405	Various	
Replacement of the Monitoring of Drugs and Dependence System	992	992	0	TBA	
Telethon Kids Institute Fit-out – Perth Children's Hospital	40,548	40,037	511	TBA	
Princess Margaret Hospital – Holding	6,245	6,245	0	TBA	
Princess Margaret Hospital – Interim Holding Works at existing Princess Margaret Hospital Site	995	995	0	TBA	

Notes:

a) The above information is based upon the:
   i. 2017–18 published budget papers
   ii. 2016–17 published budget papers.

b) Completion timeframes are based upon a combination of known dates at the time of reporting.

c) While interim/holding works at Princess Margaret Hospital in 2016–17 were cited as completed the practical completion of the Perth Children's Hospital was in April 2017.

Employment profile

Government agencies are required to report a summary of the number of employees by category, compared with the preceding financial year. Table 30 shows the number of Department of Health full-time equivalent employees for 2016–17 and 2017–18 as at 30 June.

Table 30: Department of Health total full-time employees by category

Category	2016–2017	2017–18
Full-time permanent	424	399
Full-time contract	115	121
Part-time measured as full-time equivalent	123	119
Secondment – internal	10	16
Secondment – external	1	2
Other	36	32
Total	**709**	**689**

Notes:

1. The total of full-time equivalent employees was calculated as the monthly average full-time equivalent employees and is the average hours worked during a period of time divided by the Award Full-time Hours for the same period. Hours include ordinary time, overtime, all leave categories, public holidays, time off in lieu and workers compensation.
2. Full-time equivalent employee figures provided are based on Actual (Paid) month-to-date, full-time equivalent employees.
3. Excludes Department of Health staff employed under the Health Services Union award.
4. The Other category includes casuals, agency and sessional employees.

Data Source: WA Health Human Resource Data Warehouse.

Industrial relations

The Department of Health as System Manager is responsible for the management of industrial relations across the WA health system, which encompasses:

- negotiation and registration of health specific industrial agreements and subsidiary agreements
- modernisation and maintenance of health specific industrial awards
- monitoring and evaluating the application and environment of WA health system specific industrial agreements and awards.

In 2017–18, the Department of Health negotiated, registered and implemented a number of WA health system industrial agreements and subsidiary agreements:

- *Dental Health Services – Dental Officers – CSA Industrial Agreement 2017*
- *Dental Health Services – Dental Technicians – CSA Industrial Agreement 2018*
- *WA Health System – United Voice WA – Health Support Workers Industrial Agreement 2017*
- *Breast Screen WA Agreement 2017*
- *Emergency General Surgery Roster Agreement 2017*
- *Pathologists Agreement 2017*
- *Plastic Surgery Agreement 2017*
- *Orthopaedic Trauma Surgery Roster Agreement 2014*
- *Clinical Academics (PathWest) Agreement 2017*
- *Cardio-Thoracic Surgeons On-Call and Call-Back Roster Agreement 2017*
- *Metropolitan Inter Hospital Vascular Service After Hours On-Call Roster Agreement 2017.*

The *WA Health – HSUWA – PACTS Industrial Agreement 2016* is currently being negotiated for replacement. Also, a range of industrial relations reform initiatives are being implemented administratively and through the WA health system industrial agreements, arising from the WA Labor Public Sector Policy election commitment. This includes the family domestic violence paid and workplace support leave, and the promotion of a permanent workforce. The promotion of a permanent workforce has been supported by the introduction and strengthening of restrictions on privatisation and contracting out clauses in the industrial instruments. In addition, the State Government election commitment to review casual and fixed term contracts will be formalised which will establish criteria to convert existing casual and fixed term employees with more than two years' employment in the same or similar job to permanency.

The WA Health System Industrial Relations Strategy was implemented in 2017–18 to set out the roles and responsibilities, actions and considerations to occur in the bargaining process for the renegotiation of the WA health system industrial agreements for 2018–19. This will ensure a consistent whole of government approach and is in line with the Public Sector Wages Policy.

Workers' compensation

The WA Workers' Compensation system is a scheme set up by the State Government and exists under the statute of the *Workers' Compensation and Injury Management Act 1981*.

The Department of Health is committed to providing staff with a safe and healthy work environment. In 2017–18 a total of four workers' compensation claims were made.

For further details on the Department of Health's occupational safety and health and injury management processes, please see the Occupational Safety, Health and Injury section of this report.

Unauthorised use of purchasing cards

The Department of Health uses purchasing cards for purchasing goods and services to achieve savings through improved administrative efficiency and more effective cash management. The purchasing card is a personalised credit card that provides a clear audit trail for management.

The Department of Health purchase cards are only issued to employees who have a justified work need and meet relevant criteria. Purchase cards are not for personal use by the cardholder. Should a cardholder use a purchase card for a personal purpose, they must give written notice to the accountable authority within five working days and refund the total amount of expenditure.

Despite being made aware of obligations pertaining to the use of purchase cards, there were five instances of purchase cards being used for personal purposes.

The full amount ($141) was refunded before the end of the reporting period (see Table 31).

Table 31: Personal use expenditure by Department of Health purchasing cardholders, 2017–18

Purchasing card personal use expenditure	2017–18
Aggregate amount of personal use expenditure for the reporting period	$141.00
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	$47.45
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	$93.55
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	$0

Other legal disclosures

Advertising

In 2017–18, in accordance with section 175Z of the *Electoral Act 1907*, the Department of Health incurred a total advertising expenditure of $1,751,385 (see Table 32), of which 58 per cent was through the procurement of media advertising.

Table 32: Summary of Department of Health advertising in 2017–18

Summary of advertising	Amount ($)
Advertising agencies	44,276
Market research organisations	658,554
Polling organisations	0
Direct mail organisations	24,897
Media advertising organisations	1,023,658
Total advertising expenditure	**1,751,385**

The organisations from which advertising services were procured and the amount paid to each organisation is detailed in Table 33.

Table 33: Department of Health advertising, by class of expenditure, 2017–18

Recipient/organisations	Amount ($)
Advertising agencies	
Chop Shop Media	8,767
Boogie Monster	2,497
Cordell Jigsaw Zapruder	19,605
Ashley Jayne Greenough	2,822
IBC	1,609
Shutterstock	558
Fotolia	498
Cooch Creative Pty Ltd	358
Josie Kate Dickinson	965
Longtail	6,597
Total	**44,276**
Market research organisations	
Chop Shop	32,758
Space Station	803
Metrix	20,020
Painted Dog	108,537
Australian Health Practitioner Regulation Agency	8,800
Watson's Consulting	13,640
Edith Cowan University	473,996
Total	**658,554**
Polling organisations	
	0
Total	**0**
Direct mail organisations	
Quickmail	24,897
Total	**24,897**
Media advertising organisations	
OMD	784,541
Carat	518
Adcorp	46,572
Facebook	59,521
Department of Premier and Cabinet (Gazette)	18,564
Medical Forum	1,034
Royal Australian College of General Practioners	231
GradAustralia	8,360
International Recruitment	104,317
Total	**1,023,658**
Total advertising expenditure	**1,751,385**

Disability access and inclusion plan

The *Disability Services Act 1993* was introduced to ensure that people with disability have the same opportunities to fully access the range of health services, facilities and information available in the WA health system, and to participate in public consultation regarding WA health services.

The Department of Health ensures compliance with this and all other principles through the implementation of the Department of Health *Disability Access and Inclusion Plan 2016–2020*. The plan outlines proactive strategies to enhance policies, practices, services and facilities to improve access for people with disability.

All staff, agents and contractors providing goods and services on behalf of the Department of Health are aware of and required to conduct their business in accordance with the Department of Health *Disability Access and Inclusion Plan 2016–2020*. This information is included in tender documentation for procurement and contracts.

Current initiatives and programs being implemented in accordance with the seven key outcomes of the plan are outlined below.

Access to service

The Department of Health continues to consider the requirements of people with disability in the planning of any events and services. This includes, but is not limited to, consideration of invitations and promotional material and choosing appropriate venues that are compliant with recommended access guidelines in relation to access, ease of movement within the building, parking arrangements, transport and travel to and from the building. Translators are available for people with disability if required and all communication materials can be provided in alternate formats. As part of this ongoing initiative, the Disability Health Network continues to build relationships with disability support organisations to obtain advice on how best to provide information for different disability needs.

Access to buildings

All Department of Health buildings and facilities are accessible to people with disability. Public areas of the Department of Health are accessible for people with wheelchairs and modified vehicles, with access ramps and lifts available to all levels of the building. Concierge services and dedicated ACROD parking bays are also available. General access areas are on the ground floor and these areas include motion-activated and timed access doors.

Access to information

The Department of Health is committed to ensuring people with disability are able to access information, and provides direction to health professionals and other WA health system staff to ensure communication with consumers and carers is accessible at all levels. Assistance is also provided for managing health, legal and other risks that may arise in the delivery of health services to people with no or limited English proficiency and people who are deaf or have a hearing impairment.

Internet and intranet websites meet the internationally recognised *Web Content Accessibility Guidelines* developed by the World Wide Web Consortium (W3C) and are continually reviewed and updated to meet accessibility requirements. All Department of Health publications can be provided in alternative formats on request and this availability is promoted and advertised. Podcasts and radio use have increased to ensure greater reach for those with vision or reading difficulties, as well as the use of videos to assist people with low literacy to access information. All television advertisements and YouTube videos are closed captioned.

Quality of service by staff

Information and services are delivered consistently to the public in accordance with the *State Government Access Guidelines for Information, Services and Facilities* and the Department of Health *Disability Access and Inclusion Plan 2016–2020*.

The Department of Health has developed the Toolkit for Change to promote inclusive health services across the WA health system. The toolkit contains resources to support health practitioners with their respective service planning and delivery of health care for people with disability.

Opportunity to provide feedback

The Department of Health's complaints and feedback mechanisms are readily accessible to people with disability. Complaints can be lodged through written correspondence, email, telephone or in person. All complaints are fully investigated and the outcome provided to the complainant in the relevant and accessible format.

Participation in public consultation

People with disability are consulted and actively involved in all stages of developing and implementing policies and services that relate to their health care. Public consultation with consumer groups is undertaken to ensure that barriers to inclusion or participation are addressed. This includes individuals and groups representing specific disability areas, their families and carers.

To ensure a range of stakeholders representing patients and consumers are included in public consultations, both media advertising and the comprehensive list of key stakeholders from the Disability Health Network data base are utilised.

Facilitated focus groups and online consultations are methods used to elicit information to support continuous improvement processes to achieve best practice.

The Department of Health also seeks assistance from a range of peak bodies that exist to support disability organisations and individuals to ensure existing consultation methods are suitable for the diverse needs and abilities of people with disability.

Opportunities to obtain and maintain employment

The Department of Health complies with the WA Health Recruitment, Selection and Appointment Policy which applies equal opportunity and diversity principles, and ensures recruitment and selection is undertaken in a consistent, inclusive, open and transparent manner. Training is available to those participating in selection processes to ensure a full understanding of the relevant public sector standards, legislation and regulations, including those that relate to disability discrimination.

Department of Health employees with disability are actively supported. This includes frequent reviews of the work environment and adjustments and improvements undertaken, as necessary. A Personal Emergency Evacuation Plan procedure has been developed to ensure all staff with mobility, sight, hearing, and/or cognitive impairments have a personal evacuation plan to ensure their safety in the event of an emergency at their place of work.

Compliance with public sector standards

The WA Health *Code of Conduct* has been developed to comply with the principles of appropriate behaviour outlined in the WA Public Sector Commission's Code of Ethics. All employees of the WA health system are responsible for ensuring their behaviour reflects the standards of conduct embodied in this Code.

To assist staff to understand and comply with the principles of workplace behaviour and conduct, the Department of Health induct, inform and educate their employees through various online communications, e-learning and face-to-face program training. The mandatory Accountable and Ethical Decision Making training is delivered online to all new employees and forms an integral part of employee training in this area. The majority (87%) of Department of Health staff have completed the course.

Employee compliance with the Code of Conduct is assessed through monitoring of the Accountable and Ethical Decision Making course completion rates as well as qualitative and quantitative reviews of matters reported in the Case Management System. Compliance to the principles of the Public Sector Commission's Standards in Human Resource Management is maintained by the Department of Health through:

- centralised management of a standard recruitment and selection process
- implementation of employee performance management processes
- implementation of Grievance Resolution Policy and Guidelines
- management of redeployment.

The Department of Health is required to review and investigate all complaints alleging non-compliance with the Code of Ethics or Code of Conduct. The Department of Health reported a total of four misconduct matters during 2017–18. Three matters were referred to the Public Sector Commission with two matters investigated with a finding of no misconduct, while the third matter is still under investigation. The fourth matter has been referred to the Corruption and Crime Commission and the investigation is ongoing.

In 2017–18, the Department of Health received three Breach of Standard claims against the Employment Standard. One claim was withdrawn and the other two were referred to the Public Sector Commission and dismissed.

Freedom of information

The Western Australian *Freedom of Information Act 1992* gives all Western Australians a right of access to information held by the Department of Health.

The types of information held by the Department of Health include:

- reports on health programs and projects
- Minister for Health and executive staff briefings
- health circulars, policies, standards and guidelines
- health articles and discussion papers
- departmental magazines, bulletins and pamphlets
- health research and evaluation reports
- epidemiological, survey and statistical data/ information
- publications relating to health planning and management
- committee meeting minutes
- general administrative correspondence
- financial and budget reports
- staff personnel records.

Members of the public can access some of the above information from the Department of Health internet website (www.health.wa.gov.au) which also includes links to other health-related websites. Members of the public who do not have internet access may download documents from the website.

Access to information may also be requested through a Freedom of Information application that involves the lodgment of a written request. The written request must provide sufficient detail to enable the application to be processed, including contact details and an Australian address for correspondence. The request must be lodged with an application fee of $30, unless the request is only for personal information about the applicant.

An application for amendment or annotation of personal information requires the request to include:

- enough details to enable the document containing the information to be identified
- detail of the matters in relation to which the applicant believes the information is inaccurate, incomplete, out-of-date or misleading
- the applicant's reasons for holding that belief
- detail of the amendment that the applicant wishes to have made.

Applications may be lodged in person, by mail or email:

Street address Freedom of Information Coordinator
Department of Health
System Governance and Assurance
189 Royal Street
East Perth WA 6004

Postal address Freedom of Information Coordinator
Department of Health
PO Box 8172
Perth Business Centre
Perth WA 6849

Email address FOI.DOH@health.wa.gov.au

All requests for information can be granted, partially granted or may be refused in accordance with the Western Australian *Freedom of Information Act 1992*. The applicant may appeal if dissatisfied with the process or the reasons provided and in the event of an adverse access decision.

For the year ended 30 June 2018, the Department of Health dealt with 68 applications for information, of which 44 applications were granted full or partial access. Four applications were refused (see Table 34).

Table 34: Freedom of Information applications to the Department of Health in 2017–18

Summary of number of applications	Number
Applications carried over from 2016–17	2
Applications received 2017–18	66
Total number of applications active in 2017–18	**68**
Applications granted – full access	22
Applications granted – partial or edited access	22
Applications withdrawn by applicant	6
Applications refused	4
Applications in progress	5
Other applications	9
Total number of applications dealt with in 2017–18	**68**

Notes:

1. Partial or edited access to information includes the number of applications accessed in accordance with section s28 of the *Freedom of Information Act 1992* (WA).
2. Other applications include exemptions, deferments or transfers to other departments/agencies.

Recordkeeping plans

The *State Records Act 2000* was established to mandate the standardisation of statutory recordkeeping practices for all State Government agencies. Government agency practice is subject to the provision of the Act, through established State Records Commission Standards.

Department of Health employees are made aware of their obligations to comply with all State Records Commission standards through the Department of Health Recordkeeping Plan and associated recordkeeping training. In addition information management policies exist to ensure compliance.

The Department of Health *Recordkeeping Plan 2013* is currently under review. In 2017–18, a Health Sector Retention and Disposal Schedule and a Recordkeeping Plan were under development in consultation with a working group of the Electronic Documents and Records Management Systems – Business Advisory Group.

Strategies to ensure employees are aware and comply with the Department of Health Recordkeeping Plan include online recordkeeping awareness and systems training. In 2017–18, 102 employees completed the online Recordkeeping Awareness training and 120 staff completed the Online Records System training. The efficiency and effectiveness of the training programs are reviewed regularly through trainee feedback and assessments. In 2017–18, feedback from participants indicated that 85 per cent found the course informative and essential, and 88 per cent agreed that it improved their understanding of the importance of record keeping.

Substantive equality

The WA health system continues to contribute towards substantive equality to meet the diverse needs and sensitivities of the Western Australian community.

In 2017–18, the WA health system commenced a pilot program to apply section 51 of the *Equal Opportunity Act 1984*. The piloting of Section 51 aims to develop a strong, skilled and growing Aboriginal workforce, including clinical, non-clinical and leadership roles.

To support people from culturally and linguistically diverse backgrounds a range of strategies were implemented in 2017–18 and included:

- convening forums on the subject of introducing advanced care planning for people from culturally and linguistically diverse backgrounds
- conducting sessions with a diverse range of participants to discuss improving health equity through robust health monitoring and surveillance
- developing the Language Services Policy eLearning module for Health Service Providers.

Work also began in 2017–18 on developing the *WA Lesbian, Gay, Bisexual, Transgender, Intersex Health Strategy* to raise awareness of their specific physical health and mental wellbeing needs, and to provide supporting strategies to enhance equity in access and health outcomes.

Occupational safety, health and injury management

The Department of Health is committed to occupational safety and health management systems in line with the *Occupational Safety and Health Act 1984* and the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*.

Commitment to occupational safety and health injury management

Operational line managers and executives have overall responsibility for employee safety and health, and a strong commitment to improve safety management at the Department of Health.

In 2017–18, a review of the Department of Health's occupational safety and health management processes was undertaken. Elements of the WorkSafe Plan developed by WorkSafe WA are being utilised to improve safety management practices and direct attention to areas for improvement.

Compliance with occupational safety and health injury management

The Occupational Safety and Health Committee and employee representatives form the key mechanism for staff engagement within the Department of Health. The committee meets to facilitate consultation and cooperation in the identification and proactive management of risks within the workplace, including the review of all reported hazards or incidents.

Committee membership contact details and meeting minutes are communicated to all employees through the intranet and noticeboards, and at induction for new employees.

Employee consultation

The Department of Health provides occupational safety and health injury management training to all employees. Training offered during 2017–18 included:

- Occupational Safety and Health for Managers (mandatory)
- Occupational Safety and Health training for elected safety and health representatives
- Occupational Safety and Health representatives refresher course
- Floor and Stair Warden training
- Manual Handling
- Mental Health First Aid.

Workplace inspections were conducted in accordance with occupational safety and health requirements. Actions to resolve issues identified have been included in a work program and progressively resolved according to the risk assessment of identified hazards.

Employee rehabilitation

In the event of a work-related injury or illness, the Department of Health is committed to assisting injured workers to return to work as soon as medically appropriate through the Return to Work Program. Senior Human Resource Consultants work with accredited external rehabilitation providers qualified in injury management to facilitate the affected employee's return to the workplace. This includes the negotiation of appropriate hours, work duties and reasonable adjustment to any other circumstances.

A worksafe plan reinforces the continuous improvement of safety performance as part of a best practice approach to safety management.

Occupational safety and health assessment and performance indicators

The annual performance reported for the Department of Health in relation to occupational safety, health and injury for 2017–18 is summarised in Table 35.

Table 35: Occupational safety, health and injury performance, 2015–16 to 2017–18

Measure	Actual Results		Results against Targets	
	2015–16	2017–18	Target	Comments
Fatalities (number of deaths)	0	0	0	Achieved
Lost time injury/diseases (LTI/D) incidence rate (rate per 100)	0.55	0.12	0 or 10% improvement	Achieved
Lost time injury severity rate (rate per 100)	63.64	0.00	0 or 10% improvement	Achieved
Percentage of injured workers returned to work:				
(i) within 13 weeks	40.0%	100.0%	N/A	
(ii) within 26 weeks	50.0%	100.0%	≥ 80%	Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities	56.5%	63.5%	≥ 80%	Not achieved

Note: Care should be taken in the interpretation of the comparative results due to a Department of Health organisational change that occurred in 2016–17.

Annual estimates

The Department of Health annual operational budget estimates for the following financial year are reported to the Minister for Health under section 40 of the *Financial Management Act 2006*, and Treasurer's Instruction 953.

The annual estimates for 2018–19 as approved by the Minister for Health are provided in Table 36, comprising the statement of comprehensive income, statement of financial position and statement of cash flows.

Table 36: Department of Health section 40 estimates for 2018–19

Statement of comprehensive income	2018–19 Estimate $'000s
Cost of services	
Expenses	
Employee benefits expense	117,442
Contracts for services	528,910
Supplies and services	57,160
Grants and subsidies[1]	6,529,625
Depreciation expense	738
Other expenses	59,868
Total cost of services	**7,293,743**
Income	
Revenue	
User charges and fees	4,069
Commonwealth grants and contributions[2]	2,186,377
Donation revenue	1,249
Other revenue	3,314
Total revenue	**2,195,009**
Total income other than income from State Government	**2,195,009**
Net cost of services	**5,098,734**
Income from State Government	
Service appropriation	4,947,630
Services received free of charge	57,117
Royalties for Regions Fund	95,285
Total income from State Government	**5,100,032**
Surplus for the period	**1,298**
Total comprehensive income for the period	**1,298**

Statement of financial position	2018–19 Estimate $'000s
Assets	
Current assets	
Cash and cash equivalents	249,181
Restricted cash and cash equivalents	112,850
Inventories	16,460
Receivables	50,134
Other current assets	4,003
Non-current assets classified as held for sale	215
Total current assets	**432,843**
Non-current assets	
Restricted cash and cash equivalents	967
Amounts receivable for services	55,791
Finance lease receivable	8,648
Infrastructure, property, plant and equipment	120,925
Intangible assets	556
Other non-current assets	2,225
Total non-current assets	**189,112**
Total assets	**621,955**

Statement of financial position	2018–19 Estimate $'000s
Liabilities	
Current liabilities	
Payables	47,993
Provisions	17,508
Other current liabilities	1,817
Total current liabilities	**67,318**
Non-current liabilities	
Provisions	5,266
Total non-current liabilities	5,266
Total liabilities	**72,584**
Net assets	**549,371**
Equity	
Contributed equity	10,312
Reserves	298,182
Accumulated surplus	240,877
Total equity	**549,371**

Statement of cash flows	2018–19 Estimate $'000s
Cash flows from State Government	
Service appropriation	4,542,565
Royalties for Regions Fund	95,285
Net cash provided by State Government	**4,637,850**
Cash flows from operating activities	
Payments	
Employee benefits	(117,442)
Supplies and services	(588,616)
Grants and subsidies	(6,124,560)
GST payments on purchases	(282,117)
Receipts	
User charges and fees	4,069
Commonwealth grants and contributions	2,186,377
Donations received	1,249
GST receipts on sales	19,435
GST refunds from taxation authorities	262,682
Other receipts	3,314

Statement of cash flows	2018–19 Estimate $'000s
Net cash used in operating activities	**(4,635,609)**
Net decrease in cash and cash equivalents	**2,241**
Cash and cash equivalent at the beginning of the period	360,757
Cash and cash equivalent at the end of the period	**362,998**

Notes:

1. Grants and subsidies include funding to Statutory Authorities for delivery of health services.
2. Commonwealth grants and contributions include funding received from Commonwealth Government under the National Health Reform Agreement.

Appendix

Appendix 1: Board and committee remuneration

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Animal Resources Authority Board				
Chair	Anthony Tate	Per meeting	8 months	$1,840
Deputy Chair	Dr Campbell Thomson	Not eligible	Not applicable	$0
Member	Leslie Chalmers	Per meeting	12 months	$1,200
Member	Prof. Jennet Harvey	Per meeting	12 months	$600
Member	Prof. David Laing Morrison	Not eligible	Not applicable	$0
Member	Prof. Elizabeth Piroska Rakoczy	Per meeting	12 months	$1,200
Member	Michael James Robins	Not eligible	Not applicable	$0
Member	Dr Catherine Gangall	Not eligible	Not applicable	$0
			Total:	**$4,840**
Cannabis-Based Product Assessment Panel*				
Chair	*	Not eligible	Not applicable	$0
Member 1	*	Not eligible	Not applicable	$0
Member 2	*	Not eligible	Not applicable	$0
Member 3	*	Not eligible	Not applicable	$0
Member 4	*	Not eligible	Not applicable	$0
Member 5	*	Not eligible	Not applicable	$0
Member 6	*	Not eligible	Not applicable	$0
Member 7	*	Not eligible	Not applicable	$0
Member 8	*	Not eligible	Not applicable	$0
Member 9	*	Not eligible	Not applicable	$0
Member 10	*	Not eligible	Not applicable	$0
Member 11	*	Not eligible	Not applicable	$0
Member 12	*	Per meeting	12 months	$0
*Approval to withhold the names of the committee members was obtained from the Minister for Health			**Total:**	**$0**
Cardiovascular Health Network Executive Advisory Group				
Clinical Co-lead	Dr Jacquie Garton-Smith	Not eligible	Not applicable	$0
Clinical Co-lead	Dr Tony Mylius	Not eligible	Not applicable	$0
Member	Sacha Andrew	Not eligible	Not applicable	$0
Member	Diana Azzam	Not eligible	Not applicable	$0
Member	Stephen Bloomer	Not eligible	Not applicable	$0
Member	Rick Bond	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Tom Briffa	Not eligible	Not applicable	$0
Member	Jille Burns	Not eligible	Not applicable	$0
Member	Craig Cheetham	Not eligible	Not applicable	$0
Member	Trevor Cherry	Not eligible	Not applicable	$0
Member	Jenny Deague	Not eligible	Not applicable	$0
Member	Geraldine Ennis	Not eligible	Not applicable	$0
Member	Lesley Gregory	Not eligible	Not applicable	$0
Member	Graham Hillis	Not eligible	Not applicable	$0
Member	Donald Latchem	Not eligible	Not applicable	$0
Member	Lorraine Linacre	Not eligible	Not applicable	$0
Member	Andrew Maiorana	Not eligible	Not applicable	$0
Member	Shelley McRae	Not eligible	Not applicable	$0
Member	Lesley Nelson	Not eligible	Not applicable	$0
Member	Lucy Patel	Not eligible	Not applicable	$0
Member	John Powdrill	Per meeting	12 months	$60
Member	Dr Jamie Rankin	Not eligible	Not applicable	$0
Member	Julie Smith	Not eligible	Not applicable	$0
			Total:	**$60**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Department of Health WA Human Research Ethics Committee				
Chair	Dr Peter Bentley	Annual	12 months	$19,100
Deputy Member	Rev Brian Carey	Per meeting	12 months	$0
Deputy Member	Shane Gallagher	Not eligible	Not applicable	$0
Deputy Member	Associate Prof. Ann McDonald	Per meeting	12 months	$660
Deputy Member	Yvonne Rate	Per meeting	12 months	$0
Deputy Member	Alison Reid	Per meeting	12 months	$0
Deputy Member	Nadia Saba	Per meeting	12 months	$330
Deputy Member	Dr Katrina Spilsbury	Per meeting	12 months	$330
Deputy Member	Prof. Satvinder Dhaliwal	Per meeting	6 months	$0
Deputy Member	John McMath	Per meeting	6 months	$0
Deputy Member	Peter Towie	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Deputy Member	Stacey Leong	Not eligible	Not applicable	$0
Former Deputy Member	Tom Briffa	Per meeting	6 months	$0
Member	Dr Alison Garton	Per meeting	12 months	$3,630
Member	Natalie Fleetwood	Per meeting	6 months	$1,320
Member	Rev Jenifer Goring	Per meeting	12 months	$3,630
Member	Dr Angela Ives	Per meeting	12 months	$3,300
Member	Dr Phillip Jacobsen	Per meeting	12 months	$2,970
Member	Kathryn Kirk	Per meeting	12 months	$2,310
Member	Gary Langham	Per meeting	12 months	$3,630
Member	Jennifer Wall	Per meeting	12 months	$2,970
Member	Stephen Woods	Not eligible	Not applicable	$0
Member	Joyce Archibald	Per meeting	6 months	$1,320
Member	Patricia Fowler	Per meeting	6 months	$1,650
Member	Mary Miller	Not eligible	Not applicable	$0
Member	Harley White	Not eligible	Not applicable	$0
			Total:	**$47,150**
Diabetes and Endocrine Health Network Executive Advisory Group				
Co-lead	Prof. Tim Davis	Not eligible	Not applicable	$0
Co-lead	Mark Shah	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr Alan Wright	Not eligible	Not applicable	$0
Member	Bruce Campbell	Per meeting	12 months	$60
Member	Tim Benson	Per meeting	12 months	$60
Member	Andrew Wagstaff	Not eligible	Not applicable	$0
Member	Belinda Whitworth	Not eligible	Not applicable	$0
Member	Cara Westphal	Not eligible	Not applicable	$0
Member	Carole Rainsford	Not eligible	Not applicable	$0
Member	Caitlin Bradley	Not eligible	Not applicable	$0
Member	Deborah Schofield	Not eligible	Not applicable	$0
Member	Denise Smith	Not eligible	Not applicable	$0
Member	Dr Gerry Fegan	Not eligible	Not applicable	$0
Member	Helen Mitchell	Not eligible	Not applicable	$0
Member	Dr Rhonda Clifford	Not eligible	Not applicable	$0
Member	Prof. Richard Prince	Not eligible	Not applicable	$0
Member	Dr Sean George	Not eligible	Not applicable	$0
Member	Dr Seng Khee Gan	Not eligible	Not applicable	$0
Member	Sophie McGough	Not eligible	Not applicable	$0
Member	Prof. Tim Jones	Not eligible	Not applicable	$0
			Total:	**$120**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Falls Prevention Health Network Executive Advisory Group				
Clinical Lead	Dr Nicholas Waldron	Not eligible	Not applicable	$0
Member	Anne-Marie Hill	Not eligible	Not applicable	$0
Member	Andrea Lomman	Not eligible	Not applicable	$0
Member	Louise Mason	Not eligible	Not applicable	$0
Member	Dr Katherine Ingram	Not eligible	Not applicable	$0
Member	Kim Watkins	Not eligible	Not applicable	$0
Member	Nola Todorovich	Not eligible	Not applicable	$0
Member	Rachel Meade	Not eligible	Not applicable	$0
Member	Russ Milner	Not eligible	Not applicable	$0
Member	Su Kitchen	Not eligible	Not applicable	$0
Member	Nicola Baillie	Not eligible	Not applicable	$0
Member	Tony Petta	Not eligible	Not applicable	$0
			Total:	**$0**
Fluoridation of Public Water Supplies Advisory Committee*				
Chair	Dr Richard Lugg	Per meeting	12 months	$1,022
Secretary**	Richard Theobald	Not eligible	Not applicable	$0
Member 1	*	Not eligible	Not applicable	$0
Member 2	*	Not eligible	Not applicable	$0
Member 3	*	Not eligible	Not applicable	$0
Member 4	*	Not eligible	Not applicable	$0
Member 5	*	Per meeting	12 months	$150
*Approval to withhold the names of the committee members was obtained from the Minister for Health **The Secretary is not a member			**Total:**	**$1,172**
Local Health Authorities Analytical Committee				
Member	Joseph Zappavigna	Not eligible	Not applicable	$0
Member	Jason Marc Gerhardt Jenke	Not eligible	Not applicable	$0
Member	Graeme Blakey	Not eligible	Not applicable	$0
Member	Greg Ducas	Not eligible	Not applicable	$0
Member	Phillip Gerar Oorjitham	Not eligible	Not applicable	$0
Member	Robert Eric Boardman	Per meeting	12 months	$1,429
Member	David Wilson	Not eligible	Not applicable	$0
Member	Colin Richard Dent	Not eligible	Not applicable	$0
Member	Cr Belinda Ann Rowland	Per meeting	3 months	$231
Member	Freya Ayliffe	Not eligible	Not applicable	$0
Member	Sarah Upton	Not eligible	Not applicable	$0
Member	Kim Frost	Not eligible	Not applicable	$0
			Total:	**$1,660**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Musculoskeletal Health Network Executive Advisory Group				
Lead	Jennifer Persaud	Not eligible	Not applicable	$0
Member	Ben Horgan	Per meeting	12 months	$0
Member	Eng Soon Chew	Not eligible	Not applicable	$0
Member	Helen Keen	Not eligible	Not applicable	$0
Member	Jean Mangharam	Not eligible	Not applicable	$0
Member	Johannes Nossent	Not eligible	Not applicable	$0
Member	Kerry Mace	Per meeting	12 months	$60
Member	Ric Forlano	Not eligible	Not applicable	$0
Member	Robyn Timms	Not eligible	Not applicable	$0
Member	Stephan Schug	Not eligible	Not applicable	$0
			Total:	**$60**
Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia				
Chair	Dr Jennifer Thornton	Per meeting	12 months	$5,102
Member	Neil McLean	Per meeting	12 months	$3,531
Member	Deearne Gould	Per meeting	2 months	$1,284
Member	Theodore Sharp	Per meeting	12 months	$3,531
			Total:	**$13,448**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Perinatal and Infant Mortality Committee				
Investigator	Dr Christine Marsack	Annual	12 month	$10,974
Investigator	Dr Keren Witcombe	Annual	12 month	$7,669
Investigator	Dr Ronnie Hagan	Annual	12 month	$14,264
Investigator	Dr Paddy Pemberton	Annual	8 month	$21,749
Investigator	Dr Noel French	Annual	1 month	$0
Chair	Prof. John Newnham	Not eligible	Not applicable	$0
Member	Dr Corrado Minutillo	Not eligible	Not applicable	$0
Member	Dr Ian Taylor	Not eligible	Not applicable	$0
Member	Dr Disna Abeysuriyia	Not eligible	Not applicable	$0
Member	Dr Michael Gannon	Not eligible	Not applicable	$0
Member	Dr Warren Thyer	Not eligible	Not applicable	$0
Member	Dr Keith Meadows	Not eligible	Not applicable	$0
Member	Louise Keyes	Not eligible	Not applicable	$0
Member	Dr Chhaya Mehrotra	Not eligible	Not applicable	$0
Member	Prof. Helen Leonard	Not eligible	Not applicable	$0
			Total:	**$54,656**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Pharmacy Registration Board of Western Australia				
Presiding Member	John Lionel Harvey	Per meeting	12 months	$7,350
Member	Margaret Nona Ford	Per meeting	12 months	$4,830
Member	Prof. Michael John Garlepp	Per meeting	10 months	$4,140
Member	Zoe Lenette Mullen	Per meeting	12 months	$5,520
Member	Giovanna Cecchele	Per meeting	2 months	$920
			Total:	**$22,760**
Radiological Council				
Chair	Dr Andrew Geoffrey Robertson	Not eligible	Not applicable	$0
Deputy Chair	Dr Geoffrey Norman Groom	Per meeting	12 months	$1,440
Member	Dr Chandra Padmini Hewavitharana	Not eligible	Not applicable	$0
Member	Dr Richard Alan Fox	Per meeting	12 months	$1,440
Member	Associate Prof. Janice Christine McKay	Per meeting	6 months	$640
Member	Maxwell John Ross	Per meeting	12 months	$960
Deputy Member	Dr Roger Ian Price	Not eligible	Not applicable	$0
Deputy Member	Associate Prof. Zhonghua Sun	Not eligible	Not applicable	$0
Member	Christopher John Whennan	Not eligible	Not applicable	$0
Deputy Member	Dr Elizabeth Thomas	Not eligible	Not applicable	$0
Member (Non-voting)	Barry Cobb	Per meeting	12 months	$1,600
Member (Non-voting)	Nick Tsurikov	Per meeting	12 months	$1,120
Deputy Member	Dr Deepthi Dissanayake	Not eligible	Not applicable	$0
Deputy Member	Dr Robin Hart	Not eligible	Not applicable	$0
Deputy Member	John O'Donnell	Not eligible	Not applicable	$0
Member	Associate Prof. Ros Francis	Not eligible	Not applicable	$0
			Total:	**$7,200**
Renal Health Network Executive Advisory Group				
Co-lead	Dr Hemant Kulkarni	Not eligible	Not applicable	$0
Co-lead	Dr Harry Moody	Not eligible	Not applicable	$0
Member	Pati Atkins	Not eligible	Not applicable	$0
Member	Justine Bell-Morris	Not eligible	Not applicable	$0
Member	Neil Boudville	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr Aron Chakera	Not eligible	Not applicable	$0
Member	Dr Mike Civil	Not eligible	Not applicable	$0
Member	Teresa Coburn	Not eligible	Not applicable	$0
Member	Evelyn Coral	Not eligible	Not applicable	$0
Member	Jenny Cutter	Not eligible	Not applicable	$0
Member	Margaret Denton	Not eligible	Not applicable	$0
Member	Emma Griffiths	Not eligible	Not applicable	$0
Member	Lois Johnston	Not eligible	Not applicable	$0
Member	Simone McMahon	Per meeting	12 months	$0
Member	Prof Johan Rosman	Not eligible	Not applicable	$0
Member	Sandra Porter	Not eligible	Not applicable	$0
			Total:	**$0**
Respiratory Health Network Executive Advisory Group				
Lead	Associate Prof. Mark Everard	Not eligible	Not applicable	$0
Lead	Li Ping Chung	Not eligible	Not applicable	$0
Member	Dr Helen Bell	Not eligible	Not applicable	$0
Member	Nola Cecins	Not eligible	Not applicable	$0
Member	Prof. Rhona Clifford	Not eligible	Not applicable	$0
Member	Dr Maree Creighton	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr Irene Dolan	Not eligible	Not applicable	$0
Member	Claire Franklin	Not eligible	Not applicable	$0
Member	Kate Hawkings	Not eligible	Not applicable	$0
Member	Jenny Howson	Not eligible	Not applicable	$0
Member	Renate Jolly	Not eligible	Not applicable	$0
Member	Holly Landers	Not eligible	Not applicable	$0
Member	John McLachlan	Not eligible	Not applicable	$0
Member	Sue Morey	Not eligible	Not applicable	$0
Member	Louise Papps	Not eligible	Not applicable	$0
Member	Kathryn Pekin	Not eligible	Not applicable	$0
Member	Judy Powell	Not eligible	Not applicable	$0
Member	Elizabeth Salaman	Not eligible	Not applicable	$0
Member	Dr Andre Shultz	Not eligible	Not applicable	$0
Member	Jenny Thompson	Not eligible	Not applicable	$0
Member	Kirsty Tilden	Not eligible	Not applicable	$0
Member	Nicky van Someren	Not eligible	Not applicable	$0
Member	Kim Watkins	Not eligible	Not applicable	$0
Member	Selena West	Not eligible	Not applicable	$0
			Total	**$0**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Stimulant Assessment Panel				
Chair	*	Not eligible	Not applicable	$0
Member 1	*	Not eligible	Not applicable	$0
Member 2	*	Not eligible	Not applicable	$0
Member 3	*	Not eligible	Not applicable	$0
Member 4	*	Not eligible	Not applicable	$0
Member 5	*	Not eligible	Not applicable	$0
Member 6	*	Per meeting	12 months	$1,600
Member 7	*	Not eligible	Not applicable	$0
Member 8	*	Not eligible	Not applicable	$0
*Approval to withhold the names of the committee members was obtained from the Minister for Health			**Total:**	**$1,600**
Western Australian Board of the Medical Board of Australia				
Chair	Prof. Con Michael	Per meeting	12 months	$4,704
Member	Prof. Bryant Stokes	Per meeting	2 months	$321
Member	Dr Michael Levitt	Per meeting	12 months	$3,852
Member	Adjunct Prof. Peter Foord Wallace	Per meeting	12 months	$3,210
Member	Dr Mark Edwards	Per meeting	12 months	$3,210
Member	Dr Ken Mark McKenna	Per meeting	3 months	$963
Member	Dr Michael McComish	Per meeting	3 months	$963
Member	Dr Daniel Heredia	Per meeting	12 months	$2,889
Member	Nicoletta Ciffolilli	Per meeting	3 months	$963
Member	Stephan John Millett	Per meeting	12 months	$2,889
Member	Virginia Rivalland	Per meeting	12 months	$3,852
Member	Giovanni (John) Pintabona	Per meeting	12 months	$3,352
Member	Dr Richelle Douglas	Per meeting	9 months	$1,926
Member	Dr Alan Duncan	Per meeting	9 months	$2,568
Member	Dr George Eskander	Per meeting	9 months	$2,247
Member	Mary Carroll	Per meeting	9 months	$2,889
			Total:	**$40,798**
Western Australian Board of the Nursing and Midwifery Board of Australia				
Chair	Marie Louise MacDonald	Per meeting	12 months	$7,704
Member	Karen Gullick	Per meeting	12 months	$2,889
Member	Pamela Lewis	Per meeting	2 months	$321
Member	Associate Prof. Karen Clark-Burg	Per meeting	12 months	$3,210
Member	Marie Baxter	Per meeting	2 months	$0
Member	Mary Miller	Per meeting	12 months	$0
Member	Dr Sara Bayes	Per meeting	10 months	$2,247

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr Margaret Crowley	Per meeting	12 months	$3,210
Member	Michael Piu	Per meeting	12 months	$2,889
Member	John Kimberley Laurence	Per meeting	12 months	$3,531
Member	Tamsin Mondy	Per meeting	10 months	$2,889
			Total:	**$28,890**

Western Australian Child and Youth Health Network Executive Advisory Group				
Co-lead	Alide Smit	Not eligible	Not applicable	$0
Co-lead	Helen Wright	Not eligible	Not applicable	$0
Member	Michael Bradley	Not eligible	Not applicable	$0
Member	Fran McCrystal	Not eligible	Not applicable	$0
Member	Sharon Bushby	Not eligible	Not applicable	$0
Member	Deb Cain	Not eligible	Not applicable	$0
Member	Phillippa Farrell	Not eligible	Not applicable	$0
Member	Carolyn Franklin	Not eligible	Not applicable	$0
Member	Linda Hop	Not eligible	Not applicable	$0
Member	Heather Jones	Not eligible	Not applicable	$0
Member	Alicia Bouskis	Not eligible	Not applicable	$0
Member	Trulie Pinnegar	Not eligible	Not applicable	$0
Member	Janine Spencer	Not eligible	Not applicable	$0
Member	Rachel O'Connell	Not eligible	Not applicable	$0
Member	Andrea Boss	Not eligible	Not applicable	$0
Member	Alexa Wilkins	Not eligible	Not applicable	$0
Member	Marie Deverell	Not eligible	Not applicable	$0
Member	Jessica Hilliar	Not eligible	Not applicable	$0
			Total:	**$0**

WA Reproductive Technology Council				
Chair	Dr Brenda McGivern	Per meeting	12 months	$2,272
Member	Dr Simon Clark	Per meeting	12 months	$852
Member	Antonia Clissa	Per meeting	12 months	$1,420
Member	Dr Angela Cooney	Per meeting	12 months	$1,846
Member	Derek Paton	Not eligible	Not applicable	$0
Member	Justine Garbellini	Not eligible	Not applicable	$0
Member	Prof. Roger Hart	Per meeting	12 months	$426
Member	Prof. Stephan Millet	Per meeting	12 months	$1,704
Member	Dr Joseph Parkinson	Per meeting	12 months	$1,704
Member	Prof. Peter Roberts	Per meeting	12 months	$1,988
Member	Dr John Beilby	Not eligible	Not applicable	$0
Deputy Member	Dr Peter Burton	Sessional	12 months	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Deputy Member	Rev Brian Carey	Sessional	12 months	$1,491
Deputy Member	Dr Louise Farrell	Sessional	12 months	$142
Deputy Member	Dr Michele Hansen	Sessional	12 months	$426
Deputy Member	Dr Andrew Harman	Sessional	12 months	$284
Deputy Member	Iolanda Rodino	Sessional	12 months	$1,136
Deputy Member	Rachel Oakeley	Sessional	12 months	$426
Deputy Member	Dr Veronica Edwards	Not eligible	Not applicable	$0
Deputy Member	Dr Lucy Williams	Sessional	12 months	$284
			Total:	**$16,401**
WA Reproductive Technology Counselling Committee				
Chair	Iolanda Rodino	Sessional	12 months	$852
Member	Justine Garbellini	Not eligible	Not applicable	$0
Member	Derek Paton	Not eligible	Not applicable	$0
Member	Dr Elizabeth Webb	Sessional	12 months	$426
Member	Dr Veronica Edwards	Not eligible	Not applicable	$0
			Total:	**$1,278**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
WA Reproductive Technology Counselling Embryo Storage Committee				
Chair	Rev Brian Carey	Sessional	12 months	$639
Member	Antonia Clissa	Sessional	12 months	$284
Member	Dr Michelle Hanson	Sessional	6 months	$284
Member	Dr Andrew Harman	Sessional	12 months	$284
Member	Dr Angela Cooney	Sessional	6 months	$0
			Total:	**$1,491**
WA Reproductive Technology Counselling Licensing and Administration Advisory Committee				
Chair	Dr Joseph Parkinson	Sessional	12 months	$426
Member	Dr Angela Cooney	Sessional	12 months	$142
Member	Prof. Roger Hart	Sessional	12 months	$0
Member	Prof. Peter Roberts	Sessional	12 months	$142
Member	Iolanda Rodino	Sessional	11 months	$142
			Total:	**$852**
WA Reproductive Technology Counselling Preimplantation Genetic Diagnosis Technical Advisory Committee				
Chair	Dr John Beilby	Not eligible	Not applicable	$0
Member	Dr Kathy Sanders	Sessional	12 months	$0
Member	Dr Peter Burton	Sessional	12 months	$0
Member	Dr Sharon Townshend	Not eligible	Not applicable	$0
			Total:	**$0**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
WA Reproductive Technology Counselling Scientific Advisory Committee				
Chair	Professor Roger Hart	Sessional	12 months	$213
Member	Dr Peter Burton	Sessional	12 months	$0
Member	Dr Michelle Hansen	Sessional	12 months	$142
Member	Dr Andrew Harman	Sessional	12 months	$142
Member	Dr Joseph Parkinson	Sessional	12 months	$142
Member	Prof. Peter Roberts	Sessional	12 months	$142
Member	Dr Lucy Williams	Sessional	12 months	$142
			Total:	**$923**
Women and Newborns Health Network Executive Advisory Group				
Co-lead	Associate Prof. Graeme Boardley	Not eligible	Not applicable	$0
Co-lead	Dr Janet Hornbuckle	Not eligible	Not applicable	$0
Member	Zoe Bradfield	Not eligible	Not applicable	$0
Member	Sarah Weightman	Not eligible	Not applicable	$0
Member	Susan Bradshaw	Not eligible	Not applicable	$0
Member	Kylie Ekin	Per meeting	12 months	$120
Member	Dr Alison Evans	Not eligible	Not applicable	$0
Member	Dr Liz Gannon	Not eligible	Not applicable	$0
Member	Zel Iscel	Not eligible	Not applicable	$0
Member	Dr Peter Kell	Not eligible	Not applicable	$0
Member	Dr Helen Leonard	Not eligible	Not applicable	$0
Member	Denise Livsey	Not eligible	Not applicable	$0
Member	Tracy Martin	Not eligible	Not applicable	$0
Member	Torna Moya	Not eligible	Not applicable	$0
Member	Jenny O'Callaghan	Not eligible	Not applicable	$0
Member	Rachel Pearce	Not eligible	Not applicable	$0
Member	Kate Reynolds	Not eligible	Not applicable	$0
Member	Tony Rush	Not eligible	Not applicable	$0
Member	Sue Somerville	Not eligible	Not applicable	$0
Member	Dr Vicky Westoby	Not eligible	Not applicable	$0
Member	Dr Margo Norman	Not eligible	Not applicable	$0
Member	Dr Kate Hammond	Not eligible	Not applicable	$0
Member	Dianne Barr	Not eligible	Not applicable	$0
			Total:	**$120**

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