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

# Annual Report 2019–20

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This annual report provides an overview of the Department of Health operations for the financial year ended 30 June 2020.

**Department of Health**

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# 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 2020.

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

11 September 2020

# Contents

# From the Director General

The COVID-19 pandemic dominated the attention and resources of health systems around the globe this year. The initial months of 2020 centred around preparing for the unknown, and readying our health system for every eventuality, including a significant surge in COVID-19 cases.

While COVID-19 is certainly one of the most significant health events in modern history, and you can read about our response to this unprecedented situation in Western Australia in the following pages, it is important we do not let it eclipse the other outstanding work undertaken in our public health system in 2019–20.

Prior to the emergence of COVID-19, and indeed during, the WA health system progressed a number of reforms and programs, as well as its 'business as usual' work, to support the health and wellbeing of the WA community.

The Department and the Health Service Providers (HSPs) continued to progress the recommendations of the *Sustainable Health Review: Final Report to the Western Australian Government 2019* (SHR). The focus for 2019 included planning for a broader, three-year implementation program, which would be progressed alongside priorities identified in the report.

In March 2020, despite some SHR planning being paused while resources were redirected to the COVID-19 pandemic, the implementation of recommendations, such as those relating to digital and telehealth and outpatient reform, were accelerated.

In August 2019, trained pharmacists in Western Australia were given the go-ahead to immunise against more illnesses such as whooping cough, measles and meningococcal disease. This initiative was a significant step forward for Western Australia, helping to increase immunisation rates in the community and bringing us in line with other Australian states and territories.

In December 2019, Western Australia became the second state in Australia to legalise voluntary assisted dying. The passing of the legislation was the result of two years of clinical and legal scrutiny – led by teams at the Department of Health – and was one of the most important and significant pieces of reform ever delivered in Western Australia.

As part of a commitment to strengthen access to end of life and palliative care for Western Australians and following extensive consultation, the WA End-of-Life and Palliative Care Strategy 2018–2028 Implementation Plan One 2020–2022 (IP1) was released in February 2020. The action and evaluation plans outlined in IP1 will help build the foundation of the strategy's 10-year vision to deliver safe, compassionate and high-quality end of life and palliative care.

In March 2020, the Review of the Clinical Governance of Public Mental Health Services in Western Australia Final Report was released to guide stronger, statewide clinical leadership in our mental healthcare system.

As a result of this Review, a new Chief Medical Officer, Mental Health position was established, which reports directly to the Mental Health Commissioner, and works closely with the Department and HSPs to provide clinical expertise and contribute to strategic planning and policy.

A new Mental Health Executive Committee was also established to help strengthen integration and accountability within the public hospital system.

In April 2020, the *Guardianship and Administration Act 1990* was amended to provide pathways which allow adults who are not able to provide their own informed consent to be involved in health and medical research. These people now join other Western Australians in having the opportunity to access novel treatments and care.

In May 2020, as part of the Department's commitment to improving the health and wellbeing of Aboriginal people, we released *The Journey of Health and Wellbeing*. This animated video promotes the community's understanding of Aboriginal people's experience from colonisation to the present day. The video will be included in the Department of Health's cultural e-learning package and has also been made available to communities across Western Australia.

Additionally in May 2020, the legislation underpinning the Western Australian Future Health Research and Innovation Fund passed through Parliament.

This milestone legislation gives Western Australian health and medical researchers and innovators a secure and ongoing source of funding that will include an initial commitment of an extra $37 million over the next three years.

The legislation repurposes the $1.4 billion WA Future Fund – allowing interest earned on it to be directed to local health and medical research, innovation and commercialisation.

For 2020–21, $24.6 million of the interest earned on the fund will be expended for this purpose, including up to $6 million for COVID-19 research. This funding will help to improve the health and wellbeing of Western Australians, create jobs, diversify the economy, enhance the Western Australian health system, and ensure that the State retains its brightest health researchers, innovators and clinicians.

The Department also produced a number of strategic resources to guide its work, including:

- The Health Leadership Strategic Intent 2019–2029, which will shape the future of leadership development across the WA health system over the next 10 years.
- The WA Women's Health and Wellbeing Policy to promote better health for WA women and girls, and to help them access appropriate services.
- The Western Australian Healthy Weight Action Plan 2019–2024, the first plan of its kind in the State, to address early intervention and the management of excess weight and obesity.
- The WA Cancer Plan 2020–2025, which aims to improve cancer outcomes for Western Australians and address the State Government's commitment for a long-term approach to cancer research in Western Australia.

I applaud our staff for these achievements – and for the many others that I have not listed.

While the COVID-19 pandemic, and our response, was definitely the headline event in 2019–2020, for me the defining moments of the year came from the continuous examples of professionalism, adaptability and collaboration across a complex and diverse system.

I am indebted to my extended leadership team, who provided outstanding support and guidance throughout the past year.

To all staff from the WA Department of Health, as well as the wider WA health system, I extend my utmost thanks and appreciation for their unrelenting and exemplary work in a year that has been like no other.

**Dr D J Russell-Weisz**
Director General

# About us

## 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 Director General of Health and Department CEO is Dr D J Russell-Weisz. In accordance with the *Health Services Act 2016*, the Director General is established as the System Manager for the WA health system and is responsible for the strategic direction, oversight, management and performance of the WA health system. This includes the Department of Health, as well as the Health Service Providers and the Health Support Services. The Director General reports to the Minister for Health.

# Key legislation

## Our enabling legislation

The Department of Health was established as a department by the Governor under section 35 of the *Public Sector Management Act 1994*.

## Legislation passed in 2019–20

- *Voluntary Assisted Dying Act 2019*
- *Western Australia Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020*

## Bills in Parliament as at June 2020

- *Health Services Amendment Bill 2019*
- *Human Reproductive Technology and Surrogacy Legislation Amendment Bill 2018*

## Legislation administered in 2019–20

Through the administration of key legislation, the Department of Health enacts authority over the WA health system and delivers its functions. The Director General, on behalf of the Minister, is responsible for ensuring this legislation is administered appropriately.

- *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 Act 2016*
- *Health Services (Quality Improvement) Act 1994*
- *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 and Part 5, which are administered by the Department of the Attorney General)
- *Public Health Act 2016*
- *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*
- *Western Australian Future Fund Act 2012*

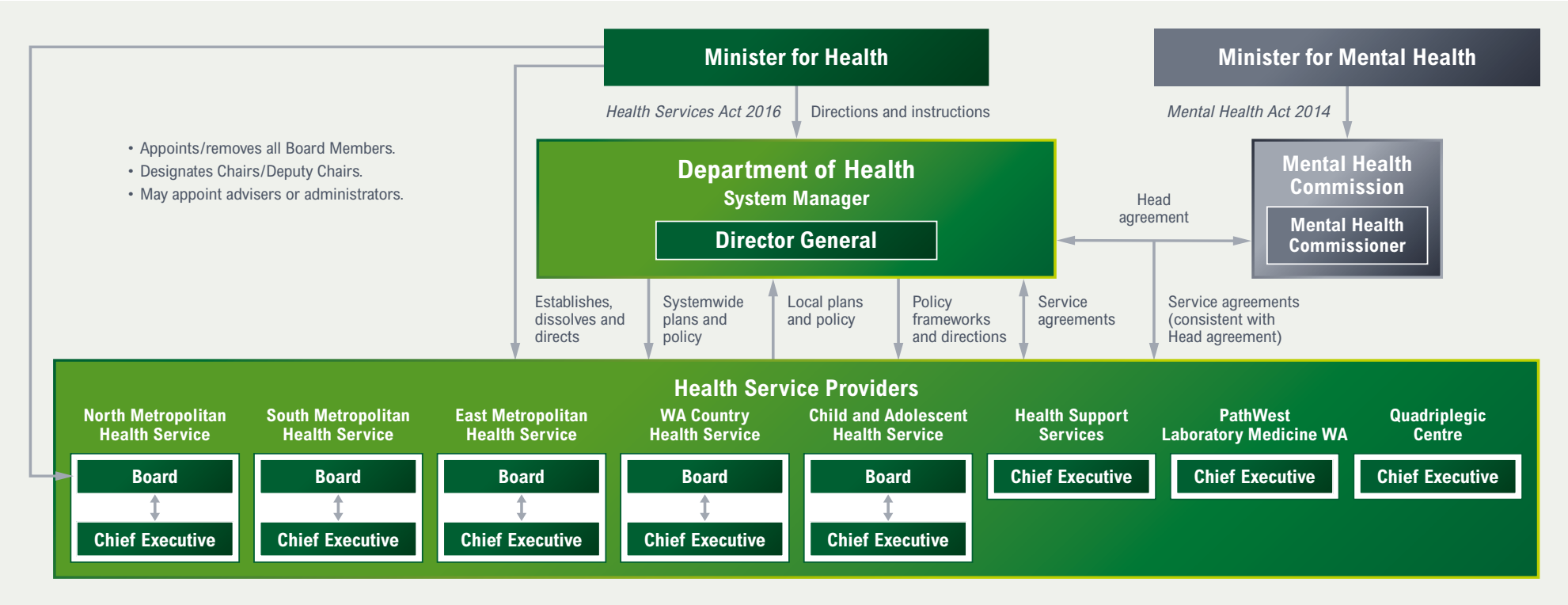
# The System Manager function

The *Health Services Act 2016* establishes the Director General as the System Manager for the WA health system and as the Department CEO. At arm's length from health service delivery, the System Manager provides the overarching leadership, stewardship and management of the WA health system. This includes setting the strategic direction, effective service planning, providing oversight, monitoring performance and ensuring governance mechanisms are in place for the WA health system. The Department of Health supports the Director General in performing his System Manager functions and all other legislative functions.

The WA health system comprises the Department of Health and Health Service Providers (HSPs), including Health Support Services. The HSPs are established as statutory authorities and are each governed by a Board or Chief Executive. These statutory authorities are responsible and accountable for delivering public health services and health support services for the WA health system. Mental health, alcohol and drug health services are purchased from HSPs by the Mental Health Commission through service agreements. These agreements are enabled via a head agreement between the Department of Health and Mental Health Commission, provided for within the *Health Services Act 2016*.

Figure 1 describes the governance relationships between the System Manager, the Department of Health, the HSPs and the Mental Health Commission.

Figure 1: WA health system governance structure

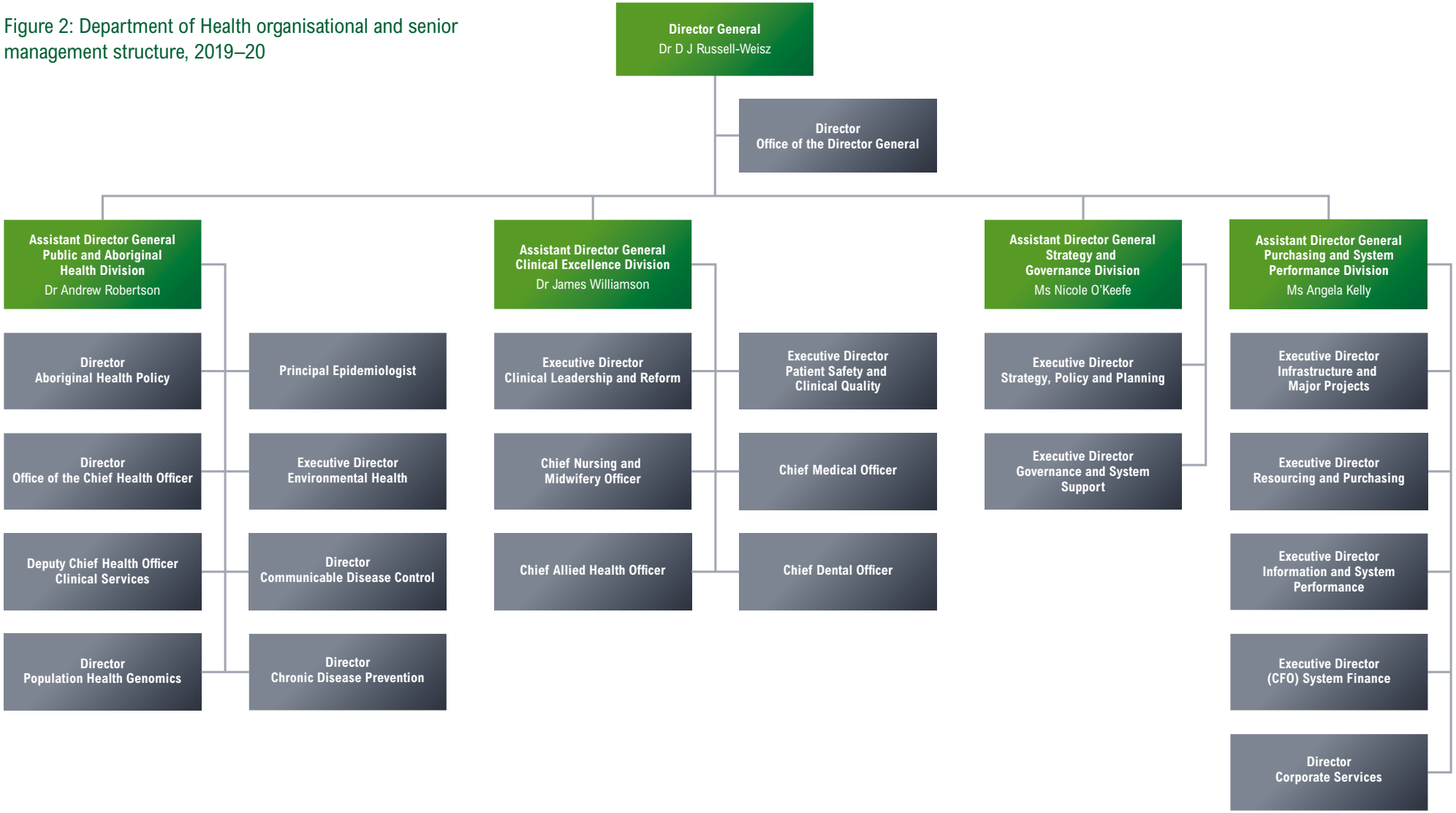



**Note** For 2019–20 Health Support Services and PathWest Laboratory Medicine WA were Chief Executive governed services. Boards are established from 1 July 2020.

# Our organisational structure

Dr D J Russell-Weisz is supported by four Assistant Director Generals, assisted by 22 senior staff.

Figure 2: Department of Health organisational and senior management structure, 2019–20



# Our business

In 2019–20, the Department of Health workforce comprised more than 1,000 people working in the Office of the Director General and across four Divisions:

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

## Office of the Director General

### Dr D J Russell-Weisz, Director General Department of Health

Since his appointment in August 2015, Dr D J Russell-Weisz has overseen the major reform to devolved governance, and the establishment of Health Service Provider Boards underpinned by the introduction of the *Health Services Act 2016*. Along with the Department of Health, Health Service Providers and key external partners, he is responsible for delivering the recommendations of the State Government's *Sustainable Health Review: Final Report to the Western Australian Government* (SHR).

Prior to his appointment as Director General at the Department of Health Dr Russell-Weisz oversaw the commissioning of the Perth Children's Hospital, led the commissioning of the State's flagship $2 billion Fiona Stanley Hospital, served as the Chief Executive of the North Metropolitan Health Service where he led the $1 billion redevelopment of the QEII Medical Centre, and oversaw three tertiary and three outer metropolitan hospitals.

The **Office of the Director General** provides strategic leadership and planning to the WA health system, an executive management function to the Department of Health and Health Service Providers, the facilitation of departmental and systemwide responses to external stakeholders, and administrative and operational support to the Director General. The Office of the Director General comprises three areas: Communications, Ministerial Liaison and the Office of the Director General.

## Public and Aboriginal Health Division

### Dr Andrew Robertson CSC PSM, Assistant Director General and Chief Health Officer

Dr Andrew Robertson provides expert leadership and advice to the Director General and Minister for Health on public and Aboriginal health matters and emerging issues. In his capacity as Chief Health Officer, Dr Robertson is a member of the State Emergency Management Committee and the Australian Health Protection Principal Committee and has played a critical role in guiding the Western Australian and national response to the COVID-19 pandemic.

Dr Robertson has specialist qualifications in Public Health Medicine and Medical Administration. He served with the Royal Australian Navy (RAN) from 1984 until 2003 and remains in the RAN's Active Reserve.

### Dr Denise Sullivan

In March 2020 Dr Denise Sullivan stepped in to support Dr Robertson in the role of Assistant Director General, Public and Aboriginal Health Division, whilst he performed duties as Chief Health Officer during the COVID-19 response.

Appointed by the Department of Health in 2010, Dr Sullivan was the founding Director of the Chronic Disease Prevention Directorate, where she has led the development of State chronic disease and injury prevention policy and planning frameworks and contributed to the shaping of the national preventive health policy agenda.

The **Public and Aboriginal Health Division** provides strategic and operational direction for public health services in the WA health system. The Division is responsible for fulfilling the legislative responsibilities of the *Public Health Act 2016* and related Acts. These responsibilities include the 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. The Division also performs functions such as encouraging and enabling healthy lifestyles and Aboriginal health and wellbeing and collects and analyses statewide health information to survey and monitor the population's health status and aid planning and design of programs and health responses to protect and promote the health of Western Australians.

## Purchasing and System Performance Division

**Ms 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 holds an economics qualification from the University of Western Australia and has more than 20 years of experience in the public health system. She has held several senior executive positions within the Department of Health, including Executive Director Resourcing and Performance and Director of Health Infrastructure, and in 2018 spent three months as the acting Chief Executive at North Metropolitan Health Service.

The **Purchasing and System Performance Division** comprises five key areas: Information and System Performance; System Finance; Resourcing and Purchasing; Infrastructure and Major Capital Projects; and Corporate Services.

This Division is the primary point of liaison between the Department of Health and Department of Treasury and is responsible for the strategic management of resource allocation. It also monitors, manages and analyses the performance of the WA health system in accordance with the *Health Services Act 2016*, with the underlying objective to ensure the continued provision of safe and quality public health care to all Western Australians.

The Purchasing and System Performance Division undertakes demand and capacity modelling, system analytics, data integrity and linkage and infrastructure planning and coordination. It oversees system performance and is responsible for the strategic management of financial operations including financial reform and policy; and delivers national and public reporting, and corporate services for the Department of Health. The Division also manages key community sector contracts for statewide services and undertakes budgeting and purchasing functions. This includes issuing of service agreements with Health Service Providers and stewarding the head agreement with the Mental Health Commission.

## Clinical Excellence Division

**Dr James Williamson**
**Assistant Director General**

Dr James Williamson is Assistant Director General leading the Clinical Excellence Division. He is a general physician and rheumatologist with a PhD and post-doctoral experience in immunology, stem cell biology, gene targeting and scleroderma. He has held clinical and executive positions in the North Metropolitan Health Service and has previously led the eHealth program and Musculoskeletal Network.

The **Clinical Excellence Division** provides clinical advice to the WA health system. It is the focal point for clinical policy development and engagement with the clinical workforce and represents the interests of the professions nationally in addressing specific workforce issues.

The Clinical Excellence Division administers State-funded research programs and contributes to national research directions. It also implements systems to support the safety and quality of health care and oversees the licensing of private healthcare facilities and reproductive technologies.

## Strategy and Governance Division

### Ms Nicole O'Keefe, Assistant Director General

Ms Nicole O'Keefe commenced as Assistant Director General, Strategy and Governance in September 2019. Ms O'Keefe has significant experience in governance and strategy within the health sector, as well as a proven track record of developing enduring partnerships across community, public and private sectors to deliver services, including those in rural and remote areas.

Ms O'Keefe joined the Department of Health from her position as State Manager WA of the National Disability and Insurance Agency (NDIA). Before joining the NDIA in February 2016, Ms O'Keefe held various senior positions, including WA State Manager for the Commonwealth Department of Health and Ageing; Executive Director Mental Health in the WA Department of Health; and Assistant Secretary, Office of Aged Care and Quality Compliance, Commonwealth Department of Health and Ageing.

The **Strategy and Governance Division** is responsible for the systemwide governance, strategy, policy and planning functions of the System Manager. The Division has two directorates which are supported by nine work units responsible for workforce and employment, industrial relations, integrity, governance and assurance, and policy frameworks for the WA health system. It provides legal and legislative services to the Department of Health.

The Strategy and Governance Division supports negotiations on national agreements with the Commonwealth, leads the system planning function for the WA health system and provides support to information, communication and technology governance bodies. A key deliverable for the Division is to work with Health Service Providers to support the implementation of the SHR's Enduring Strategies and Recommendations.

# COVID-19 response

# COVID-19 response

## New virus reported

On 1 January 2020, as Western Australians welcomed in the New Year, few could have imagined the unprecedented events of the coming months and the extent to which they would affect day-to-day life.

At around this time, the World Health Organization (WHO) identified a new virus in the Hubei province, China. This new virus – a novel coronavirus and referred to as COVID-19 – spread easily, caused symptoms including shortness of breath and coughing with or without fever, and in some cases could result in severe pneumonia and death.

## Growing concerns

The virus continued to spread rapidly around the world and concern grew about its impact on human health and global healthcare systems. Western Australia's (WA's) health and emergency response agencies moved rapidly into preparation mode, putting teams together to be ready to respond to a local outbreak. By the time WA reported its first coronavirus case on 21 February 2020, extensive work was already underway within the WA health system to prepare for a possible surge in cases.

On 11 March the WHO declared a pandemic.

By this stage, the virus had well and truly made it to WA. On 1 March, a 78-year-old Western Australian man was confirmed as the State's first COVID-19 fatality after contracting the virus on the ill-fated Diamond Princess cruise ship quarantined in Japan. Further cases emerged in WA over the coming weeks primarily from returning overseas travellers and particularly those aboard cruise ships.

## Response activations

With the situation escalating both overseas and in Australia, the WA State Government declared a State of Emergency on 15 March and a Public Health State of Emergency on 23 March.

As the designated Hazard Management Agency for human epidemic under the State Emergency Management Framework, the Department of Health took responsibility for the emergency response to the pandemic.

A dedicated Public Health Emergency Operations Centre (PHEOC) team was established and the State Health Incident Coordination Centre (SHICC) was activated to address strategic management of hospital, clinical health service and non-public health sector COVID-19 responses.

Two Deputy Chief Health Officers were appointed – Dr Paul Armstrong (Public Health) and Dr Robyn Lawrence (Clinical Services). Dr Lawrence also took the position of Incident Controller. Ms Liz MacLeod, Chief Executive (CE) East Metropolitan Health Service, took up the role of CE COVID-19 Operations to strengthen the operational coordination across the WA health system

The Department brought together an emergency response team consisting of 220 multidisciplinary staff, including 100 from across the WA health system, 30 Commonwealth, 60 State, one local government, 10 not for profit and 19 private sector contributors.

### PPE preparation

Procurement professionals worked around-the-clock to secure sufficient Personal Protective Equipment (PPE) supplies amid a global shortage. PPE supplies, including gloves, masks, face shields and safety glasses increased by up to 1,538 per cent on business as usual stock. Local manufacture of hand sanitiser was established to help meet demand.

### Our hospitals

Category 2 and 3 elective surgery was put on hold on 23 March as the health system prepared for the threat of COVID-19. Category 1 surgery – defined as urgent with the potential to become an emergency – continued. Booked category 2 patients were reviewed by treating clinicians and proceeded if deemed urgent.

Surge Plans were developed to increase ventilated and general bed capacity in readiness for a surge in cases. The planning included strategies for redirecting patients to appropriate public and private hospitals and outlined ease of activation (easy, moderate and difficult) and dependencies. A baseline of 111 ventilated beds was increased to a potential total of 647 if required, and general bed capacity of 3,627 was increased to a potential total of 8,631.

## Testing

In early March, the Department established three dedicated COVID-19 testing clinics in the Perth area, later expanding to include a further four clinics across the metropolitan area. In the regional areas two dedicated clinics were supported by testing conducted at GPs and hospitals. The Department also established partnerships with private sector collecting facilities, including some drive-through options, to maximise opportunities for testing.

In April, rapid on-site testing analysers for COVID-19 were rolled out across regional WA, allowing results to be available within an hour.

## Legislation

Throughout the State, multiple COVID-19-related Acts were passed in record time between February and June 2020, and Directions were regularly announced and updated as the pandemic situation changed. Some of these sat under the *Public Health Act 2016* (WA), others under Acts whose responsibility sat with external public sector agencies; some were time-specific, others permanent. All were approved to protect Western Australians in a pandemic situation.

## Workforce

Whether directly or indirectly, all employees of the Department of Health and the broader health system were affected by the COVID-19 response. Many projects were necessarily put on hold, including events and seminars, training and travel. Many staff were seconded to work on the COVID-19 response, leaving their colleagues to manage an increased workload in their absence. Some staff were physically relocated to make room for an influx of employees from other agencies who joined the response, which was situated in the May Holman Building in Royal Street, East Perth.

Daily SHICC briefings adhered to physical distancing requirements

Work spaces were created in the cafeteria, a street was closed and filled with demountable buildings, and it was not unusual to see an epidemiologist, a soldier, a procurement expert and an infection control nurse working side-by-side.

Some Department of Health staff started working from home, and new technologies were quickly adopted to ensure meetings and non-COVID-19 work could continue.

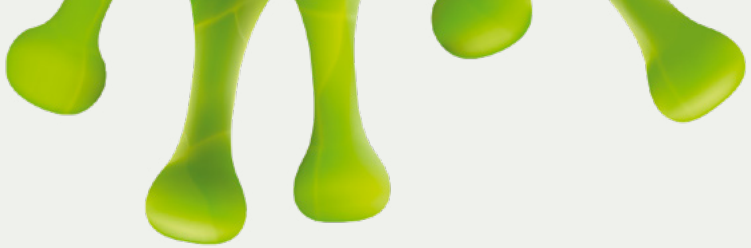
# Easing restrictions

In late April, as case numbers slowed in WA, the first tentative steps from lockdown commenced as public schools reopened after the Easter break.

On 10 May, the State Government announced a phased WA roadmap to easing COVID-19 restrictions. Elective surgery was reintroduced in a staged approach, with full elective surgery resuming throughout WA on 15 June.

By the end of June 2020, Phase 4 of the WA roadmap to relax COVID-19 restrictions was in place, essentially removing all restrictions other than the two square metre social distancing rule and interstate borders. WA was in an enviable position of having no community transmission of COVID-19, and a hospital system prepared for outbreaks.

Moving through the Recovery Phase of this pandemic will be a balance of recovery and response to any emerging COVID-19 issues. The Department of Health will continue a dual governance structure – maintaining the Incident Management structure alongside the Department of Health's business as usual organisational structure to ensure the system remains vigilant and agile as we look to the future.



## Incident management

The State Emergency Management Committee, led by the Commissioner of Police as the State Emergency Coordinator, activated the State Emergency Management Plan in parallel to WA health system's Infectious Disease Emergency Management Plan (IDEMP).

Under the direction of WA's Chief Health Officer, Dr Andrew Robertson, two key response groups were established:

- Public Health Emergency Operations Centre (PHEOC), led by Dr Paul Armstrong, Deputy Chief Health Officer – Public Health
- State Health Incident Coordination Centre (SHICC), led by Dr Robyn Lawrence, Deputy Chief Health Officer – Incident Controller and supported by Liz MacLeod, Chief Executive COVID-19 Health Operations.

### PHEOC

PHEOC's efforts focused on prevention, with community information and education available via daily press updates, a paid public awareness campaign, resources, fact sheets and guidelines about travel and quarantine requirements online and an information hotline.

PHEOC also coordinated the WA health system's contact tracing function – the labour-intensive process of talking to COVID-19 patients to find out about other people they have been in contact with and who may also be at risk of COVID-19.

### SHICC

SHICC concentrated on logistics, planning, liaison, intelligence, non-health operations and public information to respond in the event of widespread COVID-19 contagion in WA.

SHICC team members from 19 State and Commonwealth agencies coordinated wide-ranging duties such as rapid planning for quarantine areas in hospitals, repurposing buildings for COVID-19-specific care, enlisting hotels for quarantine, planning for the safe transportation of COVID-19 patients and those in quarantine, and sourcing ventilators, ICU beds and personal protective equipment (PPE).

Cruise and livestock ships at Fremantle Port affected by COVID-19 also kept the SHICC team busy with coordinating quarantine, logistics and operational matters. Following the emergence of positive cases in the Kimberley, SHICC deployed WA Medical Assistance Teams to Broome, Halls Creek and Rottnest Island.

The SHICC team were too numerous to accommodate within the May Holman Building in Royal Street, East Perth, and demountable buildings were constructed in adjoining Hill Street. The City of Perth coordinated parking for additional teams. At its peak the prodigious SHICC city claimed more doctors per capita than any other Australian city, plus people from the armed forces and other clinical staff.

**Dr Andrew Robertson** guided our health sector and community in what is increasingly recognised as one of the most effective responses to the COVID-19 pandemic in the world.

**Dr Paul Armstrong** was among the first responders as he evacuated Australian passengers from the Diamond Princess cruise ship quarantined in Japan. He oversaw WA's public health campaign to 'flatten the curve'.

**Dr Robyn Lawrence**, in her role as Incident Controller, State Health Incident Coordination Centre, managed the WA health system's COVID incident response team. Robyn provided advice, leadership and support on clinical services matters related to COVID-19 including those in public and private hospitals, aged care facilities and the primary health care sector. Further, Robyn led the planning, logistics and establishment of the State's quarantine facilities (hotels) and Rottnest Island.

**Liz MacLeod**, Chief Executive, COVID-19 Health Operations, coordinated operational decisions in collaboration with the other HSP CEs including overseeing policy development around use of PPE in clinical setting and recruitment of a healthcare workforce ready to respond to a potential tidal wave of COVID-19 cases.

# Our directions

# Our achievements

## COVID-19

**220** multidisciplinary staff were onboarded to respond to the COVID-19 State of Emergency, including **100** from across the WA health system, as well as **30** Commonwealth, **60** State, **1** local government, **10** not for profit and **19** private sector contributors

### Personal protective equipment

| Category | February to June 2020 | Increase from previous 5-month period |
|---|---|---|
| Face shields | 314,546 | 996% |
| Gloves – examination | 38,776,080 | 22% |
| Gloves – surgeons | 507,900 | 11% |
| Gowns – isolation | 1,600,000 | 108% |
| Gowns – surgical | 242,390 | 64% |
| Mask – surgical level 2 | 1,747,300 | 517% |
| Mask – surgical level 3 | 1,382,000 | 85% |
| Masks N95 | 1,142,964 | 440% |
| Safety glasses | 137,571 | 1538% |
| Hand sanitiser | 266,977 | 648% |

**6,420** passengers were quarantined across 9 hotels and Rottnest Island

**209** future WA health system leaders attended Department of Health Leadership training and programs

During 2019–20, over **476,000** childhood immunisations were given to children under the age of five years

**66%** Employee Engagement Score in the Your Voice in Health survey, **up 5% from 2019**

Your Voice in Health

Minister for Health Staff Survey

**6,518**

course enrolments across 40 courses in the Department of Health's online Learning Management System, including mandatory training

A record

**982,685**

influenza vaccines were distributed to vaccination providers, 26% higher than last year.

**23** graduates completed the **Graduate Development Program**

**27,987** **views and 416 Likes**

The Journey of Health and Wellbeing, Aboriginal Health video online since its launch on 26 May

**58** systemwide mandatory policies were introduced or underwent major amendments

2 key pieces of legislation passed, the *Voluntary Assisted Dying Act 2019*, and the *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020*

The WA health system comprised

**806**

Aboriginal employees in June 2020, an increase of 55 employees from June 2019

# Our directions

Our directions outline how the Department of Health intends to deliver our vision for the future. Four key directions will drive us towards a "WA health system that delivers safe, high quality and sustainable services that support and improve the health of all Western Australians".

**Our Vision:** A WA health system that delivers safe, high quality and sustainable services that support and improve the health of all Western Australians

**Our Mission:** To lead and steward the WA health system

## Our Directions

**Lead and innovate**
through the provision of effective strategic direction, research, facilitation and advocacy

**Steward and assure**
through advice and oversight, and the identification and management of risk, accountability measures and monitoring performance

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

**Inspire and empower**
our passionate workforce to be courageous, innovative, accountable and to collaborate for change

## Making it happen

**Our people** demonstrate respect, are accountable and have integrity. We achieve excellence through consulting, collaboration and being decisive.

**Respect**

**Excellence**

**Integrity**

**Teamwork**

**Leadership**

# Lead and innovate

The Department of Health led the WA health system through a challenging year in 2019–20, supporting the system through the COVID-19 State of Emergency. In the face of these challenges, our people demonstrated resilience, courage, strength and dedication to continue to achieve our four strategic directions.

**Lead and Innovate through effective strategic direction, research, facilitation and advocacy.**

During 2019–20, the Department of Health provided strong leadership across the WA health system by effectively setting the direction for the delivery of safe, high quality and sustainable health services to help Western Australians live healthy lives.

In response to the COVID-19 State of Emergency, the Department of Health advocated for the WA health system to ensure it was financially supported during this time. This included supporting the State government's negotiations to optimise Commonwealth funding contributions under the National Partnership on COVID-19 response. The Department also coordinated development of the Western Australian Private Hospital Cooperation Agreement. This was offered to all Western Australian private hospital operators as a means for maximising hospital capacity and ensuring statewide coordination of hospital and healthcare services across the state. A total of 26 Agreements were executed to 30 June, with payments of around $25 million per month made between April and June 2020.

Significant work was undertaken to protect regional Aboriginal communities and establish the WA Aboriginal Advisory Group on COVID-19 (WAAAG). This group had representation from the Department of Health, Health Service Providers (HSPs), Aboriginal Community Controlled Health Services, other state government agencies and the primary health sector.

The Department also developed COVID-19 Use of Interpreters Guidelines to help protect culturally and linguistically diverse community members and COVID-19 risk management strategies were implemented to ensure community-based service providers could maintain safe business continuity. An End of Life and Palliative Care in COVID-19 response plan was also launched for use if required.

High-quality aged care services were an area of focus, and strategies included providing support with COVID-19 planning for aged care including residential aged care, piloting enhancements to the Residential Care Line Outreach Service and increasing Transition Care Program places.

The Department led many other initiatives during 2019–20 that focused on delivering better health outcomes for Western Australians.

On Sorry Day on 26 May, the Aboriginal Health team launched an animated video that charts the progress of the health and wellbeing of Aboriginal people and communities from colonisation to today. The 10-minute video has been made available to communities across Western Australia and will be included in the Department of Health's developing cultural e-learning package. It encourages Western Australians to reflect and confront shared histories, and highlights goals of positive change and growth.

In an Australian first, the Minister for Health approved a primary school-aged influenza vaccination program for children aged 5-11 years in April 2020. This Department of Health initiative allowed all children in primary school to access a free influenza vaccination, which was aimed at preventing illness in this medically vulnerable age-group of our community.

The Western Australian Burden of Disease Study 2015 Summary Report was released in June 2020. This report provides an assessment of the impact of 216 diseases and 29 risk factors on the Western Australian population and allows for comparisons of loss of life and disability due to disease in a consistent manner. Findings from this study are useful for policy formulation, research, practice and health service planning.

The Burden and Cost of Excess Body Weight in Western Australian Adults and Children Report was published in May 2020 and provides critical information for health system planners and policy makers about the impact of excess weight and obesity on the WA health system. The report found that six per cent of all hospitalisation costs in Western Australia (WA) were attributable to excess body weight in 2016 (totalling $339 million). If current trends in excess weight and obesity continue, by 2026 these costs are estimated to rise by 80 per cent (reaching $610 million). The report, released by the Minister for Health, received Australia-wide media coverage.

The State's first Western Australian Healthy Weight Action Plan 2019–2024 has been developed to help respond to these rising rates of obesity. A joint initiative of the WA health system, WA Primary Health Alliance, and Health Consumers' Council, the plan creates a roadmap for sustainable changes to support people and families who are at risk of excess weight (those at the high end of the healthy weight body mass index range) and obesity. Focused on early intervention and management of excess weight and obesity, this plan complements the Department's longer-term strategies and addresses Recommendation 2(a) of the *Sustainable Health Review: Final Report to the Western Australian Government 2019* (SHR) to "halt the rise in obesity in WA by July 2024 and have the highest percentage of population with a healthy weight of all states in Australia by July 2029".

The *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020* was passed by both Houses of Parliament in May 2020. This legislation aims to provide a secure, long-term source of funding to support health and medical research and innovation and paves the way for WA to lead advancements in health and medicine.

The *Guardianship and Administration Amendment (Medical Research) Act 2020* came into operation on 6 April 2020 and provides the authorisation and appropriate safeguards to enable enduring guardians, guardians and next of kin to consent to medical research for people under legal incapacity. This includes novel treatments provided within urgent and intensive care settings, such as potential COVID-19 therapies.

In 2019–20, the Department of Health represented Western Australian public health interests effectively at Commonwealth and State government forums. This included successful negotiation of the 2020 National Health Agreements, including the National Health Reform Agreement, Department of Veteran Affairs Hospital Service Arrangement, Public Dental Services for Adults and the Aged Care Assessment Program.

Transformational change that sees healthcare delivered with a focus on courage, collaboration and system-thinking is central to achieving a healthier, more sustainable future. The SHR identified leadership as critical to delivering this vision.

In October 2019 the Health Leadership Strategic Intent 2019–2029 was launched in response to this recommendation and to support the WA health system in achieving this direction over the next 10 years. Through the Institute for Health Leadership, the Department of Health delivers systemwide leadership development programs and initiatives to clinical and non-clinical staff across the WA health system.

In 2019–20, in addition to customised leadership development support, the Department provided focused leadership training as follows:

- 23 Graduate Officers completed the Graduate Development Program
- 10 Aboriginal leaders completed the Aboriginal Leadership Excellence and Development Program
- 59 employees completed the Emerging Leaders Program
- 39 employees completed the Coaching for Effective Teams Program
- 20 Health Network members (clinical and non-clinical employees and consumers) completed the Cultivating Leadership Program
- 25 Resident Medical Officers completed the Medical Service Improvement Program
- 38 Medical Consultants completed the Consultant Development Program
- 13 Medical Education Registrars took part in the pilot of the Leaders in Health Education Program
- 3 Medical Advisors worked with the Institute for Health Leadership providing clinical input into leadership development
- 2 senior leaders were supported to complete Leadership WA's Signature Leadership Program.

In November 2019, the inaugural Early Career Nurses and Midwifery Masterclass was held, with 120 attendees. The Chief Nursing and Midwifery Office also hosted the Nursing and Midwifery Leadership conference.

## The Sustainable Health Review

The *Sustainable Health Review: Final Report to the Western Australian Government 2019* (SHR) was published in April 2019 and includes eight Enduring Strategies and 30 Recommendations that aim to drive a cultural shift, focusing on prevention and community care, supported by a modern hospital system.

In 2019–20, the WA health system commenced its approach to implementation of the SHR, forming a Sustainable Health Implementation Program (the Program), establishing governance mechanisms, initiating strategic planning, and addressing early priorities. A Sustainable Health Implementation Support Unit (SHISU) commenced in July 2019, providing a dedicated team to support the Program.

From March to June 2020, SHISU redirected efforts to support the COVID-19 response, as did many of the key Program stakeholders. Through the COVID-19 response there have been learnings and accelerations for the Program, as well as some delays.

For metropolitan and country patients, there were significant improvements through use of technology and digital-health. Recommendation 11 'improving timely access to outpatient services' saw telephone and video conferencing consultations more than double between February and March 2020. Recommendation 12 'improving coordination and access for country patients' was progressed with mobilisation of the WA Country Health Service Command Centre, which provides coordination of patient transport, speciality advice, and support for patient assessments and clinical monitoring.

To facilitate the Program's success, the Department has invested in Business Intelligence systems, analytical capability and data sharing. This facilitates delivery of components of Recommendation 21, which aims to ensure timely and targeted information is driving safety, quality and supports decision making.

Recommendations 23 and 24 both focus on developing a culture and workforce that supports new models of care. Steps to achieving these Recommendations include roll-out of the Minister for Health survey, engaging teams to drive immediate and long-term responses, participating in cross-agency groups, and establishing boards of governance for Health Support Services and PathWest Laboratory Medicine WA.


Progress with voluntary assisted dying and advance care planning in Western Australia has seen achievement of early priorities within Recommendation 9, which seeks to achieve respectful and appropriate end of life care and choices.

The Department is addressing access to funding for research and innovation, as well as seeking a fair share of Commonwealth funding, which contribute to a sustainable funding footprint. Work is underway to achieve Recommendation 29, which seeks to secure and align the Future Health Research and Innovation Fund. New partnerships are forming through National Health Reform Agreements with the Commonwealth, as a part of Recommendation 19.

Re-forming in June 2020, SHISU coordinated the Department's submission to the WA Recovery Plan, with the SHR providing the 'framework' for the WA health system recovery.

# Steward and assure

**Steward and assure through advice and oversight, and identifying and managing risk, measuring accountability and monitoring performance.**

In 2019–20, the Department of Health provided advice and oversight of the WA health system through responsible financial management, effective governance, performance management and enhanced statutory and public reporting.

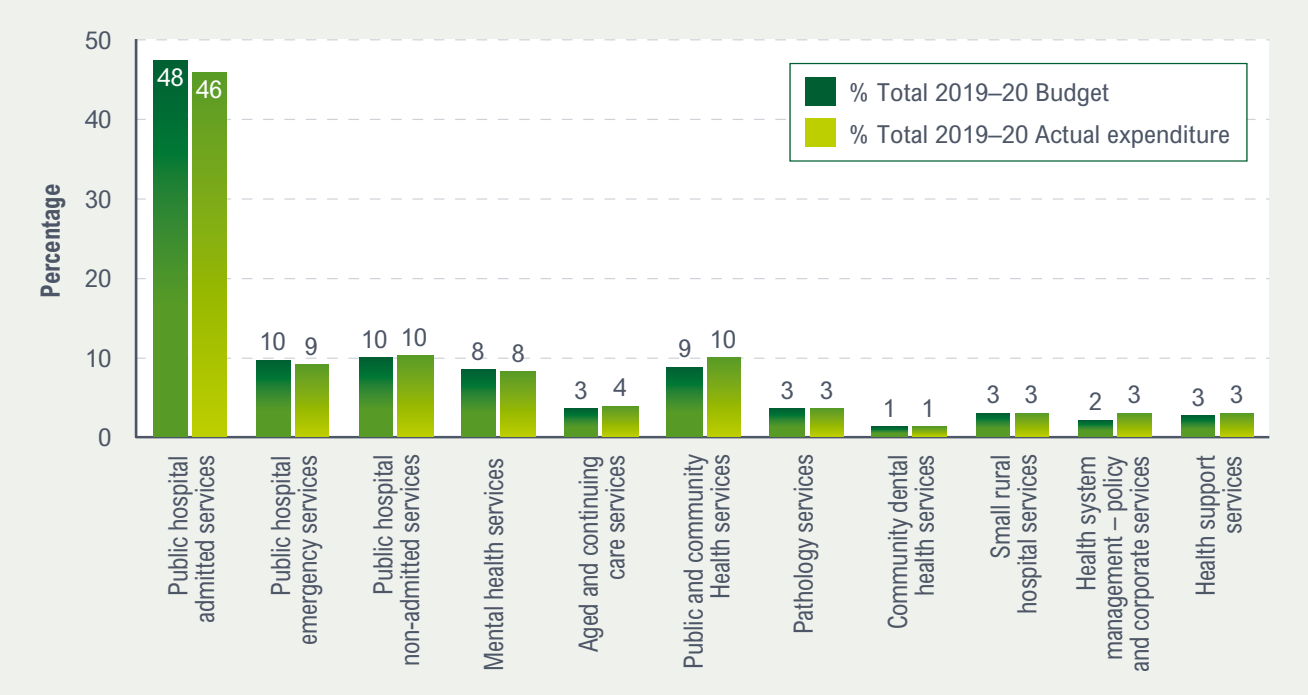
The Department of Health is responsible for overseeing the budget allocation and spending for the WA health system.

For 2019–20, the WA health system expenditure against allocated budget is described in Figure 3.

A systemwide focus on performance in recent years has seen a significant reduction in WA health system expenditure growth from an average of 10 per cent per annum to 2.1 per cent and 1.1 per cent in 2017–18 and 2018–19 respectively.

This performance improvement was reinforced in 2019–20, with expenditure growth at only 3.40 per cent, despite unplanned expenditure relating to delivering the response to the COVID-19 State of Emergency. This has supported the Government's control of general government expenditure and budget repair. The WA health system continued to deliver a safe, high quality and sustainable health system for all Western Australians during this time.

Figure 3: 2019–20 WA health system expenditure against allocated budget, per service type



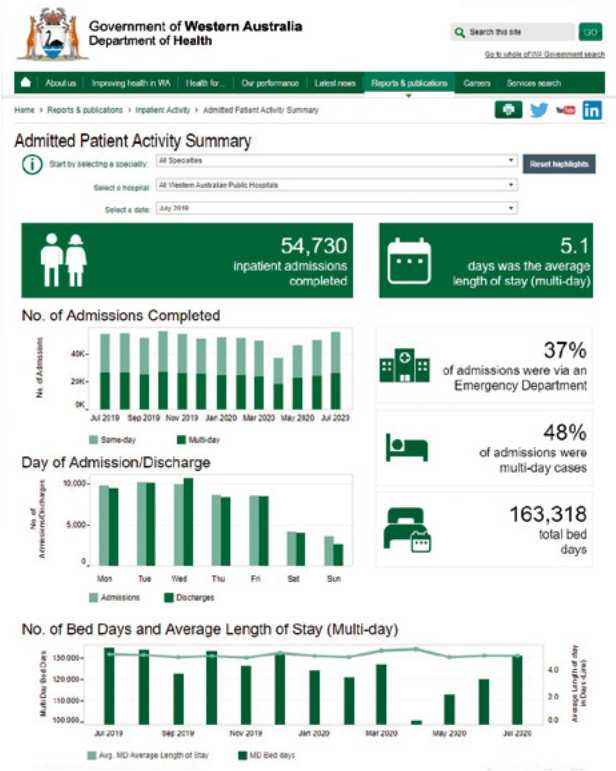

Service Agreements define the funding and health service delivery arrangements between the System Manager and Health Service Providers (HSPs) and are the basis for financial and public service accountability.

Critical to the Department of Health's governance function is monitoring and managing HSP performance against these Service Agreements, as well as ensuring transparency over health service delivery. This is achieved through performance review meetings and monthly performance reporting. In 2019–20, more than 30 performance review meetings were held with HSPs. As a result of improved performance, enhanced reporting, clear accountabilities and proactive issue management by the HSPs and the Department of Health, performance review meetings with HSPs are now held on a quarterly basis.

The Department of Health, in delivering systemwide assurance in clinical safety and quality, implemented the Safety and Quality Indicator Set in 2019–20. This suite of performance indicators measures variation in the quality of health services provided across the WA health system and their implementation was the impetus for developing an integrated assurance model to oversee the quality of clinical care.

A Quality Surveillance Group was also formed, which met for the first time in August 2019. Modelled on a similar successful model used in the United Kingdom, the group monitors the safety and quality of hospital services by reviewing performance indicator results. It also provides a forum for knowledge sharing between subject matter experts from diverse backgrounds across the health system. The group provides a feedback and governance mechanism for health services. Since the group was established, the Department of Health has supported a System Manager assurance function in maternity care, patient experience and mortality.

On 19 December 2019 the Minister for Health announced enhancements to the Department of Health's online Our Performance reporting page that would increase transparency in public reporting of health service provision. This included the release of a user-friendly, interactive dashboard reporting on Elective Surgery, Emergency Department and Admitted Hospital Activity for the Western Australian public. Through the performance dashboard, patients can now also access information relating to hospital inpatient services through monthly Admitted Patient Activity Summary. These performance reporting measures will be continually improved.




The Mental Health Linked Data Repository (MHLDR) was developed in 2019–20 and released for use by WA health system employees for the legal purposes prescribed in the *Health Services Act 2016*, the *Health Services (Information) Regulations 2017* and other written laws. The first of the Department of Health's linked data repositories to be made available for health services, it marks a significant step in meeting the Department's data sharing strategies as well as addressing recommendations made in the *Sustainable Health Review: Final Report to the Western Australian Government 2019* (SHR). It combines Emergency Department, Admitted and Mental Health activity and unlocks the power to analyse patient journeys across episode and health service borders.

The MHLDR covers the full data history over 15 years for all people who have engaged with the state mental health system. It places people at the centre of the process and their journey through the Mental Health system. This repository is currently a cohort of approximately 500,000 people, approximately 20 million records and representing more than 250 attributes. The database will continue to grow and be updated and refreshed regularly.

During 2019–20, the Department of Health developed an Infrastructure Project Governance Framework and delivered the 2020–30 WA health system Strategic Asset Plan. These aim to steward a systemwide, collaborative and consistent approach to asset management that aligns with strategic plans and prioritisation needs, operational plans, service delivery strategies and management strategies. They will also contribute to the best utilisation of existing assets that are fit-for-purpose, safe and sustainable, to meet short, medium and long-term service delivery needs.

The Department of Health's achievements and support in stewarding the WA health system were acknowledged by the HSPs in feedback received as part of the annual Department of Health Stakeholder Survey held at the end of the financial year. This included an appreciation of the Department's role during the COVID-19 State of Emergency, demonstrating strength in crisis management and coordinating a consistent, firm and effective public health response to this pandemic. Stakeholders also felt the Department of Health was highly successful in providing strong leadership and an effective oversight function, including clear performance management mechanisms. The Department effectively brought the Health Service Providers and the System Manager function together in a way that was conducive, collaborative and productive.

# WA Health Digital Strategy 2020–30

In October 2019, the WA Health Digital Strategy 2020–30 (Digital Strategy) was launched and aims to take advantage of innovations transforming healthcare to drive better health outcomes for all Western Australians. It was developed in consultation with a broad array of stakeholders, including consumers, clinicians, health managers and administrators, Health Service Providers and their boards, and third-party healthcare representatives.

Digital innovation was highlighted as an enabler to achieving a sustainable health system in the *Sustainable Health Review: Final Report to the Western Australian Government 2019* (SHR). Through the enduring strategy (Strategy 6) 'Invest in digital healthcare and use data wisely', the SHR made a specific recommendation to 'invest in a phased 10-year digitisation of the WA health system to empower citizens with greater health information, to enable access to innovative, safe and efficient services; and to improve, promote and protect the health of Western Australians (Recommendation 22).

The Department of Health, in supporting the Director General as the System Manager, is stewarding the approach and delivery of the Digital Strategy to ensure consistency across the WA health system.


The strategic themes of the Digital Strategy represent six areas of focus that, when pursued together, will establish a truly person-centred health system.

The Digital Strategy is person-focused and responds to challenges about how we can:

- keep patients up-to-date with their care program
- improve the health and wellbeing of the community while keeping them out of hospital
- be more innovative in delivering health services.

Implementation of the Digital Strategy began in 2019–20, with achievement of a number of initiatives. To support the overarching delivery of the Digital Strategy roadmap, a high-level system manager ICT assurance model, and reporting structures to monitor progress, were developed and established.

A cornerstone initiative of the Digital Strategy, and a priority emphasised in the SHR is the establishment electronic medical record (EMR) functionality. An Application for Concept Approval (ACA) was developed for EMR in late 2019 and submitted for consideration to the State government in December. The ACA sought investment to progress the next stage of planning and support WA to continue its journey to a phased implementation of an EMR functionality.

The Department of Health, as System Manager, stewards the WA Health Digital Strategy 2020–2030 and related Roadmap. This includes participation in advisory governance supporting three high risk, high value Digital Strategy initiatives which collectively will deliver significant digital improvements across the WA health system.

The Laboratory Information System (LIS) Replacement Project, led and implemented by PathWest Laboratory Medicine WA, seeks to replace the existing system with a more contemporary one. In early 2020, the phased implementation commenced across Western Australia. This initiative represents one of the most significant improvements to Western Australia's public pathology services in 30 years. The new system was piloted in Bentley Hospital and Busselton Health Campus in late February 2020, and systemwide implementation will continue through 2020–21.


The Medical Imaging Replacement Program (MIRP) is replacing the legacy Picture Archiving and Communication System (PACS) for storage of digital medical imaging, and the Radiological Information System (RIS) for the electronic management of medical imaging services. With the Department's oversight, Health Support Services successfully awarded a contract for the new solution in October 2019 and progressed through to implementation planning in early 2020.

The HealthNext Program is the mechanism by which the WA health system is implementing the WA State Government GovNext-ICT Program. HealthNext will safely transition the WA health system's legacy hardware-based data centres to a flexible on-demand modern ICT system. This aims to improve network reliability and security. Successful delivery of this program will enable the WA health system to have modernised infrastructure in place; setting the foundations for a digitally-enabled public health system. The Department oversaw the Health Support Services' establishment and mobilisation of the program, including upgrade of the Wide Area Networks and application migration to the new cloud infrastructure.

# Protect and enable

## Protect and enable through legislation, regulation, policies and professional representation.

Through the System Manager function, the Department of Health provides protection and governance over the WA health system through mechanisms such as contributing to the development of legislation and implementing mandatory systemwide policy.

During 2019–20, significant achievements were made on behalf of the WA health system to support legislative change. The *Voluntary Assisted Dying Act 2019* and the *Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020* were enacted.

The *Health Services Amendment Bill 2019* was introduced to Parliament to improve the functioning of the WA health system and to overcome operational and administrative burdens that have been encountered since the *Health Services Act 2016* came into effect.

Under the *Health Services Act 2016* the Director General, as the System Manager, may issue binding policy frameworks to Health Service Providers to set standards and ensure a consistent approach to a range of core business functions. Several policies were developed or amended in 2019–20, including Prevention of Workplace Bullying Policy; Clinical Incident Management Policy; Risk Management Policy; Discipline Policy; Staff Member Influenza Vaccination Program Policy; National Safety and Quality Health Service Standards Accreditation Policy and Information Breach Policy.

The Employment Policy Framework was reviewed over 2019–20, resulting in an update of mandatory policies relating to employment and position classifications, driving consistent standards across the WA health system.

Development and deployment of an appropriately skilled WA health workforce is contingent on effective industrial relations management. The Department of Health, through the System Manager function, negotiates health-specific industrial agreements and subsidiary agreements with the relevant unions. It also maintains and modernises health-specific industrial awards, in line with the strategic direction of the WA health system and whole of Government objectives.

In 2019–20, the Department of Health prepared and executed negotiations for replacement industrial agreements for several key health specific occupational groups. Table 1 shows industrial agreements progressed in 2019–20.

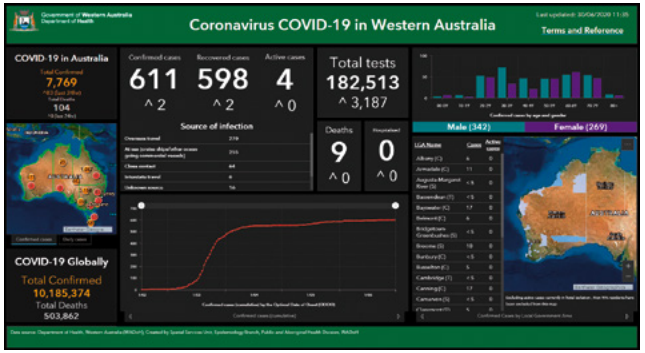
In 2019–20, the Department of Health actively participated in a Department of the Premier and Cabinet initiative to draft legislation for Privacy and Responsible Information Sharing for the Western Australian public sector. To advocate strongly for the WA health system perspective on this project, the Department of Health provided a project officer to the project team, was a member of the Privacy and Responsible Information Sharing Project Control Group and participated in working groups, bilateral discussions and discussion paper submissions.

Table 1: Industrial agreements progressed in 2019–20

| Industrial agreements negotiated, registered and implemented in 2019–20 | Industrial agreement negotiations commenced in 2019–20 |
|---|---|
| ▪ Dental Health Services – Dental Officers – CSA Industrial Agreement 2019<br>▪ Dental Health Services – Dental Technicians – CSA Industrial Agreement 2020 | ▪ WA Health System – Medical Practitioners – AMA Industrial Agreement 2016<br>▪ WA Health System – Medical Practitioners (Clinical Academics AMA Industrial Agreement 2016<br>▪ WA Health System – HSUWA – PACTS Industrial Agreement 2018 |

The Department of Health is leading the WA health system through a cultural shift in information management that aligns to best practice and enables information to be valued, available, shared, governed, trustworthy, secure and protected for better health outcomes.

In 2019–20, initiatives aimed at achieving this vision included significant reform of the Information Management Governance Model for Health. This led to review and update of the Information Management Policy Framework and subsequently several related mandatory policies within this framework. This includes the Information Access, Use and Disclosure Policy which aligns with the direction of the State Government Privacy and Responsible Information Sharing legislation in development.




A novel interactive spatial dashboard was developed and updated daily to provide the public with detailed and up to date information on the pandemic as it unfolded in Western Australia.

Information provision to the Western Australian public was integral to the Department of Health's approach to managing the COVID-19 pandemic. Advice during COVID-19 included daily statistics, regular bulletins, Frequently Asked Questions, advice to agencies and public awareness campaigns including resources for Aboriginal and Torres Strait Islander people and remote communities. Campaigns were delivered that focused on self-isolation, social distancing, symptom identification, good personal hygiene and protecting our vulnerable to minimise the spread of the virus through our community.

As part of the COVID-19 response, the Department's Environmental Health team proactively supported local government by providing timely advice to assist local businesses and the community comply with Directions designed to limit virus spread. The Department of Health also provided advice via its public website which included links to resources to help Western Australians look after their health and wellbeing at home.

## *Voluntary Assisted Dying Act 2019*

The landmark *Voluntary Assisted Dying Act 2019* has been the culmination of lengthy and comprehensive consultation. Western Australia was the second Australian state to legalise voluntary assisted dying. The Act provides some terminally ill adults the right to end their suffering at a time of their choosing and ensures that a process with the necessary protections and approvals can be put into place.

The legislation represented an enormous collaborative effort across the Department of Health and Department of Justice, bringing together policy, clinical and legal expertise to implement recommendations of the Western Australian Parliament's Joint Select Committee on End of Life Choices final report.

The *Voluntary Assisted Dying Bill 2019* was passed by Parliament in December 2019. Up to 18 months is required between the passage of the Bill and its commencement in order to prepare for implementation of the legislation, including the establishment of the Voluntary Assisted Dying Board.

In February 2020, as part of initiatives to strengthen access to end of life and palliative care for all Western Australians, the Department of Health's Clinical Excellence Division released the first Implementation Plan for the WA End of Life and Palliative Care Strategy 2018–2028. The Plan is the result of extensive consultation with consumers, Health Service Providers, health professionals and public and private organisations from across the WA health system, non-government service providers and the broader community.

Significant funding commitments were made in 2019–20 for end of life and palliative care services, which further boosted the $41 million announced in May 2019.

In-hospital and community-based palliative care services across the state benefitted from a $17.8 million State Government investment in October 2019 to further support patients and their families and carers and deliver on the recommendations of the Joint Select Committee Report.

The State also committed to matching Commonwealth funding of $5.72 million until 2023–24 to provide comprehensive palliative care in aged care facilities.

These commitments are an important part of meeting the community's need for equitable and high-quality palliative care and supporting end of life choices.

The Department of Health, in response to the Ministerial Expert Panel report on Advance Health Directives (AHD) has also embarked on a major reform project in the development of a new AHD template – a broad-based consumer awareness and education campaign – and the creation of a centralised AHD register. This program of work will ensure that an individual's wishes and care options are clearly and securely documented and easily accessible by their treating clinicians as they approach end of life.

# Inspire and empower

**Inspire and empower our passionate workforce to be courageous, innovative, accountable and to collaborate for change.**

Our people are at the heart of everything we do, and the dedication and commitment of our workforce is key to our success as an organisation.

The Minister for Health Your Voice in Health Engagement Survey was launched in early 2020. This was the second of five annual surveys designed to measure staff engagement and support proactive strategies for future workplace planning. The Department of Health Employee Engagement Score for 2020 was 66 per cent, up from 61 per cent in 2019. This improvement reflects focused efforts to increase employee engagement through the areas of leadership, improved communications, enhanced technology and tools, investment in health and wellbeing, diversification, learning and development and integrity.

In 2019–20 the Department of Health adopted a courageous, values-aligned, collaborative and system-focused vision for health leaders and leadership, a direction initiated with the release of the Health Leadership Strategic Intent 2019–2029. Over 2019–20, the organisation provided Leadership Development for Managers training, coaching for executive leaders and communications training. This strategy was actively supported by the Extended Leadership Team, who met monthly to share information and develop consistent messaging across the Department.

The Department of Health recognises that to improve outcomes and foster innovation, our workforce requires the right technology and tools. In 2019–20 Wi-Fi was enabled throughout the May Holman Building in Royal Street, East Perth. To support workforce mobility and agility, a rollout of laptops and Microsoft Office 365, including Teams, also commenced and is near completion.

These initiatives could not have been better timed, with the COVID-19 state of emergency requiring our people to work, communicate and collaborate remotely at short notice.

Investing in employee health, wellbeing, learning, growth, engagement and satisfaction is integral to supporting and retaining our workforce. In 2019–20 the Health and Wellbeing Committee was established to deliver this vision and promote employee wellness. The Safety and Health Committee was also revitalised, with representatives from across the organisation providing Occupational Safety and Health updates, sharing information, providing a contact point, and driving organisation-wide consistency in approach. Other strategies aimed at enhancing employee health and wellbeing included offering staff health checks, skin checks, on-site musculoskeletal screening, flu vaccinations, and promoting health and fitness.

The Department of Health recognises that a diverse and inclusive workforce brings a better understanding of community needs and expectations. The outcome is service delivery that is responsive to change and appropriate to the community we serve.


Women make up over 50 per cent of the leadership team at the Department of Health

Increasing the employment of Aboriginal people is essential for the WA health system to deliver culturally appropriate, equitable, safe and responsive health services. The Department of Health incorporated a number of strategies in 2019–20 aimed at increasing our employment of Aboriginal people. This includes implementation of the Aboriginal Cadet Health Service Provider Start-Up Project, and recruitment strategies such as using Section 51 of the *Equal Opportunity Act 1984* to quarantine graduate positions. A new model of recruitment for Aboriginal applicants to GradConnect, the online recruitment system for newly qualified nurses, registered nurses and midwives, was also developed in 2020. Outcomes of these strategies have achieved an increase in Aboriginal employee numbers from 17 to 22 over the year ending 30 June 2020. This represents 1.9 per cent of the total Department of Health workforce. Aboriginal cadetship positions made available in the Department of Health also increased from four in 2019 to six in 2020.

Through the Institute for Health Leadership, the Department of Health coordinated the Graduate Development Program. This program seeks to recruit highly motivated and talented university graduates into the public health sector. The program has four streams designed to develop a graduate's skills based on their academic background, areas of expertise and personal interests. These include Finance and Business, Information and Communications Technology, Data Analysis and General Corporate. In 2019, the program was completed by 23 graduates with diverse backgrounds and skills, including Finance, Population Health, Psychology, Computer Science, Law and Health Administration.

The program's success was celebrated with 19 of these graduates placed with the WA health system. Twelve graduates secured ongoing employment at the Department of Health, an additional seven within the wider WA health system and three in other government agencies. The program will continue over the course of 2020, with 24 new graduates welcomed, 10 of which have already been placed at the Department of Health as of 30 June 2020. The diverse backgrounds of the graduates will bring a broad perspective to the program, and ultimately health service delivery should they secure ongoing employment within the WA health system.

In 2019–20, the Department of Health continued its journey in delivering the State Government's People with Disability Action Plan with a view to further increasing the diversity of the organisation. The year saw the initiation of a Diversity and Inclusion working group, chaired by an Executive Sponsor and including representatives from across the organisation. The working group will be responsible for capturing and providing direction in achieving all Department of Health diversity requirements and initiatives, as well as developing, implementing and evaluating strategies, policies and plans that will guide our direction. This includes the Disability Access and Inclusion Plan, Reconciliation Action Plan, Multicultural Awareness Framework and Equal Employment Opportunity Management Plan. The working group also aims to consider and drive diversity actions to achieve a diverse and inclusive workplace.

Training and development were a significant focus for the Department of Health in 2019–20, to shape a health workforce that is fit for the future and which will support the delivery of the WA health system's *Sustainable Health Review: Final Report to the Western Australian Government 2019*. The Department's Learning Management System was enhanced with a library of prebuilt e-learning courses, which included Microsoft Office applications, as well as learning modules covering occupational safety and health, communication, wellness, and leadership and management. The courses can be accessed via any device, making learning accessible for all employees. Library expansion continued over the course of the year, with new courses released regularly. In 2019–20, mandatory online training modules, including Accountable and Ethical Decision Making, Aboriginal Cultural eLearning and Record Keeping Awareness continued to be undertaken by employees, with compliance reaching over 94 per cent.

The Department of Health also supported staff development with focused face-to-face training over the course of 2019–20. This included training in Microsoft Office 365, OneNote and Teams. The Policy Essentials Program was delivered to two streams of participants, furthering the understanding of policy developers within the Department of Health. The Department also ran several face-to-face Engaging your Audience workshops which were later provided online in real-time during the COVID-19 State of Emergency.

During the COVID-19 State of Emergency, the Department also created and released a series of Building Personal Resilience modules and Managing Your Team During COVID-19. These online courses aimed to provide support to employees during this experience.

In 2019–20, the Department of Health launched Microsoft Power BI across the organisation. This modern and powerful business analysis tool will empower our people with data analysis skills to inform decision making and contribute to improved business practices going forward. The launch encouraged uptake across the organisation and included training programs that outlined the capability and benefits of business intelligence tools. Implementation was successful, with 430 business analytics reports created by users across all Divisions in the last quarter of the financial year.

In August 2019, the Department of Health Integrity Governance Framework was finalised and published with the Integrity, Fraud and Corruption Control Plan 2019. These initiatives were supported by training programs that included the Managing Integrity Risks for Managers course and the Accountable and Ethical Decision-Making Refresher online training, which included a video message from the Director General about integrity.

In 2019–20, the Department of Health established an independent Risk and Audit Committee in accordance with Treasurer's Instruction 1201. This committee is chaired by an external person and consists of a majority of independent members who are employed across Western Australian Government. The Risk and Audit Committee is responsible to the Director General and its establishment strengthens the effectiveness of the Department's Risk and Audit function. The Department of Health has also made significant progress toward implementing the Risk Roadmap 2019–2020. This strategic planning document outlines high level activities aimed at establishing a cohesive and effective risk management framework across the Department over the next 12 months.

## Organisational Development Program 2020–2024

The Department of Health is committed to inspiring and empowering our people. Our people are at the heart of everything we do.

To achieve this strategic direction, an Organisational Development Program was developed for the Department that will be delivered from 2020 to 2024.

The Program includes initiatives to build capabilities and support the collaboration necessary to deliver the recommendations in the *Sustainable Health Review: Final Report to the Western Australian Government 2019* as we shape a health workforce that is fit for the future. In addition, this Program will align with government priorities and departmental polices.

The Program contains four key themes and outlines our commitment over the next five years to engage employees and drive business performance. The four key themes will drive the program:

**Leadership and management** – developing a values-aligned culture; enhancing capabilities of managers; and supporting collaboration.

**Learning and growth** – investing in learning and development to build a highly skilled, agile and digital-ready workforce; promoting and embedding innovation and continuous improvement.

**Diversity and inclusion** – recruit and retain a diverse workforce; monitor, measure and review our results to build an inclusive workplace; build cultural awareness.

**Health and wellbeing** – encourage and support our staff to develop and maintain a healthy lifestyle; improve staff satisfaction and engagement to support retention.

Organisational Development within Corporate Services will lead this Program in partnership with key stakeholders and staff to ensure these commitments are achieved, to maximise our brand as a great place to work.

# Our partnerships

The Department of Health partners with other government agencies, non-government organisations, consumers, community groups and private providers to deliver high quality, sustainable health services and better outcomes for all Western Australians. Synergies are achieved through mechanisms such as legislative changes, community education and targeted programs.

The Department of Health's partners include:

## Aboriginal Health Council of WA

Supporting people and communities to better access health services closer to home through the development of Mappa, a free-to-use online mapping tool.

## Australian Preterm Birth Prevention Alliance

Through membership of the Alliance, supporting the work of leaders in modern obstetrics and the development of a public health indicator for preterm birth will help contribute towards safely lowering the rate of preterm birth in Australia.

## Cancer Council WA, Cancer Council South Australia, Aboriginal Health Council of WA

Reducing the prevalence of smoking in the community through:

- Tobacco Control Program – Make Smoking History
- WA Quitline
- Quitline Aboriginal Liaison Team.

## Commonwealth Government

Negotiation of the following agreements in 2019–20 to improve health outcomes and ensure sustainability of our health system:

- Addendum to National Health Reform Agreement 2020–25
- Community Health and Hospitals Program – Western Australia Initiatives
- National Partnership Agreement on Public Adult Dental Services – 2019–20 extension
- Comprehensive Palliative Care in Aged Care Measure.

Continuing to support older people, their families and carers, to access information and services through the joint Commonwealth/State:

- Aged Care Assessment Program
- Transition Care Program.

## Commonwealth Government, Private Hospital Providers

Establishment of the WA Private Hospital Funding COVID-19 Cooperation Agreements (Agreements) for a collective response to the COVID-19 pandemic by the public and private hospital sectors. The Agreements facilitated statewide coordination of hospital and healthcare services in Western Australia for an efficient and effective allocation of resources and services to manage the COVID-19 crisis. Additionally, the Agreements ensured the ongoing viability of private hospital facilities to the extent they have been impacted by the Commonwealth Government's temporary restrictions on elective surgeries, enabling them to resume operations once the restrictions were lifted.

## Commonwealth Government, WA Country Health Services

Supporting the provision of flexible aged care services in small regional and remote communities through the Multi-Purpose Services Program.

## Community Health Nurses, Schools, Non-government sexual health organisations

Empowering parents to talk to their children about relationships and sexual health through the distribution of over 18,600 copies of the updated Talk Soon, Talk Often book that includes age and stage appropriate information from birth to adulthood.


## Department of Communities

Supporting implementation of the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse.

## Department of Education

Collaboration to receive accurate school enrolment data each year to support delivery of the "No Jab, No Play" immunisation policy and to assist with the delivery of the school-based immunisation program.

## Department of Water and Environmental Regulation: Water – contaminated sites

Assessing contaminated sites referred to the Department of Health in accordance with the *Contaminated Sites Act 2003* and memorandum of understanding to prevent potential impacts on public health.

## Department of Planning, Lands and Heritage (DPLH); Department of Communities (DoC); Department of Local Government, Sport and Cultural Industries; and Ex-Officio Member of Kalamunda

Improving aged care by:

- outlining a process to fast-track suitable and available lands and properties for the further development of residential aged care
- ensuring a smooth transition for the development of land by the private and non-for-profit sectors.

## Department of Primary Industries and Regional Development, and local governments

Reducing the incidence of foodborne illness through development and implementation of the Foodborne Illness Reduction Strategy 2018–2021.

## Edith Cowan University

Supporting more teachers to incorporate nutrition and food preparation into curriculum and school-based activities (Refresh.ED).


## Foodbank WA, Cancer Council WA, Better Health Company

Promoting healthy eating habits to prevent obesity through:

- Adult Food Literacy Program – Food Sensations®
- Healthy Lifestyle Promotion and Education Program – Live Lighter®, WA Healthy Workplace Support Service
- Better Health 7-13 Family Healthy Lifestyle Program.

## Hepatitis WA

Supporting General Practitioners (GPs) and other clinical and practice staff that report hepatitis C notification to increase their knowledge and confidence in prescribing hepatitis C treatments through the GP Liaison Project.

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

Prevention of injury in the community through the:

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

Royal Life Saving Society WA, Be a Mermate campaign

## Peer Based Harm Reduction WA

Reducing the transmission of blood-borne viruses through:

- the distribution of over 1.5 million needles and syringes through exchange services at metropolitan and southwest sites
- expansion of hepatitis testing and treatment services in the southwest region.

## Rare Voices Australia (RVA)

Membership of RVA's Scientific and Medical Advisory Committee to support multiple rare disease initiatives, including development of a National Strategic Action Plan for Rare Diseases, launched by the Federal Minister for Health in February 2020.

## Silver Chain

Providing the Community-Based In Home Specialist Palliative Care and Palliative Nurse Consultancy Service to support people with a life-limiting illness or condition.

## WA Aboriginal Health Partnership Forum

Collaboration and information sharing to contribute to Aboriginal representation in the health workforce and health workforce sustainability, and provision of advice on strategic health issues and on funding allocation methodology to Commonwealth funds.

## WA AIDS Council

Contributing to increased community awareness of current HIV campaigns and understanding of HIV through the first World AIDS Day event held at Government House on 1 December 2019.

## Western Australian Local Government Association

Supporting the improvement of Public Health Planning by local governments. Local governments provided significant community support as part of the COVID-19 response.

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

Supporting harm minimisation measures through the coordination of a medical zone for the end of year school leavers program.

## WA School Canteen Association, Department of Education, Department of Primary Industries and Regional Development

Promoting and supporting positive attitudes to healthy eating in school students through:

- Healthy Food and Drink Project
- School Breakfast and Nutrition Education Program.

## WA Primary Health Alliance (WAPHA), Australian Medical Association WA (AMA)

Promotion and establishment of a GP Urgent Care (GPUC) Network pilot in the Perth metropolitan area and Bunbury region.

## Partnerships in delivering the response to the COVID-19 State of Emergency

The Department of Health is grateful to the Health Service Providers and all State government agencies that provided support and dedicated staff to deliver the response to COVID-19, including:

- Department of Biodiversity, Conservation and Attractions
- Department of Communities
- Department of Education
- Department of Finance
- Department of Fire & Emergency Services
- Department of Mines, Industry and Regulation Safety
- Department of Premier and Cabinet
- Department of Primary Industries and Regional Development
- Department of Transport
- Department of Water and Environmental Regulation
- Lotterywest
- Mental Health Commission
- Rottnest Island Authority
- Tourism Western Australia
- Water Corporation
- Western Australia Police Force

# Operational disclosures

# Ministerial directives

The Department of Health did not receive 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.

# Employee disclosures

## Employment profile

As at 30 June 2020, the Department of Health employs the equivalent of 875 full-time employees. The increase from 733 in 2018–19 is attributable to recruitment to fill vacancies, support delivery of public health services related to COVID-19, and deliver government priorities, such as the recommendations in the *Sustainable Health Review Final Report to the Western Australian Government 2019* and other initiatives. Realignment of some employees to the appropriate industrial instrument has also contributed to the overall increase, as they have transitioned from a Health Services Union award to a Public Sector Authority award.

A summary of the number of full-time equivalent employees, by category, for 2019–20 compared with 2018–19 is shown in Table 2.

Table 2: Department of Health total full-time employees by category

| Category | 2018–2019 | 2019–20 |
|---|---|---|
| Full-time permanent | 429 | 503 |
| Full-time contract | 119 | 164 |
| Part-time measured as full-time equivalent | 128 | 151 |
| Secondment – In | 25 | 30 |
| Secondment – Out | 4 | 1 |
| Other | 28 | 26 |
| **Total** | **733** | **875** |

**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.

## 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

The Department of Health has a Safety and Health Committee, which consists of elected safety representatives and divisional management representatives. This committee is responsible for ongoing monitoring and review of occupational safety and health management requirements, strategic initiatives and action plans for the Department.

Committee membership contact details and meeting minutes are communicated to all employees through the Department of Health intranet. New employees are informed of the Safety and Health Committee and their safety and health representatives at induction.

### Compliance with occupational safety and health injury management

The Department of Health ensures the safety, health and wellbeing of employees through compliance with all relevant Occupational Safety and Health legislation and regulations as well as Department of Health occupational safety and health policies, procedures and safe work practices.

Workplace inspections are conducted six monthly and issue/s identified are progressively resolved according to the risk assessment of the identified hazard/s.

## Employee consultation

The Department of Health strives to improve the effectiveness and performance of the occupational safety and health management system by consulting with employees, elected safety and health representatives, and establishing measurable objectives and targets.

In 2019–20, the Department of Health provided occupational safety and health injury management training to all employees, which included:

- First Aid
- Floor and Stair Warden Training
- Manual Handling
- Occupational Safety and Health for Managers (mandatory)
- Occupational Safety and Health training for elected safety and health representatives
- Occupational Safety and Health representative refresher course.

In addition, online occupational safety and health and wellness training modules were provided for all employees. These included:

- Building Resilience
- Ergonomics
- Fatigue Management
- Hazard Identification
- Injury Management
- Mental Health and Safety
- Stress Management.

## 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. The Occupational Safety and Health Coordinator and Senior Human Resource Consultants work with accredited external rehabilitation providers to facilitate the affected employee's return to the workplace. This includes support and guidance through claims and return to work processes.

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 for the Department of Health in relation to occupational safety, health and injury for 2019–20 is summarised in Table 3.

Table 3: Occupational safety, health and injury performance, 2017–18 to 2019–20

| Measure | Actual Results | | | Results against Targets | |
|---|---|---|---|---|---|
| | 2017–18 | 2018–19 | 2019–20 | Target | Comments |
| Fatalities (number of deaths) | 0 | 0 | 0 | 0 | **Achieved** |
| Lost time injury/diseases (LTI/D) incidence rate (per 100) | 0.12 | 0 | 0.36 | 0 or 10% reduction | **Not achieved** |
| Lost time injury severity rate (per 100) | 0.00 | 0.00 | 25.00 | 0 or 10% reduction | **Not achieved** |
| Percentage of injured workers returned to work: | | | | | |
| (i) within 13 weeks | 100% | 100% | 75% | N/A | **N/A** |
| (ii) within 26 weeks | 100% | 100% | 100% | Greater than or equal to 80% | **Achieved** |
| Percentage of managers trained in occupational safety, health and injury management responsibilities | 63.5% | 44.1% | 67.3% | Greater than or equal to 80% | **Not achieved** |

# Internal governance

## 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 2019–20 a total of seven workers' compensation claims were made. This compares with six workers' compensation claims made in 2018–19.

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, above.

## Department of Health policies

The Department of Health develops and maintains policies to ensure a consistent approach to operational activities across the organisation.

In 2019–20 the following policy documents were developed:

- Integrity fraud and corruption control
- Integrity governance framework
- Working from home during COVID-19
- Information access use and disclosure
- First aid
- Outcome based management 2019–20
- Procurement and contract management
- Procurement development and management system.

Policy documents updated during 2019–20 were:

- Record of attendance
- Workforce data
- Recordkeeping
- Outcome based management 2018–19
- Policy governance.

Department of Health staff must also comply with systemwide policy documents, which are applicable to all staff across the WA health system. In 2019–20, the following systemwide policy documents were developed:

- Managing conflicts of interest
- Information breach
- Recruitment, selection and appointment
- Use of official information, digital services (social media) and public comment
- Gifts, benefits and hospitality
- Staff member influenza vaccination program
- Pre-employment integrity check
- WA Health code of conduct (updated).

# Compliance reporting

## Risk, compliance and internal audit

The Department of Health has a dedicated Risk and Audit team to ensure appropriate governance and risk management requirements are met and to evaluate and improve the effectiveness strategies that deliver these functions.

In 2019–20, the Risk and Audit team enhanced risk management and internal audit operations by:

- completing the 2019–20 audit plan, including audits focused on Records of Attendance, Review of Patient Safety and Clinical Quality Assurance Framework and State Supply Commission Procurement Compliance
- refreshing the Risk and Audit Committee to comply with Treasurer's Instruction 1201
- improving the Enterprise Risk Management Framework
- redesigning the Business Continuity Plan to ensure effective business continuity arrangements for a pandemic.

Additional oversight is provided through a Risk and Audit Committee. This committee is comprised of three Department of Health employees and four members external to the organisation, including the Chair, to strengthen its independence. The Risk and Audit Committee meets regularly to review Department of Health systems relating to risk management, control, and governance processes. Independent advice and assurance is also provided to the Director General to confirm whether operations are efficient, effective, economical and ethical.

## Compliance with public sector standards

The WA Health Code of Conduct complies with principles of appropriate behaviour outlined in the WA Public Sector Commission's Code of Ethics. All employees of the Department of Health are responsible for ensuring their behaviour reflects standards of conduct embodied in this Code. Policies and policy frameworks relating to public sector standards are reviewed regularly to ensure currency. Those reviewed in 2019–20 are listed in the "Department of Health policies" section of this report.

To assist staff to understand and comply with the principles of workplace behaviour and conduct, Department of Health employees are inducted, informed and educated through various online communications, e-learning and face-to-face programs. 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 (92 per cent) of all Department of Health staff have completed the course.

Employee compliance with the Code of Conduct is assessed by:

- monitoring the Accountable and Ethical Decision Making course completion rates
- reviewing and monitoring gifts accepted, and conflicts of interest declared by employees
- integrity reporting through the Department of Health Integrity Group.

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 16 misconduct matters during 2019–20 and investigated these internally. Eight matters resulted in a finding of no misconduct, seven matters are still under investigation, and one matter found misconduct had occurred and resulted in disciplinary action.

In 2019–20, the Department of Health received one Breach of Standard claim against the Performance Management process and six Breach of Standard claims against the Grievance Resolution Policy and Guidelines. Four claims were resolved during 2019–20. Three claims are still under investigation by the Department of Health.

# Compliance with public sector policy

## Substantive equality

The Department of Health continues to contribute towards substantive equality to meet the diverse needs and sensitivities of the Western Australian community when developing and implementing health policies, programs and services to ensure inclusion and improve health equity.

In 2019–20, the Department contributed to substantive equality in the following ways:

- the Department of Health contributed to the WA LGBTI Health Strategy 2019–2024, released on 30 August 2019. This new strategy sets out clear priorities and outcomes for the WA health system over the next five years with a view to improve health outcomes for Western Australians who identify as lesbian, gay, bisexual, transgender and intersex
- provided policy input to the State Government's Multicultural Policy framework and the Workforce Diversification Strategy
- applied recruitment strategies such as using Section 51 of the Equal Opportunity Act 1984
- regularly monitored and reported on the use of language services to ensure staff awareness of the WA Health Language Services Policy by continuing the rollout of the eLearning Module and the development of new resources
- provided opportunities to upskill health professionals by hosting a half-day forum on improving health equity for young people from culturally and linguistically diverse backgrounds
- appointed a Principal Aboriginal Nursing and Midwifery Advisor to provide high level advice and workforce initiatives to improve cultural safety and security to the healthcare of Aboriginal people; embed cultural respect and maintain the tradition of Aboriginal people and cultural differences; and support the growth of a culturally competent and responsive health system
- developed an Aboriginal Nursing and Midwifery Action Plan (ANMAP). The ANMAP will support the WA health system to build the capacity and responsiveness of the nursing and midwifery workforce to meet the clinical and cultural needs of Aboriginal people
- celebrated and acknowledged the achievements and contributions that people with disability make to the workforce and community by hosting the annual International Day of People with Disability event in conjunction with South Metropolitan Health Service.

## Disability access and inclusion plan

The *Disability Services Act 1993* aims to ensure that people with disability have the same opportunities to fully access health services, facilities and information made available by the WA health system, and to participate in public consultation regarding Western Australian health services. The Act describes seven outcomes that it seeks to achieve for people living with disability:

1. Access to services
2. Access to buildings and other facilities
3. Information can be accessed and received readily
4. Equity in the level and quality of service from staff
5. Equal opportunity to make complaints
6. Equal opportunity to participate in public consultation
7. Equal opportunity to obtain and maintain employment

The Department of Health complies with this legislation and works towards achieving these outcomes by implementing strategies in the Department of Health Disability Access and Inclusion Plan 2016–2020. Activities include:

- planning events and services in venues compliant with recommended access guidelines including ease of movement within the building, parking arrangements, and transport and travel to and from the building
- ensuring buildings and facilities are accessible to people with disability, such as providing access ramps, lifts and motion-activated doors
- providing direction to health professionals and WA health system staff to ensure communication with consumers and carers is accessible
- ensuring publications can be provided in alternative formats
- ensuring that information and services are delivered consistently to the public in accordance with the Disability Access and Inclusion Plan 2016–2020 and the State Government's Access Guidelines for Information, Services and Facilities.
- training and educating staff about working with, and providing services to, people with disability
- ensuring complaints and feedback mechanisms are readily accessible to people with disability
- consulting people with disability, stakeholders, consumer groups, families and carers in all stages of developing and implementing policies and services that relate to their health care
- applying the mandatory WA Health Recruitment, Selection and Appointment Policy, which requires employees of the Department of Health to apply equal opportunity and diversity principles and a consistent, inclusive, open and transparent approach when recruiting
- ensuring 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 contracts.

## Record keeping plans

The *State Records Act 2000* was established to mandate standardisation of statutory recordkeeping practices and provides for the State Records Commission to develop best practice principles and standards for all State Government agencies.

Department of Health employees are informed of their obligations to comply with State Records Commission standards through the Department of Health Recordkeeping Plan 2019 and associated recordkeeping training. In 2019–20, 277 Department of Health employees were trained in the use of the recordkeeping system and 92 per cent of employees have completed the online mandatory Recordkeeping Awareness training.

With the roll-out of Microsoft Office 365 across the Department of Health during 2019–20, specific training in relation to recordkeeping and Microsoft Office 365 was developed and delivered to employees.

Resources, advice and guidance are available to all employees via the Department of Health intranet or through direct contact with records management staff.

## Freedom of information

The Western Australian *Freedom of Information Act 1992* (the Act) 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 website. Hard copy documents are also available from the Department at zero or nominal cost by calling (08) 9222 6411.

Requests for information access may be made through a Freedom of Information application. This involves lodging a written request via email, post or in person.

Contact details to obtain information or send an application can be sourced via the WA Health freedom of information contacts list.

All requests for information can be granted, partially granted or may be refused in accordance with the Act. For the year ended 30 June 2020, the Department of Health dealt with 53 applications for information, of which 31 applications were granted full or partial access and three applications were refused (see Table 4).

Table 4: Freedom of Information applications to the Department of Health in 2019–20

| Summary of number of applications | Number |
|---|---|
| Applications carried over from 2018–19 | 6 |
| Applications received 2019–20 | 47 |
| **Total number of applications active in 2019–20** | **53** |
| Applications granted – full access | 16 |
| Applications granted – partial or edited access | 15 |
| Applications withdrawn by applicant | 3 |
| Applications refused | 3 |
| Applications in progress | 12 |
| Other applications[1] | 4 |
| **Total number of applications dealt with in 2019–20[2]** | **53** |

**Notes**

1. Includes 3 matters dealt with outside of the *Freedom of Information Act 1992* (WA), and 1 matter fully transferred to another agency.
2. Includes 9 matters partially transferred under section 15 of the *Freedom of Information Act 1992* (WA).

# Significant issues

# Significant issues

Over 2019-20, the Department of Health responded to significant challenges in delivering our vision for a "WA health system that delivers safe, high quality and sustainable services that support and improve the health of all Western Australians". Challenges covered three key service delivery areas:

- ensuring statewide community health needs are met
- developing our workforce
- managing health information and communication technology

Over the longer term, the Department is addressing these challenges by building on existing reform to deliver system sustainability. Strategies and recommendations in the *Sustainable Health Review Final Report to the Western Australian Government 2019* (SHR) provide a framework for the Department's actions in striving to deliver patient-first, innovative and financially sustainable care. The SHR calls for a cultural shift from a predominantly reactive, acute, hospital-based system – to one with a strong focus on prevention, equity, early child health, end of life care, and seamless access to services at home and in the community through use of technology and innovation.

## Ensuring statewide community health needs are met

The first strategy in the SHR is to commit and collaborate to address major public health issues. The Department of Health leads the WA health system in responding to emerging and current health needs of the Western Australian community.

### Preventing and addressing communicable disease outbreaks

#### COVID-19

One of the most significant public health issues ever faced by our health system was the COVID-19 pandemic in early 2020. The Department of Health led a response to minimise the impact of the pandemic on the health of Western Australians. Workforce capacity, funding and other resources were diverted from other planned initiatives, programs and campaigns to support this response.

Across the Department, some staff resources were redirected from business as usual activities to COVID-19 related activities, with some working across both. Overall, this resulted in additional work at a higher level of intensity, requiring at times creative and innovative thinking to resolve complex challenges.

The Department of Health's Business Continuity Plan was rapidly and significantly updated in response to the pandemic. This included identifying technology and resourcing requirements to support delivery of critical functions and made it possible for staff to work remotely. Appropriate policies, technology, tools and support were developed to accompany this.

The Department was also presented with significant financial and resourcing challenges as a result of the pandemic and was required to ensure service provision continued as efficiently and effectively as possible. To assist with monitoring and managing budget and resources, COVID-19 expenditure was reported daily.

The COVID-19 State of Emergency required some of the Department's planned programs to be deferred or changed to respond to heightened community sensitivities. This included exchanging a Make Smoking History campaign for a less confronting one, adapting the annual Department of Health influenza vaccination campaign and developing a new 'Healthy at Home' public health campaign as part of the LiveLighter® program. Face-to-face community service programs, such as the FoodSensations® nutrition literacy education program, were adapted to continue program delivery whilst meeting social distancing requirements.

#### Regional infectious syphilis outbreak

Another communicable disease issue facing our organisation was a syphilis outbreak, present in regional Western Australia since June 2014.

From July 2019 to June 2020 there were 627 cases of infectious syphilis across Western Australia; 219 of these were reported in regional areas, an increase of six per cent on the previous 12 months. There were no congenital syphilis cases in outbreak regions.

Responding to this outbreak in regional and remote communities has ongoing workforce challenges including maintaining a skilled and sustainable workforce with designated sexual health roles, providing ongoing education, and ensuring a responsive and culturally appropriate service. The WA Syphilis Outbreak Response Group continued to coordinate a collaborative response to the outbreak.

## Measles outbreak

In late 2019, Western Australia experienced the worst outbreak of measles the state had seen for two decades. To address this public health emergency, dozens of additional staff were involved in tracking down people potentially exposed to the disease through contact, vaccinating contacts, and advising cases and contacts to isolate. Information released by the media notified the public of the potential risks. As a result of these actions, case numbers returned to baseline within two months. Measles notifications have continued to be low as a result of a decrease in international travel.

## Preventing and managing environmental health issues

The Department of Health works with local government, industry, researchers, other state and federal government agencies and members of the public to minimise risks to human health from environmental exposure or impact. This includes administering legislation and policy and coordinating a wide range of programs and services in areas such as Aboriginal environmental health, hazards, food, radiation and water.


## Food safety campaign

The most common causes of foodborne illness in Western Australia are from two types of bacteria – salmonella and campylobacter. Our state currently has the highest rate of Salmonellosis in Australia.

Seventy per cent of foodborne illnesses are contracted in the home. To help address this, the Department launched a pilot consumer food safety awareness campaign in November 2019 and is progressing with programs aimed at reducing the prevalence of Salmonella and Campylobacter in the primary production and food service industries.

## Climate change

The impact that climate change potentially has on the health of Western Australians was identified as a risk for the WA health system. A key recommendation of the Climate and Sustainability Forum held in July 2018, and also one of the key priorities within the SHR, was to investigate the implications of climate change on health in Western Australia.

In March 2019 the State government announced the Climate Health WA Inquiry. The aim of the Inquiry was to review current planning and response capacity of the health system in relation to the health impacts of climate change and make recommendations for improvement with respect to climate change mitigation and public health adaptation strategies. The inquiry was informed by public forums, targeted workshops, formal public hearings and written submissions.

## Preventing chronic disease and injury

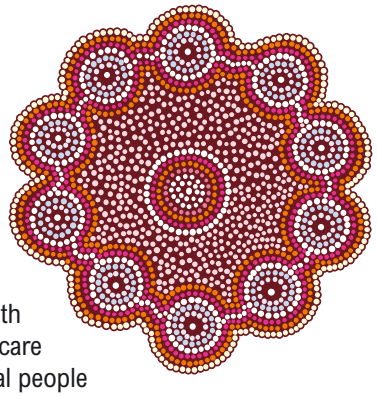
Chronic disease and injury are the leading causes of illness, disability and death in Western Australia and nationally, and together cost the WA health system more than $1 billion every year.

The SHR prioritises prevention, noting that obesity in particular is undermining the long-term sustainability of the WA health system.

The Department of Health is working towards chronic disease and injury prevention through the ongoing implementation of the WA Health Promotion Strategic Framework 2017–2021 (HPSF). This framework outlines a long-term, comprehensive, cross-sectoral, population-wide approach to preventing complex lifestyle risk factors.

## Enabling equity of access to health services

### Aboriginal health



Aboriginal people experience disproportionately poorer health outcomes and access to health care services in Western Australia. The SHR challenges us to reduce inequity in health outcomes and access to care with a focus on Aboriginal people and families. The WA Aboriginal Health and Wellbeing Framework 2015–2030 guides the WA health system to deliver a culturally respectful and non-discriminatory health system – a key enabler for improving health outcomes for Aboriginal people.

### People living with rare and undiagnosed genetic diseases

Access to health services can be particularly challenging for people living with rare and undiagnosed genetic diseases. Through partnerships, the Department of Health is continuing to implement initiatives from the WA Rare Diseases Strategic Framework 2015–2018. A community needs assessment was also commissioned for people living with genetic and rare diseases. A systemwide strategy for how the WA health system utilises genomics is currently in development and is anticipated to benefit people living with genetic diseases, including those that are rare and undiagnosed.

### Dental health

The WA health system provides a range of public dental health services; however, there is still significant unmet need. More than 9,600 Western Australians are hospitalised every year for preventable dental conditions, which represents the highest reason for preventable hospital admissions in WA[1]. In 2019–20, the Department of Health reviewed possible funding streams to improve access to dental services for children less than five years of age. The Department is currently in negotiations with the Commonwealth to continue to provide additional dental care for eligible adults and is working with the WA Primary Health Alliance to develop oral health specific pathways which outline clear guidelines for assessing and managing patients' oral health needs.

### GP shortfalls

General practitioners (GPs) are the cornerstone of primary health care and a critical component of a high-quality, equitable and sustainable health system. Workforce modelling suggests there are insufficient GPs to meet demand in the near future, due to changes in workforce demographics and preferences. The State currently relies on international medical graduates to fill service gaps in some locations; however, this strategy is becoming increasingly unsustainable. Under the governance of the GP Project Committee, the Department of Health is working towards developing a sustainable systemwide GP workforce training pathway in Western Australia as part of the GP Project.

## Developing our workforce

The WA health system workforce is central and critical to providing accessible and high-quality healthcare to all Western Australians. The health system workforce is a key enabler to achieve the priorities identified in the SHR.

Systemwide strategic development of a sustainable workforce – both clinical and non-clinical – is imperative.

Considerable challenges to supporting, distributing and maintaining an appropriately skilled workforce include:

- recruiting and retaining suitably skilled medical and allied health professionals in some rural and remote areas
- an ageing workforce profile
- an increasing prevalence of preventable disease in the community
- shortages in small, but critical, groups of medical and health sciences specialties.

To address these challenges, the Department of Health implements strategies that include attraction and retention incentives for critical medical and health sciences specialty groups.

1 Australian Institute of Health and Welfare 2018

### Medical workforce shortages

The Department of Health is working towards a responsive solution to medical workforce needs across Western Australia. A program has been developed that ensures additional interns graduating from the new medical school at Curtin University are accommodated. The program also aims to address risks associated with insufficient medical internships, such as clinical safety, workforce supply and future workforce demands.

### Aboriginal employment

The Aboriginal employee workforce represents 1.6 per cent of the total WA health workforce; well short of the Public Sector Commission's target of 3.2 per cent. Increasing employment of Aboriginal people at all levels and in both clinical and non-clinical areas is essential for the health system to deliver culturally safe and responsive health services. There are some significant challenges to growing the Aboriginal workforce. These include:

- a lack of internal and external supply of suitably qualified Aboriginal people
- attracting Aboriginal people to a career in health
- a lack of flexibility and cultural considerations in recruitment and selection processes.

The Department of Health is committed to increasing the Aboriginal employee workforce in an effort to better meet the health needs of Aboriginal people. Growing a strong, skilled and sustainable Aboriginal workforce is a strategic direction in the Department's WA Aboriginal Health and Wellbeing Framework 2015–2030.

## Managing health information and communications technology

### Maintaining ICT systems

A significant challenge facing the Department of Health is meeting with rapidly changing digital technology and digital disruption. The WA health system must continually adapt and build its suite of Information Communications and Technology (ICT) services to support safe, high quality, patient care and manage its corporate functions. The Department must balance investment in innovation against ensuring critical legacy ICT systems are maintained, refreshed or replaced when required.

The SHR challenges us to invest in digital healthcare and use data wisely. The Department of Health, in supporting the System Manager role, must set the strategic and systemwide direction and facilitate decision-making for systemwide ICT and digital investment, implementation and service delivery. Through the WA Digital Health Strategy 2020–2030, the Department is addressing ICT challenges by setting the roadmap for digital investment, enabling our consumers to access safe, quality services.

### Health information management

Another challenge for the Department of Health is meeting expectations of clinicians and health service providers to ensure they have access to health information, enabling informed clinical advice and decision-making relating to health service delivery. Health information collected and stored in the WA health system must be managed effectively so it is secure and protected from misuse and inappropriate disclosure. Health information must also be available and shared when it is lawful to do so, to optimise the value and quality of information and support the delivery of safe, high quality health services.

Health information is also imperative for informed decision-making across all aspects of our business including effective policy development, health program implementation, and evaluating health services.

Challenges to making information available that is secure, timely, relevant and accurate include the requirement for:

- computing systems capable of handling increasingly large datasets and concurrent users
- metadata and development servers to maintain effective business continuity
- more contemporary hardware and software applications to support development and analysis, such as data visualisation and machine learning.

The Department of Health is addressing challenges in health information management through delivery of major reforms to systemwide information management policy. In 2019, this included a refreshed Information Management Policy Framework and significant changes to the Information Access, Use and Disclosure Policy. Our organisation is also contributing to development of the State's Privacy and Responsible Information Sharing draft legislation, led by the Department of Premier and Cabinet.

Within the Department, a plan is being developed to roll out action tracking utilising the Department's Records Management System, HPE Records Manager, to automate information flow through the organisation.

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# Agency performance

# Performance summary

## Summary of financial performance

Table 5 provides the financial and performance information of the Department of Health for 2019–20.

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

Table 5: Actual results versus budget targets for the Department of Health

| | 2019–20 Target ($'000) | 2019–20 Actual ($'000) | Variation (+ / -) ($'000) |
|---|---|---|---|
| Total cost of services | 7,594,221 | 7,660,023 | 65,802 |
| Net cost of services | 5,265,191 | 5,094,344 | -170,847 |
| Total Equity | 349,207 | 478,568 | 129,361 |
| Net increase / decrease in cash held | 263,853 | 385,669 | 121,816 |
| Approved salary expense level | 99,197 | 113,749 | 14,552 |
| Approved borrowing limit | 0 | 0 | 0 |

**Note**

1. Explanation can be found in the Notes to the Financial Statements.

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 2019–20, the cash limit target and actual for the Department of Health are provided in Table 6.

Table 6: Agreed working cash limit for the Department of Health

| | 2019–20 Agreed Limit ($'000) | 2019–20 Target/Actual ($'000) | Variation (+ / -) ($'000) |
|---|---|---|---|
| Agreed Working Cash limit (at budget) | 371,019 | 371,019 | 0 |
| Agreed Working Cash limit (at actuals) | 380,744 | 322,454 | -58,290 |

**Note**

1. Explanation can be found in the Notes to the Financial Statements.

## Summary of key performance indicators

Table 7: Actual results versus key performance indicator targets

| Outcomes and related indicators | 2019–20 Target | 2019–20 Actual | Variation (actual minus target) |
|---|---|---|---|
| **Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives** | | | |
| 1. Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program | ≥65% | 84% | 19% |
| 2. Percentage of people accessing specialist community-based palliative care who are supported to die at home | ≥ 85% | 76% | -9% |
| 3. Loss of life from premature death due to identifiable causes of preventable disease or injury | | | |
| a. Lung cancer | 1.6 | 1.4 | -0.2 |
| b. Breast cancer | 2.0 | 2.0 | 0.0 |
| c. Ischaemic heart disease | 2.2 | 2.3 | 0.1 |
| d. Falls | 0.2 | 0.2 | 0.0 |
| e. Melanoma | 0.4 | 0.3 | -0.1 |
| 4. Percentage of fully immunised children | | | |
| a. 12 months | ≥95% | 94% | -1% |
| b. 2 years | ≥95% | 90% | -5% |
| c. 5 years | ≥95% | 94% | -1% |
| 5. Percentage of 15 year olds in Western Australia that complete their HPV vaccination series | | | |
| Males | ≥80% | 81% | 1% |
| Females | ≥80% | 82% | 2% |
| 6. Response times for emergency road-based ambulance services (Percentage of priority 1 calls attended to within 15 minutes in the metropolitan area) | ≥90% | 90% | 0% |
| **Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system** | | | |
| 7. Proportion of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions | ≥85% | 75% | -10% |

| Services delivered and related indicators | 2019–20 Target | 2019–20 Actual | Variation (actual minus target) |
|---|---|---|---|
| **Aged and continuing care services** | | | |
| 1. Average cost of a transition care day provided by contracted non-government organisations / service providers | $321 | $328 | $7 |
| 2. Average cost per home-based | | | |
| a. hospital day of care | $321 | $293 | -$28 |
| b. occasion of service | $129 | $137 | $8 |
| 3. Average cost per day of care for non-acute admitted continuing care | $666 | $759 | $93 |
| 4. Average cost to support patients who suffer specific chronic illness and other clients who require continuing care | $27 | $21 | -$6 |
| **Palliative and cancer care services** | | | |
| 5. Average cost per client receiving contracted palliative care services | $5,900 | $7,787 | $1,887 |
| **Public health services** | | | |
| 6. Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury | $37 | $51 | $14 |
| **Patient transport services** | | | |
| 7. Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips | $494 | $469 | -$25 |
| **Policy and corporate services** | | | |
| 8. Average cost of Public Health Regulatory Services per head of population | $4 | $7 | $3 |
| 9. 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 | $5,042 | $7,310 | $2,268 |

# Summary of 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 2019–20, the Department of Health surveyed more than 6,000 adult patients asking them about their healthcare 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** – co-ordination 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 (food, room, ward).

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:

1. **mean (average) satisfaction scores** – this represents how patients in WA hospitals rate each of the seven aspects of hospital service, presented as a score out of 100[2]
2. **overall indicator of satisfaction** – this is determined by the average of the seven aspect scores, weighted by their importance as ranked by patients
3. **outcome scale** – this reflects how patients rate the outcome of their hospital stay (i.e. the impact on physical health and wellbeing).

## Results

In this year's annual report, results from the following patient groups are presented for all respondents in WA:

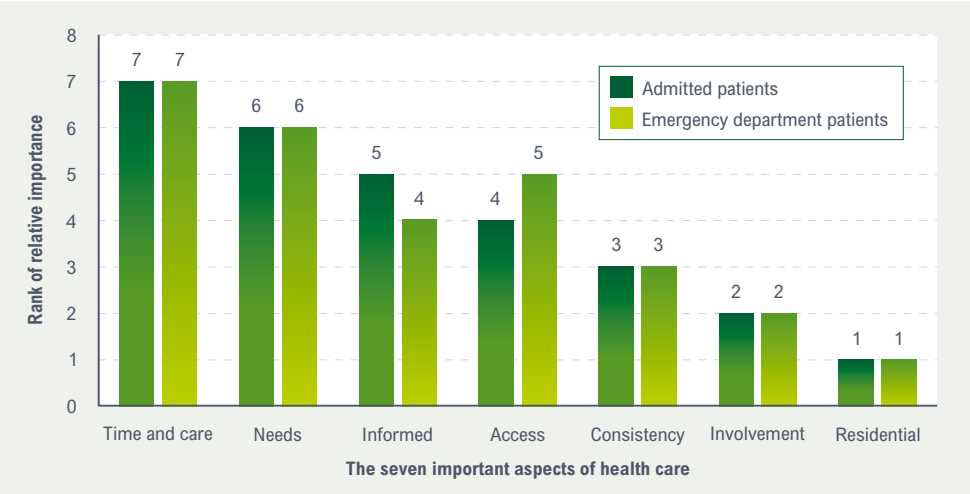
- Emergency department patients, aged 16–74 years.
- Admitted patients, aged 16–74 years who were in hospital from 0–34 nights.

In 2019–20, the emergency department participation rate was 96 per cent with 1,745 adult patients interviewed. The admitted patient participation rate was 96 per cent with 4,322 adult patients interviewed.

### Order of importance of aspects of health care

In 2019–20, 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 4).

Figure 4: The seven aspects of health care ranked by patient group from most important (7) to least important (1), 2019–20




2 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 whether 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 2019–20, mean satisfaction scores rated by emergency department patients were highest for Time and care and lowest for Involvement (see Table 8). The 2019–20 emergency department Access, and Involvement scores were significantly higher when compared with previous survey results in 2017–18 and 2015–16 (see Table 8). There were no other significant differences.

Table 8: Emergency department patients' mean scale scores, by aspect of health care, 2015–16, 2017–18 and 2019–20

| Emergency department patients (16–74 years) | | | | | |
|---|---|---|---|---|---|
| **Aspect** | **2015–16** | | **2017–18** | | **2019–20*** |
| Time and care | 88.8 | | 89.9 | | 88.8 |
| Needs | 83.5 | | 85.0 | | 84.9 |
| Access | 70.8 | ↑ | 71.3 | ↑ | 73.7 |
| Informed | 83.9 | | 85.1 | | 84.4 |
| Consistency | 78.4 | | 80.3 | | 80.1 |
| Involvement | 61.6 | ↑ | 61.5 | ↑ | 66.7 |
| Residential | 65.1 | | 65.5 | | 67.4 |

**Notes**

↑ Indicates that the mean score for 2019–20 is significantly higher than the comparison score.

2019–20 does not include data from Fitzroy Crossing Hospital, Halls Creek Hospital, Swan District Hospital, Dalwallinu Hospital and Nickol Bay Hospital

2017–18 does not include data from Halls Creek Hospital, Karratha Health Campus, Swan District Hospital, Boddington Hospital and Boyup Brook Soldiers Memorial Hospital

2015–16 does not include data from Fitzroy Crossing Hospital, Karratha Health Campus, Meekatharra Hospital, Boddington Hospital, Dalwallinu Hospital, Norseman Hospital, Ravensthorpe Hospital and Boyup Brook Soldiers Memorial Hospital

*For the 2019–20 Patient Evaluation of Health Services reporting year, the question "Did you have access to an interpreter if you needed one?" has been removed from the Access Scale and therefore no longer contributes to the Access Scale score for this year; however, this question still contributes to the Access Scale score for the previous years. In January 2020, the question "Did you know that there is a Public Patients Charter listing your rights as a patient?" was changed to "Are you aware of your rights as a patient?". These questions contribute to the Involvement Scale.

Admitted patients mean satisfaction scores in 2019–20 were highest for Needs and lowest for Residential. The Involvement score was significantly higher when compared with 2017–18 and 2018–19 (see Table 9). There were no other significant differences.

Table 9: Admitted patients' mean scale scores, by aspect of health care, 2017–18 to 2019–20

| Admitted patients (16–74 years) | | | | | |
|---|---|---|---|---|---|
| **Aspect** | **2017–18** | | **2018–19** | | **2019–20*** |
| Time and care | 90.0 | | 89.7 | | 89.2 |
| Needs | 92.5 | | 92.6 | | 92.3 |
| Informed | 85.8 | | 85.7 | | 85.0 |
| Access | 74.5 | | 74.9 | | 74.4 |
| Consistency | 74.3 | | 74.2 | | 73.8 |
| Involvement* | 76.6 | ↑ | 76.7 | ↑ | 79.7 |
| Residential | 67.0 | | 67.2 | | 67.2 |

**Notes**

↑ Indicates that the mean score for 2019–20 is significantly higher than the comparison score.

2019–20 does not include data from Halls Creek Hospital, Meekatharra Hospital, Boddington Hospital, Dalwallinu Hospital, Kellerberrin Memorial Hospital, Narembeen Memorial Hospital, Norseman Hospital, Ravensthorpe Hospital, Boyup Brook Soldiers Memorial Hospital, Nickol Bay Hospital, Narembeen Memorial Hospital, Onslow Hospital

2017–18 does not include data from Karratha Health Campus, Meekatharra Hospital, Narembeen Memorial Hospital, Norseman Hospital, Ravensthorpe Hospital, Narembeen Memorial Hospital.

*For the 2019–20 Patient Evaluation of Health Services reporting year, the question "Did you know that there is a Public Patients Charter listing your rights as a patient" was changed to "Are you aware of your rights as a patient?" in January 2020. These questions contribute to the Involvement Scale.

The mean satisfaction scores for patients admitted to a hospital in WA in 2019–20 were highest for Needs and Time and care. Score for Access was significantly lower for patients attending metropolitan hospitals and higher for patient attending the country hospitals (see Table 10). There were no other significant differences.

Table 10: Admitted patients' mean scale scores, by location, 2019–20

| Admitted patients (16–74 years) by location | | | | | |
|---|---|---|---|---|---|
| **Aspect** | **State** | **Metropolitan** | | **Country** | |
| Time and care | 89.2 | 89.1 | | 89.4 | |
| Needs | 92.3 | 92.1 | | 92.5 | |
| Informed | 85.0 | 84.9 | | 85.0 | |
| Access | 74.4 | 72.8 | ↓ | 76.1 | ↑ |
| Consistency | 73.8 | 72.8 | | 74.9 | |
| Involvement | 79.7 | 79.1 | | 80.2 | |
| Residential | 67.2 | 66.3 | | 68.2 | |

**Notes**

Mean scores by location are only presented for admitted adult patients.

↑ Indicates that the location mean score for 2019–20 is significantly higher than the State comparison score.

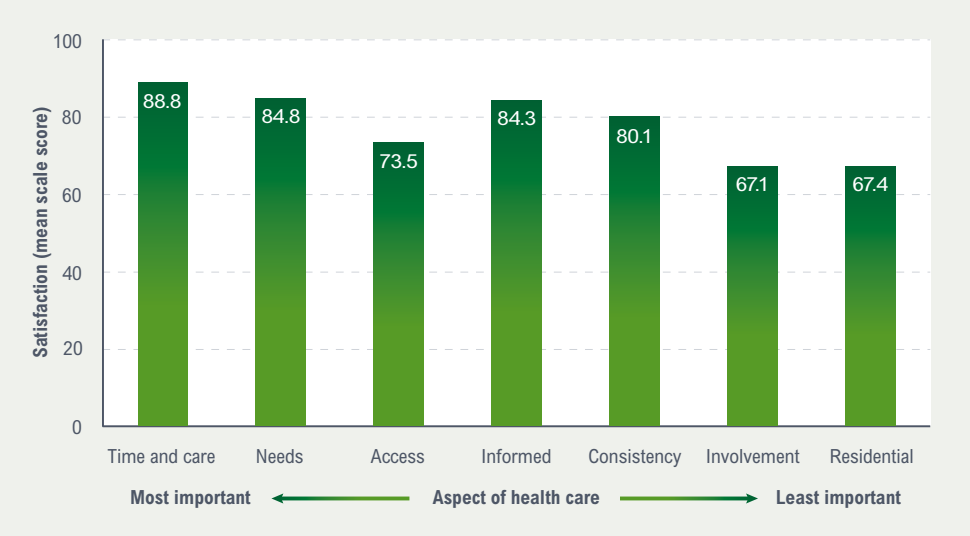
↓ Indicates that the location mean score for 2019–20 is significantly lower than the State comparison score

## 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.

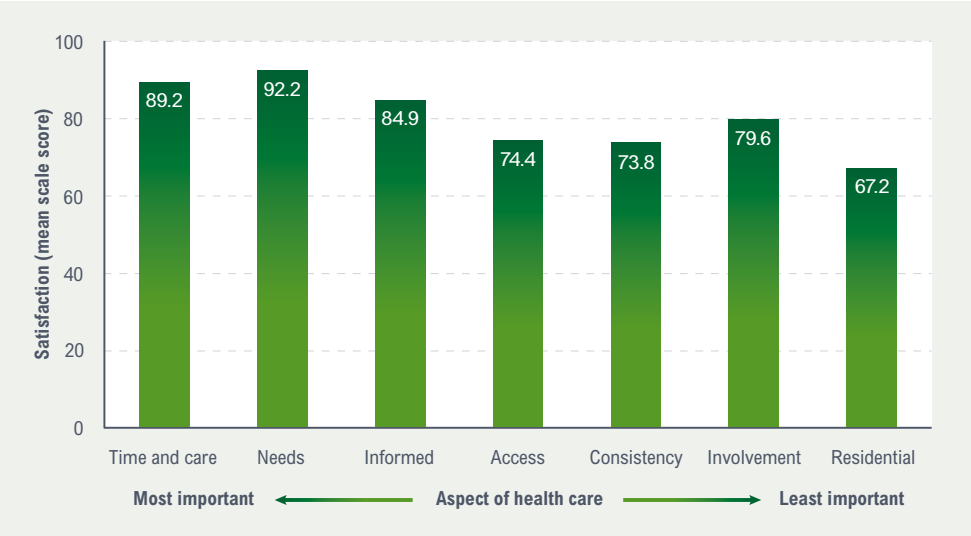
In 2019–20, emergency department patients' ranked Time and care as the most important aspect of health care; however, in terms of satisfaction, this aspect was rated second. This patient group ranked Informed as the fourth most important aspect of health care; however, Informed was the aspect of emergency department care with which they were most satisfied with, following Time and care and Needs (see Figure 5).

Figure 5: Satisfaction with aspects of health care by rank of importance, Emergency department, 16–74 years, 2019–20



In 2019–20, 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 6).

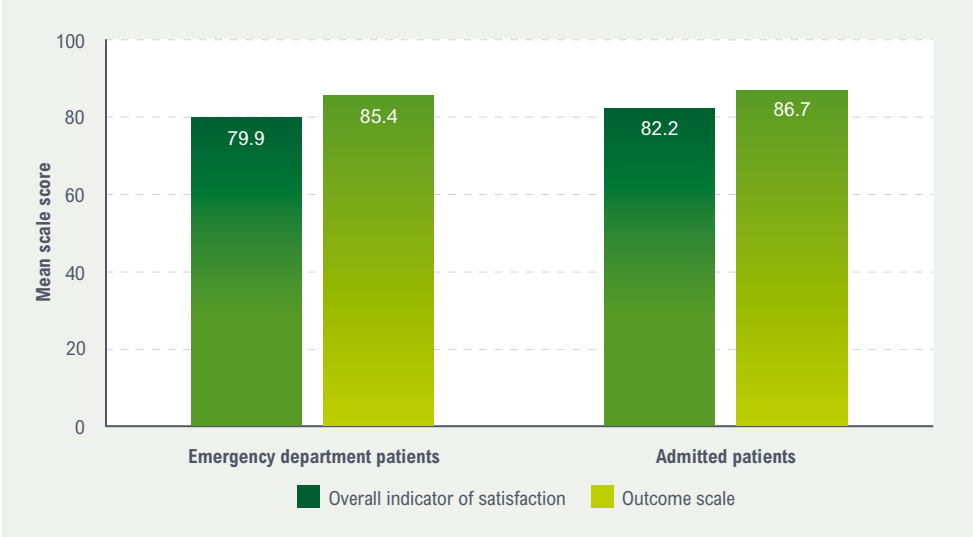
Figure 6: Satisfaction with aspects of health care by rank of importance, admitted patients, 16–74 years, 2019–20




## 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 7 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 7: The overall indicator of satisfaction compared with the patient rated outcome, emergency department and admitted patients, 2019–20



# No Jab, No Play

## Rationale

In 2019, changes to the *Public Health Act 2016* and *School Education Act 1999* required a child's immunisation status to be up-to-date to enrol into long day care, family day care, pre-kindergarten, and/or kindergarten. These legislative changes, referred to as 'No Jab No Play', were effective from 22 July 2019. There are a limited number of circumstances in which a child may be exempt from this requirement.

The Chief Health Officer issued a direction to child care services and schools to report enrolled children whose immunisation status was not up-to-date at enrolment. Child care services were directed to provide reports at the time of the child's enrolment, whereas schools were directed to provide reports by the end of Term 1 for each school year. The different enrolment requirements of child care services (all year long) and schools (major census performed during Term 1) has resulted in two reporting cohorts. These are:

- children enrolled in child care services between 22 July and 31 December 2019 that are not up-to-date with their immunisations
- children enrolled in either child care services or schools between 1 January and 31 March 2020 that are not up-to-date with their immunisations.

## Results

Of the children enrolled in child care services between 22 July and 31 December 2019, 109 were reported as not fully immunised at enrolment. Of these, 93 (85.3 per cent) became up-to-date, 2 could not be found on the Australian Immunisation Register (AIR) and none were on a catch-up schedule as of 30 June 2020.

Of the children enrolled in either child care services or schools between 1 January and 31 March 2020, 570 were reported as not fully immunised at enrolment (n=37 in childcare services and n=533 in schools). Of these, 105 (18.4 per cent) became up-to-date while 57 (10 per cent) were on a catch-up schedule as of 30 June 2020.

Follow-up of children reported as not up-to-date or unable to be found in the AIR in these cohorts is ongoing.

Table 11: Number of children who were not fully immunised at the time of enrolment

| Cohort | Reported as not up to date at enrolment | Status as of 30 June 2020 | | | |
|---|---|---|---|---|---|
| | | Up-to-date | On a catch-up schedule | Not up-to-date | Unable to find on AIR* |
| Children enrolled in child care services between 22 July and 31 December 2019 | 109 | 93 | 0 | 14 | 2 |
| Children enrolled in either child care services or schools between 1 January and 31 March 2020† | 570 | 105 | 57 | 278 | 130 |
| **Total** | **679** | **198** | **57** | **292** | **132** |

*AIR – Australian Immunisation Register

† Includes reporting provided by Department of Education on behalf of government schools.

# Outcome Based Management Performance Management Framework reporting

# Certification of key performance indicators

## DEPARTMENT OF HEALTH

## CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2020

I hereby certify that 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 of Health for the financial year ended 30 June 2020.

**Dr D J Russell-Weisz**
DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

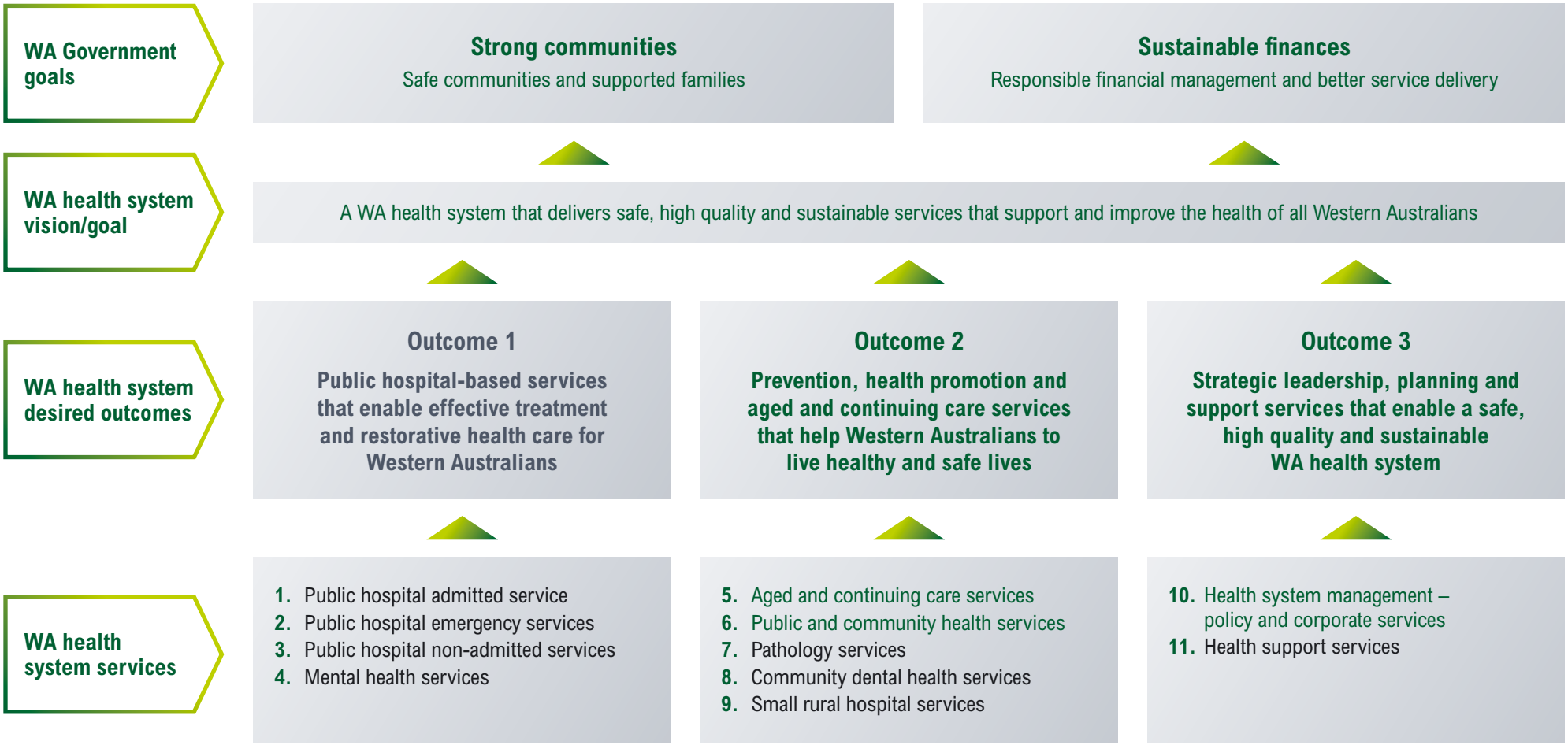
11 September 2020

# Outcome Based Management Performance Management Framework reporting

To comply with legislative obligations as a WA government agency, the Department of Health operates under the WA health system Outcome Based Management Performance Management Framework (OBM Framework). This framework describes the relationship between outcomes, services and key performance indicators, which measure how effective and efficient the organisation was in achieving our relevant overarching WA Government goals.

Figure 8 describes the WA health system OBM Framework. It also illustrates how the Department of Health contributes to achieving the WA health system vision and whole-of-government goals through outcomes and services, as marked in green.

Figure 8: Outcome Based Management Performance Management Framework for the WA health system




**Note** Green text denotes components of the Outcome Based Management Performance Management Framework that is relevant to the Department of Health

The Department of Health achieves the outcome, "Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives" through the delivery of two services.

**Aged and continuing care services** describes the provision of aged and continuing care services and community-based palliative care services. Aged and continuing care services include programs that assess the 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 the Quadriplegic Centre. Aged and continuing care services is inclusive of community-based palliative care services that are delivered by private facilities under contract to the WA health system, which focus on the prevention and relief of suffering, quality of life and the choice of care close to home for patients.

**Public and community health services** describes the provision of healthcare services and programs delivered to increase optimal health and wellbeing, encourage healthy lifestyles, reduce the onset of disease and disability, reduce the risk of long-term illness as well as detect, protect and monitor the incidence of disease in the population. Public and community health services includes public health programs, Aboriginal health programs, disaster management, environmental health, the provision of grants to non-government organisations for public and community health purposes, emergency road and air ambulance services, services to assist rural-based patient travel to receive care, and statewide pathology services provided to external Western Australian agencies.

The outcome, "Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA Health system" is achieved through **Health system management – policy and corporate services**. This is the provision of strategic leadership, policy and planning services, system performance management and purchasing linked to the statewide planning, budgeting and regulation processes. Health system policy and corporate services also includes corporate services inclusive of statutory financial reporting requirements, overseeing, monitoring and promoting improvements in the safety and quality of health services, and systemwide infrastructure and asset management services.

The Department of Health reports performance towards achieving our goal through a suite of key performance indicators that form part of the WA health system OBM Framework. Effectiveness key performance indicators help to determine if our desired outcomes have been achieved through service delivery. Efficiency indicators monitor the relationship between delivery of our services and the resources we used to produce them. Performance indicators are reported against targets to help assess our performance.

Table 12 details the key performance indicators the Department of Health is required to report against as part of the WA health system's OBM Framework.

## Changes to the WA health system Outcome Based Management Performance Management Framework

The WA health system OBM Framework, including the key performance indicators, is reviewed annually. Any significant changes are approved by the Under Treasurer and the Department of Treasury. For the purposes of the Department of Health's performance reporting, there were no changes to the WA health system OBM Framework for the 2019–20 reporting period.

Table 12: Outcome Based Management Performance Management Framework – key performance indicators reported by the Department of Health

| Desired outcomes | Measuring effectiveness<br>Key performance indicators | Services | Measuring efficiency<br>Key performance indicators |
|---|---|---|---|
| **Outcome 2**<br><br>Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives | **1.** Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program<br>**2.** Percentage of people accessing community-based palliative care who are supported to die at home<br>**3.** 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<br>**4.** Percentage of fully immunised children: (a) 12 months; (b) 2 years; (c) 5 years<br>**5.** Percentage of 15 year olds in Western Australia that complete their HPV vaccination series<br>**6.** Response times for emergency road-based ambulance services (Percentage of priority 1 calls attended to within 15 minutes in the metropolitan area) | **5. Aged and continuing care services** | **Aged and continuing services**<br>**1.** Average cost of a transition care day provided by contracted non-government organisations/service providers<br>**2.** Average cost per home-based hospital day of care and occasion of service<br>**3.** Average cost per day of care for non-acute admitted continuing care<br>**4.** Average cost to support patients who suffer specific chronic illness and other clients who require continuing care<br>**Palliative and cancer care services**<br>**5.** Average cost per client receiving contracted palliative care services |
| | | **6. Public and community health services** | **Public health services**<br>**6.** Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury<br>**Patient transport services**<br>**7.** Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips |
| **Outcome 3**<br><br>Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system | **7.** Proportion of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions | **10. Health system management – policy and corporate services** | **Policy services**<br>**8.** Average cost of public health regulatory services per head of population<br>**Corporate services**<br>**9.** Average cost for the Department of Health to undertake System Manager functions per Health Service Provider full time equivalent |

# Key effectiveness performance indicators

# 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 (TCP) is a joint Federal, State and Territory initiative that aims to optimise the functioning and independence of eligible clients after a hospital stay and enable them to return home or allow time to make decisions on longer term care arrangements, including residential care. TCP services take place in either a residential or a community setting, including a client's home. A number of care options are available, designed to be flexible in helping meet individual 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 by 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 Western Australians.

## Target

The 2019–20 target for the percentage of clients maintaining or improving functional ability is 65 per cent or above.

Improved or maintained performance is demonstrated by a result equal to or above the target.

## Results

In 2019–20, the percentage of transition care clients maintaining or improving functional ability was 84 per cent, above the target and above prior year findings (see Table 13).

Table 13: Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Clients maintaining or improving functional ability | 70% | 73% | 74% | 80% | **84%** |
| **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 specialist community-based palliative care who are supported to die at home

**Outcome 2**
Effectiveness KPI

## Rationale

The preference of the majority of Australians to die in their home and not in a hospital has been well documented. Between 60 and 70 per cent of people state they want to die at home; however, only about 14 per cent do so.[3] 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 disease.

The Department of Health contracts Silver Chain to provide specialist community-based palliative care services in the Perth metropolitan area. This indicator aims to measure the effectiveness of these services in allowing patients to die in the comfort of their home, where it is their wish to do so. A high proportion of people realising their wish to die at home indicates that the service has appropriate strategies in place to provide in-home care appropriate to patients' needs and to avoid unplanned hospital admissions.

## Target

The 2019–20 target for the percentage of people accessing community based palliative care who opted to die at home and who were supported to die at home is 85 per cent or above.

Improved or maintained performance is demonstrated by a result equal to or above the target.

## Results

In 2019–20, 76 per cent of clients requiring end-of-life care who opted to die at home were supported to do so through the provision of in-home specialist palliative care (see Table 14).

Implementation Plan 1 2020–2022 (IP1) underpins the WA End-of-Life and Palliative Care Strategy 2018–2028 and was endorsed at the beginning of 2020. IP1 aims to improve palliative care service delivery, including access to high quality integrated care. The plan also provides a foundation to progress future implementation in a way that responds to the changing landscape and ensures that Western Australia keeps pace with contemporary practice and service provision in palliative care.

Table 14: Percentage of people accessing specialist community-based palliative care who opted to die at home and who were supported to die at home, 2018–19 and 2019–20

| | 2018–19 | 2019–20 | Target |
|---|---|---|---|
| Percentage of people accessing specialist community-based palliative care | 76% | 76% | **≥85%** |

**Notes**

1. In 2018–19, the calculation of this KPI was changed to improve the accuracy of reporting and is no longer comparable to previous reporting.
2. 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.
3. 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 services where a medical opinion has been obtained resulting in the client being referred for specialist palliative care.
   c. People who accessed the community palliative care service provided by Silver Chain and who died at home after nominating this as their desired place of death.
4. There are some community-based palliative care services provided outside of the metropolitan area; however, this activity data is not available within the Non Admitted Patient Activity and Wait List Data Collection system used to source data for calculation of this KPI.
5. Previously reported by the title 'Percentage of people accessing community-based palliative care to assist them to die at home'.

**Data source** Non Admitted Patient Activity and Wait List Data Collection, Department of Health.

3 Dying Well, Grattan Institute Report No. 2014-10, September 2014, 2. Available from: http://grattan.edu.au/wpcontent/uploads/2014/09/815-dying-well.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 Western Australian health system aims to reduce the loss of life from preventable disease or injury, through the delivery of public health and medical interventions.

The rates of 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 conditions for which the Department of Health believes premature death should be largely preventable and for which screening or health promotion programs are in place. The data obtained from this indicator assists health system managers to best determine effective and quality targeted promotion and prevention initiatives, which in turn contribute to a reduction in the loss of life from these preventable conditions.

## Target

The 2018 target per preventable condition is based on the 2017 National Person Years of Life Lost per 1,000 population:

| Preventable condition | Target (in years) |
|---|---|
| a. Lung cancer | 1.6 |
| b. Breast cancer | 2.0 |
| c. Ischaemic heart disease | 2.2 |
| d. Falls | 0.2 |
| e. Melanoma | 0.4 |

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

## Results

In 2018, the result for potential years of life lost due to lung cancer was 1.4 and melanoma was 0.3; both below set targets (see Table 15). The years of life lost from premature death due to breast cancer and falls was 2.0 and 0.2, equal to the target. The years of life lost from premature death due to ischaemic heart disease was 2.3, slightly above the target of 2.2.

Table 15: Person years of life lost due to premature death associated with preventable conditions, 2009–2018

| Condition | Calendar years | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Target |
| Lung cancer | 2.1 | 1.7 | 1.8 | 1.7 | 1.6 | 1.7 | 1.9 | 1.6 | 1.5 | **1.4** | **1.6** |
| Breast cancer | 2.6 | 2.3 | 2.2 | 2.1 | 2.3 | 1.8 | 2.0 | 2.0 | 2.1 | **2.0** | **2.0** |
| Ischaemic heart disease | 3.3 | 3.0 | 3.1 | 2.5 | 2.7 | 2.7 | 2.7 | 2.4 | 2.4 | **2.3** | **2.2** |
| Falls | 0.5 | 0.3 | 0.4 | 0.3 | 0.4 | 0.3 | 0.6 | 0.5 | 0.3 | **0.2** | **0.2** |
| Melanoma | 0.8 | 0.5 | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 | 0.3 | 0.5 | **0.3** | **0.4** |

**Notes**

1. Age-standardised Person Years of Life Lost per 1,000 population.
2. 2009–2016 deaths are final, 2017 deaths are revised and 2018 deaths are preliminary.
3. The following ICD 10 Codes were used:
   - Lung cancer C33 to C34.9
   - Breast cancer (C50.0 – C50.9) (females only).
   - 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
4. Target is Australia, year of death of 2017, based on ABS data.
5. Minor methodological improvements and updates to death data mean that figures are not directly comparable with previous reports.

**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 sustaining high levels of immunisation coverage across Western Australia, 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 illness 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 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 is 95 per cent or above, based on the National aspirational immunisation coverage target of 95 per cent[4].

Improved or maintained performance is demonstrated by a result equal to or above the target.

## Results

In 2019, 92.4 per cent of children across the age groups of 12 months, two years, and five years of age were fully immunised. This is below the immunisation coverage target of 95 per cent.

In 2019, 96.9 per cent of Aboriginal children residing in country Western Australia were fully immunised at five years, exceeding the target. This is consistent with 2017 and 2018. Immunisation rates in all other categories did not meet the target.

Overall, immunisation rates in Western Australia have steadily increased over the last five years in most age cohorts.

To improve immunisation rates, the Department of Health is implementing strategies including:

- establishing the Aboriginal Immunisation Network which aims to improve Aboriginal immunisation rates
- actively following up parents and GPs of overdue children, especially in low coverage areas
- working with Health Service Providers and Services Australia[5] to improve Australian Immunisation Register data quality
- working with the WA Primary Health Alliance to assist GP practices with immunisation strategies.

4 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

5 The Commonwealth Department of Human Services became Services Australia – an executive agency in the Social Services portfolio – on 1 February 2020. The Australian Immunisation Register is managed through Services Australia (www.servicesaustralia.gov.au/organisations/about-us/our-agency).

Table 16: Percentage of children fully immunised, by selected age cohort, by Aboriginality, 2015–2019

| Children fully immunised | | 2015 | 2016 | 2017 | 2018 | 2019 | Target |
|---|---|---|---|---|---|---|---|
| Total of all children (12 months, 2 years, and 5 years) (%) | | 90.4 | 91.5 | 91.7 | 92.3 | **92.4** | **≥95%** |
| **12 months (%)** | | | | | | | |
| | | | | | **Total** | **93.9** | **≥95%** |
| State | Aboriginal | 83.4 | 88.0 | 87.7 | 89.0 | **89.1** | |
| | Non-Aboriginal | 92.6 | 93.2 | 93.9 | 93.8 | **94.3** | |
| Metropolitan | Aboriginal | 77.6 | 83.7 | 84.4 | 87.9 | **87.2** | |
| | Non-Aboriginal | 92.4 | 93.1 | 93.9 | 93.9 | **94.5** | |
| Country | Aboriginal | 87.4 | 91.1 | 90.3 | 90.0 | **90.9** | |
| | Non-Aboriginal | 93.6 | 93.7 | 94.0 | 93.2 | **93.3** | |
| **2 years (%)** | | | | | | | |
| | | | | | **Total** | **89.8** | **≥95%** |
| State | Aboriginal | 83.2 | 83.8 | 82.6 | 82.2 | **84.6** | |
| | Non-Aboriginal | 88.4 | 90.5 | 89.5 | 90.7 | **90.2** | |
| Metropolitan | Aboriginal | 77.8 | 80.7 | 81.0 | 80.8 | **83.0** | |
| | Non-Aboriginal | 88.0 | 90.1 | 89.3 | 90.8 | **90.3** | |
| Country | Aboriginal | 87.0 | 86.0 | 83.8 | 83.4 | **86.2** | |
| | Non-Aboriginal | 90.1 | 92.2 | 90.7 | 90.5 | **89.6** | |
| **5 years (%)** | | | | | | | |
| | | | | | **Total** | **93.5** | **≥95%** |
| State | Aboriginal | 92.0 | 94.1 | 95.9 | 95.1 | **95.5** | |
| | Non-Aboriginal | 91.0 | 91.3 | 92.3 | 93.3 | **93.4** | |
| Metropolitan | Aboriginal | 88.2 | 91.3 | 95.1 | 93.9 | **94.0** | |
| | Non-Aboriginal | 90.7 | 90.8 | 92.0 | 93.2 | **93.2** | |
| Country | Aboriginal | 94.6 | 95.9 | 96.5 | 96.3 | **96.9** | |
| | Non-Aboriginal | 92.5 | 93.7 | 93.4 | 93.8 | **94.1** | |

**Notes**

1. Data is based on children aged 12 ≤ 15 months, 24 ≤ 27 months and 60 ≤ 63 months between 1 January 2019 – 31 December 2019.
2. 'Fully immunised' for children aged 4 years and under includes immunisation for hepatitis B, diphtheria, tetanus, pertussis, pneumococcus, haemophilus influenzae type B, poliomyelitis, measles, mumps, rubella, varicella (chicken pox) meningococcal ACWY 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 15 year olds in Western Australia that complete their HPV vaccination series

**Outcome 2**
Effectiveness KPI

## Rationale

This indicator measures uptake of the human papilloma virus (HPV) vaccination among youth, which is the most effective public health intervention for reducing the risk of developing HPV-related illnesses, including cervical cancer.

HPV is a common virus that affects both females and males and is associated with HPV-related illnesses including cancer of the cervix. HPV vaccination can significantly decrease the chances of people developing HPV-related illnesses. As human papilloma virus is primarily sexually transmitted both males and females should have the HPV vaccine, preferably before they become sexually active. Providing vaccination at 14 years and under is also known to increase antibody persistence.

The HPV vaccine is provided free in schools to all males and females in years 7 and 8 under the Western Australian school-based immunisation program. General practitioners, community health clinics and central immunisation clinics also offer vaccination to maximise coverage of older adolescents or those who opted out of the school program.

This indicator measures the effectiveness of the Western Australian health system's delivery of vaccination programs and health promotion strategies in maximising the proportion of adolescents who have completed the HPV series.

## Target

The target for 2019 for the percentage of 15 year old Western Australian male and females that completed their HPV vaccination series is 80 per cent or above.

Improved or maintained performance is demonstrated by a result equal to or above the target.

## Results

In 2019, 81.2 per cent of 15 year old males and 81.8 per cent of 15 year old females had completed their HPV vaccination series (see Table 17).

The HPV vaccine coverage rates in Aboriginal youth aged 15 years in 2019 was 64.8 per cent compared to non-Aboriginal youth with 82.5 per cent coverage. This has been attributed to lower school attendance rates and parental/guardian consent among this cohort.

While overall HPV vaccination rates are above the target of 80 per cent or above, a number of targeted strategies are being introduced by the Department of Health in collaboration with key stakeholders. These aim to increase overall vaccination rates with a focus on Aboriginal students. School absenteeism amongst Aboriginal youth was considered a key contributor to lower immunisation rates in this cohort. A strategy was introduced in 2019 to delivery HPV vaccinations to year 7 students, based on evidence that absenteeism is lower in younger students. Outcomes of this strategy will be observed when these students are assessed at 15 years of age, in 2022. SMS reminders are also sent to students aged 13 to 14 years who did not complete their HPV course on time.

Table 17: Percentage of 15 year old Western Australians that completed their HPV vaccination series, by gender, 2019

| Percentage of 15 year olds who completed their HPV vaccination series | | 2018 | 2019 | Target |
|---|---|---|---|---|
| **Males** | | **79.8%** | **81.2%** | **≥80.0%** |
| State | Aboriginal | 65.0% | 63.5% | |
| | Non-Aboriginal | 80.6% | 82.2% | |
| Metropolitan | Aboriginal | 62.0% | 63.6% | |
| | Non-Aboriginal | 80.7% | 82.4% | |
| Country | Aboriginal | 67.0% | 63.4% | |
| | Non-Aboriginal | 80.0% | 81.3% | |
| **Females** | | **81.3%** | **81.8%** | **≥80.0%** |
| State | Aboriginal | 70.6% | 66.0% | |
| | Non-Aboriginal | 82.0% | 82.8% | |
| Metropolitan | Aboriginal | 70.9% | 65.4% | |
| | Non-Aboriginal | 81.6% | 82.9% | |
| Country | Aboriginal | 70.3% | 66.5% | |
| | Non-Aboriginal | 83.4% | 82.4% | |

**Notes**

1. This indicator is based on 15-year olds who are registered on the Australian Immunisation Register (AIR). All individuals enrolled in Medicare are automatically registered on the AIR.
2. Fully immunised status is determined in the year the student turns15 to align with national reporting by the Australian Institute of Health and Welfare and the National Partnership on Essential Vaccines.
3. The target is based on HPV immunisation rates reported in the Australian Institute of Health and Welfare 2018. *Australia's health 2018*. Australia's health series no. 16. AUS 221. Canberra: AIHW.

**Data source** Australian Immunisation Register, Commonwealth Department of Human Services.

# 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 collaborative arrangement with a service provider to deliver emergency road-based patient transport services to the Perth metropolitan area. This collaboration ensures that patients have access to an effective and rapid response ambulance service to ensure the best possible health outcomes 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 can provide a good indication of the effectiveness of road-based patient transport services. It is understood that adverse effects on patients and the community are reduced if response times are decreased.

This indicator measures the timeliness of attendance by a patient transport vehicle and crew within the Perth metropolitan area to patients with the highest need (dispatch priority 1) of emergency 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 emergency medical care.

## Target

The target for 2019–20 is 90 per cent or above of priority 1 calls attended to within 15 minutes in the metropolitan area by the contracted health entity.

Improved or maintained performance is demonstrated by a result equal to or above the target.

## Results

In 2019–20, 90.5 per cent of all priority 1 calls in the metropolitan area were attended to within 15 minutes by emergency patient transport services (see Table 18).

Table 18: Percentage of Priority 1 calls attended to within 15 minutes in the metropolitan area by the contracted service provider, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 | Target |
|---|---|---|---|---|---|---|
| Percentage of priority 1 calls attended within 15 minutes | 93.0% | 93.0% | 94.1% | 92.9% | **90.5%** | **≥90.0%** |

**Note** KPI results are based on dispatch priority 1 patients requiring emergency attention who reside in Metropolitan Perth.

**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

The Department of Health as a System Manager sets the vision and direction for the Western Australian health system, as well as providing executive oversight of strategic decision making, identifying health system priorities, and guiding, overseeing and managing the statewide health system. This includes the delivery of government priorities and responding to the emerging and current needs of the Western Australian community. Overall, the aim is to ensure the delivery of high quality, safe and timely health services.

This indicator measures stakeholders' perceptions of the Department of Health and its delivery of services as a System Manager.

## Target

The 2019–20 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 per cent or above.

Improved or maintained performance is demonstrated by a result equal to or above the target.

## Results

In 2019–20, 75 per cent of respondents agreed the Department of Health had met the expectations of their organisation in the delivery of the functions of the System Manager (see Table 19).

Respondents identified that the Department of Health demonstrated strengths in crisis management during the COVID-19 state of emergency, effective and strong leadership, and strategic development and direction for the WA health system. Respondents also stated the Department successfully delivered the System Manager's oversight, governance and regulatory functions and were particularly effective in bringing together the Health Service Providers and the System Manager function in a conducive, collaborative and productive way. Respondents also felt the Department of Health was highly successful again this year at advocating for the WA health system, including managing the budget and sourcing funding.

Respondents identified opportunities for growth by the Department, including driving improvements across the WA health system. Areas such as clinical excellence and safety and quality could be better informed through increased data availability and metrics to improve transparency over performance and measure outcomes across the system. Respondents felt benefits would arise from a more consistent and integrated approach to service delivery within the Department itself, driven by improved communication at all levels and between all Divisions. The result would be improved role clarity in performing the System Manager function, both internally and outward facing. This more cohesive approach that would help build effective cross-organisational relationships.

The Department's Executive Committee consider the results and feedback from this survey in their forward planning and as part of their continuous improvement efforts.

Table 19: Department of Health stakeholder survey results, 2018–19 and 2019–20

| | 2018–19 | 2019–20 | Target |
|---|---|---|---|
| Percentage of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions | 72% | 75% | **≥85%** |

**Notes**

1. The number of respondents interviewed was 14 with a response rate of 100 per cent.
2. Stakeholders were identified as 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 inviting participants to provide their responses to prescribed questions through telephone interviewing conducted by an independent research agency.
4. Results are 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. The target is considered aspirational and 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** Unpublished data – Department of Health.

# Key efficiency performance indicators

## 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 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.

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 2019–20 target unit cost is $321 per transition care day.

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

### Results

In 2019–20, the average cost per transition care day was $328, slightly above the target of $321 (see Table 20).

Table 20: Average cost per transition care day provided by contracted non-government organisations/service providers, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Average cost | $316 | $308 | $312 | $312 | **$328** |
| Target | $300 | $308 | $277 | $348 | **$321** |

**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 services have been implemented as a means of ensuring patients have timely access to effective healthcare. These services aim to provide safe and effective medical care for Perth metropolitan patients in their homes, where they may otherwise require a hospital admission.

The Department of Health has entered into collaborative arrangements with service providers to provide home-based hospital services that may be delivered as in-home acute medical care, measured by days of care, or as post-discharge, acute or sub-acute medical and nursing intervention, delivered as occasions of service.

## Target

The 2019–20 target unit costs for:

a. home based hospital day of care is $321

b. home based hospital occasion of service is $129.

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

## Results

The average cost per home based hospital day of care in 2019–20 was $293, below the target of $321 (see Table 21).

Table 21: Average cost per home based hospital day of care, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Average cost | $312 | $316 | $314 | $291 | **$293** |
| Target | $353 | $293 | $323 | $319 | **$321** |

The average cost per home based hospital occasion of service in 2019–20 was $137, above the target of $129 (see Table 22).

Table 22: Average cost per home-based hospital occasion of service, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Average cost | $129 | $121 | $129 | $129 | **$137** |
| Target | $125 | $125 | $130 | $119 | **$129** |

**Note** 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.

**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 health status of patients, such as adults with a complex disability. Nonacute 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 for vital modifications to be made to their homes, or when requiring respite care. Non-acute care is also provided in purpose-built facilities where patients with complex care needs receive support to optimise their physical and psychological functioning in order to maximise their ability to enter long term supported accommodation or return to their own home.

### Target

The 2019–20 target unit cost is $666 per day of care for non-acute admitted continuing care.

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

### Results

The average cost per day of care for non-acute admitted continuing care was $759, above the target of $666 (see Table 23). This increase is a result of lower than expected activity against the contracted expenditure, which may be attributable to program transition from one care facility to another.

Table 23: Average cost per day of care for non-acute admitted continuing care, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Average cost | $764 | $714 | $474 | $714 | **$759** |
| Target | $769 | $780 | $552 | $710 | **$666** |

**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 the healthcare system in Western Australia. Most chronic conditions do not resolve spontaneously and require ongoing treatment, health care and support. As such, the Government has identified several chronic conditions that require health service support to people with long term chronic conditions to optimise their quality of life (refer to National Strategic Framework for Chronic Conditions[6]).

In addition, ongoing care and support is also required for those who have a complex disability, which aims to improve their health and well-being. To achieve this, the Department of Health has entered into collaborative arrangements with service providers to deliver residential, community and respite care.

### Target

The 2019–20 target unit cost is $27 to support patients who suffer specific chronic conditions and people who require continuing care.

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

### Results

The average cost to support patients who suffer specific chronic illness and other clients who require continuing care in 2019–20 was $21, below the target of $27 (see Table 24). The lower expenditure to target is attributable to an overestimation of contracted service expenditure used in deriving the 2019–20 budget target.

Table 24: Average cost to support patients who suffer specific chronic illness and other clients who require continuing care, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Average cost | $40 | $36 | $21 | $22 | **$21** |
| Target | $51 | $42 | $30 | $27 | **$27** |

**Data sources** Unpublished data – Department of Health; Australian Bureau of Statistics 2018 Survey of Disability, Ageing and Carers (Cat. No. 4430.02015); Oracle 11i Financial System Department of Health.

6 Available at: http://www.health.gov.au/internet/main/publishing.nsf/content/nsfcc

# 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. In addition to palliative care services that are provided through the public health system, the Department of Health has entered into collaborative arrangements with service providers to provide palliative care services for those in need.

## Target

The 2019–20 target unit cost is $5,900 per client receiving contracted palliative care services.

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

## Results

In 2019–20, the average cost per client receiving contracted palliative care services was $7,787 (see Table 25). The result is over the target value of $5,900. The higher cost to target is attributable to a change to activity counting, which has been refined to better reflect activity related specifically to the delivery of palliative care services to the client. This has resulted in a reduction in reportable activity against contracted expenditure and an overestimation of activity when deriving the 2019-20 budget target.

Table 25: Average cost per client receiving contracted palliative care services, 2017–18 to 2019–20

| | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|
| Average cost | $6,700 | $7,460 | **$7,787** |
| Target | | | **$5,900** |

**Notes**

1. In 2019-20 a new methodology has been applied to the denominator for this indicator. Activity counts have been refined to better reflect activity related specifically to the delivery of palliative care services to the client. Results for prior years 2017-18 and 2018-19 have been recalculated with this methodology for comparison to current year results.
2. 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.
3. Data reported by Bethesda Hospital under this indicator currently estimates clients based on bed days and length of stay.
4. Previously reported results for this indicator are as follows:

| | 2017–18 | 2018–19 |
|---|---|---|
| Average cost | $5,462 | $5,898 |
| Target | $6,701 | $7,323 |

**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, and fostering the ongoing health and wellbeing of Western Australians.

## Target

The target unit cost for 2019–20 is $37 per person to provide preventative interventions, health promotion and health protection activities.

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

## Results

In 2019–20, the cost per person of providing preventative interventions, health promotion and health protection activities was $51, above the target of $37 (see Table 26). The higher expenditure to target is attributable to increased demand for unforeseen community public health activities, realignment of cost centres and unexpected costs associated with the COVID-19 response.

Table 26: Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury, 2015–16 to 2019–20

| | 2015–16 | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|---|
| Average cost | $49 | $42 | $43 | $45 | **$51** |
| Target | $55 | $51 | $37 | $38 | **$37** |

**Note** The population projections for 2019 used in the calculation of this indicator are based on the Australian Bureau of Statistics 2016 Census.

**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 and medical transport services they need, when they need it, the Department of Health has entered into a collaborative arrangement with a service provider to deliver road-based patient transport services in WA. This collaboration ensures that patients have access to an effective and rapid response ambulance service to ensure the best possible health outcomes for patients requiring medical treatment.

## Target

The target unit cost for 2019–20 is $494 per trip for road-based patient transport services in the Perth metropolitan area.

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

## Results

In 2019–20, the cost per trip for road-based ambulance services was $469 (see Table 27), below the target of $494.

Table 27: 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 to 2019–20

| | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|
| Cost per trip for road-based ambulance services | $465 | $455 | **$469** |
| Target | $455 | $433 | **$494** |

**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's ability to regulate 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 2019–20 is $4 per head of population to provide public regulatory services.

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

## Results

The average cost of public health regulatory services per head of population was $7 (see Table 28), above the target of $4. The higher expenditure to target is attributable to additional unexpected costs associated with the COVID-19 response, realignment of resource costs to this indicator and indirect costs included post budget derivation.

Table 28: Average cost of public health regulatory services per head of population, 2017–18 to 2019–20

| | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|
| Average cost | $4 | $6 | **$7** |
| Target | $4 | $4 | **$4** |

**Note** Regulatory services are defined as the delivery of functions by the Public and Aboriginal Health Division, Department of Health in the administration, monitoring or enforcing of 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 for the Department of Health to undertake System Manager functions per Health Service Provider full time equivalent

**Outcome 3**
**Health system management – policy and corporate services**
Efficiency KPI

## Rationale

The Department of Health as a System Manager sets the vision and direction for the WA health system, as well as providing executive oversight of strategic decision making, identifying health system priorities, and guiding, overseeing and managing the statewide health system. This includes the delivery of government priorities and responding to the emerging and current needs of the Western Australian community. Overall, the aim is to ensure the delivery of high quality, safe and timely health services.

This indicator measures the efficiency with which the Department of Health undertakes its role as a System Manager.

## Target

The target unit cost for 2019–20 is $5,042 per full time equivalent worker to undertake the System Manager functions.

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

## Results

The average cost for the Department of Health to undertake system manager functions per health service provider full time equivalent was $7,310 (see Table 29), significantly higher than the target of $5,042. The result includes costs associated with the Department, in its role supporting the system manager function, coordinating and supporting the response to the COVID-19 state of emergency. The COVID-19 response contributes $2,705 to this result.

Table 29: Average cost for the Department of Health to undertake System Manager functions per Health Service Provider full time equivalent, 2016–17 to 2019–20

| | 2016–17 | 2017–18 | 2018–19 | 2019–20 |
|---|---|---|---|---|
| Average cost | $7,698 | $5,103 | $5,090 | **$7,310** |
| Target | N/A | $5,394 | $5,069 | **$5,042** |

**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, PathWest Laboratory Medicine WA 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.
3. Previously reported by the title *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*.

**Data sources** Oracle 11i Financial System Department of Health; Human Resource Data Warehouse Department of Health.

# Financial 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 2020, 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, Summary of Consolidated Account Appropriations 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 2020 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 Responsibility 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 entity'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.



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***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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my auditor's report.

**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 2020.

***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 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 non-compliance 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 2020.

***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 entity'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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
15 September 2020

# Certification of financial statements

## DEPARTMENT OF HEALTH

## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 present fairly the financial transactions for the financial year ending 30 June 2020 and financial position as at 30 June 2020.

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

**Mr Peter May**
CHIEF FINANCE OFFICER
DEPARTMENT OF HEALTH

11 September 2020

**Dr D J Russell-Weisz**
DIRECTOR GENERAL
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

11 September 2020

# Financial statements

## Department of Health

### Statement of comprehensive income

**For the year ended 30 June 2020**

| | Notes | 2020 $000 | 2019 $000 |
|---|---|---|---|
| **COST OF SERVICES** | | | |
| **Expenses** | | | |
| Employee benefits expenses | 3.1(a) | 124,221 | 104,622 |
| Contracts for services | 3.4 | 556,376 | 552,354 |
| Supplies and services | 3.5 | 72,841 | 50,128 |
| Grants and subsidies | 3.2 | 6,869,341 | 6,761,950 |
| Depreciation and amortisation expenses | 5.1.1 & 5.2 | 719 | 1,154 |
| Finance costs | 7.3 | 19 | - |
| Loss on disposal of non-current assets | 4.7 | - | 190 |
| Contribution to Capital Works Fund | 3.3 | - | 48,241 |
| Other expenses | 3.6 | 36,506 | 83,641 |
| **Total cost of services** | | **7,660,023** | **7,602,280** |
| **Revenue and Income** | | | |
| User charges and fees | 4.2 | 24,526 | 47,136 |
| Commonwealth grants and contributions | 4.3 | 2,522,555 | 2,273,586 |
| Other grants and contributions | 4.4 | 10,120 | 8,584 |
| Finance income | 4.5 | 1,423 | 1,820 |
| Other revenue | 4.6 | 6,965 | 2,419 |
| **Total revenue** | | **2,565,589** | **2,333,545** |
| **Gains** | | | |
| Gain on disposal of non-current assets | 4.7 | 90 | - |
| **Total gains** | | **90** | **-** |
| **Total income other than income from State Government** | | **2,565,679** | **2,333,545** |
| **NET COST OF SERVICES** | | **5,094,344** | **5,268,735** |
| **Income from State Government** | 4.1 | | |
| Service appropriation | | 5,211,740 | 5,028,056 |
| Assets (transferred) / assumed | | (13,946) | (672) |
| Services received free of charge | | 1,888 | 2,106 |
| Royalties for Regions Fund | | 8,564 | 97,864 |
| **Total income from State Government** | | **5,208,246** | **5,127,354** |
| **SURPLUS / (DEFICIT) FOR THE PERIOD** | | **113,902** | **(141,381)** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| **Items not reclassified subsequently to profit or loss** | | | |
| Changes in asset revaluation reserve | 9.13 | 366 | (14,800) |
| **Total other comprehensive income** | | **366** | **(14,800)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **114,268** | **(156,181)** |

*The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*
*See also the 'Schedule of income and expenses by service'.*

## Department of Health

### Statement of financial position

**As at 30 June 2020**

| | Notes | 2020 $000 | 2019 $000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current Assets** | | | |
| Cash and cash equivalents | 7.1.1 | 322,454 | 208,940 |
| Restricted cash and cash equivalents | 7.1.2 | 58,734 | 47,303 |
| Inventories | 6.1 | 20,489 | 10,510 |
| Receivables | 6.2 | 97,301 | 67,798 |
| Other current assets | 6.5 | 4,956 | 4,130 |
| Non-current assets classified as held for sale | 9.12 | 109 | 109 |
| **Total Current Assets** | | **504,043** | **338,790** |
| **Non-Current Assets** | | | |
| Restricted cash and cash equivalents | 7.1.2 | 4,481 | 4,481 |
| Amounts receivable for services | 6.3 | 64,461 | 57,084 |
| Finance lease receivable | 6.4 | 11,891 | 10,468 |
| Infrastructure, property, plant and equipment | 5.1 | 22,306 | 36,439 |
| Right-of-use assets | 5.2 | 788 | - |
| Intangible assets | 5.3 | 938 | 429 |
| Other non-current assets | 6.5 | 769 | 1,510 |
| **Total Non-Current Assets** | | **105,634** | **110,411** |
| **TOTAL ASSETS** | | **609,677** | **449,201** |
| **LIABILITIES** | | | |
| **Current Liabilities** | | | |
| Payables | 6.6 | 97,299 | 96,743 |
| Contract liabilities | 6.7 | 88 | - |
| Lease liabilities | 7.2 | 337 | - |
| Employee related provisions | 3.1(b) | 23,518 | 18,633 |
| Other current liabilities | 6.8 | - | 131 |
| **Total Current Liabilities** | | **121,242** | **115,507** |
| **Non-Current Liabilities** | | | |
| Lease liabilities | 7.2 | 530 | - |
| Employee related provisions | 3.1(b) | 9,337 | 7,631 |
| **Total Non-Current Liabilities** | | **9,867** | **7,631** |
| **TOTAL LIABILITIES** | | **131,109** | **123,138** |
| **NET ASSETS** | | **478,568** | **326,063** |
| **EQUITY** | 9.13 | | |
| Contributed equity | | 41,889 | - |
| Reserves | | 279,876 | 279,510 |
| Accumulated surplus | | 156,803 | 46,553 |
| **TOTAL EQUITY** | | **478,568** | **326,063** |

*The Statement of Financial Position should be read in conjunction with the accompanying notes.*
*See also the 'Schedule of assets and liabilities by service'.*

## Department of Health

### Statement of changes in equity

**For the year ended 30 June 2020**

| | Notes | 2020 $000 | 2019 $000 |
|---|---|---|---|
| **CONTRIBUTED EQUITY** | 9.13 | | |
| Balance at start of period | | - | - |
| Transactions with owners in their capacity as owners: | | | |
| Contributions by owners | | 42,456 | 13,464 |
| Distributions to owners | | (567) | (79,031) |
| Transfer of deficit to Accumulated Surplus | | - | 65,567 |
| **Balance at end of period** | | **41,889** | **-** |
| **RESERVES** | 9.13 | | |
| Balance at start of period | | 279,510 | 294,310 |
| Other comprehensive income for the period | | 366 | (14,800) |
| **Balance at end of period** | | **279,876** | **279,510** |
| **ACCUMULATED SURPLUS / (DEFICIT)** | 9.13 | | |
| Balance at start of period | | 46,553 | 253,758 |
| Changes in accounting policy | | (3,652) | (257) |
| Surplus / (deficit) for the period | | 113,902 | (141,381) |
| Transfer of deficit from Contributed Equity | | - | (65,567) |
| **Balance at end of period** | | **156,803** | **46,553** |
| **TOTAL EQUITY** | 9.13 | | |
| Balance at start of period | | 326,063 | 548,068 |
| Changes in accounting policy | | (3,652) | (257) |
| Total comprehensive income / (loss) for the period | | 114,268 | (156,181) |
| Transactions with owners in their capacity as owners | | 41,889 | (65,567) |
| **Balance at end of period** | | **478,568** | **326,063** |

*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 2020**

| | Notes | 2020 $000 Inflows (Outflows) | 2019 $000 Inflows (Outflows) |
|---|---|---|---|
| **CASH FLOWS FROM STATE GOVERNMENT** | | | |
| Service appropriation | | 4,792,363 | 4,622,991 |
| Capital appropriations | | 42,346 | 12,876 |
| Royalties for Regions Fund | | 8,564 | 97,864 |
| **Net cash provided by State Government** | | **4,843,273** | **4,733,731** |
| Utilised as follows: | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Payments** | | | |
| Employee benefits | | (117,630) | (101,877) |
| Supplies and services | | (642,814) | (601,758) |
| Grants and subsidies | | (6,460,504) | (6,358,178) |
| Finance costs | | (19) | - |
| Contribution to Capital Works Fund | | - | (48,241) |
| GST payments on purchases | | (393,917) | (371,191) |
| **Receipts** | | | |
| User charges and fees | | 11,681 | 12,894 |
| Commonwealth grants and contributions | | 2,479,205 | 2,233,680 |
| GST receipts on sales | | 26,721 | 23,170 |
| GST receipts from taxation authority | | 363,721 | 347,031 |
| Other receipts | | 16,599 | 30,511 |
| **Net cash provided by / (used in) operating activities** | 7.1.3 | **(4,716,957)** | **(4,833,959)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for purchase of non-current assets | | (1,071) | (1,281) |
| Proceeds from sale of non-current assets | | - | 877 |
| **Net cash provided by / (used in) investing activities** | | **(1,071)** | **(404)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Payments for principal element of lease (2019 - finance lease) | | (300) | - |
| Non-retained revenue distributed to owner | | - | (13,770) |
| **Net cash provided by / (used in) financing activities** | | **(300)** | **(13,770)** |
| Net increase / (decrease) in cash and cash equivalents | | 124,945 | (114,402) |
| Cash and cash equivalents at the beginning of the period | | 260,724 | 375,126 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | 7.1.1 | **385,669** | **260,724** |

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

## Department of Health

### Summary of consolidated account appropriations

**For the year ended 30 June 2020**

| | 2020 Budget Estimate $000 | 2020 Supplementary Funding $000 | 2020 Revised Budget $000 | 2020 Actual $000 | 2020 Variance $000 |
|---|---|---|---|---|---|
| Delivery of Services | | | | | |
| Item 51 Net amount appropriated to deliver services | 4,979,425 | 88,951 | 5,068,376 | 5,068,834 | 458 |
| Section 25 Transfer of service appropriation | - | (627) | (627) | - | 627 |
| Amount Authorised by Other Statutes | | | | | |
| - *Salaries and Allowances Act 1975* | 716 | - | 716 | 716 | - |
| - *Lotteries Commission Act 1990* | 130,917 | 4,714 | 135,631 | 142,190 | 6,559 |
| **Total appropriations provided to deliver services** | **5,111,058** | **93,038** | **5,204,096** | **5,211,740** | **7,644** |
| Capital | | | | | |
| Item 125 Capital appropriations | 202,242 | 5,774 | 208,016 | 208,016 | - |
| Administered Transactions | | | | | |
| Item 36 Administered grants, subsidies and other transfer payments | - | - | - | 2,615 | 2,615 |
| Item 118 Administered capital appropriations | - | - | - | 13,526 | 13,526 |
| **Total administered transactions** | **-** | **-** | **-** | **16,141** | **16,141** |
| **GRAND TOTAL** | **5,313,300** | **98,812** | **5,412,112** | **5,435,897** | **23,785** |

*The Summary of Consolidated Account Appropriations and Income Estimates comprises the Department of Health, the Health Ministeral Body and statutory authorities within the WA health system which are Child and Adolescent Health Service, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, WA Country Health Service, Health Support Services, PathWest Laboratory Medicine WA, Queen Elizabeth II Medical Centre Trust and Quadriplegic Centre.*

## Note 1 Basis of preparation

The Department of Health (The Department) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent.

The Department is a not-for-profit entity (as profit is not its principal objective).

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.

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 11 September 2020.

### 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.

### Reporting entity

The reporting entity comprises of the Department of Health and the Health Ministerial Body (a body corporate through which the Minister for Health can perform any of the Minister's functions under the *Health Services Act 2016*).

On 25 March 2020, approval was obtained from Treasury which exempts the Department from the reporting requirements of Treasurer's Instructions 1101 (7)(ix) *Application of Australian Accounting Standards and Other Pronouncements* and 1105 (4)(iv) *Consolidated Financial Statements.* The exemption relates to financial years 2019-20 and 2020-21.

The Department is exempted from preparing consolidated financial statements with Health Support Services, PathWest Laboratory Medicine WA and Quadriplegic Centre. These chief executive governed Health Service Providers prepare separate financial statements which are consolidated in the Annual Report on State Finances, that is available for public use.

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 10.1 'Administered assets and liabilities' and note 10.2 'Disclosure of administered income and expenses by service'.

## Note 1 Basis of preparation (continued)

### Basis of preparation

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).

### 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.

### 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.

## Note 2 Department 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:

| | Notes |
|---|---|
| Department objectives | 2.1 |
| Schedule of income and expenses by service | 2.2 |
| Schedule of assets and liabilities by service | 2.3 |

### 2.1 Department objectives

#### Mission

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

## Note 2 Department outputs (continued)

### 2.1 Department objectives (continued)

#### Services

The Department provides the following services:

#### 1. Public Hospital Admitted Services

The provision of healthcare services to patients in metropolitan and major rural hospitals that meet the criteria for admission and receive treatment and / or care for a period of time, including public patients treated in private facilities under contract to WA Health. Admission to hospital and the treatment provided may include access to acute and/or subacute inpatient services, as well as hospital in the home services. Public Hospital Admitted Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to admitted services. This Service does not include any component of the Mental Health Services reported under Service four “Mental Health Services”.

#### 2. Public Hospital Emergency Services

The provision of services for the treatment of patients in emergency departments of metropolitan and major rural hospitals, inclusive of public patients treated in private facilities under contract to WA Health. The services provided to patients are specifically designed to provide emergency care, including a range of pre-admission, post-acute and other specialist medical, allied health, nursing and ancillary services. Public Hospital Emergency Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to emergency services. This Service does not include any component of the Mental Health Services reported under Service four “Mental Health Services”.

#### 3. Public Hospital Non-Admitted Services

The provision of metropolitan and major rural hospital services to patients who do not undergo a formal admission process, inclusive of public patients treated by private facilities under contract to WA Health. This Service includes services provided to patients in outpatient clinics, community based clinics or in the home, procedures, medical consultation, allied health or treatment provided by clinical nurse specialists. Public Hospital Non-Admitted Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to non-admitted services. This Service does not include any component of the Mental Health Services reported under Service four “Mental Health Services”.

#### 4. Mental Health Services

The provision of inpatient services where an admitted patient occupies a bed in a designated mental health facility or a designated mental health unit in a hospital setting; and the provision of non-admitted services inclusive of community and ambulatory specialised mental health programs such as prevention and promotion, community support services, community treatment services, community bed based services and forensic services. This Service includes the provision of state-wide mental health services such as perinatal mental health and eating disorder outreach programs as well as the provision of assessment, treatment, management, care or rehabilitation of persons experiencing alcohol or other drug use problems or co-occurring health issues. Mental Health Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to mental health or alcohol and drug services. This service includes public patients treated in private facilities under contract to WA Health.

## Note 2 Department outputs (continued)

### Note 2.1 Department objectives (continued)

#### 5. 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 the 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 the 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 the choice of care close to home for patients.

#### 6. Public and Community Health Services

The provision of healthcare services and programs delivered to increase optimal health and wellbeing, encourage healthy lifestyles, reduce the onset of disease and disability, reduce the risk of long-term illness as well as detect, protect and monitor the incidence of disease in the population. Public and Community Health Services includes public health programs, Aboriginal health programs, disaster management, environmental health, the provision of grants to non-government organisations for public and community health purposes, emergency road and air ambulance services and services to assist rural based patients travel to receive care.

#### 7. Pathology Services

The provision of state-wide external diagnostic services across the full range of pathology disciplines, inclusive of forensic biology and pathology services to other WA Government Agencies and services provided to the public by PathWest. This Service also includes the operational costs of PathWest in delivering services to both Health Service Providers and the public.

#### 8. 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, socially and/or geographically disadvantaged people and Aboriginal people; additional and specialist 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 practitioners participating in the metropolitan, country and orthodontic patient dental subsidy schemes.

#### 9. Small Rural Hospital Services

Provides emergency care & limited acute medical/minor surgical services in locations 'close to home' for country residents/visitors, by small & rural hospitals classified as block funded. Include community care services aligning to local community needs.

#### 10. Health System Management - Policy and Corporate Services

The provision of strategic leadership, policy and planning services, system performance management and purchasing linked to the state-wide planning, budgeting and regulation processes. Health System Policy and Corporate Services includes corporate services inclusive of statutory financial reporting requirements, overseeing, monitoring and promoting improvements in the safety and quality of health services and system wide infrastructure and asset management services.

#### 11. Health Support Services

The provision of 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, IT and ICT services, workforce services, project management of system wide projects and programs and the management of the supply chain and whole of health contracts.

# Department of Health

## Notes to the Financial Statements

### For the year ended 30 June 2020

### Note 2.2 Schedule of income and expenses by service

| | Public Hospital Admitted Services | | Public Hospital Emergency Services | | Public Hospital Non-Admitted Services | | Mental Health Services | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Employee benefits expenses | - | - | - | - | - | - | - | - |
| Contracts for services | - | - | - | - | - | - | - | - |
| Supplies and services | - | - | - | - | - | - | - | - |
| Grants and subsidies | 3,858,739 | 3,730,143 | 787,872 | 790,994 | 836,084 | 773,601 | 29,133 | 71,954 |
| Depreciation and amortisation expenses | - | - | - | - | - | - | - | - |
| Finance costs | - | - | - | - | - | - | - | - |
| Loss on disposal of non-current assets | - | - | - | - | - | - | - | - |
| Contribution to Capital Works Fund | - | - | - | - | - | - | - | - |
| Other expenses | - | - | - | - | - | - | - | - |
| **Total cost of services** | **3,858,739** | **3,730,143** | **787,872** | **790,994** | **836,084** | **773,601** | **29,133** | **71,954** |
| **Revenue and Income** | | | | | | | | |
| User charges and fees | - | - | - | - | - | - | - | - |
| Commonwealth grants and contributions | 1,390,168 | 1,302,047 | 266,836 | 234,472 | 353,297 | 304,009 | 9,231 | 44,851 |
| Other grants and contributions | - | - | - | - | - | - | - | - |
| Finance income | - | - | - | - | - | - | - | - |
| Other revenue | - | - | - | - | - | - | - | - |
| **Gains** | | | | | | | | |
| Gain on disposal of non-current assets | - | - | - | - | - | - | - | - |
| **Total income other than income from State Government** | **1,390,168** | **1,302,047** | **266,836** | **234,472** | **353,297** | **304,009** | **9,231** | **44,851** |
| **NET COST OF SERVICES** | **2,468,571** | **2,428,096** | **521,036** | **556,522** | **482,787** | **469,592** | **19,902** | **27,103** |
| **Income from State Government** | | | | | | | | |
| Service appropriation | 2,468,571 | 2,423,435 | 521,036 | 532,735 | 482,787 | 468,943 | 19,902 | 26,100 |
| Assets (transferred) / assumed | - | - | - | - | - | - | - | - |
| Services received free of charge | - | - | - | - | - | - | - | - |
| Royalties for Regions Fund | - | 4,661 | - | 23,787 | - | 649 | - | 1,003 |
| **Total income from State Government** | **2,468,571** | **2,428,096** | **521,036** | **556,522** | **482,787** | **469,592** | **19,902** | **27,103** |
| **SURPLUS / (DEFICIT) FOR THE PERIOD** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

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

## Notes to the Financial Statements

### For the year ended 30 June 2020

### Note 2.2 Schedule of income and expenses by service (continued)

| | Aged and Continuing Care Services | | Public and Community Health Services | | Pathology Services | | Community Dental Health Services | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Employee benefits expenses | 1,438 | 176 | 11,948 | 6,923 | - | - | 729 | - |
| Contracts for services | 189,703 | 197,424 | 242,362 | 237,987 | - | - | 14,149 | 12,845 |
| Supplies and services | 57 | 1 | 50,614 | 42,191 | - | - | 8 | - |
| Grants and subsidies | 104,182 | 97,547 | 486,286 | 621,639 | 137,021 | - | 87,227 | 71,394 |
| Depreciation and amortisation expenses | - | - | 1 | 2 | - | - | 6 | - |
| Finance costs | - | - | - | - | - | - | - | - |
| Loss on disposal of non-current assets | - | - | - | 10 | - | - | - | - |
| Contribution to Capital Works Fund | - | - | - | 45 | - | - | - | - |
| Other expenses | 192 | 2,365 | 3,220 | 23,945 | - | - | 31 | - |
| **Total cost of services** | **295,572** | **297,513** | **794,431** | **932,742** | **137,021** | **-** | **102,150** | **84,239** |
| **Revenue and Income** | | | | | | | | |
| User charges and fees | 5,471 | 6,853 | 234 | 812 | - | - | 575 | - |
| Commonwealth grants and contributions | 12,763 | 4,936 | 27,364 | 13,220 | - | - | 9,598 | - |
| Other grants and contributions | - | - | 900 | 8,584 | - | - | - | - |
| Finance income | - | - | - | - | - | - | - | - |
| Other revenue | - | - | 6,876 | 2,230 | - | - | - | - |
| **Gains** | | | | | | | | |
| Gain on disposal of non-current assets | - | - | - | - | - | - | - | - |
| **Total income other than income from State Government** | **18,234** | **11,789** | **35,374** | **24,846** | **-** | **-** | **10,173** | **-** |
| **NET COST OF SERVICES** | **277,338** | **285,724** | **759,057** | **907,896** | **137,021** | **-** | **91,977** | **84,239** |
| **Income from State Government** | | | | | | | | |
| Service appropriation | 91,116 | 89,005 | 455,251 | 564,816 | 137,021 | - | 77,629 | 71,394 |
| Assets (transferred) / assumed | - | - | - | - | - | - | - | - |
| Services received free of charge | - | - | - | - | - | - | - | - |
| Royalties for Regions Fund | - | 3,606 | - | 43,603 | - | - | - | - |
| **Total income from State Government** | **91,116** | **92,611** | **455,251** | **608,419** | **137,021** | **-** | **77,629** | **71,394** |
| **SURPLUS / (DEFICIT) FOR THE PERIOD** | **(186,222)** | **(193,113)** | **(303,806)** | **(299,477)** | **-** | **-** | **(14,348)** | **(12,845)** |

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

# Notes to the Financial Statements

## For the year ended 30 June 2020

### Note 2.2 Schedule of income and expenses by service (continued)

| | Small Rural Hospital Services | | Health System Management - Policy and Corporate Services | | Health Support Services | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Employee benefits expenses | - | - | 110,106 | 97,523 | - | - | 124,221 | 104,622 |
| Contracts for services | - | - | 110,162 | 104,098 | - | - | 556,376 | 552,354 |
| Supplies and services | - | - | 22,162 | 7,936 | - | - | 72,841 | 50,128 |
| Grants and subsidies | 221,360 | 219,474 | 32,180 | 153,188 | 289,256 | 232,016 | 6,869,341 | 6,761,950 |
| Depreciation and amortisation expenses | - | - | 712 | 1,152 | - | - | 719 | 1,154 |
| Finance costs | - | - | 19 | - | - | - | 19 | - |
| Loss on disposal of non-current assets | - | - | - | 180 | - | - | - | 190 |
| Contribution to Capital Works Fund | - | - | - | 48,196 | - | - | - | 48,241 |
| Other expenses | - | - | 33,063 | 57,331 | - | - | 36,506 | 83,641 |
| **Total cost of services** | **221,360** | **219,474** | **308,404** | **469,604** | **289,256** | **232,016** | **7,660,023** | **7,602,280** |
| **Revenue and Income** | | | | | | | | |
| User charges and fees | - | - | 18,246 | 39,471 | - | - | 24,526 | 47,136 |
| Commonwealth grants and contributions | 107,104 | 96,171 | 346,194 | 273,880 | - | - | 2,522,555 | 2,273,586 |
| Other grants and contributions | - | - | 9,220 | - | - | - | 10,120 | 8,584 |
| Finance income | - | - | 1,423 | 1,820 | - | - | 1,423 | 1,820 |
| Other revenue | - | - | 89 | 189 | - | - | 6,965 | 2,419 |
| **Gains** | | | | | | | | |
| Gain on disposal of non-current assets | - | - | 90 | - | - | - | 90 | - |
| **Total income other than income from State Government** | **107,104** | **96,171** | **375,262** | **315,360** | **-** | **-** | **2,565,679** | **2,333,545** |
| **NET COST OF SERVICES** | **114,256** | **123,303** | **(66,859)** | **154,244** | **289,256** | **232,016** | **5,094,344** | **5,268,735** |
| **Income from State Government** | | | | | | | | |
| Service appropriation | 105,692 | 103,271 | 563,479 | 516,341 | 289,256 | 232,016 | 5,211,740 | 5,028,056 |
| Assets (transferred) / assumed | - | - | (13,946) | (672) | - | - | (13,946) | (672) |
| Services received free of charge | - | - | 1,888 | 2,106 | - | - | 1,888 | 2,106 |
| Royalties for Regions Fund | 8,564 | 20,555 | - | - | - | - | 8,564 | 97,864 |
| **Total income from State Government** | **114,256** | **123,826** | **551,421** | **517,775** | **289,256** | **232,016** | **5,208,246** | **5,127,354** |
| **SURPLUS / (DEFICIT) FOR THE PERIOD** | **-** | **523** | **618,280** | **363,531** | **-** | **-** | **113,902** | **(141,381)** |

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

## Notes to the Financial Statements

### As at 30 June 2020

### Note 2.3 Schedule of assets and liabilities by service

| | Public Hospital Admitted Services | | Public Hospital Emergency Services | | Public Hospital Non-Admitted Services | | Mental Health Services | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Assets** | | | | | | | | |
| Current assets | - | 15,826 | - | 2,808 | - | 1,212 | - | 48 |
| Non-current assets | - | - | - | - | - | - | - | - |
| **TOTAL ASSETS** | **-** | **15,826** | **-** | **2,808** | **-** | **1,212** | **-** | **48** |
| **Liabilities** | | | | | | | | |
| Current liabilities | - | - | - | - | - | - | - | - |
| Non-current liabilities | - | - | - | - | - | - | - | - |
| **TOTAL LIABILITIES** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **NET ASSETS** | **-** | **15,826** | **-** | **2,808** | **-** | **1,212** | **-** | **48** |

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

## Notes to the Financial Statements

### As at 30 June 2020

### Note 2.3 Schedule of assets and liabilities by service (continued)

| | Aged and Continuing Care Services | | Public and Community Health Services | | Pathology Services | | Community Dental Health Services | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **Assets** | | | | | | | | |
| Current assets | 741 | 8,416 | 13,149 | 32,583 | - | - | - | - |
| Non-current assets | 769 | 1,510 | - | - | - | - | - | - |
| **TOTAL ASSETS** | **1,510** | **9,926** | **13,149** | **32,583** | **-** | **-** | **-** | **-** |
| **Liabilities** | | | | | | | | |
| Current liabilities | 2,277 | 2,496 | - | 14,348 | - | | - | 1,500 |
| Non-current liabilities | - | 16 | - | 343 | - | - | - | - |
| **TOTAL LIABILITIES** | **2,277** | **2,512** | **-** | **14,691** | **-** | **-** | **-** | **1,500** |
| **NET ASSETS** | **(767)** | **7,414** | **13,149** | **17,892** | **-** | **-** | **-** | **(1,500)** |

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

## Notes to the Financial Statements

### As at 30 June 2020

### Note 2.3 Schedule of assets and liabilities by service (continued)

| | Small Rural Hospital Services | | Health System Management - Policy and Corporate Services | | Health Support Services | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **Assets** | | | | | | | | |
| Current assets | - | 949 | 490,153 | 276,948 | - | - | 504,043 | 338,790 |
| Non-current assets | - | - | 104,865 | 108,901 | - | - | 105,634 | 110,411 |
| **TOTAL ASSETS** | **-** | **949** | **595,018** | **385,849** | **-** | **-** | **609,677** | **449,201** |
| **Liabilities** | | | | | | | | |
| Current liabilities | - | - | 118,965 | 97,163 | - | - | 121,242 | 115,507 |
| Non-current liabilities | - | - | 9,867 | 7,272 | - | - | 9,867 | 7,631 |
| **TOTAL LIABILITIES** | **-** | **-** | **128,832** | **104,435** | **-** | **-** | **131,109** | **123,138** |
| **NET ASSETS** | **-** | **949** | **466,186** | **281,414** | **-** | **-** | **478,568** | **326,063** |

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

## Note 3 Use of our funding

### 3.1 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 | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Employee benefits expenses | 3.1(a) | 124,221 | 104,622 |
| Employee related provisions | 3.1(b) | 32,855 | 26,264 |
| Grants and subsidies | 3.2 | 6,869,341 | 6,761,950 |
| Contribution to Capital Works Fund | 3.3 | - | 48,241 |
| Contracts for services | 3.4 | 556,376 | 552,354 |
| Supplies and services | 3.5 | 72,841 | 50,128 |
| Other expenses | 3.6 | 36,506 | 83,641 |

### 3.1(a) Employee benefits expenses

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Employee benefits | 113,749 | 95,170 |
| Superannuation - defined contribution plans | 10,264 | 8,453 |
| Termination benefits | 208 | 999 |
| **Total employee benefits expenses** | **124,221** | **104,622** |
| Add: AASB 16 Non-monetary benefits | 209 | - |
| Less: Employee contribution | (73) | - |
| **Net employee benefits** | **124,357** | **104,622** |

**Employee benefits:** Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**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.

**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 Department 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.

**AASB 16 Non-monetary benefits:** Employee benefits in the form of non-monetary benefits, such as the provision of motor vehicles or housing, are measured at the cost.

## Note 3 Use of our funding (continued)

### 3.1 Expenses incurred in the delivery of services (continued)

### 3.1(b) Employee related provisions

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.

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Employee benefits provisions | | |
| Annual leave (a) | 12,922 | 9,607 |
| Long service leave (b) | 10,476 | 8,961 |
| Deferred salary scheme (c) | 120 | 65 |
| | **23,518** | **18,633** |
| **Non-current** | | |
| Employee benefits provisions | | |
| Long service leave (b) | 9,337 | 7,631 |
| **Total employee related provisions** | **32,855** | **26,264** |

(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:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Within 12 months of the end of the reporting period | 8,672 | 6,716 |
| More than 12 months after the end of the reporting period | 4,250 | 2,891 |
| | **12,922** | **9,607** |

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.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the Department 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 Department 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:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Within 12 months of the end of the reporting period | 2,504 | 2,233 |
| More than 12 months after the end of the reporting period | 17,309 | 14,359 |
| | **19,813** | **16,592** |

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.

## Note 3 Use of our funding (continued)

### 3.1 Expenses incurred in the delivery of services (continued)

### 3.1(b) Employee related provisions (continued)

(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:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Within 12 months of the end of the reporting period | - | - |
| More than 12 months after the end of the reporting period | 120 | 65 |
| | **120** | **65** |

**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 Department'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.

### 3.2 Grants and subsidies

| Recurrent | 2020 $000 | 2019 $000 |
|---|---|---|
| Funding for the delivery of health services by statutory authorities within WA health (a): | | |
| Child and Adolescent Health Service (b) | 591,310 | 527,032 |
| East Metropolitan Health Service (b) | 1,222,220 | 1,168,562 |
| North Metropolitan Health Service (b) | 1,657,145 | 1,701,660 |
| South Metropolitan Health Service (b) | 1,488,403 | 1,467,451 |
| WA Country Health Service (b) | 1,448,193 | 1,508,764 |
| Health Support Services (b) | 289,256 | 232,016 |
| PathWest Laboratory Medicine WA (b) | 137,021 | 121,303 |
| Queen Elizabeth II Medical Centre Trust (b) | 679 | 744 |
| Quadriplegic Centre (b) | 6,430 | 8,170 |
| Research and development grants | 24,405 | 23,406 |
| Spectacle subsidy scheme | 30 | 41 |
| Other grants and subsidies | 4,249 | 2,801 |
| **Total grants and subsidies** | **6,869,341** | **6,761,950** |

## Note 3 Use of our funding (continued)

### 3.2 Grants and subsidies (continued)

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

(b) The *Health Services Act 2016* came into effect from 1 July 2016. Under this Act, several statutory authorities are established, they are Child and Adolescent Health Service, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, WA Country Health Service, Health Support Services, PathWest Laboratory Medicine WA, Queen Elizabeth II Medical Centre Trust and Quadriplegic Centre. These transactions are considered to be a significant related party transactions.

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.

### 3.3 Contribution to Capital Works Fund

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Contribution to Capital Works Fund (a) | - | 48,241 |
| | **-** | **48,241** |

(a) Included $48.2 million paid to the Capital Works Fund in 2018-19, an administered trust account of the Department, to fund the Capital Works programs to statutory authorities within WA health.

### 3.4 Contracts for services

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Health care services provided by external organizations (a) | 510,997 | 510,897 |
| Shared services provided by Health Support Services | 13,830 | 12,894 |
| Other contracts for services | 31,549 | 28,563 |
| **Total contracts for services** | **556,376** | **552,354** |

(a) Includes $45.0 million private hospital viability payment for COVID-19 Response in 2019-20 under the National Partnership Agreement with the Commonwealth.

**Contracts for services** mainly consist of payments to external organisations for the purchase of health care services, including aboriginal health, blood and organs, chronic diseases, communicable diseases, environmental health, health promotion, home and community care, mental health, oral health, palliative care, patient transport, aged care, pathology services.

### 3.5 Supplies and services

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Medical supplies | 55,969 | 43,889 |
| Communications | 1,209 | 1,061 |
| Travel related expenses | 13,047 | 984 |
| Other consumables | 2,616 | 4,194 |
| **Total supplies and services** | **72,841** | **50,128** |

**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.

## Note 3 Use of our funding (continued)

### 3.6 Other expenses

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Advertising | 2,726 | 1,427 |
| Computer related expenses | 2,193 | 2,146 |
| Employment on-costs | 368 | 431 |
| Ex-gratia payments | 6,759 | 20,179 |
| Expected credit losses expense | 21 | 18 |
| Freight and cartage | 1,482 | 951 |
| Insurance | 182 | 141 |
| Legal expenses | 1,049 | 1,296 |
| Other employee related expenses | 2,466 | 2,142 |
| Promotional expenses | 740 | 15 |
| Rental | 9,820 | 9,019 |
| Repairs and maintenance | 867 | 17,743 |
| Return unspent funding | 2,994 | 23,094 |
| Scholarships | 1,121 | 1,554 |
| Special functions | 498 | 456 |
| Subscriptions | 1,027 | 113 |
| Other | 2,193 | 2,916 |
| **Total other expenses** | **36,506** | **83,641** |

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

**Employment on-costs** includes workers' compensation insurance only. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at note 3.1(b) 'Employee related provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**Ex-gratia payments** under the Private Patient Scheme approved by the State Government, the Department commenced the ex-gratia payments towards patient fee debts since July 2015. The total amount of ex-gratia payments was $6.7 million for 2019-20 ($0.2 million for Child and Adolescent Health Service, $1.3 million for East Metropolitan Health Service, $2.2 million for North Metropolitan Health Service, $2.0 million for South Metropolitan Health Service, $1.0 million for WA Country Health Service).

**Expected credit losses** is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 6.2.1 'Movement in the allowance for impairment of trade receivables'.

**Rental expenses** include:
i) Short-term leases with a lease term of 12 months or less;
ii) Low-value leases with an underlying value of $5,000 or less;
iii) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs; and
iiii) Operating leases payable to the Department of Finance for Government Office Accommodation.

**Repairs and maintenance costs** are recognised as expenses as incurred.

**Return unspent funding:** $2.5 million refund to the Department of Veterans Affairs in 2019-20 resulting from 2017-18 activity reconciliation outcome, $0.5 million refund of Royalty for Regions Fund to the Department of Treasury in 2019-20 ($23.1 million in 2018-19).

## 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 | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Income from State Government | 4.1 | 5,208,246 | 5,127,354 |
| User charges and fees | 4.2 | 24,526 | 47,136 |
| Commonwealth grants and contributions | 4.3 | 2,522,555 | 2,273,586 |
| Other grants and contributions | 4.4 | 10,120 | 8,584 |
| Finance income | 4.5 | 1,423 | 1,820 |
| Other revenue | 4.6 | 6,965 | 2,419 |
| Gains / (loss) on disposal | 4.7 | 90 | (190) |

### 4.1 Income from State Government

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Appropriation received during the period: | | |
| Service appropriation | 5,018,732 | 4,886,224 |
| COVID-19 appropriation | 49,017 | - |
| Fiona Stanley Hospital Transition appropriation | 1,085 | - |
| Amount authorised by other statutes: | | |
| *Salaries and Allowances Act 1975* | 716 | 716 |
| *Lotteries Commission Act 1990* | 142,190 | 141,116 |
| **Total service appropriation** | **5,211,740** | **5,028,056** |
| Assets transferred from / (to) other State Government agencies during the period: | | |
| Transfer of land and buildings to WA Country Health Service | (13,946) | - |
| Transfer of other assets to Health Support Services | - | (672) |
| **Total assets (transferred) / assumed** | **(13,946)** | **(672)** |
| Services received free of charge from other State Government agencies during the period: | | |
| Department of Education - accommodation | 998 | 976 |
| Landgate - valuation services and land information | 132 | 180 |
| State Solicitor's Office - legal service | 745 | 946 |
| Department of Finance - office accommodation management | 13 | - |
| Department of Primary Industries & Regional Development - strategy and governance | - | 4 |
| **Total services received free of charge** | **1,888** | **2,106** |

## Note 4 Our funding sources (continued)

### 4.1 Income from State Government (continued)

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Royalties for Regions Fund (a) | | |
| Regional Community Services Account: | | |
| Patient Assisted Travel Scheme | - | 45,486 |
| District Medical Work-2 | - | 20,136 |
| Digital Innovation | - | 15,488 |
| Regional Workers Incentives | 8,164 | 8,337 |
| Pilbara Health Partnership | - | 3,227 |
| Expand the Ear Bus Program | - | 793 |
| Valley View Residence | - | 500 |
| Remote Indigenous Health Clinics | - | 423 |
| Find Cancer Early Program | 400 | 371 |
| Meet and Greet Service | - | 22 |
| | **8,564** | **94,783** |
| Regional Infrastructure and Headworks Account : | | |
| SIHI Residential Aged & Dementia Care | - | 3,081 |
| **Total Royalties for Regions Fund** | **8,564** | **97,864** |
| **Total income from State Government** | **5,208,246** | **5,127,354** |

**Service appropriations** are recognised as income at the fair value of consideration received 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 'Schedule of income and expenses by service'). Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

**Assets transferred** from other parties are recognised as income at fair value when the assets are transferred.

**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.

**The 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 income when the Department receives the funds. The Department has assessed Royalties for Regions Fund agreements and concludes that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific' criterion.

(a) Following the closure of the SIHI SPA and the wind up of the associated programs, the Department has conducted a review of the remaining Royalty for Regions Fund agreements. The review has established that the Department does exert control over the RFR Fund but acts as an administrator of the Fund to statutory authorities within WA health, thereby changing the classification of the funding for majority of the RFR fund programs from controlled to administered. Refer to note 10.1 'Administered assets and liabilities'.

Other than the change to the Royalties for Regions Fund, the application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

## Note 4 Our funding sources (continued)

### 4.2 User charges and fees

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Licence and registration fees | 3,497 | 3,327 |
| Cross border charges | 14,108 | 34,242 |
| Other user charges and fees | 6,921 | 9,567 |
| **Total user charges and fees** | **24,526** | **47,136** |

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the Department transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue is recognised at a point-in-time for $22,868,703.

Revenue is recognised over-time for $1,658,562.

**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 2018-19 Budget Statements, the Department retained $190.7 million in 2019-20 ($261.9 million in 2018-19) from the following:

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

### 4.3 Commonwealth grants and contributions

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Recurrent grants - cash** | | |
| National Health Reform Agreement (NHRA) (a): | | |
| Statutory authorities within WA health | 2,140,004 | 2,029,697 |
| Public Health | 43,294 | 40,141 |
| Specific purpose grants: | | |
| COVID-19 Response (b) | 188,397 | - |
| Home and Community Care | - | 961 |
| Department of Veterans' Affairs | 42,692 | 53,885 |
| Aged Care Programs | 39,149 | 40,633 |
| Multi-Purpose Services Sites | - | 30,740 |
| Public Health Outcome Funding Agreement - Vaccines | 5,090 | 1,678 |
| Dental | 9,686 | 9,686 |
| Other programs | 10,893 | 26,259 |
| **Recurrent grants - non cash** | | |
| Vaccine inventories received free of charge | 43,350 | 39,906 |
| **Total Commonwealth grants and contributions** | **2,522,555** | **2,273,586** |

## Note 4 Our funding sources (continued)

### 4.3 Commonwealth grants and contributions (continued)

(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 (see note 9.10 'Special purpose accounts'). Under the National Health Reform Agreement, the Commonwealth Government also provides public health funding to the Department of Health.

(b) As part of the National Partnership Agreement, Commonwealth contributed $188.4 million to the Department in response to COVID-19. The contributions included $102.8 million Private Hospital Viability payment, $74.1 million State Public Health payment, $11.5 million Hospital Services payment.

**Until 30 June 2019**

Income from Commonwealth grants is recognised at fair value when the grant is receivable.

**From 1 July 2019**

Current grants are recognised as income when the grants are receivable.

Capital grants are recognised as income when the Department achieves milestones specified in the grant agreement.

### 4.4 Other grants and contributions

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Department of Education - School Health Services for students attending public schools | 9,014 | 8,584 |
| Department of Education - WA Detect Schools COVID-19 Project | 900 | - |
| Other grants and contributions | 206 | - |
| **Total other grants and contributions** | **10,120** | **8,584** |

### 4.5 Finance income

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Finance lease income | 1,423 | 1,820 |
| **Total finance income** | **1,423** | **1,820** |

### 4.6 Other revenue

| | 2020 $000 | 2019 $000 |
|---|---|---|
| General public contributions and donations | 6,500 | 2,000 |
| Transfer of Telethon Kids Institute revenue to Health Ministerial Body | - | 53 |
| Other revenue | 465 | 366 |
| **Total other revenue** | **6,965** | **2,419** |

## Note 4 Our funding sources (continued)

### 4.7 Gains / (loss) on disposal

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Net proceeds from disposal of non-current assets | | |
| Property, plant and equipment | - | - |
| Non-current assets classified as assets held for sale | 170 | - |
| Carrying amount of non-current assets | | |
| Property, plant and equipment | - | (190) |
| Non-current assets classified as assets held for sale | 80 | - |
| **Net gains / (losses)** | **90** | **(190)** |

**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.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sales).

## Note 5 Key assets

### Assets the Department 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 | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Infrastructure, property, plant and equipment | 5.1 | 22,306 | 36,439 |
| Right-of-use assets | 5.2 | 788 | - |
| Intangible assets | 5.3 | 938 | 429 |
| **Total key assets** | | **24,032** | **36,868** |

# Notes to the Financial Statements

## For the year ended 30 June 2020

### Note 5 Key assets (continued)

#### 5.1 Infrastructure, property, plant and equipment

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Land** | | |
| At fair value | 18,681 | 26,798 |
| **Buildings** | | |
| At fair value | 1,833 | 6,719 |
| **Site infrastructure** | | |
| At fair value | 133 | 1,260 |
| **Leasehold improvements** | | |
| At cost | 611 | 426 |
| Accumulated depreciation | (123) | (28) |
| | 488 | 398 |
| **Computer equipment** | | |
| At cost | 235 | 235 |
| Accumulated depreciation | (183) | (165) |
| | 52 | 70 |
| **Furniture and fittings** | | |
| At cost | 73 | 75 |
| Accumulated depreciation | (52) | (45) |
| | 21 | 30 |
| **Other plant and equipment** | | |
| At cost | 2,034 | 1,984 |
| Accumulated depreciation | (1,437) | (1,317) |
| | 597 | 667 |
| **Works in progress** | | |
| Buildings under construction (at cost) | 426 | 422 |
| | 426 | 422 |
| **Artworks** | | |
| At cost | 75 | 75 |
| **Total infrastructure, property, plant and equipment** | **22,306** | **36,439** |

## Note 5 Key Assets (continued)

### 5.1 Infrastructure, property, plant and equipment (continued)

| Reconciliations | 2020 $000 | 2019 $000 |
|---|---|---|
| **Land** | | |
| Carrying amount at start of period | 26,798 | 76,124 |
| Additions | 30 | - |
| Transfers (a) | - | (45,030) |
| Disposals | (8,566) | (354) |
| Revaluation increments / (decrements) | 419 | (3,942) |
| Carrying amount at end of period | **18,681** | **26,798** |
| **Buildings** | | |
| Carrying amount at start of period | 6,719 | 19,344 |
| Disposals | (4,682) | (579) |
| Revaluation increments / (decrements) | (53) | (11,283) |
| Depreciation | (151) | (763) |
| Carrying amount at end of period | **1,833** | **6,719** |
| **Site infrastructure** | | |
| Carrying amount at start of period | 1,260 | 888 |
| Disposals | (1,096) | - |
| Revaluation increments / (decrements) | - | 425 |
| Depreciation | (31) | (53) |
| Carrying amount at end of period | **133** | **1,260** |
| **Leasehold improvements** | | |
| Carrying amount at start of period | 398 | - |
| Transfers from / (to) other asset classes | 184 | 426 |
| Depreciation | (94) | (28) |
| Carrying amount at end of period | **488** | **398** |
| **Computer equipment** | | |
| Carrying amount at start of period | 70 | 56 |
| Additions | - | 48 |
| Transfers (a) | - | (10) |
| Depreciation | (18) | (24) |
| Carrying amount at end of period | **52** | **70** |
| **Furniture and fittings** | | |
| Carrying amount at start of period | 30 | 42 |
| Disposals | (2) | (3) |
| Depreciation | (7) | (9) |
| Carrying amount at end of period | **21** | **30** |

## Note 5 Key assets (continued)

### 5.1 Infrastructure, property, plant and equipment (continued)

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Other plant and equipment** | | |
| Carrying amount at start of period | 667 | 495 |
| Additions | 63 | 388 |
| Transfers (a) | - | (64) |
| Disposals | - | (29) |
| Depreciation | (133) | (123) |
| Carrying amount at end of period | **597** | **667** |
| **Works in progress** | | |
| Carrying amount at start of period | 422 | 24,640 |
| Additions | 188 | 426 |
| Transfers from / (to) other asset classes | (184) | (426) |
| Transfer PCH WIP to statutory authorities within WA health (b) | - | (10,016) |
| Expensed | - | (14,202) |
| Carrying amount at end of period | **426** | **422** |
| **Artworks** | | |
| Carrying amount at start of period | 75 | 75 |
| Carrying amount at end of period | **75** | **75** |
| **Total infrastructure, property, plant and equipment** | | |
| Carrying amount at start of period | 36,439 | 121,664 |
| Additions | 281 | 1,288 |
| Transfers (a) | - | (45,104) |
| Transfers from / (to) other asset classes | - | (426) |
| Transfer PCH WIP to statutory authorities within WA health (b) | - | (10,016) |
| Disposals | (14,346) | (965) |
| Expensed | - | (14,202) |
| Revaluation increments / (decrements) | 366 | (14,800) |
| Depreciation | (434) | (1,000) |
| Carrying amount at end of period | **22,306** | **36,439** |

(a) The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The land is transferred to DPLH for sale and the Department accounts for the transfer as a distribution to owner.

(b) Perth Children's Hospital assets transferred to other statutory authorities within WA health:

| | 2019 $000 |
|---|---|
| Buildings and site infrastructure | 9,347 |
| Medical equipment | 660 |
| Motor vehicles and other plant and equipment | 9 |
| | **10,016** |

## Note 5 Key assets (continued)

### 5.1 Infrastructure, property, plant and equipment (continued)

#### Initial recognition

Items of property, plant and equipment and infrastructure, costing $5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and 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.

#### Subsequent measurement

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

- land;
- buildings; and
- site 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.

Land and buildings were revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: $2,904,600 (2019: $2,904,600) and buildings $58,000 (2019: $299,000). For the remaining balance, fair value of buildings was determined on the basis of current 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).

**Site infrastructure** is independently valued every 3 to 5 years by Rider Levett Bucknall WA Pty Ltd (Quantity Surveyor). These assets were independently revalued and recognised at 30 June 2019.

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 current replacement cost. 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, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

## Note 5 Key assets (continued)

### 5.1 Infrastructure, property, plant and equipment (continued)

**Revaluation model:**

(a) Fair Value 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. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

(b) Fair value in the absence of market-based evidence:

**Buildings and infrastructure are specialised or where land is restricted:** Fair value of land, buildings and site infrastructure is determined on the basis of existing use.

**Existing use buildings and infrastructure:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings and site infrastructure is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

**Restricted use land:** Fair value 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).

**Significant assumptions and judgements:** 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.

### 5.1.1 Depreciation and impairment charge for the period

| | Notes | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Depreciation | | | |
| Buildings | 5.1 | 151 | 763 |
| Site infrastructure | 5.1 | 31 | 53 |
| Leasehold improvements | 5.1 | 94 | 28 |
| Computer equipment | 5.1 | 18 | 24 |
| Furniture and fittings | 5.1 | 7 | 9 |
| Other plant and equipment | 5.1 | 133 | 123 |
| **Total depreciation for the period** | | **434** | **1,000** |

As at 30 June 2020 there were no indications of impairment to property, plant and equipment or site infrastructure.

All surplus assets at 30 June 2020 have either been classified as assets held for sale or have been written-off.

## Note 5 Key assets (continued)

### 5.1 Infrastructure, property, plant and equipment (continued)

### 5.1.1 Depreciation and impairment charge for the period (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. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

| | |
|---|---|
| Buildings | 50 years |
| Site infrastructure | 50 years |
| Leasehold improvements | 5 years |
| Computer equipment | 4 to 5 years |
| Furniture and fittings | 5 to 15 years |
| Other plant and equipment | 2 to 15 years |

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

**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.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Department 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 / amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

## Note 5 Key assets (continued)

### 5.2 Right-of-use assets

| | Buildings $000 | Vehicles $000 | Total $000 |
|---|---|---|---|
| Recognition of right-of-use assets on initial application of AASB 16 | | | |
| Gross carrying amount | 321 | 526 | **847** |
| Accumulated depreciation | - | - | **-** |
| **Restated opening carrying amount at 1 July 2019** | **321** | **526** | **847** |
| Additions | 105 | 132 | **237** |
| Disposals | - | (11) | **(11)** |
| Depreciation | (89) | (196) | **(285)** |
| **Carrying amount at 30 June 2020** | **337** | **451** | **788** |
| Gross carrying amount | 426 | 647 | **1,073** |
| Accumulated depreciation | (89) | (196) | **(285)** |

#### Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 'Investment Property'.

The Department has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of $5,000 or less). Lease payments associated with these leases are expensed on a straight-line basis over the lease term.

#### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

#### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1 'Depreciation and impairment charge for the period'.

## Note 5 Key assets (continued)

### 5.2 Right-of-use assets( continued)

The following amounts relating to leases have been recognised in the statement of comprehensive income

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Depreciation expense of right-of-use assets | 284 | - |
| Lease interest expense | 19 | - |
| Expenses relating to variable lease payments not included in lease liabilities | 225 | - |
| Short-term leases | 7 | - |
| Low-value leases | 16 | - |
| Operating leases | 9,572 | 9,019 |
| Gains or losses arising from sale and leaseback transactions | - | - |
| **Total amount recognised in the statement of comprehensive income** | **10,123** | **9,019** |

The total cash outflow for leases in 2019-20 was $300,280.

The Department's leasing activities and how these are accounted for:

The Department has leases for vehicles and warehouses.

The Department has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Up to 30 June 2019, the Department classified lease as either finance leases or operating leases. From 1 July 2019, the Department recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.3 'Amounts receivable for services (Holding Account)'.

### 5.3 Intangible assets

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Computer software** | | |
| Gross carrying amount | - | - |
| Accumulated amortisation | - | - |
| | - | - |
| **Works in progress** | 938 | 429 |
| **Total intangible assets** | **938** | **429** |

## Note 5 Key assets (continued)

### 5.3 Intangible assets (continued)

| *Reconciliations* | 2020 $000 | 2019 $000 |
|---|---|---|
| **Computer software** | | |
| Carrying amount at start of period | - | 751 |
| Transfers (a) | - | (597) |
| Amortisation expense | - | (154) |
| Carrying amount at end of period | **-** | **-** |
| **Works in progress** | | |
| Carrying amount at start of period | 429 | 10 |
| Additions | 509 | 424 |
| Expensed | - | (5) |
| Carrying amount at end of period | **938** | **429** |
| **Total intangible assets** | **938** | **429** |

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Carrying amount at start of period | 429 | 761 |
| Additions | 509 | 424 |
| Transfers (a) | - | (597) |
| Amortisation expense | - | (154) |
| Expensed | - | (5) |
| Carrying amount at end of period | **938** | **429** |

(a) Pharmacy Management System transferred to Health Support Services in 2018-19.

**Initial recognition**

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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) an intention to complete the intangible asset, and use or sell it;

(c) the ability to use or sell the intangible asset;

(d) the intangible asset will generate probable future economic benefit;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and

(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

## Note 5 Key assets (continued)

### 5.3 Intangible assets (continued)

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.

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

Costs incurred in the research phase of a project are immediately expensed.

**Subsequent measurement**

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

### 5.3.1 Amortisation and impairment charge for the period

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Computer software | - | 154 |
| **Total amortisation for the period** | **-** | **154** |

As at 30 June 2020 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. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful life for below class of intangible asset is:

| | |
|---|---|
| Computer software (a) | 5 years |

(a) Computer software that is not integral to the operation of any related hardware.

**Impairment of intangible assets**

Intangible assets with infinite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1 'Depreciation and impairment charge for the period'.

## Note 6 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 | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Inventories | 6.1 | 20,489 | 10,510 |
| Receivables | 6.2 | 97,301 | 67,798 |
| Amounts receivable for services | 6.3 | 64,461 | 57,084 |
| Finance lease receivable | 6.4 | 11,891 | 10,468 |
| Other assets | 6.5 | 5,725 | 5,640 |
| Payables | 6.6 | 97,299 | 96,743 |
| Contract liabilities | 6.7 | 88 | - |
| Other liabilities | 6.8 | - | 131 |

### 6.1 Inventories

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Drug supplies (at cost) | 10,240 | 10,510 |
| Medical supplies held for distribution (at cost) (a) | 10,249 | - |
| | **20,489** | **10,510** |

(a) Includes medical supplies purchased as part of COVID-19 Response, to be distributed to statutory authorities within WA health when required.

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

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.

### 6.2 Receivables

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Trade receivables | 1,321 | 987 |
| Allowance for impairment of trade receivables | (278) | (278) |
| Receivables for COVID-19 viability payment from private hospitals | 23,079 | - |
| Accrued revenue | 38,233 | 36,278 |
| GST receivable (a) | 34,946 | 30,811 |
| | **97,301** | **67,798** |

## Note 6 Other assets and liabilities (continued)

### 6.2 Receivables (continued)

(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, Child and Adolescent Health Service, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, WA Country Health Service, Health Support Services, PathWest Laboratory Medicine WA, Queen Elizabeth II Medical Centre Trust, Quadriplegic Centre, Mental Health Commission, 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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

### 6.2.1 Movement in the allowance for impairment of trade receivables:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Reconciliation of changes in the allowance for impairment of trade receivables:** | | |
| Opening balance | 278 | 265 |
| Expected credit losses expense | 21 | 18 |
| Amounts written off during the period | (21) | (5) |
| **Balance at end of period** | **278** | **278** |

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at note 8.1(c) 'Financial instruments disclosures'.

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

### 6.3 Amounts receivable for services (Holding Account)

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Non-current | 64,461 | 57,084 |

**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.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the holding accounts).

## Note 6 Other assets and liabilities (continued)

### 6.4 Finance lease receivable

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Non-current | 11,891 | 10,468 |

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.

The multi-deck car park at the Queen Elizabeth II Medical Centre site has been assessed as a service concession arrangement in accordance with AASB 1059 *Service Concession Arrangements: Grantors*. As per AASB 16 (AusC4.1), the Department will continue to account for the arrangement as a finance lease until AASB 1059 is implemented in 2020-21.

### 6.5 Other assets

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Prepayments (a) | 4,956 | 4,130 |
| **Total current assets** | **4,956** | **4,130** |
| **Non-current** | | |
| Prepayments (a) | 769 | 1,510 |
| **Total non-current assets** | **769** | **1,510** |
| **Balance at end of period** | **5,725** | **5,640** |

(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.

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.

## Note 6 Other assets and liabilities (continued)

### 6.6 Payables

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Trade payables | 28,131 | 15,060 |
| Accrued salaries | 3,150 | 1,899 |
| Accrued expenses | 66,018 | 79,784 |
| **Balance at end of period** | **97,299** | **96,743** |

**Payables** are recognised at the amounts payable 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 settlement is generally 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 after the reporting period. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see note 7.1.2 'Restricted cash and cash equivalents') consists of amounts paid annually, from Department appropriations for salaries expense, into a Treasury suspense account to 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.

### 6.7 Contract liabilities

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Current | 88 | - |
| Non-current | - | - |
| **Total contract liabilities** | **88** | **-** |

The Department's contract liabilities relate to licence and registration fees yet to be performed at the end of the reporting period. Typically, a contract payment is received upfront for 12 months of continuing support services.

### 6.7.1 Movement in contract liabilities

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Reconcialiation of changes in contract liabilities** | | |
| Opening balance | - | - |
| Additions | 88 | - |
| Revenue recognised in the reporting period | - | - |
| **Balance at end of period** | **88** | **-** |

The Department expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

### 6.8 Other current liabilities

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Unearned income | - | 131 |
| **Balance at end of period** | **-** | **131** |

## Note 7 Financing

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

| | Notes |
|---|---|
| Cash and cash equivalents | 7.1 |
| Lease liabilities | 7.2 |
| Finance costs | 7.3 |
| Commitments | 7.4 |

### 7.1 Cash and cash equivalents

#### 7.1.1 Reconciliation of cash

| | Notes | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Cash and cash equivalents | | 322,454 | 208,940 |
| Restricted cash and cash equivalents | 7.1.2 | 63,215 | 51,784 |
| **Balance at end of period** | | **385,669** | **260,724** |

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.

#### 7.1.2 Restricted cash and cash equivalents

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current** | | |
| Commonwealth specific purpose grants (a) | 46,414 | 34,573 |
| Royalties for Regions Fund (b) | - | 4,612 |
| Telethon - WA Child Research Fund Account (c) | 9,605 | 8,118 |
| Grants - WA Detect Schools COVID-19 Project | 215 | - |
| Donation - HBF Detect Snapshot | 2,500 | - |
| **Total current** | **58,734** | **47,303** |
| **Non-Current** | | |
| Accrued salaries suspense account (d) | 4,481 | 4,481 |
| **Total non-current** | **4,481** | **4,481** |
| **Balance at end of period** | **63,215** | **51,784** |

(a) Funds held for specific purposes include COVID-19 Response ($22.3 million), DVA Hospital Contributions ($2.4 million), NPA - Essential Vaccines ($6.8 million), Health Innovation Fund Stage 1 ($8.5 million), Aged Care programs ($2.0 million) and other initiatives and programs ($4.1 million).

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

(c) Funds received from the Channel 7 Telethon Trust, the Department and other donors to fund and promote child and adolescent health research in Western Australia. Refer to note 9.10 'Special purpose accounts'.

(d) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

## Note 7 Financing (continued)

### 7.1 Cash and cash equivalents(continous)

### 7.1.3 Reconciliation of net cost of services to net cash flows used in operating activities

| | Notes | 2020 $000 | 2019 $000 |
|---|---|---|---|
| Net cost of services | | (5,094,344) | (5,268,735) |
| **Non-cash items:** | | | |
| Depreciation and amortisation expenses | 5.1.1 & 5.2.1 | 719 | 1,154 |
| Expected credit losses expense | 6.2.1 | 21 | 18 |
| Services received free of charge | 4.1 | 1,888 | 2,106 |
| Net (gain) / loss on disposal of property, plant and equipment | 4.7 | (90) | 190 |
| Transfer of non-cash funding to statutory authorities within WA Health | | 412,000 | 403,772 |
| Adjustments for other non-cash items | | 3,244 | 4,302 |
| **(Increase) / decrease in assets:** | | | |
| Inventories | | (9,979) | 5,951 |
| Receivables | | (36,879) | (17,672) |
| Finance lease receivable | | (1,423) | (1,820) |
| Other assets | | (84) | 586 |
| **Increase / (decrease) in liabilities:** | | | |
| Payables | | 556 | 33,573 |
| Contract liabilities | | 88 | - |
| Lease liabilities | | 867 | - |
| Employee related provisions | | 6,590 | 3,597 |
| Other liabilities | | (131) | (981) |
| **Net cash used in operating activities** | | **(4,716,957)** | **(4,833,959)** |

### 7.2 Lease liabilities

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Current | 337 | - |
| Non-current | 530 | - |
| **Total lease liabilities** | **867** | **-** |

## Note 7 Financing (continued)

### 7.2 Lease liabilities (continued)

The Department measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Department uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Department as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the Department exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Department if the lease is reasonably certain to be extended (or not terminated).

Short term lease payments, variable lease payments, and operating lease payments, not included in the measurement of lease liability, that are dependant on sales are recognised by the Department in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with note 5.2 'Right-of-use assets'.

**Subsequent measurement**

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

### 7.3 Finance costs

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Lease interest expense | 19 | - |
| **Fiannce costs expensed** | **19** | **-** |

Finance cost includes the interest component of lease liability repayments.

## Note 7 Financing (continued)

### 7.4 Commitments

The commitments below are inclusive of GST:

### 7.4.1 Capital commitments

| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: | 2020 $000 | 2019 $000 |
|---|---|---|
| Within 1 year | 217 | 399 |
| | **217** | **399** |

### 7.4.2 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: | 2020 $000 | 2019 $000 |
|---|---|---|
| Within 1 year | 270,660 | 365,305 |
| Later than 1 year and not later than 5 years | 64,467 | 178,949 |
| | **335,127** | **544,254** |

### 7.4.3 Other expenditure commitments

| Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows: | 2020 $000 | 2019 $000 |
|---|---|---|
| Within 1 year | 66,684 | 14,972 |
| Later than 1 year and not later than 5 years | 64,027 | 22,997 |
| | **130,711** | **37,969** |

## Note 8 Risks and contingencies

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

## Note 8 Risks and contingencies (continued)

### 8.1 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.

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. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its trading in the normal course of business.

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 [for example, equity securities or commodity prices changes]. The Department's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at note 8.1(e) 'Interest rate sensitivity analysis' , the Department is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than the Treasurer's advance (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

#### (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:

| | 2020<br>$000 | 2019<br>$000 |
|---|---|---|
| Financial Assets | | |
| Cash and cash equivalents | 322,454 | 208,940 |
| Restricted cash and cash equivalents | 63,215 | 51,784 |
| Financial assets at amortised cost (a) | 138,707 | 104,539 |
| **Total financial assets** | 524,376 | 365,263 |
| | | |
| Financial Liabilities | | |
| Financial liabilities at amortised cost | 98,166 | 96,743 |
| **Total financial liability** | 98,166 | 96,743 |

(a) The amount of financial assets at amortised cost excludes GST recoverable from from the ATO (statutory receivable).

## Note 8 Risks and contingencies (continued)

### 8.1 Financial risk management (continued)

#### (c) Credit risk exposure

The following table details the credit risk exposure on the Department's trade receivables using a provision matrix.

| | | Days past due | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total $000 | Current $000 | <30 days $000 | 31-60 days $000 | 61-90 days $000 | 91-180 days $000 | 181-360 days $000 | >361 days $000 |
| **30 June 2020** | | | | | | | | |
| Expected credit loss rate | | 0.0% | 5.7% | 10.5% | 0.4% | 3.5% | 28.8% | 100.0% |
| Estimated total gross carrying amount at default | **1,321** | 13 | 53 | 19 | 513 | 376 | 125 | 222 |
| Expected credit losses | **(278)** | - | (3) | (2) | (2) | (13) | (36) | (222) |
| **1 July 2019** | | | | | | | | |
| Expected credit loss rate | | 0.0% | 16.7% | 0.0% | 0.0% | 60.7% | 100.0% | 94.5% |
| Estimated total gross carrying amount at default | **987** | 594 | 12 | - | 80 | 28 | 19 | 254 |
| Expected credit losses | **(278)** | - | (2) | - | - | (17) | (19) | (240) |

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

The following table details the Department's interest rate 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 exposure and maturity analysis of financial assets and financial liabilities**

| | | Interest rate exposure | | | | | Maturity dates | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Weighted average effective interest rate % | Carrying amount $000 | Fixed interest rate $000 | Variable interest rate $000 | Non-interest bearing $000 | Nominal amount $000 | Up to 1 month $000 | 1-3 months $000 | 3 months to 1 year $000 | 1-5 years $000 | More than 5 years $000 |
| **2020** | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | |
| Cash and cash equivalents | - | 322,454 | - | - | 322,454 | 322,454 | 322,454 | - | - | - | - |
| Restricted cash and cash equivalents | - | 63,215 | - | - | 63,215 | 63,215 | 63,215 | - | - | - | - |
| Receivables (a) | - | 62,355 | - | - | 62,355 | 62,355 | 53,914 | 532 | 501 | 7,408 | - |
| Finance lease receivable | - | 11,891 | - | - | 11,891 | 11,891 | - | - | - | - | 11,891 |
| Amounts receivable for services | - | 64,461 | - | - | 64,461 | 64,461 | - | - | - | - | 64,461 |
| | | **524,376** | **-** | **-** | **524,376** | **524,376** | **439,583** | **532** | **501** | **7,408** | **76,352** |
| Financial Liabilities | | | | | | | | | | | |
| Payables | - | 97,299 | - | - | 97,299 | 97,299 | 80,922 | 118 | 188 | 16,071 | - |
| Lease liabilities (b) | - | 867 | 867 | - | - | 870 | 37 | 73 | 308 | 450 | 2 |
| | | **98,166** | **867** | **-** | **97,299** | **98,169** | **80,959** | **191** | **496** | **16,521** | **2** |

(a) The amount of receivables excludes the GST receivable from the ATO (statutory receivable).
(b) The amount of lease liabilities includes $0.3 million from leased buildings and $0.5 million from leased vehicles.

## Note 8 Risks and contingencies (continued)

### 8.1 Financial risk management (continued)

#### (d) Liquidity risk and interest rate exposure (continued)

**Interest rate exposure and maturity analysis of financial assets and financial liabilities**

| | | Interest rate exposure | | | | | Maturity dates | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Weighted average effective interest rate % | Carrying amount $000 | Fixed interest rate $000 | Variable interest rate $000 | Non-interest bearing $000 | Nominal amount $000 | Up to 1 month $000 | 1-3 months $000 | 3 months to 1 year $000 | 1-5 years $000 | More than 5 years $000 |
| **2019** | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | |
| Cash and cash equivalents | - | 208,940 | - | - | 208,940 | 208,940 | 208,940 | - | - | - | - |
| Restricted cash and cash equivalents | - | 51,784 | - | - | 51,784 | 51,784 | 51,784 | - | - | - | - |
| Receivables (a) | - | 36,987 | - | - | 36,987 | 36,987 | 36,882 | 80 | 11 | 14 | - |
| Finance lease receivable | - | 10,468 | - | - | 10,468 | 10,468 | - | - | - | - | 10,468 |
| Amounts receivable for services | - | 57,084 | - | - | 57,084 | 57,084 | - | - | - | - | 57,084 |
| | | **365,263** | **-** | **-** | **365,263** | **365,263** | **297,606** | **80** | **11** | **14** | **67,552** |
| Financial Liabilities | | | | | | | | | | | |
| Payables | - | 96,743 | - | - | 96,743 | 96,743 | 96,743 | - | - | - | - |
| | | **96,743** | **-** | **-** | **96,743** | **96,743** | **96,743** | **-** | **-** | **-** | **-** |

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

#### (e) Interest rate sensitivity analysis

The Department's financial assets and liabilities were not subject to interest rate sensitivity at the end of the current and previous period.

## Note 8 Risks and contingencies (continued)

### 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### 8.2.1 Contingent assets

The following contingent assets are excluded from the assets included in the financial statements:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Cross border receipts for residents from other Australian jurisdictions treated in WA hospitals | 11,806 | 11,603 |

Cross border receipts for residents from other Australian jurisdictions staying in WA hotels for COVID-19 hotel quarantine are anticipated to be received. Receipt collection amounts are yet to be determined.

### 8.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Cross border charges for WA residents treated in hospitals in other Australian jurisdictions | 21,732 | 21,358 |

Cross border charges for WA residents staying in hotels in other Australian jurisdictions for COVID-19 hotel quarantine are anticipated to occur. Charges are yet to be determined.

#### Contaminated sites

Under the Contaminated Sites Act 2003, the Department is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Department may have a liability in respect of investigation or remediation expenses.

At the reporting date, the Department did not have any suspected contaminated sites reported under the Act.

### 8.3 Fair value measurements

| Assets measured at fair value: 2020 | Notes | Level 1 $000 | Level 2 $000 | Level 3 $000 | Fair value at end of period $000 |
|---|---|---|---|---|---|
| Non-current assets classified as held for sale | 9.12 | - | 109 | - | 109 |
| Land | 5.1 | | | | |
| Vacant land | | - | 14,493 | - | 14,493 |
| Specialised | | - | - | 4,188 | 4,188 |
| Buildings | 5.1 | | | | |
| Vacant Building | | - | 58 | - | 58 |
| Specialised | | - | - | 1,775 | 1,775 |
| Site infrastructure | 5.1 | - | - | 133 | 133 |
| | | **-** | **14,660** | **6,096** | **20,756** |

## Note 8 Risks and contingencies (continued)

### 8.3 Fair value measurements (continued)

| Assets measured at fair value: | Notes | Level 1 $000 | Level 2 $000 | Level 3 $000 | Fair value at end of period $000 |
|---|---|---|---|---|---|
| **2019** | | | | | |
| Non-current assets classified as held for sale | 9.12 | - | 109 | - | 109 |
| Land | 5.1 | | | | |
| Vacant land | | - | 14,624 | - | 14,624 |
| Specialised | 5.1 | - | - | 12,174 | 12,174 |
| Buildings | | | | | |
| Vacant Building | | - | 299 | - | 299 |
| Specialised | 5.1 | - | - | 6,420 | 6,420 |
| Site Infrastructure | | - | - | 1,260 | 1,260 |
| | | **-** | **15,032** | **19,854** | **34,886** |

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

**Valuation techniques used to derive Level 2 fair values**

Level 2 fair values of Non-current assets held for sale, Land and Buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square meter.

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.

**Fair value measurements using significant unobservable inputs (Level 3)**

| | Land $000 | Buildings $000 | Site Infrastructure $000 |
|---|---|---|---|
| **2020** | | | |
| Fair value at start of period | 12,174 | 6,420 | 1,260 |
| Additions | 30 | - | - |
| Revaluation increments / (decrements) recognised in Other Comprehensive Income | 435 | (27) | - |
| Transfers from / (to) other Level 2 | - | - | - |
| Transfers from / (to) other statutory authorities | - | - | - |
| Disposals | (8,451) | (4,472) | (1,096) |
| Depreciation expense | - | (146) | (31) |
| **Fair value at end of period** | **4,188** | **1,775** | **133** |

**Fair value measurements using significant unobservable inputs (Level 3) (continued)**

| | Land $000 | Buildings $000 | Site Infrastructure $000 |
|---|---|---|---|
| **2019** | | | |
| Fair value at start of period | 42,066 | 18,454 | 888 |
| Additions | - | - | - |
| Revaluation increments / (decrements) recognised in Other Comprehensive Income | (92) | (19) | 425 |
| Transfers from / (to) other Level 2 | - | (11,652) | - |
| Transfers from / (to) other statutory authorities | (29,800) | - | - |
| Disposals | - | - | - |
| Depreciation expense | - | (363) | (53) |
| **Fair value at end of period** | **12,174** | **6,420** | **1,260** |

## Note 8 Risks and contingencies (continued)

### 8.3 Fair value measurements (continued)

#### Valuation processes

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and site infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

#### Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

#### Buildings and site infrastructure (Level 3 fair values)

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. 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, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external ) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

#### Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirement. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

## Note 9 Other disclosures

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

## Note 9 Other disclosures (continued)

### 9.1 Events occurring after the end of the reporting period

There were no events occurring after the reporting period which had significant financial effects on these financial statements.

### 9.2 Initial application of Australian Accounting Standards

#### (a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the transaction price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 *Income of Not-for-Profit Entities*. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash) received by entity.

The Department adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the Department recognises the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus / (deficit) at the date of initial application (1 July 2019).

Under this transition method, the Department applies the standards retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to note 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

| | 30 June 2020 | Adjustments | 30 June 2020 under AASB 118 and 1004 |
|---|---|---|---|
| User charges and fees | 24,526 | 88 | 24,614 |
| Commonwealth grants and contributions | 2,522,555 | - | 2,522,555 |
| Other grants and contributions | 10,120 | - | 10,120 |
| Finance income | 1,423 | - | 1,423 |
| Other revenue | 6,965 | - | 6,965 |
| **Net result** | **2,565,589** | **88** | **2,565,677** |

#### (b) AASB 16 Leases

AASB 16 *Leases* supersedes AASB 117 *Leases* and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The Department applies AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus / (deficit).

## Note 9 Other disclosures (continued)

### 9.2 Initial application of Australian Accounting Standards (continued)

#### (b) AASB 16 Leases (continued)

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than $5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Department takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

(a) right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019.

(b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and

(c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.

The Department measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Department is not in possession of any concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and has not identified any impairments to its right-of-use assets.

On transition, the Department has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

(a) A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics.

(b) The Department has relied on its assessment of whether existing leases were onerous in applying AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* immediately before the date of initial application as an alternative to performing an impairment review. The Department has adjusted the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the Statement of Financial Position at 30 June 2019;

(c) Where the lease term at initial application ended within 12 months, the Department has accounted for these as short-term leases;

(d) Initial direct costs have been excluded from the measurement of the right-of-use asset;

(e) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The Department has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

| Measurement of lease liabilities | $000 |
|---|---|
| Operating lease commitments disclosed as at 30 June 2019 | 801 |
| Discounted using incremental borrowing rate at date of initial application* | 781 |
| Add: Finance lease liabilities recognised as at 30 June 2019 | - |
| (Less): Short term leases not recognised as liability | 7 |
| (Less): Low value leases not recognised as liability | 16 |
| **Lease liability recognised at 1 July 2019** | **758** |
| Current lease liabilities | 211 |
| Non-current lease liabilities | 547 |

* The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

## Note 9 Other disclosures (continued)

### 9.3 Future impact of Australian Accounting Standards 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. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

| | | Operative for reporting periods beginning on/after |
|---|---|---|
| AASB 1059 | *Service Concession Arrangements: Grantors*<br>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.<br>The Department does manage a public private partnership that is within the scope of the Standard. | 1 Jan 2020 |
| AASB 2018-6 | *Amendments to Australian Accounting Standards – Definition of a Business*<br>This Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.<br>There is no financial impact. | 1 Jan 2020 |
| AASB 2018-7 | *Amendments to Australian Accounting Standards – Definition of Material*<br>The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.<br>There is no financial impact. | 1 Jan 2020 |
| AASB 2019-1 | *Amendments to Australian Accounting Standards – References to the Conceptual Framework*<br>This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.<br>There is no financial impact. | 1 Jan 2020 |
| AASB 2019-2 | *Amendments to Australian Accounting Standards – Implementation of AASB 1059*<br>This Standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059.<br>The Department does maintain a public private partnership that is within the scope of the Standard. | 1 Jan 2020 |
| AASB 2020-1 | *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*<br>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.<br>There is no financial impact. | 1 Jan 2022 |

## Note 9 Other disclosures (continued)

### 9.4 Key management personnel

The Department has determined key management personnel to include cabinet 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 ($) | 2020 | 2019 |
|---|---|---|
| 650,001 - 660,000 | 1 | - |
| 640,001 - 650,000 | - | 1 |
| 520,001 - 530,000 | 1 | - |
| 510,001 - 520,000 | - | 1 |
| 500,001 - 510,000 | 1 | - |
| 360,001 - 370,000 | - | 2 |
| 350,001 - 360,000 | 1 | 1 |
| 280,001 - 290,000 | 1 | - |
| 260,001 - 270,000 | 1 | - |
| 250,001 - 260,000 | - | 1 |
| 160,001 - 170,000 | 1 | - |
| 110,001 - 120,000 | 1 | - |
| | **8** | **6** |

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Short-term employee benefits | 2,582 | 2,283 |
| Post-employment benefits | 209 | 177 |
| Other long-term benefits | 69 | 41 |
| **Total compensation of senior officers** | **2,860** | **2,501** |

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

### 9.5 Related party transactions

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

Related parties of the Department include:

- all cabinet 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 (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB)

## Note 9 Other disclosures (continued)

### 9.5 Related party transactions (continued)

**Significant transactions with Government-related entities**

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- Income from State Government (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)
- Equity contribution (note 9.13)
- Grants from the Department of Education (note 4.4)
- Grants and subsidies to statutory authorities within WA health (note 3.2)
- Superannuation payments to GESB (note 3.1(a))
- Lease payments to the Department of Finance (Government Office Accommodation and State Fleet) (note 3.6)
- Insurance payments to the Insurance Commission and Riskcover fund (note 3.6)
- Remuneration for services provided by the Auditor General (note 9.11)
- Services provided free of charge to various State Government agencies (note 9.8)

**Material transactions with other related parties**

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and / or their close family members and / or their controlled (or jointly controlled) entities.

### 9.6 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.

### 9.7 Affiliated bodies

An affiliated body is a body that 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:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Research and development | 22,810 | 21,919 |
| Public health | 2,892 | 4,317 |
| | **25,702** | **26,236** |

## Note 9 Other disclosures (continued)

### 9.8 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:

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Contiguous Local Authorities Group | 511 | 835 |
| Department of Education | 459 | 159 |
| Department of Planning, Lands and Heritage | 323 | 134 |
| Water Corporation | 172 | 162 |
| WA Police | 127 | 118 |
| Department of Communities | 52 | 52 |
| Department of Water and Environmental Regulation | 194 | 80 |
| Others | 98 | 34 |
| | **1,936** | **1,574** |

### 9.9 Other statement of receipts and payments

| **Commonwealth grant - Christmas and Cocos Island** | 2020 $000 | 2019 $000 |
|---|---|---|
| Balance at start of period | 2,350 | 2,847 |
| Receipts | | |
| Commonwealth grant | 84 | 2,623 |
| Payments | | |
| Purchase of WA Health Services | (3,153) | (3,120) |
| **Balance at end of period** | **(719)** | **2,350** |

## Note 9 Other disclosures (continued)

### 9.10 Special purpose accounts

**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.

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Balance at start of period | - | - |
| Controlled by the Department | | |
| Receipts: | | |
| Commonwealth activity based funding for Health Service Providers | 1,881,856 | 1,790,558 |
| Commonwealth activity based funding for Department of Health | 50,265 | 32,151 |
| Commonwealth block funding for Health Service Providers | 207,883 | 206,987 |
| Commonwealth public health funding for Department of Health | 43,294 | 40,142 |
| Commonwealth contribution under the National Partnership Agreement of COVID-19 Response | 188,397 | - |
| State activity based funding from Department of Health | 2,890,642 | 2,571,921 |
| State contribution under the National Partnership Agreement of COVID-19 Response | 49,017 | - |
| Interest earned on State Pool Account | 14 | - |
| Cross border deposits from interstate | 73,130 | 260 |
| Payments: | | |
| Commonwealth activity based funding to Health Service Providers | (1,881,856) | (1,790,558) |
| Commonwealth activity based funding to Department of Health | (50,265) | (32,151) |
| Commonwealth block funding to State Managed Fund (Health) Account | (207,883) | (206,987) |
| Commonwealth public health funding to Department of Health | (43,294) | (40,142) |
| Commonwealth contribution under the National Partnership Agreement of COVID-19 Response | (173,578) | - |
| State activity based funding to Health Service Providers | (2,890,642) | (2,571,921) |
| State contribution under the National Partnership Agreement of COVID-19 Response | (49,017) | - |
| Interest transferred to Treasury Consolidated Account | (14) | - |
| Cross border payment to interstate | (73,130) | (260) |
| **Balance at end of period** | **14,819** | **-** |

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Administered by the Department | | |
| Receipts: | | |
| Commonwealth activity based funding for Mental Health Commission (MHC) | 111,497 | 106,909 |
| Commonwealth block funding for Mental Health Commission | 106,219 | 90,698 |
| State activity based funding from Mental Health Commission | 219,402 | 179,828 |
| Payments: | | |
| MHC Commonwealth activity based funding to Health Service Providers | (110,033) | (105,140) |
| MHC Commonwealth activity based funding to non-government organisation (NGO) | (1,464) | (1,769) |
| Commonwealth block funding to Mental Health Commission to Health Service Providers | (97,675) | (82,701) |
| Commonwealth block funding to Mental Health Commission to non-government organisation | (8,544) | (7,997) |
| MHC State activity based funding to Health Service Providers | (219,402) | (179,828) |
| **Balance at end of period** | **-** | **-** |

## Note 9 Other disclosures (continued)

### 9.10 Special purpose accounts (continued)

**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.

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Balance at start of period | - | - |
| Controlled by the Department | | |
| Receipts: | | |
| Commonwealth block funding from State Pool Account | 207,883 | 206,987 |
| State block funding from Department of Health | 279,613 | 120,901 |
| Royalties for Regions Fund from Department of Health | - | - |
| Payments: | | |
| Commonwealth block funding to Health Service Providers | (207,883) | (206,987) |
| State block funding to Health Service Providers | (279,613) | (120,901) |
| **Balance at end of period** | - | - |
| Administered by Department of Health | | |
| Receipts: | | |
| Mental Health Commission - Commonwealth block funding | 106,219 | 90,698 |
| Mental Health Commission - State block funding | 257,260 | 187,898 |
| Payments: | | |
| Mental Health Commission - Commonwealth block funding to Health Service Providers | (97,675) | (82,700) |
| Mental Health Commission - Commonwealth block funding to non-government organisations | (8,544) | (7,998) |
| Mental Health Commission - State block funding to Health Service Providers | (257,260) | (187,898) |
| **Balance at end of period** | - | - |

The State Managed Fund statement has been realigned to include MHC administered funds provided to non-government organisations. Prior year comparatives have been restated to provide clarity on Mental Health Commission funding flows.

**WA Future Health Research and Innovation Account**

In June 2020, the Western Australian Future Health Research and Innovation Account (FHRI Account), an agency special purpose account under the Financial Management Act 2006 section 16, was established by the Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Act 2020.

The purpose of the special purpose account is to provide a secure and long-term source of funding in support of future health research and innovation.

There were no financial transactions recorded in 2019-20.

## Note 9 Other disclosures (continued)

### 9.10 Special purpose accounts (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.

On 7 July 2019, Treasury approved the closure of Southern Inland Health Initiative special purpose account. All the unspent funding has been returned to Treasury's Consolidated Account in 2018-19.

**Telethon - WA Child Research Fund Account**

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

| Controlled by the Department | 2020 $000 | 2019 $000 |
|---|---|---|
| Balance at start of period | 8,120 | 7,979 |
| Receipts | 4,115 | 4,177 |
| Payments | (2,630) | (4,038) |
| **Balance at end of period** | **9,605** | **8,120** |

### 9.11 Remuneration of auditors

| Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows: | 2020 $000 | 2019 $000 |
|---|---|---|
| Auditing the accounts, financial statements, controls, and key performance indicators | 363 | 363 |

### 9.12 Non-current assets classified as assets held for sale

| | 2020 $000 | 2019 $000 |
|---|---|---|
| Opening balance | 109 | 215 |
| Add: Assets reclassified as held for sale (a) | 80 | 337 |
| Less: write-down from cost to fair value less selling costs | - | (6) |
| Less: assets sold | (80) | (437) |
| Closing balance | **109** | **109** |

(a) In 2019-20 financial year, a portion of Onslow Hospital site was transferred to the Health Ministerial Body for 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.

## Note 9 Other disclosures (continued)

### 9.13 Equity

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Contributed equity** | | |
| Balance at start of period | - | - |
| *Contributions by owners* | | |
| Capital appropriations (a) | 42,346 | 12,876 |
| Transfer of net assets from other agencies (b) | | |
| Land transferred from the South Metropolitan Health Service (c) | - | 337 |
| Land and buildings transferred from the WA Country Health Service (c) | 80 | - |
| Land and buildings transferred from the State Government | 30 | - |
| State distribution center transferred from the Health Support Services (d) | - | 251 |
| *Distributions to owners* | | |
| Transfer of net assets to other agencies (b) | | |
| Perth Children's Hospital transferred to the Child and Adolescent Health Service (e) | - | (16,154) |
| Perth Children's Hospital transferred to the North Metropolitan Health Service (e) | - | (1,765) |
| Perth Children's Hospital transferred to the Queen Elizabeth II Medical Centre Trust (e) | - | (1,975) |
| Land and buildings for sale transferred to the Department of Planning, Lands and Heritage (c) | (567) | (45,367) |
| Proceeds for disposal of assets paid to Consolidated Account | - | (13,770) |
| Transfer of deficit to Accumulated Surplus | - | 65,567 |
| **Balance at end of period** | **41,889** | **-** |

(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) 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 Providers. 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.

## Note 9 Other disclosures (continued)

### 9.13 Equity (continued)

(d) Assets and liabilities for State Distribution Center were transferred from the Department to the Health Support Services. The transfer was a result of a restructure of administrative arrangements. Below is the net liability transferred to the Health Support Services:

| | 2019 $000 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | (2,607) |
| Inventories | (6,743) |
| **Liabilities** | |
| Payables | 8,537 |
| Other current liabilites | 1,064 |
| **Net liabilities transferred** | **251** |

(e) Assets and liabilities for Perth Children's Hospital were transferred from the Department to other statutory authorities within WA health. The transfer was a result of a restructure of administrative arrangements. Below is the net asset transferred to the statutory authorities:

| | 2019 $000 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 15,467 |
| Receivables | 109 |
| Infrastructure, property, plant and equipment | 10,016 |
| Intangible assets | - |
| **Liabilities** | |
| Payables | (5,698) |
| **Total assets and liabilities transferred** | **19,894** |

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Asset revaluation reserve** | | |
| Balance at start of period | 279,510 | 294,310 |
| Net revaluation increments / (decrements): | | |
| Land | 419 | (3,942) |
| Buildings | (53) | (10,858) |
| **Balance at end of period** | **279,876** | **279,510** |

## Note 9 Other disclosures (continued)

### 9.13 Equity (continued)

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Accumulated surplus** | | |
| Balance at start of period | 46,553 | 253,758 |
| Result for the period | 113,902 | (141,381) |
| Changes in accounting policy (a) | (3,652) | (257) |
| Transfer of deficit from Contributed Equity | - | (65,567) |
| **Balance at end of period** | **156,803** | **46,553** |

(a) Under the new aspects of revenue recognition introduced by the application of AASB 15 on 1 July 2019, it has been determined that the Department does not have all the control of the Royalty for Regions Fund transferred to statutory authorities within WA health. These funding have now been recognised and disclosed in note 10.1 'Administered assets and liabilities'.

### 9.14 Supplementary financial information

#### (a) Write-offs

| During the financial year, the Department has written off debts and inventory under the authority of: | 2020 $000 | 2019 $000 |
|---|---|---|
| The acountable authority | 21 | 5 |
| The Minister | - | - |
| | **21** | **5** |

#### (b) Losses through theft, defaults and other causes

There were no losses through theft, defaults and other causes during the current and previous period.

#### (c) Gifts of public property

There were no gifts of public property provided by the Department during the current and previous period.

## Note 9.15 Explanatory statement (Controlled Operations)

**All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and $1 million for the Statement of Comprehensive Income, Cash Flow, and the Statement of Financial Position.**

| 9.15.1 Statement of Comprehensive Income Variances | Variance note | Estimate 2020 $000 | Actual 2020 $000 | Actual 2019 $000 | Variance between estimate and actual $000 | Variance between actual results for 2020 and 2019 $000 |
|---|---|---|---|---|---|---|
| **COST OF SERVICES** | | | | | | |
| **Expenses** | | | | | | |
| Employee benefits expenses | 1, A | 108,178 | 124,221 | 104,622 | 16,043 | 19,599 |
| Contracts for services | | 561,563 | 556,376 | 552,354 | (5,187) | 4,022 |
| Supplies and services | 2, B | 62,918 | 72,841 | 50,128 | 9,923 | 22,713 |
| Grants and subsidies | | 6,761,498 | 6,869,341 | 6,761,950 | 107,843 | 107,391 |
| Depreciation and amortisation expenses | 3 | 6,697 | 719 | 1,154 | (5,978) | (435) |
| Finance costs | 4 | 4,664 | 19 | - | (4,645) | 19 |
| Loss on disposal of non-current assets | | - | - | 190 | - | (190) |
| Contribution to Capital Works Fund | C | - | - | 48,241 | - | (48,241) |
| Other expenses | 5, D | 88,703 | 36,506 | 83,641 | (52,197) | (47,135) |
| **Total cost of services** | | **7,594,221** | **7,660,023** | **7,602,280** | **65,802** | **57,743** |
| **Revenue and Income** | | | | | | |
| User charges and fees | 6, E | 3,635 | 24,526 | 47,136 | 20,891 | (22,610) |
| Commonwealth grants and contributions | F | 2,305,920 | 2,522,555 | 2,273,586 | 216,635 | 248,969 |
| Other grants and contributions | 7, G | 8,001 | 10,120 | 8,584 | 2,119 | 1,536 |
| Finance income | 8 | - | 1,423 | 1,820 | 1,423 | (397) |
| Donation revenue | 9 | 2,000 | - | - | (2,000) | - |
| Other revenue | 10, H | 9,474 | 6,965 | 2,419 | (2,509) | 4,546 |
| **Total revenue** | | **2,329,030** | **2,565,589** | **2,333,545** | **236,559** | **232,044** |
| **Gains** | | | | | | |
| Gain on disposal of non-current assets | | - | 90 | - | 90 | 90 |
| **Total income other than income from State Government** | | **2,329,030** | **2,565,679** | **2,333,545** | **236,649** | **232,134** |
| **NET COST OF SERVICES** | | **5,265,191** | **5,094,344** | **5,268,735** | **(170,847)** | **(174,391)** |
| **Income from State Government** | | | | | | |
| Service appropriation | | 5,111,058 | 5,211,740 | 5,028,056 | 100,682 | 183,684 |
| Assets (transferred) / assumed | 11, I | - | (13,946) | (672) | (13,946) | (13,274) |
| Services received free of charge | 12 | 49,258 | 1,888 | 2,106 | (47,370) | (218) |
| Royalties for Regions Fund | 13, J | 105,695 | 8,564 | 97,864 | (97,131) | (89,300) |
| **Total income from State Government** | | **5,266,011** | **5,208,246** | **5,127,354** | **(57,765)** | **80,892** |
| **SURPLUS / (DEFICIT) FOR THE PERIOD** | | **820** | **113,902** | **(141,381)** | **113,082** | **255,283** |
| **OTHER COMPREHENSIVE INCOME** | | | | | | |
| **Items not reclassified subsequently to profit or loss** | | | | | | |
| Changes in asset revaluation reserve | | - | 366 | (14,800) | 366 | 15,166 |
| **Total other comprehensive income** | | **-** | **366** | **(14,800)** | **366** | **15,166** |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | | **820** | **114,268** | **(156,181)** | **113,448** | **270,449** |

## Note 9.15 Explanatory statement (Controlled Operations) (continued)

| 9.15.2 Statement of Financial Position Variances | Variance note | Estimate 2020 $000 | Actual 2020 $000 | Actual 2019 $000 | Variance between estimate and actual $000 | Variance between actual results for 2020 and 2019 $000 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Current Assets** | | | | | | |
| Cash and cash equivalents | | 213,177 | 322,454 | 208,940 | 109,277 | 113,514 |
| Restricted cash and cash equivalents | | 46,195 | 58,734 | 47,303 | 12,539 | 11,431 |
| Inventories | 14, K | 10,509 | 20,489 | 10,510 | 9,980 | 9,979 |
| Receivables | | 36,057 | 97,301 | 67,798 | 61,244 | 29,503 |
| Other current assets | | 4,129 | 4,956 | 4,130 | 827 | 826 |
| Non-current assets classified as held for sale | | 110 | 109 | 109 | (1) | - |
| **Total Current Assets** | | **310,177** | **504,043** | **338,790** | **193,866** | **165,252** |
| **Non-Current Assets** | | | | | | |
| Restricted cash and cash equivalents | | 4,481 | 4,481 | 4,481 | - | - |
| Amounts receivable for services | L | 63,050 | 64,461 | 57,084 | 1,411 | 7,377 |
| Finance lease receivable | M | 12,383 | 11,891 | 10,468 | (492) | 1,423 |
| Infrastructure, property, plant and equipment | 15, N | 134,498 | 22,306 | 36,439 | (112,192) | (14,133) |
| Right-of-use assets | | - | 788 | - | 788 | 788 |
| Intangible assets | | 371 | 938 | 429 | 567 | 509 |
| Other non-current assets | | 1,510 | 769 | 1,510 | (741) | (741) |
| **Total Non-Current Assets** | | **216,293** | **105,634** | **110,411** | **(110,659)** | **(4,777)** |
| **TOTAL ASSETS** | | **526,470** | **609,677** | **449,201** | **83,207** | **160,476** |
| **LIABILITIES** | | | | | | |
| **Current Liabilities** | | | | | | |
| Payables | | 45,302 | 97,299 | 96,743 | 51,997 | 556 |
| Contract liabilities | | - | 88 | - | 88 | 88 |
| Lease liabilities | | - | 337 | - | 337 | 337 |
| Employee related provisions | 16, O | 17,810 | 23,518 | 18,633 | 5,708 | 4,885 |
| Other current liabilities | | 131 | - | 131 | (131) | (131) |
| **Total Current Liabilities** | | **63,243** | **121,242** | **115,507** | **57,999** | **5,735** |
| **Non-Current Liabilities** | | | | | | |
| Lease liabilities | 17 | 101,096 | 530 | - | (100,566) | 530 |
| Employee related provisions | 18, P | 12,924 | 9,337 | 7,631 | (3,587) | 1,706 |
| **Total Non-Current Liabilities** | | **114,020** | **9,867** | **7,631** | **(104,153)** | **2,236** |
| **TOTAL LIABILITIES** | | **177,263** | **131,109** | **123,138** | **(46,154)** | **7,971** |
| **NET ASSETS** | | **349,207** | **478,568** | **326,063** | **129,362** | **152,505** |
| **EQUITY** | | | | | | |
| Contributed equity | | | 41,889 | - | 41,889 | 41,889 |
| Reserves | | 293,509 | 279,876 | 279,510 | (13,633) | 366 |
| Accumulated surplus | | 55,698 | 156,803 | 46,553 | 101,105 | 110,250 |
| **TOTAL EQUITY** | | **349,207** | **478,568** | **326,063** | **129,361** | **152,505** |

**Note 9.15 Explanatory statement (Controlled Operations) (continued)**

| 9.15.3 Statement of Cash Flow Variances | Variance note | Estimate 2020 $000 | Actual 2020 $000 | Actual 2019 $000 | Variance between estimate and actual $000 | Variance between actual results for 2020 and 2019 $000 |
|---|---|---|---|---|---|---|
| **CASH FLOWS FROM STATE GOVERNMENT** | | | | | | |
| Service appropriation | | 4,711,058 | 4,792,363 | 4,622,991 | 81,305 | 169,372 |
| Capital appropriations | 19, Q | - | 42,346 | 12,876 | 42,346 | 29,470 |
| Royalties for Regions Fund | 20, R | 105,695 | 8,564 | 97,864 | (97,131) | (89,300) |
| **Net cash provided by State Government** | | **4,816,753** | **4,843,273** | **4,733,731** | **26,520** | **109,542** |
| Utilised as follows: | | | | | | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | | |
| **Payments** | | | | | | |
| Employee benefits | S | (108,178) | (117,630) | (101,877) | (9,452) | (15,753) |
| Supplies and services | | (624,481) | (642,814) | (601,758) | (18,333) | (41,056) |
| Grants and subsidies | | (6,312,242) | (6,460,504) | (6,358,178) | (148,262) | (102,326) |
| Finance costs | 21 | (4,664) | (19) | - | 4,645 | (19) |
| Contribution to Capital Works Fund | T | | - | (48,241) | - | 48,241 |
| GST payments on purchases | 22 | (282,117) | (393,917) | (371,191) | (111,800) | (22,726) |
| Other payments | 23 | (88,703) | - | - | 88,703 | - |
| **Receipts** | | | | | | |
| User charges and fees | 24, U | 3,635 | 11,681 | 12,894 | 8,046 | (1,213) |
| Commonwealth grants and contributions | V | 2,305,920 | 2,479,205 | 2,233,680 | 173,285 | 245,525 |
| Other grants and contributions | | 8,001 | - | - | (8,001) | - |
| GST receipts on sales | 25, W | 19,435 | 26,721 | 23,170 | 7,286 | 3,551 |
| GST receipts from taxation authority | 26 | 262,682 | 363,721 | 347,031 | 101,039 | 16,690 |
| Other receipts | 27, X | 9,474 | 16,599 | 30,511 | 7,125 | (13,912) |
| **Net cash provided by / (used in) operating activities** | | **(4,811,238)** | **(4,716,957)** | **(4,833,959)** | **94,281** | **117,001** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| Payments for purchase of non-current assets | 28 | - | (1,071) | (1,281) | (1,071) | 210 |
| Proceeds from sale of non-current assets | 29 | 3,965 | - | 877 | (3,965) | (877) |
| **Net cash provided by / (used in) investing activities** | | **3,965** | **(1,071)** | **(404)** | **(5,036)** | **(667)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | |
| Payments for principal element of lease (2019 - finance lease) | 30 | (3,965) | (300) | - | 3,665 | (300) |
| Non-retained revenue distributed to owner | | - | - | (13,770) | - | 13,770 |
| **Net cash provided by / (used in) financing activities** | | **(3,965)** | **(300)** | **(13,770)** | **3,665** | **13,470** |
| **Net increase / (decrease) in cash and cash equivalents** | | 5,515 | 124,945 | (114,402) | 119,430 | 239,347 |
| Cash and cash equivalents at the beginning of the period | | 258,338 | 260,724 | 375,126 | 2,386 | (114,402) |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | | **263,853** | **385,669** | **260,724** | **121,816** | **124,945** |

## Note 9.15 Explanatory statement (Controlled Operations) (continued)

| | Major Estimate and Actual (2020) Variance Narratives | 2020 Estimate $000 | 2020 Actual $000 | Variance $000 |
|---|---|---|---|---|
| 1 | **Employee benefits expenses** | 108,178 | 124,221 | 16,043 |
| | Employee benefits expenses increased by $16.0 million (14.8%) due to additional staff required to deal with the COVID-19 response, reform projects and other activities incurred during the financial year. | | | |
| 2 | **Supplies and services expenses** | 62,918 | 72,841 | 9,923 |
| | Supplies and services expenses increased by $9.9 million (15.8%) due to increased purchases of medical supplies related to COVID-19. | | | |
| 3 | **Depreciation and amortisation expenses** | 6,697 | 719 | (5,978) |
| | Depreciation and amortisation expenses decreased by $6.0 million (89.3%) due to the change in accounting treatment of Government Office Accommodations held by the Department of Finance (DoF) whereby DoF does not hold the substitution rights. Hence, the costs have been reported under "other expenses" rather than "Right-of-Use assets depreciation expenses". | | | |
| 4 | **Finance costs expenses** | 4,664 | 19 | (4,645) |
| | Finance costs expenses decreased by $4.6 million (99.6%) due to the change in accounting treatment of Government Office Accommodations held by the Department of Finance (DoF). DoF does not hold the substitution rights. Hence, the costs have been recorded as "other expenses" rather than applying AASB 16 *Leases* for recognising Right-of-Use assets and amortising the interest expenses over time. | | | |
| 5 | **Other expenses** | 88,703 | 36,506 | (52,197) |
| | Other expenses decreased by $52.2 million (58.8%) due to decreases in commissioning, delays in Building Works & Services (BWS), maintenance, scholarships and other anticipated expenses. | | | |
| 6 | **User charges and fees income** | 3,635 | 24,526 | 20,891 |
| | User charges and fees income increased by $20.9 (574.8%) due to increased cross border transactions in 2019-20. | | | |
| 7 | **Other grants and contributions income** | 8,001 | 10,120 | 2,119 |
| | Other grants and contributions income increased by $2.1 million (26.5%) due to a $0.9 million contribution from the Department of Education to fund the WA Detect Schools COVID-19 Project, as well as a $1.2 million general increase on health services for students at public schools. | | | |
| 8 | **Finance income** | - | 1,423 | 1,423 |
| | Finance income increased by $1.4 million as a result of the QEII carpark revenue not being included in the original budget. | | | |
| 9 | **Donation revenue** | 2,000 | - | (2,000) |
| | Donation revenue decreased by $2.0 million (100%) due to the reclassification of the donation received from HBF Snapshot research project COVID-19 to "other revenue". | | | |

## Note 9.15 Explanatory statement (Controlled Operations) (continued)

| | Major Estimate and Actual (2020) Variance Narratives | 2020 Estimate $000 | 2020 Actual $000 | Variance $000 |
|---|---|---|---|---|
| 10 | **Other revenue** | 9,474 | 6,965 | (2,509) |
| | Other revenue decreased by $2.5 million (26.5%) as a result of the over estimation from the Commonwealth. | | | |
| 11 | **Assets (transferred) / assumed** | - | (13,946) | (13,946) |
| | Assets transferred decreased by $13.9 million (1976.7%) due to the transfer of the land and building on Stubbs Terrace in Shenton Park to WA Country Health Service. | | | |
| 12 | **Services received free of charge income** | 49,258 | 1,888 | (47,370) |
| | Services received free of charge income decreased by $47.4 million (96.2%) due to the reclassification of vaccines received to be under "Commonwealth grants and contributions". | | | |
| 13 | **Royalties for Regions Fund income** | 105,695 | 8,564 | (97,131) |
| | Royalties for Regions Fund decreased by $97.1 million (91.9%) due to the change in accounting policy in order to reclass Royalties for Regions Fund from controlled revenue to administered revenue. This was a result of the application of AASB 15 Revenue from Contracts with Customers. | | | |
| 14 | **Inventories** | 10,509 | 20,489 | 9,980 |
| | Inventories increased by $10.0 million (95.0%) due to medical supplies purchased for the WA health system in order to cope with COVID-19. | | | |
| 15 | **Infrastructure, property, plant and equipment** | 134,498 | 22,306 | (112,192) |
| | Infrastructure, property, plant and equipment decreased by $112.2 million as the Finance leases estimate methodology were based on longer end dates with constant renewals as compared to actuals where it was based on 5 years. In addition, the actuals for buildings were reclassed as Government Office Accommodations and costed to "other expenses". The transfer of the land and building $14.1 million on Stubbs Terrace in Shenton Park to WA Country Health Service also formed part of the overall reduction. | | | |
| 16 | **Employee related provisions (Current Liabilities)** | 17,810 | 23,518 | 5,708 |
| | Employee related provisions increased in actuals by $5.7 million (32.0%) due to additional staff employed to deal with COVID-19 and minimum leave taken in order to meet the COVID-19 response requirements. | | | |
| 17 | **Lease liabilities (Non-Current Liabilities)** | 101,096 | 530 | (100,566) |
| | Lease liabilities decreased by $100.6 million (99.4%) due to borrowings based on the assumption of longer end dates with constant renewals. | | | |
| 18 | **Employee related provisions (Non-Current Liabilities)** | 12,924 | 9,337 | (3,587) |
| | Employee related provisions decreased by $3.6 million (27.8%) due to actual employee related provisions being below the Section 40 estimates. | | | |
| 19 | **Capital appropriations receipts** | - | 42,346 | 42,346 |
| | Capital appropriations receipts increased by $42.3 million due to additional funding received for the unexpected COVID-19 response. | | | |

## Note 9.15 Explanatory statement (Controlled Operations) (continued)

| | Major Estimate and Actual (2020) Variance Narratives | 2020 Estimate $000 | 2020 Actual $000 | Variance $000 |
|---|---|---|---|---|
| 20 | **Royalties for Regions Fund payments** | 105,695 | 8,564 | (97,131) |
| | Royalties for Regions Fund decreased by $97.1 million (91.9%) due to a change in accounting policy to reclass Royalties for Regions Fund from controlled revenue to administered. This was a result of the application of the new AASB 15 Revenue from Contracts with Customers. | | | |
| 21 | **Finance costs payments** | (4,664) | (19) | 4,645 |
| | Finance costs payments decreased by $4.6 million (99.6%) due to a change in accounting treatment of Government Office Accommodations held by the Department of Finance (DoF). DoF does not hold the substitution rights. Hence, the costs have been reported as "supplies and services" rather than applying AASB 16 Leases for recognising Right-of-Use assets and amortising the interest payment over time. | | | |
| 22 | **GST payments on purchases** | (282,117) | (393,917) | (111,800) |
| | GST payments on purchases increased by $111.8 million (39.6%) due to increased expenses derived from COVID-19 activities. | | | |
| 23 | **Other payments** | (88,703) | - | 88,703 |
| | Other payments decreased by $88.7 million (100%) due to a reallocation of actual payments in grants and subsidies. | | | |
| 24 | **User charges and fees receipts** | 3,635 | 11,681 | 8,046 |
| | User charges and fees receipts increased by $8.0 million (221.4%) due to an increase in refunds by Health Service Providers of unused Home and Community Care funding. | | | |
| 25 | **GST receipts on sales** | 19,435 | 26,721 | 7,286 |
| | GST receipts on sales increased by $7.3 million (37.5%) due to the increased activity in purchasing in 2019-20. | | | |
| 26 | **GST receipts from taxation authority** | 262,682 | 363,721 | 101,039 |
| | GST refunds from the Australian Taxation Office (ATO) increased by $101.0 million (38.5%) due to actual costs exceeding estimates, resulting in higher amounts claimed. | | | |
| 27 | **Other receipts** | 9,474 | 16,599 | 7,125 |
| | Other receipts increased by $7.1 million (75.2%) due to increased grants and donations. | | | |
| 28 | **Payments for purchase of non-current assets** | - | (1,071) | (1,071) |
| | Payments for purchase of non-current assets increased by $1.1 million due to COVID-19 purchases. | | | |
| 29 | **Proceeds from sale of non-current assets** | 3,965 | - | (3,965) |
| | Proceeds from sale of non-current assets decreased by $4.0 million (100.0%). There were no sales for non-current assets in 2019-20. | | | |
| 30 | **Payments for principal element of lease (2019 - finance lease)** | (3,965) | (300) | 3,665 |
| | Payments for principal element of lease decreased by $3.7 million (92.4%) due to the change in accounting treatment of Government Office Accommodations resulting in a reallocation to the category "supplies and services. | | | |

## Note 9.15 Explanatory statement (Controlled Operations) (continued)

| | Major Actual (2020) and Comparative (2019) Variance Narratives | 2020 Actual $000 | 2019 Actual $000 | Variance $000 |
|---|---|---|---|---|
| A | **Employee benefits expenses** | 124,221 | 104,622 | 19,599 |
| | Employee benefits expenses increased by $19.6 million (18.7%) due to additional staff required to deal with the COVID-19 response, reform projects and other activities incurred during the financial year. | | | |
| B | **Supplies and services expenses** | 72,841 | 50,128 | 22,713 |
| | Supplies and services expenses increased by $22.7 million (45.3%) mainly due to COVID-19 related expenses, e.g. hotel quarantine $12.1 million, medical supplies $5.8 million, pharmacy services to support community $2.5 million, with the remainder mostly being related to increase in medication. | | | |
| C | **Contribution to Capital Works Fund expenses** | - | 48,241 | (48,241) |
| | Contribution to Capital Works Fund expenses decreased by $48.2 million (100%). There were no contributions in Capital Works Fund in 2019-20. | | | |
| D | **Other expenses** | 36,506 | 83,641 | (47,135) |
| | Other expenses decreased by $47.1 million (56.4%) due to a reduction of $13.4 million in ex-grata payments which reflects a change of invoicing the patient single room accommodation at the rates recoverable from the Private Health Insurers instead of the full gazetted rate; a decrease of $21.3 million in cross border expenses compared to 2018-19 where multiple years of cross border expenses were recognised; and no commission work occurred for Perth Children's Hospital resulting in a reduction of $17.3 million costs compared to 2018-19. | | | |
| E | **User charges and fees income** | 24,526 | 47,136 | (22,610) |
| | User charges and fees income decreased by $22.6 million (48.0%) due to reduced cross border income compared to 2018-19 where multiple years of cross border income was recognised. | | | |
| F | **Commonwealth grants and contributions income** | 2,522,555 | 2,273,586 | 248,969 |
| | Commonwealth grants and contributions income increased by $249.0 million (11.0%) due to increased funding under the National Health Reform Agreement, of which $52.0 million was a result of the prior year annual reconciliation adjustment and another $62.0 million increase in estimated activity for 2019-20. In addition, under the National Partnership Agreement, $188.3 million was received in relation to the COVID-19 response. This was offset by a reduction of $53.3 million in other Commonwealth specific agreements as a result of the reclassification from the Department controlled revenue to administered revenue. | | | |
| G | **Other grants and contributions income** | 10,120 | 8,584 | 1,536 |
| | Other grants and contributions income increased by $1.5 million (17.9%) due to the $0.9 million contribution from the Department of Education to fund the WA Detect Schools COVID-19 Project, as well as a $0.6 million increase on health services for students at public schools. | | | |
| H | **Other revenue** | 6,965 | 2,419 | 4,547 |
| | Other revenue increased by $4.5 million (188.0%) due to a $2.5 million donation received from HBF Health Limited to fund the DETECT Snapshot project related to COVID-19, as well as a $2.0 million contribution received from the Department of the Premier and Cabinet for the Channel 7 Telethon Trust. | | | |
| I | **Assets (transferred) / assumed** | (13,946) | (672) | (13,276) |
| | Assets transferred increased by $13.3 million (1976.7%) due to the transfer of the land and building on Stubbs Terrace in Shenton Park to WA Country Health Service. | | | |
| J | **Royalties for Regions Fund income** | 8,564 | 97,864 | (89,301) |
| | Royalties for Regions Fund decreased by $89.3 million (91.3%) due to the change in accounting policy. The Royalties for Regions Fund was reclassed from controlled revenue to administered revenue. This was a result of the review on the new AASB 15 Revenue from Contracts with Customers. | | | |

## Note 9.15 Explanatory statement (Controlled Operations) (continued)

| | Major Actual (2020) and Comparative (2019) Variance Narratives | 2020 Actual $000 | 2019 Actual $000 | Variance $000 |
|---|---|---|---|---|
| K | **Inventories** | 20,489 | 10,510 | 9,979 |
| | Inventories increased by $10.0 million (94.9%) due to medical supplies purchased for the WA Health system in order to cope with COVID-19. | | | |
| L | **Amounts receivable for services** | 64,461 | 57,084 | 7,376 |
| | Amounts receivable for services increased by $7.4 million (12.9%) due to a $5.0 million of non-cash service appropriation provided to the Department for asset replacement and a $2.6 million for Right-of-Use asset replacement. | | | |
| M | **Finance lease receivable** | 11,891 | 10,468 | 1,423 |
| | Finance lease receivable increased by $1.4 million (13.6%) due to the recognition of the current year's net lease receivable for the multi-deck car park at the Queen Elizabeth II Medical Centre. | | | |
| N | **Infrastructure, property, plant and equipment** | 22,306 | 36,439 | (14,133) |
| | Infrastructure, property, plant and equipment decreased by $14.1 million (38.8%) mainly due to the transfer of the land and building on Stubbs Terrace in Shenton Park to WA Country Health Service. | | | |
| O | **Employee related provisions (Current Liabilities)** | 23,518 | 18,633 | 4,884 |
| | Employee related provisions increased by $4.9 million (26.2%) due to additional staff employed to deal with COVID-19 and minimum leave taken in order to meet the COVID-19 response. | | | |
| P | **Employee related provisions (Non-Current Liabilities)** | 9,337 | 7,631 | 1,706 |
| | Employee related provisions increased by $1.7 million (22.4%) due to additional staff employed to deal with COVID-19 and minimum leave taken to meet COVID-19 response. | | | |
| Q | **Capital appropriations receipts** | 42,346 | 12,876 | 29,470 |
| | Capital appropriations receipts increased by $29.5 million (228.9%) due to an additional $14.5 million of capital funding provided for the COVID-19 Response, $25.0 million funding to the Department to recoup from prior year recurrent funds for capital projects, offset by a $10.0 million decrease in funding to the Perth Children's Hospital project which was commissioned during 2018-19. | | | |
| R | **Royalties for Regions Fund receipts** | 8,564 | 97,864 | (89,300) |
| | Royalties for Regions Fund receipts decreased by $89.3 million (91.2%) due to the change in accounting policy to reclass Royalties for Regions Fund from controlled revenue to administered revenue. This was a result of the application of AASB 15 Revenue from Contracts with Customers. | | | |
| S | **Employee benefits payments** | (117,630) | (101,877) | (15,753) |
| | Employee benefits payments increased by $15.8 million (15.5%) due to an increase in additional staff required to deal with the COVID-19 response, reform projects and other activities incurred during the financial year. | | | |
| T | **Contribution to Capital Works Fund payments** | - | (48,241) | 48,241 |
| | Contribution to Capital Works Fund payments decreased by $48.2 million (100%). There were no contributions in Capital Works Fund in 2019-20. | | | |
| U | **User charges and fees receipts** | 11,681 | 12,894 | (1,211) |
| | User charges and fees receipts decreased by $1.2 million (9.4%) due to a decrease in refunds by Health Service Providers of unused Home and Community Care funding from 2018-19. | | | |
| V | **Commonwealth grants and contributions receipts** | 2,479,205 | 2,233,680 | 245,525 |
| | Commonwealth grants and contributions receipts increased by $245.5 million (11.0%) due to increased funding under the National Health Reform Agreement, of which $52.0 million was a result of the prior year annual reconciliation process, and another $63.0 million as a result of increased estimated activity for 2019-20. In addition, under the National Partnership Agreement, $188.3 million was received in relation to the COVID-19 response, offset by a reduction of $53.2 million in other Commonwealth specific agreements as a result of reclassification from Department controlled revenue to administered revenue. | | | |
| W | **GST receipts on sales** | 26,721 | 23,170 | 3,552 |
| | GST receipts on sales increased by $3.6 million (15.3%) due to increased activity in purchasing in 2019-20. | | | |
| X | **Other receipts** | 16,599 | 30,511 | (13,912) |
| | Other receipts decreased by $13.9 million (45.6%) due to reduced cross border receipts in 2019-20 compared to 2018-19 where multiple years of cross border income was recognised. | | | |

## Note 10 Administered disclosures

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

| | Notes |
|---|---|
| Administered assets and liabilities | 10.1 |
| Disclosure of administered income and expenses by service | 10.2 |

### 10.1 Administered assets and liabilities

| | 2020 $000 | 2019 $000 |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 113,595 | 128,133 |
| Receivables | 18,953 | 9,640 |
| **Total administered current assets** | **132,548** | **137,773** |
| **Current liabilities** | | |
| Payables | (3,652) | (95) |
| **Total administered current liabilities** | **(3,652)** | **(95)** |

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 10.1 "Administered assets and liabilities' and note 10.2 '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 2020**

**Note 10.2 Disclosure of administered income and expenses by service**

| | Public Hospital Admitted Services | | Public Hospital Emergency Services | | Public Hospital Non-Admitted Services | | Mental Health Services | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Funding for Capital Works Fund transferred to: | | | | | | | | |
| Health Service Providers | 109,192 | 114,385 | 21,472 | 25,846 | 23,302 | 25,397 | 15,698 | 18,403 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| Transfer of activity based funding to Health Service Providers | - | - | - | - | - | - | 330,899 | 286,737 |
| Transfer of block funding to Health Service Providers | - | - | - | - | - | - | 363,479 | 278,596 |
| **Total administered expenses** | **109,192** | **114,385** | **21,472** | **25,846** | **23,302** | **25,397** | **710,076** | **583,736** |
| **Income** | | | | | | | | |
| Administered for Capital Works Fund: | | | | | | | | |
| Capital appropriations | 85,697 | 70,402 | 14,870 | 13,101 | 18,598 | 14,932 | 12,188 | 10,649 |
| Royalties for Regions Fund | 8,484 | 20,855 | 3,277 | 8,126 | 1,652 | 3,466 | 1,643 | 3,751 |
| Commonwealth grants and contributions | (116) | 1,834 | (16) | 249 | (24) | 401 | (24) | 391 |
| Contribution from Department of Health | - | - | - | - | - | - | - | - |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission (MHC) | | | | | | | | |
| Commonwealth activity based funding for MHC | - | - | - | - | - | - | 111,497 | 106,909 |
| Commonwealth block funding for MHC | - | - | - | - | - | - | 106,219 | 90,698 |
| State activity based funding from MHC | - | - | - | - | - | - | 219,402 | 179,828 |
| State block funding from MHC | - | - | - | - | - | - | 257,260 | 187,898 |
| **Total administered income** | **94,065** | **93,091** | **18,131** | **21,476** | **20,226** | **18,799** | **708,185** | **580,124** |

## Notes to the Financial Statements

### For the year ended 30 June 2020

### Note 10.2 Disclosure of administered income and expenses by service (continued)

| | Aged and Continuing Care Services | | Public and Community Health Services | | Pathology Services | | Community Dental Health Services | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Funding for Capital Works Fund transferred to: | | | | | | | | |
| Health Service Providers | 2,978 | 7,298 | 9,843 | 32,550 | 17,601 | - | 776 | 693 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| Transfer of activity based funding to Health Service Providers | - | - | - | - | - | - | - | - |
| Transfer of block funding to Health Service Providers | - | - | - | - | - | - | - | - |
| **Total administered expenses** | **2,978** | **7,298** | **9,843** | **32,550** | **17,601** | **-** | **776** | **693** |
| **Income** | | | | | | | | |
| Administered for Capital Works Fund: | | | | | | | | |
| Capital appropriations | 1,532 | (4,494) | 5,250 | 1,372 | 10,000 | - | 981 | 28 |
| Royalties for Regions Fund | 933 | 3,921 | 3,728 | 9,376 | - | - | - | - |
| Commonwealth grants and contributions | (2) | 30 | (8) | 173 | - | - | (10) | 147 |
| Contribution from Department of Health | - | 62 | - | 10,197 | - | - | - | 4 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission (MHC) | | | | | | | | |
| Commonwealth activity based funding for MHC | - | - | - | - | - | - | - | - |
| Commonwealth block funding for MHC | - | - | - | - | - | - | - | - |
| State activity based funding from MHC | - | - | - | - | - | - | - | - |
| State block funding from MHC | - | - | - | - | - | - | - | - |
| **Total administered income** | **2,463** | **(481)** | **8,970** | **21,118** | **10,000** | **-** | **971** | **179** |

## Notes to the Financial Statements

### For the year ended 30 June 2020

### Note 10.2 Disclosure of administered income and expenses by service (continued)

| | Small Rural Hospital Services | | Health System Management - Policy and Corporate Services | | Health Support Services | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 | 2020 $000 | 2019 $000 |
| **COST OF SERVICES** | | | | | | | | |
| **Expenses** | | | | | | | | |
| Funding for Capital Works Fund transferred to: | | | | | | | | |
| Health Service Providers | 5,989 | 10,759 | 15,191 | 940 | 32,481 | 21,048 | 254,523 | 257,319 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| Transfer of activity based funding to Health Service Providers | - | - | - | - | - | - | 330,899 | 286,737 |
| Transfer of block funding to Health Service Providers | - | - | - | - | - | - | 363,479 | 278,596 |
| **Total administered expenses** | **5,989** | **10,759** | **15,191** | **940** | **32,481** | **21,048** | **948,901** | **822,652** |
| **Income** | | | | | | | | |
| Administered for Capital Works Fund: | | | | | | | | |
| Capital appropriations | 1,016 | 1,416 | 60,731 | (9,631) | 10,692 | 12,914 | 221,555 | 110,689 |
| Royalties for Regions Fund | 3,725 | 7,331 | - | - | - | - | 23,442 | 56,826 |
| Commonwealth grants and contributions | - | 8 | - | 29 | - | - | (200) | 3,262 |
| Contribution from Department of Health | - | - | - | 98 | - | 38,141 | - | 48,502 |
| State Pool Account and State Managed Fund Account administered for Mental Health Commission | | | | | | | | |
| Commonwealth activity based funding for MHC | - | - | - | - | - | - | 111,497 | 106,909 |
| Commonwealth block funding for MHC | - | - | - | - | - | - | 106,219 | 90,698 |
| State activity based funding from MHC | - | - | - | - | - | - | 219,402 | 179,828 |
| State block funding from MHC | - | - | - | - | - | - | 257,260 | 187,898 |
| **Total administered income** | **4,741** | **8,755** | **60,731** | **(9,504)** | **10,692** | **51,055** | **939,175** | **784,612** |

# Other financial disclosures

## Summary of board and committee remuneration

The total annual remuneration in 2019–20 for all Department of Health boards and committees was $201,857 (see Table 30). For details of individual board and committee members please refer to Appendix 1.

Table 30: Summary of State Government boards and committees within the Department of Health, 2019–20

| Boards/Committee name | Total remuneration |
|---|---|
| Animal Resources Authority Board | |
| (Board remuneration is reported in the Animal Resources Centre annual report) | $0 |
| Cardiovascular Health Network Executive Advisory Group | $3,433 |
| Department of Health WA Human Research Ethics Committee | $42,960 |
| Diabetes and Endocrine Health Network Executive Advisory Group | $1,559 |
| Falls Prevention Health Network Executive Advisory Group | |
| (No meetings were held in 2019–20) | $0 |
| Fluoridation of Public Water Supplies Advisory Committee | |
| (No meetings were held in 2019–20) | $0 |
| Implementation Leadership Team – Voluntary Assisted Dying | $54,144 |
| Local Health Authorities Analytical Committee | $0 |
| Musculoskeletal Health Network Executive Advisory Group | |
| (No meetings were held in 2019–20) | $0 |
| Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia | $0 |
| Perinatal and Infant Mortality Committee | $62,060 |
| Pharmacy Registration Board of Western Australia | $11,100 |
| Radiological Council | $2,400 |
| Renal Health Network Executive Advisory Group | |
| (No meetings were held in 2019–20) | $0 |
| Respiratory Health Network Executive Advisory Group | $1,471 |
| State Perinatal Mental Health Reference Group | |
| (Ceased in 2013) | $0 |
| Stimulant Assessment Panel | $3,202 |
| Sustainable Health Independent Oversight Committee | $1,611 |
| Western Australian Board of the Medical Board of Australia | $0 |
| Western Australian Board of the Nursing and Midwifery Board of Australia | $0 |
| Western Australian Child and Youth Health Network Executive Advisory Group | $1,912 |
| WA Reproductive Technology Council | $12,354 |
| WA Reproductive Technology Council Counselling Committee | $710 |
| WA Reproductive Technology Council Embryo Storage Committee | $497 |
| WA Reproductive Technology Council Licensing and Administration Advisory Committee | $497 |
| WA Reproductive Technology Council Preimplantation Genetic Diagnosis Technical Advisory Committee | $142 |
| WA Reproductive Technology Council Scientific Advisory Committee | $497 |
| Women's and Newborns' Health Network Executive Advisory Group | $1,308 |
| **Total** | **$201,857** |

## Pricing policy

The National Health Reform Agreement 2011 sets the policy framework for 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* (WA).

The majority of public hospital fees and charges 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 for 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.

## Advertising expenditure

In 2019–20, in accordance with section 175Z of the *Electoral Act 1907*, the Department of Health incurred a total advertising expenditure of $4,774,563 (see Table 31), with the majority through the procurement of media advertising services (53 per cent) and with advertising agencies (28 per cent).

Table 31: Summary of Department of Health advertising in 2019–20

| Summary of advertising | Amount ($) |
|---|---|
| Advertising agencies | 1,321,627 |
| Market research organisations | 887,472 |
| Polling organisations | 0 |
| Direct mail organisations | 29,839 |
| Media advertising organisations | 2,535,625 |
| **Total advertising expenditure** | **4,774,563** |

The organisations from which advertising services were procured and the amount paid to each organisation is detailed in Table 32.

Table 32: Department of Health advertising, by class of expenditure, 2019–20

| Recipient/organisations | Amount ($) |
|---|---|
| **Advertising agencies** | |
| 303 MullenLowe | 1,134,516 |
| Actors Now | 6,232 |
| Alan Gregory Charles Little | 1,650 |
| Chanelle Hawkins | 1,650 |
| Cooch Creative | 4,169 |
| Francine Eades | 3,500 |
| JKD Design | 4,395 |
| Mary G Enterprises | 49,500 |
| Media on Mars | 4,125 |
| Rhythm Creative | 22,220 |
| Simone Alice Detourbet | 1,650 |
| Spotlight Advertising | 4,475 |
| ZAC Creative | 83,545 |
| **Total** | **1,321,627** |
| **Market research organisations** | |
| Edith Cowan University | 824,935 |
| Kantar | 15,290 |
| Painted Dog | 47,247 |
| **Total** | **887,472** |
| **Polling organisations** | |
| | 0 |
| **Total** | **0** |
| **Direct mail organisations** | |
| Quickmail | 29,839 |
| **Total** | **29,839** |
| **Media advertising organisations** | |
| Initiative | 2,421,653 |
| Facebook | 113,972 |
| **Total** | **2,535,625** |
| **Total advertising expenditure** | **4,774,563** |

## Major capital works

Tables 33 shows the projects that were completed in 2019–20.

Table 33: Major Asset Investment Program works completed during 2019–20

| Project Name | Total cost of project ($'000) |
|---|---|
| ICT iPharmacy | 1,083 |
| National Partnership Agreement – Improving Public Hospital Services | 86,266 |
| **Subtotal** | **87,349** |

Table 34 shows the projects currently in progress managed by the Department of Health.

Table 34: Major Asset Investment Program projects in progress during 2019–20

| Project Name | Expected year of completion | Estimated cost to complete ($'000) | Estimated total cost of project ($'000) | Variance from 2018–19 ($'000) |
|---|---|---|---|---|
| Kings Park Link Bridge[1] | N/A | 0 | 0 | 0 |
| Medical Accounts Assessment System[2] | N/A | 0 | 0 | 0 |
| Medical Equipment Replacement Program | Ongoing | 59,251 | 493,551 | 21,323 |
| Minor buildings works | Ongoing | 7,685 | 153,709 | -166 |
| Replacement of the Monitoring of Drugs and Dependence System[3] | 2020–21 | 824 | 1,253 | 331 |

**Notes**

a. The above information is based upon the:

   i. 2018–19 published budget papers

   ii. 2019–20 published budget papers.

b. Completion timeframes are based upon a combination of known dates at the time of reporting.

c. Only capital projects that were managed by the Department of Health are reflected in the table.

d. Variance represents the difference between the estimated total cost of the project in comparison to the total cost or estimated total cost of the project as reported in the 2018–19 Department of Health Annual Report. An explanation is provided below where a variance is greater than or equal to 10 per cent.

   The footnotes that apply to individual projects are:

   1. This project was transferred to Main Roads in 2019–20

   2. This project was transferred to Health Support Services in 2019–20.

   3. The project is required to align with the parameters of the HealthNext project and additional funding is being sourced internally.

## 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 11 instances of purchase cards being used for personal purposes.

The full amount ($2,038) was refunded before the end of the reporting period (see Table 35).

Table 35: Personal use expenditure by Department of Health purchasing cardholders, 2019–20

| Credit card personal use expenditure | Amount ($) |
|---|---|
| Aggregate amount of personal use expenditure for the reporting period | 2,038 |
| Aggregate amount of personal use expenditure settled by the due date (within 5 working days) | 2,038 |
| Aggregate amount of personal use expenditure settled after the period (after 5 working days) | 0 |
| Aggregate amount of personal use expenditure outstanding at the end of the reporting period | 0 |

# Appendix

# Appendix 1: Board and committee remuneration

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Cardiovascular Health Network Executive Advisory Group** | | | | |
| Clinical Co-lead | Dr Tony Mylius | Sessional | 12 months | $1,962 |
| Clinical Co-lead | Rick Bond | Sessional | 11 months | $1,471 |
| Member | Stephen Bloomer | Not eligible | Not applicable | $0 |
| 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 | 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 | Lucy Patel | Not eligible | Not applicable | $0 |
| Member | Dr Jamie Rankin | Not eligible | Not applicable | $0 |
| Member | Julie Smith | Not eligible | Not applicable | $0 |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| Member | Prof. David Playford | Not eligible | Not applicable | $0 |
| Member | Toby Richards | Not eligible | Not applicable | $0 |
| Member | Caitlin Bradley | Not eligible | Not applicable | $0 |
| Member | Dr Tina Bertilone | Not eligible | Not applicable | $0 |
| Member | Robert Larbalestier | Not eligible | Not applicable | $0 |
| Member | Dr Chris Judkins | Not eligible | Not applicable | $0 |
| Member | Dr James Ramsay | Not eligible | Not applicable | $0 |
| Member | Dr Judith Katzenellenbogen | Not eligible | Not applicable | $0 |
| Member | Helen McClean | Not eligible | Not applicable | $0 |
| Member | Geoff Bartle | Per meeting | 12 months | $0 |
| Member | Dr Andrew Bullock | Not eligible | Not applicable | $0 |
| Member | Lyn Dimer | Not eligible | Not applicable | $0 |
| Member | Russell Simpson | Not eligible | Not applicable | $0 |
| Member | Nik Stoyanov | Not eligible | Not applicable | $0 |
| Member | Leesa Thomas | Not eligible | Not applicable | $0 |
| Member | Selena West | Not eligible | Not applicable | $0 |
| | | | **Total** | **$3,433** |

| 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 | $19,200 |
| Deputy Member | Rev. Graham Maybury | Per meeting | 6 months | $660 |
| Deputy Member | Associate Prof. Ann McDonald | Per meeting | 12 months | $0 |
| Deputy Member | Yvonne Rate | Per meeting | 6 months | $0 |
| Deputy Member | Nadia Saba | Per meeting | 12 months | $0 |
| Deputy Member | Prof. Satvinder Dhaliwal | Per meeting | 12 months | $660 |
| Deputy Member | John McMath | Per meeting | 12 months | $330 |
| Deputy Member | Prof. Richard Brightwell | Per meeting | 12 months | $660 |
| Deputy Member | Richard Gillett | Not eligible | Not applicable | $0 |
| Deputy Member | Sonia McKeiver | Per meeting | 12 months | $0 |
| Deputy Member | Bret Watson | Per meeting | 12 months | $330 |
| Member | Associate Prof. Alison Reid | Per meeting | 12 months | $3,300 |
| Member | Shane Gallagher | Not eligible | Not applicable | $0 |
| Member | Natalie Fleetwood | Per meeting | 12 months | $3,630 |
| Member | Dr Angela Ives | Per meeting | 12 months | $3,630 |
| Member | Dr Phillip Jacobsen | Per meeting | 12 months | $3,300 |
| Member | Kathryn Kirk | Per meeting | 12 months | $3,630 |
| Member | Jennifer Wall | Per meeting | 6 months | $1,650 |
| Member | Stephen Woods | Not eligible | Not applicable | $0 |
| Member | Suzanne Hillier | Not eligible | Not applicable | $0 |
| Member | Prof. Colleen Haywood | Per meeting | 12 months | $1,980 |
| | | | **Total** | **$42,960** |
| **Diabetes and Endocrine Health Network Executive Advisory Group** | | | | |
| Clinical Co-lead | Prof. Tim Davis | Sessional | 12 months | $981 |
| Clinical Co-lead | Sophie McGough | Sessional | 12 months | $508 |
| Member | Deborah Schofield | Not eligible | Not applicable | $0 |
| Member | Dr Gerry Fegan | 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 | Declan Casley | Per meeting | 12 months | $70 |
| | | | **Total** | **$1,559** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Implementation Leadership Team – Voluntary Assisted Dying** | | | | |
| Chair | Scott Blackwell | Per meeting | 3 months | $7,425 |
| Deputy Chair | Noreen Fynn | Per meeting | 3 months | $4,296 |
| Member | Elissa Campbell | Per meeting | 3 months | $4,833 |
| Member | Amanda Collins-Clinch | Per meeting | 3 months | $4,296 |
| Member | Margaret Denton | Not eligible | Not applicable | $0 |
| Member | Stephanie Dowden | Per meeting | 3 months | $8,592 |
| Member | Chris Etherton-Beer | Per meeting | 3 months | $4,833 |
| Member | Chris Kane | Per meeting | 3 months | $6,981 |
| Member | Andrew Miller | Per meeting | 3 months | $7,518 |
| Member | Sally Talbot | Not eligible | Not applicable | $0 |
| Member | Peter Wallace | Per meeting | 3 months | $5,370 |
| | | | **Total** | **$54,144** |
| **Local Health Authorities Analytical Committee** | | | | |
| Member | David Wilson | Not eligible | Not applicable | $0 |
| Member | Freya Ayliffe | Not eligible | Not applicable | $0 |
| Member | Sarah Upton | Not eligible | Not applicable | $0 |
| Member | Emily Dunn | Not eligible | Not applicable | $0 |
| Member | Kim Frost | Not eligible | Not applicable | $0 |
| Member | Ryan Quinn | Not eligible | Not applicable | $0 |
| Member | Ellie Robinson | Not eligible | Not applicable | $0 |
| Member | Hannah Robinson | Not eligible | Not applicable | $0 |
| Member | Tsyr Chiat Chew | Not eligible | Not applicable | $0 |
| | | | **Total** | **$0** |
| **Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia** | | | | |
| Acting Chair | Neil McLean | Per meeting | 12 months | $0 |
| Member | Elizabeth (Claire) Pritchard | Per meeting | 9 months | $0 |
| Member | Carolyn Bight | Per meeting | 12 months | $0 |
| Member | Deearne Gould | Per meeting | 12 months | $0 |
| Member | Theodore Sharp | Per meeting | 12 months | $0 |
| Board members are not remunerated by the Department of Health. | | | **Total** | **$0** |
| **Perinatal and Infant Mortality Committee** | | | | |
| Investigator | Dr Christine Marsack | Annual | 12 months | $11,780 |
| Investigator | Dr Keren Witcombe | Annual | 12 months | $11,320 |
| Investigator | Dr Corrado Minutillo | Annual | 6 months | $0 |
| Investigator | Dr Ronald Hagan | Annual | 6 months | $11,056 |
| Investigator | Dr Noel French | Annual | 12 months | $27,904 |
| Chair | Prof. John Newnham | Not eligible | Not applicable | $0 |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| Member | Dr Stephen Resnick | Not eligible | Not applicable | $0 |
| Member | Dr Gayatri Jape | 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 Robert Perry | Not eligible | Not applicable | $0 |
| Member | Louise Keyes | Not eligible | Not applicable | $0 |
| Member | Dr Chhaya Mehrotra | Not eligible | Not applicable | $0 |
| Member | Heather Woods | Not eligible | Not applicable | $0 |
| Member | Dr Scott White | Not eligible | Not applicable | $0 |
| Member | Dr Peta Ann Sadler | Not eligible | Not applicable | $0 |
| Member | Prof. Helen Leonard | Not eligible | Not applicable | $0 |
| | | | **Total** | **$62,060** |
| **Pharmacy Registration Board of Western Australia** | | | | |
| Presiding Member | Giovanna Cecchele | Per meeting | 12 months | $4,080 |
| Deputy Presiding Member | Dean Schulze | Per meeting | 12 months | $2,300 |
| Member | Debra Letica | Per meeting | 12 months | $2,880 |
| Member | Linda Keane | Per meeting | 10 months | $1,840 |
| | | | **Total** | **$11,100** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Radiological Council** | | | | |
| Chair | Dr Andrew Geoffrey Robertson | Not eligible | Not applicable | $0 |
| Deputy Chair | Dr Revle Diane Bangor-Jones | Not eligible | Not applicable | $0 |
| Member | Dr Chandra Padmini Hewavitharana | Not eligible | Not applicable | $0 |
| Member | Dr Roger Ian Price | Per meeting | 9 months | $960 |
| Member | Christopher John Whennan | Not eligible | Not applicable | $0 |
| Member | Dr Elizabeth Louise Thomas | Not eligible | Not applicable | $0 |
| Member (Non-voting) | Nick Tsurikov | Per meeting | 12 months | $1,120 |
| Deputy Member | Dr Deepthi Dissanayake | Not eligible | Not applicable | $0 |
| Member | Darius Kwiatkowski | Not eligible | Not applicable | $0 |
| Member | Associate Prof. Ros Francis | Not eligible | Not applicable | $0 |
| Deputy Member | Helen Parry | Not eligible | Not applicable | $0 |
| Deputy Member | Cameron Storm | Per meeting | 9 months | $0 |
| Member (Non-voting) | Frank Harris | Per meeting | 6 months | $320 |
| | | | **Total** | **$2,400** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Respiratory Health Network Executive Advisory Group** | | | | |
| Clinical Lead | Li Ping Chung | Sessional | 12 months | $1,471 |
| Member | Jenny Howson | Not eligible | Not applicable | $0 |
| Member | Renate Jolly | Not eligible | Not applicable | $0 |
| Member | John McLachlan | Not eligible | Not applicable | $0 |
| Member | Kirsty Tilden | Not eligible | Not applicable | $0 |
| Member | Dr Corey Lei | Not eligible | Not applicable | $0 |
| Member | Robert Blakeman | Not eligible | Not applicable | $0 |
| Member | Charlotte Steed | Not eligible | Not applicable | $0 |
| Member | Pamela Laird | Not eligible | Not applicable | $0 |
| Member | Siobhain Mulrennan | Not eligible | Not applicable | $0 |
| Member | Dr John McLachlan | Not eligible | Not applicable | $0 |
| Member | Dr Su Lyn Leong | Not eligible | Not applicable | $0 |
| Member | Dr Vin Cavalheri | Not eligible | Not applicable | $0 |
| Member | Dr Gemma Johnson | Not eligible | Not applicable | $0 |
| Member | Sharon Lagan | Not eligible | Not applicable | $0 |
| Member | Aeisha Neilsen | Not eligible | Not applicable | $0 |
| Member | Dr Anne O'Donnell | Not eligible | Not applicable | $0 |
| Member | Vivienne Travlos | Not eligible | Not applicable | $0 |
| Member | Tina Turia-Waldon | Per meeting | 12 months | $0 |
| | | | **Total** | **$1,471** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Stimulant Assessment Panel** | | | | |
| Chair | * | Not eligible | Not applicable | $0 |
| Chair (Previous) | * | 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 | $1,372 |
| Member 6 | * | Per meeting | 12 months | $1,830 |
| Member 7 | * | Per meeting | 12 months | $0 |
| Member 8 | * | Not eligible | Not applicable | $0 |
| Member 9 | * | Not eligible | Not applicable | $0 |
| *Approval to withhold the names of the committee members was obtained from the Minister for Health | | | **Total** | **$3,202** |
| **Sustainable Health Independent Oversight Committee** | | | | |
| Member | Dr Richard Choong | Sessional | 9 months | $0 |
| Member | Margaret Doherty | Sessional | 9 months | $0 |
| Member | Prof. Fiona Wood | Not eligible | Not applicable | $0 |
| Member | Meredith Hammat | Sessional | 9 months | $1,074 |
| Member | Tim Marney | Sessional | 9 months | $0 |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| Member | Lesley Nelson | Sessional | 9 months | $0 |
| Member | Elizabeth Prime | Sessional | 9 months | $537 |
| | | | **Total** | **$1,611** |
| **Western Australian Board of the Medical Board of Australia** | | | | |
| Chair | Prof. Con Michael | Per meeting | 12 months | $0 |
| Member | Dr Alan Duncan | Per meeting | 12 months | $0 |
| Member | Dr Michael Levitt | Per meeting | 12 months | $0 |
| Member | Dr Mark Edwards | Per meeting | 12 months | $0 |
| Member | Dr Clare Matthews | Per meeting | 12 months | $0 |
| Member | Dr George Eskander | Per meeting | 12 months | $0 |
| Member | Dr Richelle Douglas | Per meeting | 12 months | $0 |
| Member | Dr Pathma Edge | Per meeting | 12 months | $0 |
| Member | Sonia McKeiver | Per meeting | 12 months | $0 |
| Member | Meneesha Michalka | Per meeting | 12 months | $0 |
| Member | Virginia Rivalland | Per meeting | 4 months | $0 |
| Member | Liam Roche | Per meeting | 7 months | $0 |
| Member | Colleen Rebelo | Per meeting | 6 months | $0 |
| Board members are not remunerated by the Department of Health. | | | **Total** | **$0** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Western Australian Board of the Nursing and Midwifery Board of Australia** | | | | |
| Chair | Marie Louise MacDonald | Per meeting | Per meeting | $0 |
| Member | Karen Gullick | Per meeting | Per meeting | $0 |
| Member | Dr Sara Bayes | Per meeting | Per meeting | $0 |
| Member | Evan Hill | Per meeting | Per meeting | $0 |
| Member | Kristian Malic | Per meeting | Per meeting | $0 |
| Member | Michael Piu | Per meeting | Per meeting | $0 |
| Member | John Kimberley Laurence | Per meeting | Per meeting | $0 |
| Member | Dr Margaret Crowley | Per meeting | Per meeting | $0 |
| Board members are not remunerated by the Department of Health. | | | **Total** | **$0** |
| **Western Australian Child and Youth Health Network Executive Advisory Group** | | | | |
| Clinical Co-lead | Dr Alide Smit | Sessional | 12 months | $956 |
| Clinical Co-lead | Dr Helen Wright | Sessional | 12 months | $956 |
| 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 |

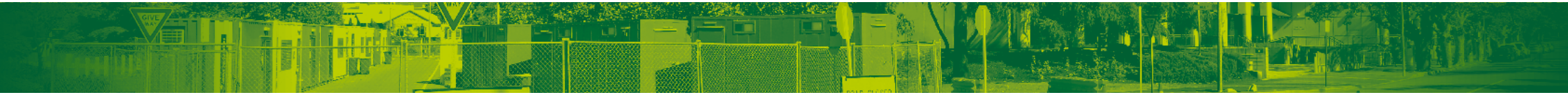
| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| Member | Alicia Bouskis | Not eligible | Not applicable | $0 |
| Member | Terri Barrett | Not eligible | Not applicable | $0 |
| Member | Janine Spencer | Not eligible | Not applicable | $0 |
| Member | Marie Deverell | Not eligible | Not applicable | $0 |
| Member | Jessica Hilliar | Not eligible | Not applicable | $0 |
| Member | Alysha Loffler | Per meeting | 3 months | $0 |
| Member | Joanna Harper | Not eligible | Not applicable | $0 |
| Member | Penny Walls | Not eligible | Not applicable | $0 |
| Member | Keisha Calyun | Not eligible | Not applicable | $0 |
| Member | Jhi Clarke | Not eligible | Not applicable | $0 |
| Member | Steve Oo | Not eligible | Not applicable | $0 |
| | | | **Total** | **$1,912** |
| **WA Reproductive Technology Council** | | | | |
| Chair | Prof. Stephan Millet | Per meeting | 12 months | $1,775 |
| Past Chair | Dr Brenda McGivern | Per meeting | 6 months | $852 |
| Member | Antonia Clissa | Per meeting | 12 months | $1,278 |
| Member | Dr Angela Cooney | Per meeting | 12 months | $1,278 |
| Member | Dr Veronica Edwards | Not eligible | Not applicable | $0 |
| Member | Justine Garbellini | Not eligible | Not applicable | $0 |
| Member | Prof. Roger Hart | Per meeting | 12 months | $710 |
| Member | Kerry MacDonald | Not eligible | Not applicable | $0 |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| Member | Dr Joseph Parkinson | Per meeting | 12 months | $994 |
| Member | Associate Prof. Peter Roberts | Per meeting | 12 months | $1,420 |
| Member | Dr John Beilby | Not eligible | Not applicable | $0 |
| Member | Dr Lucy Williams | Per meeting | 12 months | $1,136 |
| Deputy Member | Dr Peter Burton | Sessional | 12 months | $0 |
| Deputy Member | Dr Megan Byrnes | Sessional | 12 months | $0 |
| Deputy Member | Rev Brian Carey | Sessional | 6 months | $568 |
| Deputy Member | Dr Louise Farrell | Sessional | 12 months | $284 |
| Deputy Member | Renee Fox | Not eligible | Not applicable | $0 |
| Deputy Member | Dr Michele Hansen | Per meeting | 12 months | $284 |
| Deputy Member | Dr Andrew Harman | Per meeting | 12 months | $1,207 |
| Deputy Member | Iolanda Rodino | Per meeting | 11 months | $426 |
| Deputy Member | Rachel Oakeley | Per meeting | 12 months | $142 |
| Deputy Member | Dianne Scarle | Not eligible | Not applicable | $0 |
| | | | **Total** | **$12,354** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **WA Reproductive Technology Council Counselling Committee** | | | | |
| Chair | Iolanda Rodino | Per meeting | 11 months | $426 |
| Member | Justine Garbellini | Not eligible | Not applicable | $0 |
| Member | Dr Veronica Edwards | Not eligible | Not applicable | $0 |
| Member | Dr Elizabeth Webb | Per meeting | 12 months | $284 |
| | | | **Total** | **$710** |
| **WA Reproductive Technology Council Embryo Storage Committee** | | | | |
| Chair | Rev Brian Carey | Per meeting | 12 months | $0 |
| Member | Antonia Clissa | Per meeting | 12 months | $142 |
| Member | Dr Andrew Harman | Per meeting | 12 months | $213 |
| Member | Dr Angela Cooney | Per meeting | 12 months | $142 |
| | | | **Total** | **$497** |
| **WA Reproductive Technology Council Licensing and Administration Advisory Committee** | | | | |
| Chair | Dr Joseph Parkinson | Per meeting | 12 months | $213 |
| Member | Dr Angela Cooney | Per meeting | 12 months | $142 |
| Member | Prof. Roger Hart | Per meeting | 12 months | $0 |
| Member | Associate Prof. Peter Roberts | Per meeting | 12 months | $142 |
| Member | Iolanda Rodino | Per meeting | 12 months | $0 |
| | | | **Total** | **$497** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **WA Reproductive Technology Council Preimplantation Genetic Diagnosis Technical Advisory Committee** | | | | |
| Chair | Dr John Beilby | Not eligible | Not applicable | $0 |
| Member | Dr Kathy Sanders | Per meeting | 12 months | $142 |
| Member | Dr Peter Burton | Per meeting | 12 months | $0 |
| Member | Dr Sharon Townshend | Not eligible | Not applicable | $0 |
| | | | **Total** | **$142** |
| **WA Reproductive Technology Council Scientific Advisory Committee** | | | | |
| Chair | Professor Roger Hart | Sessional | 12 months | $0 |
| Member | Dr Peter Burton | Sessional | 12 months | $0 |
| Member | Dr Michele Hansen | Sessional | 12 months | $142 |
| Member | Dr Andrew Harman | Sessional | 12 months | $0 |
| Member | Dr Joseph Parkinson | Sessional | 12 months | $213 |
| Member | Associate Prof. Peter Roberts | Sessional | 12 months | $142 |
| Member | Dr Lucy Williams | Sessional | 12 months | $0 |
| | | | **Total** | **$497** |

| Position | Name | Type of remuneration | Period of membership | Gross/actual remuneration |
|---|---|---|---|---|
| **Women's and Newborns' Health Network Executive Advisory Group** | | | | |
| Clinical Co-lead | Dr Kate Reynolds | Sessional | 11 months | $327 |
| Clinical Co-lead | Dr Chris Griffin | Sessional | 11 months | $981 |
| Member | Zel Iscel | Not eligible | Not applicable | $0 |
| Member | Tracy Martin | Not eligible | Not applicable | $0 |
| Member | Rachel Pearce | Not eligible | Not applicable | $0 |
| Member | Paula Wells | Not eligible | Not applicable | $0 |
| Member | Pierra O'Brien | Per meeting | 4 months | $0 |
| Member | Jean Du Plessis | Not eligible | Not applicable | $0 |
| Member | Sandra Flugge | Not eligible | Not applicable | $0 |
| Member | Kellie Busher | Not eligible | Not applicable | $0 |
| Member | Pip Brennan | Not eligible | Not applicable | $0 |
| Member | Kathy Blitz-Cokis | Not eligible | Not applicable | $0 |
| Member | Louise Keyes | Not eligible | Not applicable | $0 |
| | | | **Total** | **$1,308** |



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