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

Annual Report 2018–2019

Department of Health

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Department of Health

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This annual report provides an overview of the Department of Health operations for the financial year ended 30 June 2019.

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 Annual Report of the Department of Health for the financial year ending 30 June 2019.

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

The financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.

Dr D J Russell-Weisz
DIRECTOR GENERAL
DEPARTMENT OF HEALTH

16 September 2019

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From the Director General

I am pleased to report that there were many important achievements made across the Department of Health during 2018–19 that will create lasting benefits for the WA health system and the community.

There were also several major challenges, each providing lessons from which we must reflect and learn.

High on our list of achievements was the release in April 2019 of the Sustainable Health Review, a comprehensive document that provides us with an ambitious blueprint for reshaping the health system over the next decade.

It serves as a guide to transforming the system into one that is sustainable into the future – changing it from one centred primarily on hospital-based care to one that prioritises illness prevention and investment in more readily accessible, community-based services.

Following its release in April 2019, an implementation support team was formed. This team wasted no time in setting to work on supporting the reform agenda set out in the Review's eight Enduring Strategies and 30 Recommendations. Implementation itself will be led by the Department and the Heath Service Providers, along with our key external stakeholders.

The Sustainable Health Review's fifth enduring strategy calls on us to drive safety, quality and value through transparent funding and planning. The Department has undertaken work on the non-hospital services model, which provides greater transparency to funding allocations for the non-hospital services program. The Department also continues to improve stakeholder engagement with Health Service Providers and community sector regarding directions and expectations of funding allocations.

The Sustainable Health Review also challenges us to innovate for sustainability. As such, laying the groundwork for a Future Health Research and Innovation Fund – a priority implementation action and a key State Government election commitment – kept the Department busy during 2018–19.

The fund will provide a secure and ongoing funding source for the health and medical research sector. While the fund is expected to come into place by July 2020, extensive work has been undertaken to develop the appropriate legislation, governance and evaluation frameworks. Wide stakeholder engagement was also undertaken to help prioritise areas for funding.

Key among this consultation was an in-person stakeholder forum and a month-long online survey. Feedback from both will inform the Future Health Research and Innovation Fund Strategy which will guide the allocation of funding.

Through its role in facilitating community consultation ahead of the State Government's proposed voluntary assisted dying legislation, the Department also embraced the Sustainable Health Review's third enduring strategy: Great beginnings and a dignified end of life.

Similarly it supported the 13-member Ministerial Expert Panel, chaired by former Governor Malcolm McCusker, which was established to report on the issues.

In what was one of the largest programs of consultation ever undertaken by the Department, members of the public were given the opportunity to contribute their views via a dedicated online portal or at one of 11 public forums held in metropolitan and regional centres throughout the State.

More than 1,400 Western Australians participated in the consultation – 867 in person and 541 through written submissions – contributing to a report of the Ministerial panel which will be used to inform development of workable legislation.

Alongside the voluntary assisted dying legislation, equal focus has been placed on better resourcing our palliative care sector. An additional $35.2 million was announced in 2018–19 primarily in rural and regional areas to significantly enhance this critical part of health care delivery.

Two further reform priorities were also put into the spotlight after stakeholder consultations into mental health and climate change were announced.

The Review of the Clinical Governance of Public Mental Health Services was designed to enhance the provision of mental health services in Western Australia. During a three-month consultation period in early 2019, clinicians, consumers and carers, organisations and service providers shared experiences and insights into the State's mental health system.

More than 100 submissions were received by an independent panel that was formed to oversee the consultation. These will be incorporated into a report for the Minister for Health.

Also last financial year, former Chief Health Officer Professor Tarun Weeramanthri was appointed to lead a broad-ranging inquiry into the impact of climate change on health in WA. The inquiry will investigate the health implications of more frequent and intense weather events and will explore ways of improving the preparedness of the health system and community to deal with such impacts.

The inquiry will also consider options for reducing the health system's environmental footprint.

Last year also saw the release of a significant Corruption and Crime Commission report that detailed allegations of serious corruption in a section of the health system.

It was extraordinarily disappointing that the misconduct of a small few tarnished the reputation of our organisation and overshadowed the work of the vast majority of honest and highly dedicated staff members.

It did however highlight the importance of being vigilant to wrongdoing and much has been done since to strengthen safeguards to protect the integrity of our health system, in the fields of education, prevention and detection.

This has included the development of a systemwide Integrity Policy Framework and Fraud and Corruption Policy and the establishment of online Gift Declaration and Conflict of Interest Declaration registries.

This important work was further reinforced by efforts to enhance the culture of our workforce.

In 2018–19, we threw our support behind the Your Voice in Health staff survey, a Ministerial initiative to gauge staff morale among members of the health workforce.

Department staff members were strongly encouraged to have their say via this comprehensive online survey which focussed on aspects of culture and morale.

Results of this survey were shared with staff and work has begun to implement strategies to address the main areas of concern, as identified in the survey.

Through 2018–19 the Department also worked hard to minimise the spread of infectious disease in the community.

Work commenced on the introduction of a "no jab, no play" policy, a measure expected to enhance vaccination rates for young children. Under new regulations, which will come into effect next year, young children will be excluded from non-compulsory education if they are not fully up to date with their vaccinations and do not meet exemption criteria.

While working on this important policy change, the Department's Communicable Disease Control Directorate was also stretched as it dealt with the unseasonably early start to the influenza season. On top of its regular business of managing vaccine supplies, arranging staff immunisation clinics, monitoring trends in infection and providing public health direction and advice it also contended with relentless media interest in the outbreak.

Another significant staff development in 2018–19 was the relocation of public health staff based at Grace Vaughan House in Shenton Park to the Department's head office in Royal Street East Perth. This will lead to stronger working relationships between the public health team and other divisions.

I take this opportunity to acknowledge the Department's more than 900-strong staff for their ongoing dedication and commitment to our health system and look forward to a productive year ahead.

Dr D J Russell-Weisz
Director General – Department of Health

Our achievements

150 national and international delegates attended the inaugural **Precision Public Health Asia Symposium** which was co-organised by the Department of Health

19,800 WA students received a nutritious breakfast every week as part of the **School Breakfast and Nutrition Education Program**

87% of the WA health system has completed the **Aboriginal Cultural eLearning – A Healthier Future**. This aims to ensure WA Health staff provide culturally appropriate health services for Aboriginal people living in Western Australia

120 additional **Transition Care Program** places were secured to help older people remain independent after a hospital stay

128 pre-service teachers and **195** practising teachers in WA received **RefreshED training** to assist them to **promote healthy eating habits** in school students

Over 50 performance review meetings were held with Health Service Providers to ensure minimum standards of health service delivery were achieved

Approximately **150,000** Western Australians called the **Healthdirect** triage and advice telephone service

A program to increase the availability of new treatments and improve access to them in WA prisons has resulted in the proportion of **WA prisoners with hepatitis C decreasing** from 17% in 2016 to 12% in 2018 ↓12%

4 **Health Service Provider Board Chairs** were reappointed in their roles for a further three years

130 delegates across WA Health attended the **High Value Healthcare Galvanising Health in WA Workshop** that focused on Sepsis, Goals of Patient Care and the Choosing Wisely Australia® initiative

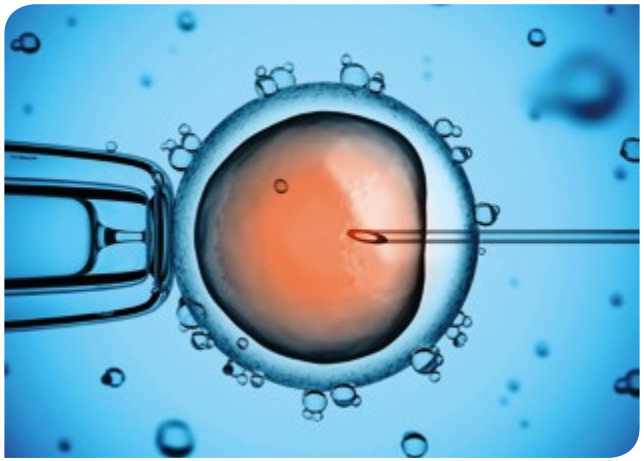
91% Through a comprehensive public health response to **HIV prevention** and control 91% of people diagnosed with HIV in 2018 commenced treatment within one month of diagnosis

The percentage of **Aboriginal employees** in the Department of Health increased from 1.6% to 1.8% from July 2018 to June 2019 ↑1.8%

The Sustainable Health Review Final Report was released by the Minister for Health on 10 April 2019. The Final Report has eight Enduring Strategies and 30 Recommendations that seek to drive a cultural and behavioural shift across the health system. These Enduring Strategies were developed following extensive engagement, informed by evidence and best practice; and were consistently reinforced in discussions with stakeholders in metropolitan and country areas.

A Review of health and medical research, innovation and commercialisation in WA, Australia and internationally was conducted to inform the establishment of the State Government's Future Health Research and Innovation (FHRI) Fund. Major stakeholder consultation with nearly 200 delegates was conducted to inform the development of a Strategy that will guide priorities of the FHRI Fund.

In 2018, the Government accepted the 24 recommendations of the Joint Select Committee Report on End of Life Choices, My Life, My Choice. The Report addressed the question of voluntary assisted dying and palliative care. In line with these recommendations the Department of Health released the WA End-of-Life and Palliative Care Strategy 2018–2028. The Department also provided project oversight and secretariat support to an expert panel appointed by the Minister for Health to develop workable and compassionate voluntary assisted dying legislation. This included extensive statewide community consultation on key issues concerning voluntary assisted dying. Legislation will be introduced into Parliament in 2019.



The Review of the *Western Australian Human Reproductive Technology Act 1991* and *Surrogacy Act 2008* was completed. The review involved extensive stakeholder consultation through four public forums, seven parliamentary briefings, numerous individual face-to-face briefings and the acceptance of 126 written submissions. The review made a total of 122 recommendations. The two-part report has been tabled in State Parliament.

The Department of Health in collaboration with an extensive group of key stakeholders including health consumers, carers, clinical, corporate and health system leadership representatives commenced development of the WA Health Digital Strategy for the Western Australian health system. The Digital Strategy sets the systemwide transformation in the way health services are delivered in Western Australia into the future.

Approval from the Department of Health is required by health professionals to prescribe cannabis-based products. To enable prescribers to efficiently seek approval for the use of cannabis-based products for their patients, an online application system was developed. This has allowed the Department of Health to improve their response time, enabling prescribers to receive feedback about their application within 48 hours.

With an increasing number of people attending emergency departments in WA, due to methamphetamine-related side effects, a project was commenced to collect information about this significant health matter. This information will support the development of health prevention and health care initiatives that address the health impact of methamphetamine usage in the Western Australian community.

The first Western Australian Non-Admitted Dental Data Collection has been developed to support dental health service planning and meet future dental health care needs of the community.

A Non-Hospital Funding Model to address the funding requirements of prevention and promotion, palliative care, patient transport and Aboriginal health services was completed. This Model enables greater transparency for current and future funding requirements of non-hospital services.

The WA Men's Health and Wellbeing Policy was approved by the Minister for Health in April 2019. This Policy provides directions for WA Health and its partners to deliver strategies that improve the physical, mental, social and emotional wellbeing of men and boys living in Western Australia.

The recent review and assessment of the existing Medical Equipment Replacement Program resulted in a business case that enabled the continuation of funding to 2023–24 of $22.5 million.

In 2019, the WA Health Strategic Asset Plan 2019–2029 was developed and focuses on future WA Health service delivery objectives, asset network and investment needs.

Western Australia's first Statewide Medicines Formulary (SMF) has been developed to assist clinicians prescribe medicines to patients. Formulary One is the web-based platform that hosts the SMF. The SMF had its first full year of activity in 2018–19 and processed 43 submissions to list new medicines. Formulary One is receiving approximately 6,500 views per month.

Due to a research grant provided by the Department of Health underpinned by a $50 million investment by Government, patients with rare and uncommon cancers in Western Australian will now have greater access to molecular screening and therapeutic clinical trials that can offer the latest therapies, including new drugs and immunotherapies.

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Overview of agency

Our direction

Our purpose

- Overall management of the WA health system

Our vision

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

Our mission

To lead and steward the WA health system

Our values

- Respect
- Excellence
- Integrity
- Teamwork
- Leadership

Our functions

- Provide strategic leadership and direction for health
- Develop statewide plans
- Protect and promote public health
- Purchase health services
- Manage budget and resources efficiently
- Support and monitor the quality of health service delivery
- Develop the workforce and manage industrial relations
- Manage information and communications technology

Our directions

- Lead and steward
- Govern and assure
- Protect and enable

Our challenges

- Ensuring statewide community health needs are met
- Managing our budget and resources efficiently
- Managing financial and service delivery performance
- Developing our workforce and managing industrial relations
- Managing health information and communications technology

Our case for change

- More sustainable health system: Sustainable Health Review

Our capability

- Broad and robust set of skills and knowledge
- Strategic and policy development and advice
- Leadership and management
- Stakeholder engagement and collaboration
- High organisational performance
- Enabling functions
- Strong governance

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 Department of Health was established by the Governor under section 35 of the *Public Sector Management Act 1994*. The Director General of Health, Dr D J Russell-Weisz, as the System Manager, is responsible for the overall management and performance of the WA health system. Health Service Providers are responsible for the delivery of public health services to their community.

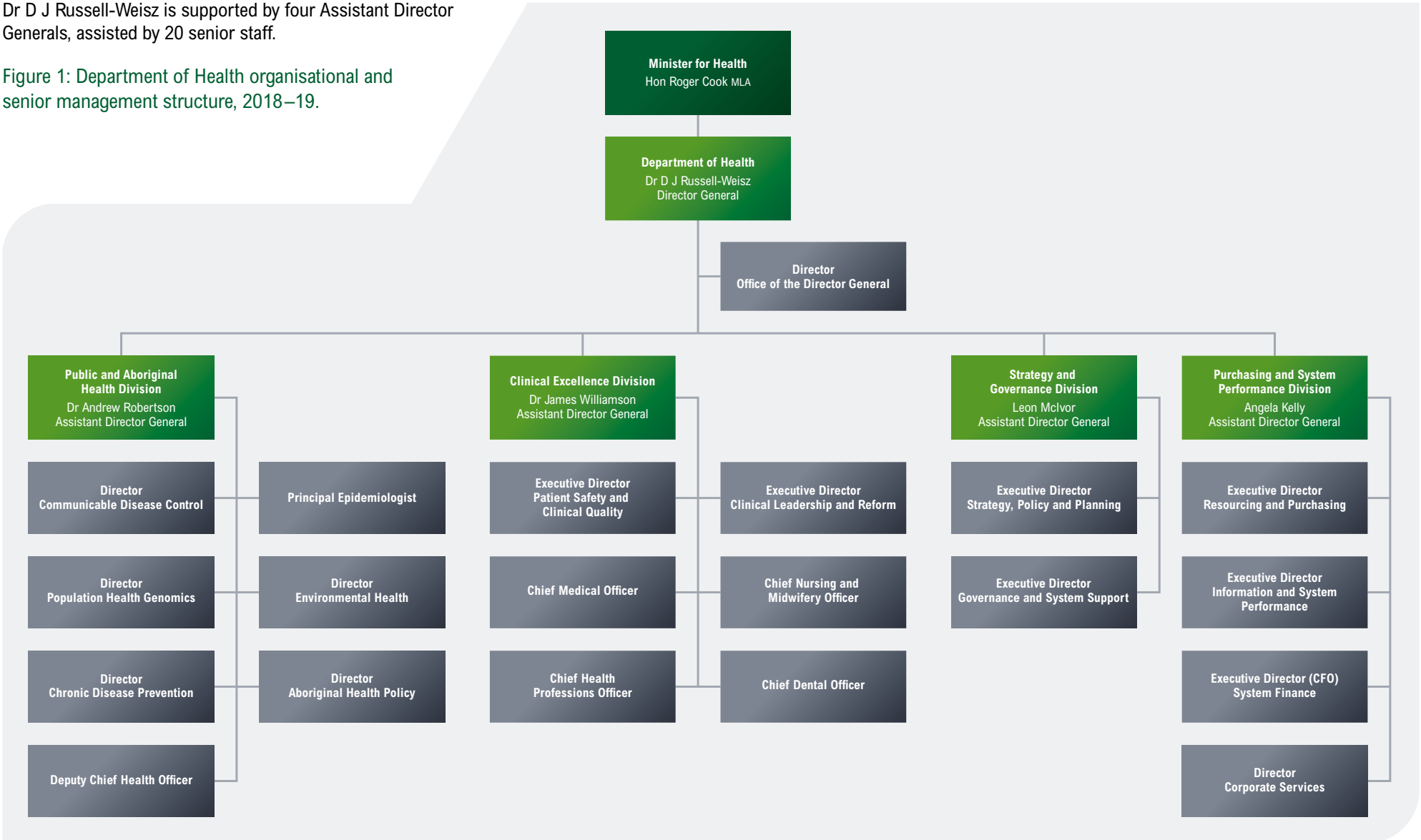
The Director General reports to the Minister for Health and provides leadership and stewardship of the health system. This includes the development of an overarching systemwide strategy, effective service planning, and setting high-level strategic priorities and goals for the WA health system.

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

Our organisational structure

Dr D J Russell-Weisz is supported by four Assistant Director Generals, assisted by 20 senior staff.

Figure 1: Department of Health organisational and senior management structure, 2018–19.



Our operational structure

In 2018–19, the Department of Health comprised a dedicated and committed workforce of over 900 people working across the following four Divisions:

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

Public and Aboriginal Health Division

The Public and Aboriginal Health Division protects and promotes the health of the WA population by applying primary preventive measures, promoting healthy behaviours and environments, and intervening to reduce hazards to health.

The Division is responsible for overseeing matters such as regulation of food and tobacco products, water and radiation safety, regulation of medicines and poisons, vector control, waste-water management, immunisation, infectious disease surveillance, outbreak investigation, and disaster management, as well as both encouraging and enabling healthy lifestyles and Aboriginal health and wellbeing.

It also collects and analyses statewide health information for surveillance and monitoring the population's health status.

Purchasing and System Performance Division

The Purchasing and System Performance Division is responsible for acquiring resources at a whole of health level, through the State resource acquisition process. This includes the delivery of the annual budget and mid-year review process with significant engagement with Health Service Providers and the Department of Treasury. It also acts as the interface with national health pricing and funding bodies.

The Purchasing and System Performance Division is also accountable for the strategic management of the resource allocation process, including development of service agreements between the System Manager and Health Service Providers, the Head Agreement with the Mental Health Commission, and key community sector contracts across relevant program areas for statewide services. It also provides strategic leadership and advice on financial management for the WA health system and is responsible for the oversight of financial accounting and management including cash management, revenue strategy, policy and reporting.

The Purchasing and System Performance Division supports key elements of the role of System Manager including stewardship, governance, oversight and assurance, and leadership through delivery of the data collections, data linkage, analysis and integrity, data warehousing and management, application development and improvement and analytical functions to support and enhance planning, forecasting and complex analysis of current and future health service delivery and performance.

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 oversees and stewards the delivery of WA Health's infrastructure programs, including WA Health's Asset Investment Program, and Infrastructure Policy Framework, the management of key capital statewide programs and provides support to Health Service Providers in relation to key land and property management issues.

In addition to the services provided on behalf of the WA Health System, the Purchasing and System Performance Division is also responsible for providing corporate services to the Department of Health.

Clinical Excellence Division

The Clinical Excellence Division is the focal point for clinical policy development, engagement with the clinical workforce and health research. It is responsible for building system capacity and capability through leadership development and system improvement. The Clinical Excellence Division provides strategic direction and administers State-funded research programs and contributes to national research directions, positioning Western Australia to take advantage of non-State-based research funding sources.

The Clinical Excellence Division implements systems and processes to support safety and quality, including setting and monitoring standards for the safety and quality of health care. It oversees the regulation and licensing of private healthcare facilities and reproductive technologies. The Clinical Excellence Division provides clinical advice to the WA health system, the Minister for Health and the Director General.

It also provides system-level strategic planning, leadership, and workforce planning for each of the professional groups, and represents interests nationally and internationally concerning specific work needs.

Strategy and Governance Division

The Strategy and Governance Division is responsible for the systemwide governance, strategy, policy and planning functions of the System Manager. This includes responsibility for workforce, 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.

It is also responsible for setting system wide strategy, supports negotiations on national agreements with the Commonwealth, and leads the system planning function for the WA health system.

The Strategy and Governance Division also provides support to information, communication and technology governance bodies and oversight of the WA Health Digital Strategy and will work with Health Service Providers to support the implementation of the Sustainable Health Review Enduring Strategies and Recommendations. This will involve establishing the governance and prioritisation and sequencing of recommendations.

Our executive team – Dr Andrew Robertson, Angela Kelly, Dr D J Russell-Weisz, Leon McIvor and Dr James Williamson

Our executive team

Director General Department of Health

Dr D J Russell-Weisz

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

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

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

Purchasing and System Performance Division

Angela Kelly
Assistant Director General

Ms Angela Kelly has held the role of Assistant Director General Purchasing and System Performance since its creation in April 2015.

Ms Kelly is a graduate of Economics from the University of Western Australia and has more than 20 years' experience in the public health system. She has held a number of senior executive positions within the Department of Health, including Executive Director Resourcing and Performance and Director of Health Infrastructure.

Public and Aboriginal Health Division

Dr Andrew Robertson CSC PSM
Assistant Director General

Dr Andrew Robertson is the Assistant Director General and Chief Health Officer within the Public and Aboriginal Health Division. Prior to this he was Director, Disaster Preparedness and Management and Deputy Chief Health Officer where he coordinated the WA Health disaster and public health responses to the Ashmore Reef incident, the H1N1 2009 pandemic, the 2011 Commonwealth Heads of Government Meeting, and the 2015 Ebola preparations.

He has also acted as Chief Information Officer and Chief Medical Officer.

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

Clinical Excellence Division

Dr James Williamson
Assistant Director General

Dr James Williamson is Assistant Director General leading the Clinical Excellence Division. Dr Williamson recently returned to Western Australia from Princess Alexandra Hospital in Brisbane, which was Australia's first major 'digital' hospital, where he pursued his interest in data analytics.

Dr Williamson established the WA Drug Evaluation Panel and was appointed Clinical Lead for the State eHealth Program and the Musculoskeletal Health Network. He has served the Royal Australasian College of Physicians as Chair of the Specialist Advisory Committee in General Medicine and member of the Committee for Physician Training.

Strategy and Governance Division

Leon McIvor
Assistant Director General

In 2018–19, Leon McIvor was the Assistant Director General of the Strategy and Governance Division. Leon is a graduate of the Royal Military College of Australia and served more than 10 years as an Australian Army Officer.

Leon has held senior executive positions in the WA Government since 2010, including the Rottnest Island Authority and Perth Market Authority. In 2015, Leon joined the South Metropolitan Health Service as the Executive Director Contract Management and then held the position of Executive Director Infrastructure and Facilities Management Transition at the Perth Children's Hospital.

Our legislative obligations

The Department of Health's functions and authority are derived from administering the following Acts of Parliament. Our Director General, on behalf of the Minister, is responsible for administering these Acts.

Administered legislation

- *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*

Acts passed during 2018–19

- *Tobacco Products Control Amendment Act 2018*
- *Public Health Amendment (Immunisation Requirements for Enrolment) Act 2019*

Bills in Parliament as at June 2019

- *Human Reproductive Technology and Surrogacy Legislation Amendment Bill 2018*

Our partnerships

The Department of Health believes in the need for stronger partnerships with other government agencies, non-government organisations, consumers, community groups, private providers and others; and continued protection of public health and safety through a mix of legislation, community education and targeted programs.

The Department of Health collaborates with key partners to deliver a high quality sustainable health system for all Western Australians. Our partners include:

Australian Digital Health Agency

Enabling clinicians and patients access to health information by expanding the use of My Health Record.

Make Smoking History
16 Cancers campaign

Cancer Council WA, Cancer Council South Australia, Mental Health Commission

Reducing the prevalence of smoking in the community through:

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

LiveLighter© Junk Food campaign

Cancer Council WA, Foodbank WA, Better Health Company

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

- Healthy Lifestyle Promotion and Education Program – LiveLighter©; WA Healthy Workplace Support Service
- Adult Food Literacy Program – Food Sensations
- Better Health 7–13 Family Healthy Lifestyle Program.

Commonwealth Government

Supporting older people, their families, and carers to access information on aged care, have their needs assessed and be supported to locate and access services via:

- Aged Care Assessment Program
- Transition Care Program.

Department of Jobs, Tourism, Science and Innovation, Commonwealth Department of Health, Curtin University, WA Health teaching hospitals, major research institutes, all WA universities

Supporting health and medical research to improve the health and wellbeing of the WA community through:

- dedicated investment funding available to WA Health researchers for early stage medical research and commercialisation of intellectual property
- encouraging more clinical trials to promote research and innovation in the WA public health system
- enabling education in health and medical research
- development of enabling and cross-cutting platforms in health care.

Department of Justice, Hepatitis WA, WA Health Service Providers

Reducing the rate of hepatitis C in WA prisons by increasing access to hepatitis C treatment for prisoners.

Department of Primary Industry and Development, Western Australian Local Government Association

Reducing the incidence of foodborne illness within the community though a coordinated approach across the WA food supply chain.

Diabetes Australia

Reducing the impact of diabetes in the community through prevention strategies and the management of people with diabetes.

Edith Cowan University

Supporting teachers including food preparation and healthy eating in the school curriculum through RefreshED.

Healthdirect Australia Ltd

Providing accessible and quality healthcare for all Australians through Healthdirect Australia, which provides a 24-hour health advice line, and online health information.

Injury Matters, Kidsafe WA, Royal Life Saving Society WA

Conducting injury prevention initiatives in the community, such as:

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

Office of Digital Government, Department of the Premier and Cabinet

Leading digital transformation across Government to improve service delivery for the community of Western Australia.

Silver Chain

Providing specialist palliative care and in-home hospice care services across metropolitan Perth for people with a life-limiting illness or condition.

St John Ambulance

Providing ambulance and health services to all Western Australians.

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

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

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

WA Primary Health Alliance

Increasing the efficiency and effectiveness of primary healthcare services for the Western Australian community and ensuring people receive the right care in the right place at the right time.

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

Collaborating to promote and support healthy eating habits in school students through:

- supporting school canteens to implement the Department of Education's Healthy Food and Drink Policy
- the School Breakfast and Nutrition Education Program.

Western Australian Local Government Association

Supporting and driving improvements to the health and wellbeing of the WA population through Public Health Planning by local governments.

Injury Matters – Falls Prevention Program team

Our stories

Celebrating excellence in health

Department of Health staff were recognised at the 2018 WA Health Excellence Awards, when the Communicable Disease Control Directorate's *Improving access to hepatitis C treatment in WA prisons program* won the coveted Director General's Award. The cross-government, multidisciplinary partnership was led by the Department of Health and involved every relevant area health service, the Department of Justice and Hepatitis WA. The winning program contributed to a decrease in the prevalence of hepatitis C in prisons from nearly 17 per cent in 2016 to 12 per cent in 2018. Nearly 500 prisoners have received treatment since 2016, compared to an average of only 50 a year previously.

Former Chief Health Officer Professor Tarun Weeramanthri was also honoured at the event, winning the Minister for Health's Award for Outstanding Commitment to a Healthier Western Australia. This prestigious award recognises a significant and sustained contribution to the Western Australian health system over the course of a person's career.

Jude Bevan, Senior Policy and Planning Officer with the Department's Sexual Health and Blood-borne Virus Program accepted the award on behalf of the program team

$3.5 million funds innovative child health research

More than $3.5 million was shared amongst 13 WA research projects in 2018 through the WACRF (formerly the Telethon-Perth Children's Hospital Research Fund).

The WACRF is a collaboration between the Department of Health and Channel 7 Telethon Trust that provides funding for WA research activities focussing on the health and wellbeing of children and adolescents.

Neonates and infants will be the particular focus of two projects that will benefit from the funding.

A world-first therapy for young children at risk of autism will be trialled by a team of WA Health researchers. Led by Child Development Service paediatrician, Associate Professor John Wray, the pilot project aims to improve children's social and communicative development, and could ultimately mean more WA children at risk of autism are given timely and effective help.

While autism is rarely diagnosed before three or four years of age, some risk factors, including non-verbal cues can be identified much earlier. Child health nurses and general practitioners will refer a total of eighty children, aged from nine to 14 months, who present with identified risk factors to the trial. Parents of the children will then be offered feedback on how to enhance communications with their children through a group-based intervention.

The therapy is modelled on an existing UK program that was found to be effective in providing sustained results in children known to have been at significant risk of autism.

Another WA research project that can proceed thanks to the Fund, aims to protect the brains of vulnerable newborns at the crucial early hours of life.

Associate Professor Bruno Meloni
Photo courtesy Perron Institute

Three in every 1,000 newborns will experience hypoxic ischaemic encephalopathy (HIE), a stroke-like event that occurs around the time of birth. Approximately 15 to 25 per cent of affected babies die after HIE and an additional 25 to 60 per cent sustain permanent brain damage, resulting in cerebral palsy, epilepsy or learning disabilities.

Neuroscientist, Associate Professor Bruno Meloni from Sir Charles Gairdner Hospital and the Perron Institute, is leading the study that investigates the potential of a peptide dubbed 'R18' as a therapy for treating neonatal HIE in combination with the current accepted treatment which involves actively lowering the body temperature of the affected baby.

Research like this is a good reminder of how money donated by Western Australians can improve the lives of children and adolescents.

The courage to collaborate

Precision public health, obesity, stroke and violence against health staff were all on the table for discussion at summits and symposiums let by the Department of Health this year.

Four conventions served as forums for subject experts, stakeholders and health consumers to share their skills, knowledge and personal experience in a bid to drive the best health outcomes for Western Australians.

Prominent leaders and global figures in public health, technology and the community gathered in Perth last year for the Precision Public Health Asia 2018 Symposium (PPH Asia 2018). In this emerging field international speakers discussed how regions can revolutionise public health practice. Momentum is gaining across a range of disciplines including genomics, spatial data, data linkage, epidemiology, health informatics, big data, predictive analytics and communications technology which are coming together to find ways to pinpoint and predict the public health needs of specific vulnerable groups within local communities.

The second WA stroke symposium hosted around 180 clinicians from across the state to hear from experts in their field, including world renowned researchers from Western Australia and interstate. The weekend-long event covered topics ranging from medical and surgical management of acute stroke to rehabilitation, and involved visits to Sir Charles Gairdner Hospital and the Neurological and Imaging Service of WA.

At the event, Clinical Professor David Blacker was also presented the 2018 Award for Excellence in Stroke Care delivery.

The Obesity Collaborative Summit invited health workers and professionals in public or community services with an interest in obesity to explore options for the early intervention and management of overweight and obesity. The ideas explored will help shape a three to five year Action Plan for WA Health which identifies concrete steps to help address this escalating issue.

Following a 38 per cent increase in assaults on nurses in our health system between 2017 and 2018, the Health Minister, Roger Cook recently convened the Stop the Violence Summit.

Professors Tarun Weeramanthri, Gareth Baynam and Hugh Dawkins spoke at PPH Asia 2018

The Summit brought together health leaders, frontline health staff and representatives from WA Police, St John Ambulance, the mental health, drug and alcohol sectors as well as unions and health consumers who identified short, medium and long-term strategies to respond to the rising rates of violence and aggression against frontline health staff in the WA public health system.

New initiatives tackle blood-borne viruses (BBVs) and sexually transmitted infections (STIs)

In a bold new initiative by the sexual health and blood-borne virus team, hundreds of young people accessed free STI tests this year at the Falls Music Festival in Fremantle.

Calling out attendees at the popular event to 'Get the all clear', the Department of Health offered free onsite testing for gonorrhoea and chlamydia as part of a broader public health program to reduce rates of STIs in Western Australia.

Young people aged 16 to 24 years are a key risk group for STIs, accounting for 52 per cent of all chlamydia notifications in 2018. The testing facility helped to normalise STI testing and provide a safe space for STI and safer sex discussions.

The team from the sexual health and blood-borne program are also dedicated to providing sexual health and relationship education to younger people to help them make positive choices about their sexual health. As such, the team were also proud to launch a new series of youth videos targeting school-aged youth aged 13 to 17 that use sketch comedy to explore important topics such as sexting, pornography and sex and the media.

The videos are humorous and light-hearted and feature young people in comedic sketches, followed by short interviews where they share their own opinions and experiences.

Vaccination programs protect adults and children in WA

Travellers were a key focus of a new adult measles vaccination program announced this year after international travel was linked to a recent rise in the number of cases in Western Australia.

Measles is a serious and highly contagious viral illness spread by tiny droplets released when infected people cough and sneeze.

Naturally occurring measles has been eliminated from Western Australia for about 20 years, but small outbreaks do occur due to the infection being brought into Western Australia by tourists and residents returning home from overseas trips.

The new program protects those born after 1966 who haven't been fully vaccinated as a child.

Children aged one-to-four years were also offered life-saving protection against infectious disease when the State government extended the meningococcal ACWY vaccination program to the end of 2019.

Meningococcal disease is an uncommon, life-threatening illness caused by a bacterial infection of the blood and/or the membranes that line the spinal cord and brain.

In July 2018, a meningococcal ACWY vaccine for one-year-olds was added to the National Immunisation Program. The State-funded program will be extended to include Aboriginal and Torres Strait Islander children aged six weeks. Aboriginal children represent more than 90 per cent of meningococcal disease cases in under five-year-olds.

Phase one of the No Jab No Play policy was also introduced from January 1, 2019 that requires childcare services, kindergartens and schools to strengthen immunisation records and enhances the powers of the Chief Health Officer during a disease outbreak. The information collected will be used to provide support and referral pathways to families to ensure their children are protected against vaccine preventable diseases.

Work also commenced on Phase two of the policy, under which young children will be excluded from non-compulsory education if they are not fully up to date with their vaccinations and do not meet exemption criteria.

Training to inspire leadership, growth and collaboration

The careers of over 100 new graduates from a range of disciplines have been given a kick-start this year via two programs offered through the WA Department of Health.

Ninety-one nurses and midwives headed to Scotland in April to join a world-class graduate program offered at NHS Grampian. This five-year collaborative partnership was established to provide an opportunity for newly qualified nurses and midwives to continue their careers when they have been unsuccessful in attaining a position within a recognised graduate program.

Nursing graduates set for Scotland
Photo courtesy Viva Photography

Also, 11 Aboriginal university students have started their cadetship as part of the 2019 WA Health Aboriginal Cadetship Program. This is the highest number recruited since the program began in 2014. The cadets have been placed with three Health Service Providers and the Department, and are studying full time, while getting real life work experience within the WA health system, with the flexibility of working around their university schedules. The range of study disciplines include, medicine, allied health, psychology and nursing.

The Department of Health also welcomed twenty-three graduates into the WA Health Graduate Development Program. In addition, three Aboriginal graduates were employed by the Department of Health in 2018–19, two in the Graduate Development Program and one in the Public and Aboriginal Health Division Graduate Program.

New graduates were not the only ones to benefit from training opportunities offered this year. The inaugural Leadership Development for Managers program developed leadership and management capabilities amongst middle managers from the Department. The training was carefully designed to build confidence, develop networks and enhance cross-unit collaboration and working relationships to support a workforce that is best equipped to perform as an effective System Manager.

In 2018–19, seven senior leaders also completed the Institute for Health Leadership's Emerging Leaders Program and two executive leaders were accepted into Australian and New Zealand School of Government programs.

Dr Grace Yun

Celebrating personal achievements

Inspiring… passionate… talented… dedicated. These are just a few of the superlatives that accompanied the awards and nominations achieved by six Department of Health staff this year.

Taking out the 2018 Women's leadership award at the Western Australia Spatial Excellence Awards, Epidemiology Branch's Grace Yun was recognised for her contribution to the advancement and career development of women in her industry, having led a host of successful Geographic Information System projects and been a role model for younger female staff.

Sue Winnall, from the System Clinical Support and Innovation Unit, was also acknowledged, winning the inaugural Enabling Excellence Award at the Occupational Therapy Australia WA Division Awards. The award recognises the supervisor, mentor, academic or colleague who has gone above and beyond to support another occupational therapist or group to enable excellence in the profession.

The Indigenous Allied Health Australia Forum highlighted the efforts of Mitchell Walley and Nicole Velkoski, who won the Future Leader in Indigenous Allied Health and the Indigenous Allied Health Student Academic awards respectively. Both Mitchell and Nicole are Aboriginal Cadets at the Department of Health and their nationally-recognised wins are a great testament to the Department's Cadet program and the talented people coming through it.

At our own Health Awards, former WA Chief Health Officer, Professor Tarun Weeramanthri won the Minister for Health's Award for Outstanding Commitment to a Healthier Western Australia. This prestigious award recognises a significant and sustained contribution to the Western Australian health system over the course of a person's career.

And Chief Medical Officer, Dr Michael Levitt experienced the great honour of being nominated for the 2019 WA Australian of the Year Award.

Dr Levitt, who was appointed CMO last year, is a general and colorectal surgeon with more than 30 years of experience in the health sector.

While he conceded the award to fellow doctors Richard Harris and Craig Challen, in his nomination Dr Levitt was cited as having helped more than 50 overseas doctors transition to life and work in Australia and was described as a passionate advocate for greater support for junior doctors and a bullying free workplace.

Improving health and wellbeing and enhancing the quality of health care

Health and medical research, innovation and commercialisation can make important contributions to addressing community health and medical needs. Research and innovation can help us understand aspects of health and wellbeing and improve health care through advancements in medical knowledge, policy and practice, the development of innovative technology and by helping attract and retain a high calibre health and medical workforce.

Through the 2017 Future Health Research and Innovation (FHRI) policy, the State Government has committed to establishing the FHRI Fund. The FHRI Fund will drive research and, ultimately, improve the health of Western Australians. In order to fully realise these benefits the Department of Health is developing a Health and Medical Research and Innovation strategy. Part of this process has been a review of research, innovation and commercialisation in WA, Australia and internationally. A major stakeholder consultation with nearly 200 delegates including consumers, research institutions, investors, private companies, Government, other State Government agencies and national and international research and innovation funders was also conducted.

Collaboration with leading researchers in 2018–19 has also provided evidence to support targeted community health needs. This has included collaboration with the WA Primary Health Alliance, Curtin University and FrontierSI, to examine the geographic variation in primary healthcare service utilisation and potentially preventable hospitalisations in Western Australia. Another collaborative study between the Department and the Australian Institute of Health and Welfare is the WA Burden of Disease Study that aims to create detailed estimates of fatal, non-fatal, and total disease burden for the Western Australian population.

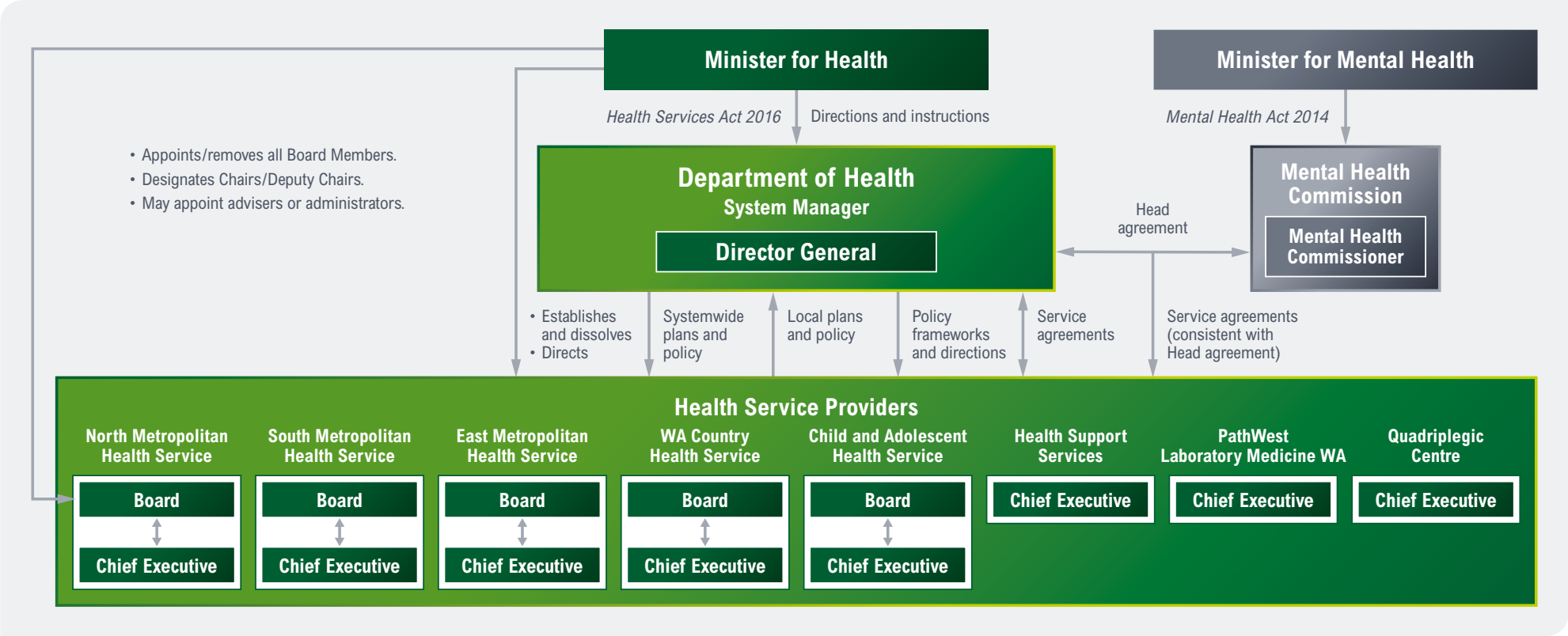
Our governance

Our governance structure

Under the *Health Services Act 2016*, the Director General as the Department CEO is established as the System Manager. At an arm's length from health service delivery, the System Manager is responsible for the strategic direction, oversight and management of the WA health system. Health Service Providers and Health Support Services were established as statutory authorities, governed by a Board or a chief executive, with responsibility and accountability for delivery of health and support services.

The Department of Health in partnership with the Mental Health Commission establishes the framework for the commissioning of mental health services from Health Service Providers.

Figure 2: WA Health system governance structure



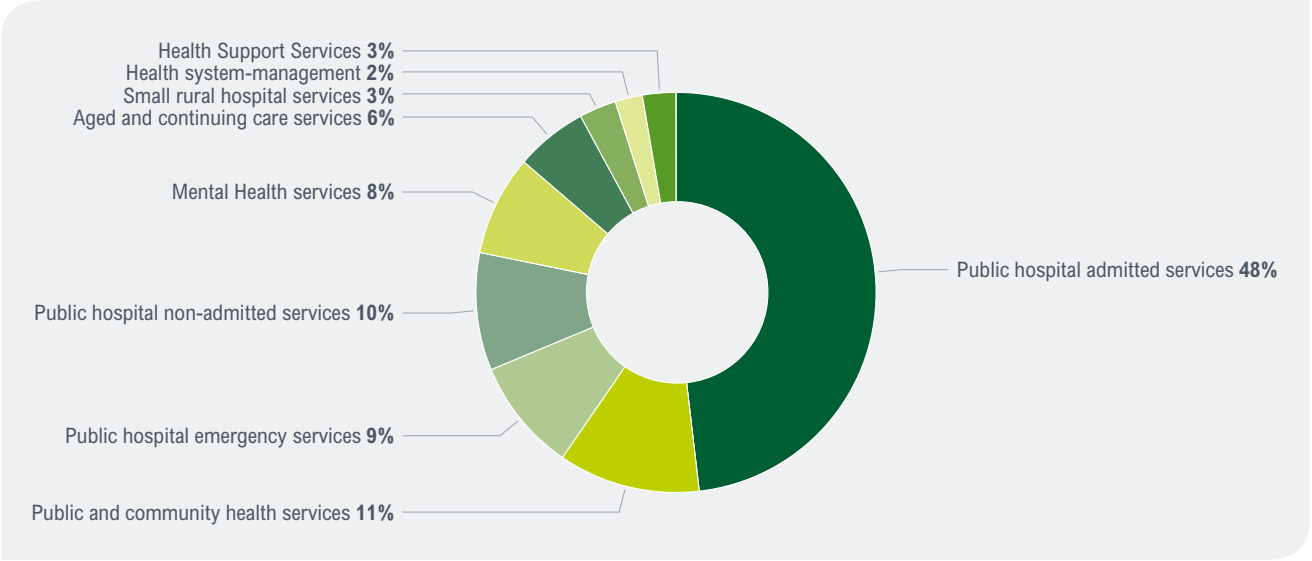
Our management and oversight functions

The Department of Health is responsible for oversight and management of the WA health system through budget allocation, formal agreements or contracts, policy frameworks, performance, evaluation and accountability, and industrial relations.

Budget allocation

The Department of Health is responsible for the management of the WA Health budget and health service provider spending. Under an activity based funding environment, funding received by the Department from the Commonwealth and State Government is based on the projected volume of services to be delivered in a given period. This process enables the Department of Health to receive and allocate funding fairly and equitably based on agreed services to be delivered (see Figure 3). Service Agreements and contracts between the Department and Health Service Providers formalise agreed service delivery and budget allocations.

Figure 3: Proportion of the WA Health budget allocated per health service type, in 2018–19



Service Agreements

Service Agreements define and detail the scope of services and targeted levels of activity which the Department of Health will purchase from Health Service Providers in a financial year, consistent with the State Government's policy objectives and funding allocations.

Service Agreements are the principal budget accountability tool that defines the roles and responsibilities of the System Manager, and the Health Service Providers.

Through execution of the Service Agreements, Health Service Providers agree to meet the service obligations and performance requirements as detailed in the Service Agreement. The System Manager agrees to provide the funding and other support services as outlined in the Service Agreements.

Policy Frameworks

The Department issues binding policy frameworks to Health Service Providers to ensure service coordination, integration, effectiveness, efficiency and accountability in the provision of health services.

In 2018–19, there were 20 policy frameworks. Each policy framework contains a suite of policies that establish required standards to be adhered to by Health Service Providers, to ensure that Western Australians experience the same level of high quality care, regardless of where they live, and which service they use.

Industrial relations

The Department of Health is responsible for the modernisation and maintenance of health specific industrial awards and the negotiation of WA health system industrial agreements, registered by the WA Industrial Relations Commission. The employment conditions of Health Service Provider employees are determined by these binding agreements and awards.

Our internal governance

The Department of Health ensures accountability and the effective and efficient management and use of its resources through performance reporting, policies and internal audit and risk management.

Performance management

To comply with its legislative obligations as a WA government agency, the Department of Health operates under the Outcome Based Management Framework. This framework describes how outcomes, services and key performance indicators are used to measure agency performance towards achieving the relevant overarching whole-of-government goals.

The Department of Health is committed to the *delivery of safe, quality, financially sustainable and accountable healthcare for all Western Australians* (see Figure 4). This commitment is dependent on our achievement of two outcomes and three service types aligned to the government goals of:

1. strong communities
2. sustainable finances.

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

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

Policy

Policy supports and promotes efficient and effective administration by providing consistent operational rules and procedures containing administrative and other compliance requirements. In 2018–19, the following departmental policies and procedures were published:

1. Outcome Based Management Policy 2018–19
2. Policy Framework Governance Procedure
3. Classifications Policy
4. Leave Management Procedure
5. Motor Vehicle Fleet Policy
6. Cessation of Employment Procedure
7. Workforce Data Policy
8. Retirement on the Grounds of Ill Health Procedure
9. Recordkeeping Policy, Plan and Procedure
10. Aboriginal Workforce Policy.

Risk, compliance and audit

Internal audit is an integral part of the corporate governance framework that government agencies establish to manage their risks and achieve their objectives. The Department of Health has a Risk and Audit Sub-Committee and an internal audit team to ensure internal audit governance requirements are met.

The Risk and Audit Sub-Committee consists of six members internal to the Department of Health. They meet regularly to provide oversight of systems of risk management, control, and governance processes in order to provide advice and assurance to the Director General that the Department of Health's financial and operational controls are operating in an efficient, effective, economical and ethical manner.

The internal audit team is concerned with evaluating and improving the effectiveness of risk management, control and governance processes. To do this auditors work with management to review systems and operations and to identify areas where efficiencies or innovations might be made. In 2018–19, audits focused on procurement and contract management, accounts payable and ministerial obligations.

Figure 4: Department of Health's goal, outcomes and services for achievement

Delivery of safe, quality, financially sustainable and accountable healthcare for all Western Australians

Outcome 1: Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives

Outcome 2: Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA health system

1. Aged and continuing 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 enable them to continue to live independently in the community and to maintain independence.

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. These services focus on the prevention and relief of suffering, quality of life and the choice of care close to home for patients.

2. 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, and emergency road ambulance services.

3. Health system management – Policy and corporate services

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.

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Agency performance

Summary of WA Health financial and service delivery performance

Summary of financial performance

Department of Health

Table 1 provides the financial and performance information of the Department of Health for 2018–19. Full details of the Department of Health's financial performance are provided in the Financial Statements section of this report.

Table 1: Actual results versus budget targets for the Department of Health

Financial	2018–19 Target ($'000)[1]	2018–19 Actual ($'000)	Variation (+/-) ($'000)[2]
Total cost of services	7,293,743	7,602,280	308,537
Net cost of services	5,098,734	5,268,735	170,001
Total equity	549,371	326,063	-223,308
Net increase/decrease in cash held	2,241	-114,402	-116,643
Approved salary expense level	117,442	104,622	-12,820
Agreed borrowing limit	0	0	0

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 2018–19, the cash limit target and actual for the Department of Health are provided in Table 2.

Table 2: Agreed working cash limit for the Department of Health

Financial	2019 Agreed limit ($'000)[1]	2019 Target/Actual ($'000)	Variation (+/-) ($'000)[2]
Agreed working cash limit (at budget)	355,637	355,637	N/A
Agreed working cash limit (at actuals)	374,062	208,940	-165,122

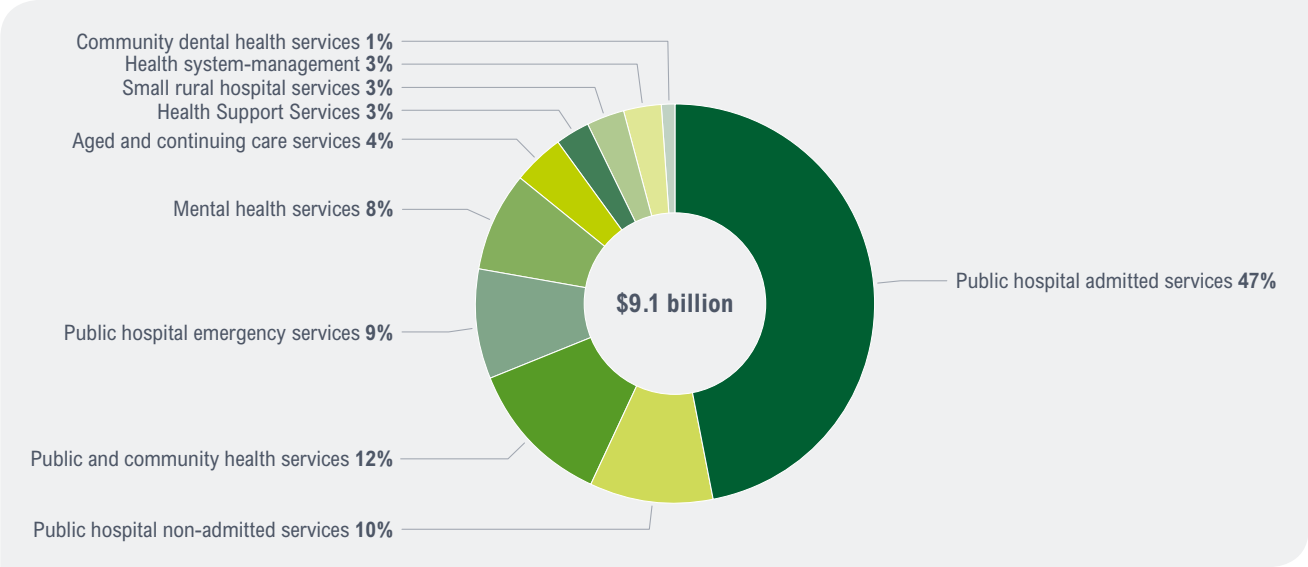
Notes:

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

WA Health

Figure 5 provides the financial information of WA Health for 2018–19. Service expenditure for 2018–19 is equal to the expense limit of approximately $9 billion as estimated by the Department of Health during the budget process.

Figure 5: WA Health financial expenditure for 2018–19 per service type



Summary of key performance indicators

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

As part of the performance reporting process the Department of Health is required to report actual results against performance targets for achievement. A summary of the Department of Health key performance indicators and variation from the 2018–19 targets is provided in Table 3. Detailed information on each key performance indicator can be found in the Disclosure and Compliance section of this report. Comparatives across reporting periods are also provided for each indicator to show how well the Department has performed over time.

Department of Health key performance indicators are reviewed annually and any changes are approved by the Under Treasurer and the Department of Treasury. In 2018–19, the Under Treasurer approved changes to the Department of Health suite of key performance indicators aligned to Outcome 2. Two indicators were removed associated with the HACC Program that provides aged care and disability services in Western Australia. Responsibility for the provision of these services was transferred under the Commonwealth National Disability Insurance Scheme. A further indicator was removed associated with oral health care services due to contractual changes.

Table 3: Actual results versus key performance indicator targets

Outcomes and related indicators	2018–19 Target	2018–19 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%	80%	15%
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	1.3	-0.3
b. Ischaemic heart disease	2.3	2.2	-0.1
c. Falls	0.2	0.4	0.2
d. Melanoma	0.4	0.5	0.1
e. Breast cancer	2.1	1.9	-0.2
4. Percentage of fully immunised children			
a. 12 months	≥95%	93%	-2%
b. 2 years	≥95%	90%	-5%
c. 5 years	≥95%	93%	-2%
5. Percentage of 15 year olds in Western Australia that complete their HPV vaccination series			
Males	≥80%	80%	0%
Females	≥80%	81%	1%
6. Response times for emergency road-based ambulance services (Percentage of priority 1 calls attended to within 15 minutes in the metropolitan area)	≥90%	93%	3%
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%	72%	-13%

Services delivered and related indicators	2018–19 Target	2018–19 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	$348	$312	-$36
2. Average cost per home-based			
a. hospital day of care	$319	$291	-$28
b. occasion of service	$119	$129	$10
3. Average cost per day of care for non-acute admitted continuing care	$710	$714	$4
4. Average cost to support patients who suffer specific chronic illness and other clients who require continuing care	$27	$22	-$5
Palliative and cancer care services			
5. Average cost per client receiving contracted palliative care services	$7,323	$5,898	-$1,425
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	$38	$45	$7
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	$433	$455	$22
Policy and corporate services			
8. Average cost of Public Health Regulatory Services per head of population	$4	$6	$2
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	$5,069	$5,090	$21

Summary of patient evaluation of our health services

Background

The Patient Evaluation of Health Services survey is conducted annually to gauge patient satisfaction levels with the WA health system. In 2018–19, the Department of Health surveyed over 7,400 people asking them about their health care experiences during their stay in hospital, or their attendance as an outpatient.

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

Results

Results from the following patient groups are presented for all respondents in WA:

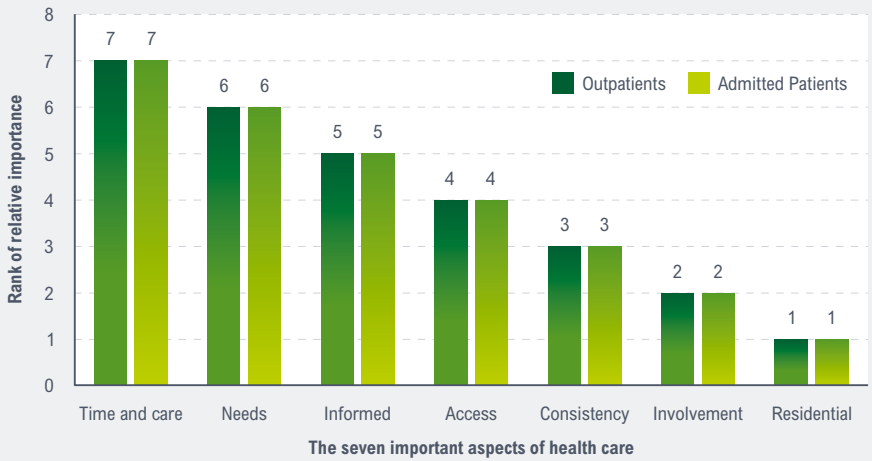
- outpatients, aged 16–74 years
- admitted patients, aged 16–74 years who were in hospital from 0–34 nights.

In 2018–19, the outpatient survey participation rate was 97 per cent with 994 adult outpatients interviewed. The admitted patient participation rate was 96 per cent with 3,928 adult patients interviewed.

Order of importance of aspects of health care

In 2018–19, both patient groups ranked Time and care as the most important aspect of health care followed by Needs, Informed, Access, Consistency and Involvement. Both patient groups ranked Residential as being the least important aspect of health care (see Figure 6).

Figure 6: The seven aspects of health care ranked by patient group from most important (7) to least important (1), 2018–19



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

Satisfaction with the aspects of health care

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

In 2018–19, mean satisfaction scores rated by outpatients were highest for Needs and lowest for Residential (see Table 4). The 2018–19 outpatient Time and care and Access scores were significantly higher when compared with 2016–17, while the 2018–19 outpatient Time and care, Informed, Access, Consistency and Residential scores were significantly higher when compared with 2014–15. There were no other significant differences.

Table 4: Outpatients' mean scale scores, by aspect of health care, 2014–15, 2016–17 and 2018–19

Outpatients (16–74 years)			
Aspect	**2014–15**	**2016–17**	**2018–19**
Time and care	80.3#	80.4#	82.8
Needs	91.2	91.2	92.8
Informed	79.9#	80.9	83.3
Access	61.8#	62.8#	66.6
Consistency	75.8#	77.4	79.6
Involvement	68.6	69.2	71.2
Residential	58.8#	63.7	63.6

Notes:

1. # Indicates that the mean score for 2018–19 is significantly higher than the comparison score.
2. 2014–15 does not include data from Fiona Stanley Hospital and includes data from Swan District Hospital.
3. 2016–17 and 2018–19 include data from Fiona Stanley Hospital and St John of God Midland Public Hospital.

Admitted patients mean satisfaction scores in 2018–19 were highest for Needs and lowest for Residential. The 2018–19 Access score was significantly higher when compared with 2016–17 (see Table 5). There were no other significant differences.

Table 5: Admitted patients' mean scale scores, by aspect of health care, 2016–17 to 2018–19

Admitted patients (16–74 years)			
Aspect	**2016–17**	**2017–18**	**2018–19**
Time and care	89.1	90.0	89.7
Needs	91.9	92.5	92.6
Informed	84.9	85.8	85.7
Access	73.6#	74.5	74.9
Involvement	75.6	76.6	76.7
Consistency	73.2	74.3	74.2
Residential	66.4	67.0	67.2

Note: # Indicates that the mean score for 2018–19 is significantly higher than the comparison score.

The mean satisfaction scores for patients admitted to a hospital in WA in 2018–19 were highest for Needs and Time and care. Scores for Access and Residential were significantly lower for patients attending metropolitan hospitals when compared to the State. For patients attending country hospitals the Access and Residential scores were significantly higher when compared to the State (see Table 6).

Table 6: Admitted patients' mean scale scores, by location, 2018–19

Aspect	State	Metropolitan	Country
Time and care	89.7	89.5	90.0
Needs	92.6	92.2	92.9
Informed	85.7	85.5	86.0
Access	74.9	73.1$	76.8#
Involvement	76.7	77.1	76.4
Consistency	74.2	73.5	74.9
Residential	67.2	65.4$	69.0#

Notes:

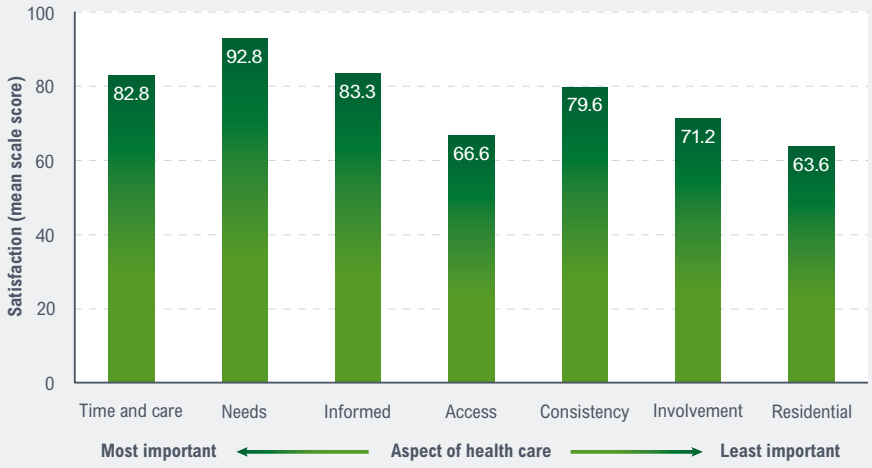
1. Mean scores by location are only presented for admitted patients.
2. # Indicates that the location mean score for 2018–19 is significantly higher than the State comparison score.
3. $ Indicates that the location mean score for 2018–19 is significantly lower than the State comparison score.

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.

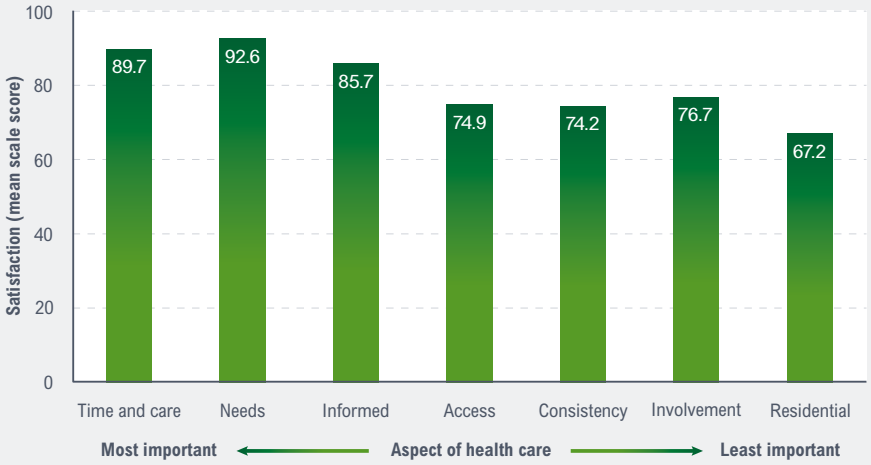
In 2018–19, outpatients' ranked Time and care as the most important aspect of health care, however in terms of satisfaction, this aspect was rated second. This patient group ranked Residential as the least important aspect of health care and it was also rated as the aspect of health care with which they were least satisfied (see Figure 7).

Figure 7: Satisfaction with aspects of health care by rank of importance, outpatients, 16–74 years, 2018–19



In 2018–19, 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 8).

Figure 8: Satisfaction with aspects of health care by rank of importance, admitted patients, 16–74 years, 2018–19



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 9 shows that outpatients 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 9: The overall indicator of satisfaction compared with the patient rated outcome, outpatients and admitted patients, 2018–19

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Significant issues

Our challenges

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

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

Ensuring statewide community health needs are met

The Department of Health is responsible for responding to emerging and current needs of the Western Australian community. To do this the Department must investigate the social determinants currently impacting health outcomes in the community, specify key health issues and root causes of those health issues, and the availability of resources to address them. In 2018–19, a range of emerging and current community health needs were identified and addressed.

Preventing chronic disease and injury

Chronic disease and injury remain the leading causes of illness, disability and death in Western Australia. Overweight and obesity, smoking, harmful levels of alcohol consumption, physical inactivity and poor diet are major contributors.

Chronic disease prevention that involves changing lifestyle behaviours is challenging and takes a long-term approach. The Department of Health has a leadership role in improving health outcomes, but many of the factors that influence how likely people are to stay healthy or become ill or injured do not fall within its direct control. A comprehensive and coordinated approach across all sectors is required.

More than 9,600 Western Australians are hospitalised each year for preventable dental conditions.

In 2018–19, comprehensive mapping and monitoring of cross-agency opportunities to help prevent chronic disease and injury was undertaken.

In 2017–18, 11.8 per cent of WA adults smoked daily, the lowest rate in Australia.

In 2017, 90 per cent of all retailers were compliant with the legislation in refusing to sell a tobacco product to a minor.

Legislative change can also help reduce harm and modify behaviour. To reduce the incidence of illness and death related to tobacco products the Department supported the Minister for Health in introducing the *Tobacco Products Control Amendment Bill 2017*, passed by Parliament in 2018. These reforms build upon the State's existing tobacco laws, and give WA some of the toughest tobacco laws in the country.

Addressing dental health service demand

The WA health system provides a range of public dental health services, however there is still significant unmet need. In 2018–19, the Department of Health reviewed possible funding streams to improve access to dental services for children less than five years of age due to the high number of potentially preventable hospitalisations and emergency department presentations for this cohort related to dental conditions. A business case is currently under development. Collaboration with the WA Primary Health Alliance has also resulted in the development of Health Pathways that provide clinicians with clear guidelines for assessing and managing patients with oral health care needs. The Department also continues to provide advice to the Minister for Health in relation to the Dental Board of Australia's proposal to remove regulatory barriers for oral health practitioners.

Preventing the inappropriate use of prescription medication

In 2016 about 1 in 20 Australians (4.8 per cent) had misused pharmaceuticals and 3.6 per cent had misused pain killers.

The risk of incorrect use or abuse of prescription medicines may lead to injury, illness, dependence or death. A specific risk category is controlled drugs that are prescription medicines classified (by law) based on their benefit when used in medical treatment and their harm if misused. The use of controlled drugs has increased rapidly across Australia in recent years. Dependence, addiction and misuse related to these medicines is an emerging public health issue, including an increase in drug overdoses attributed to prescription opioids.

To address this issue the Department of Health is enhancing the prescription monitoring program for controlled drugs through a project that allows for real-time data transfer. This will help prescribers and pharmacists identify, manage and prevent controlled drug and other prescription medicine misuse.

Preventing and managing public and environmental health issues

The environment has a critical impact on the health of a community. Delivering effective environmental health to WA communities is complicated by climate change, increasing urban sprawl, population growth and the impact of new chemicals and diseases. Delivering these services across a large, dispersed state, with varied landscapes and climate is also challenging.

The Department of Health works with local government, industry, researchers, other State and Federal Government agencies and members of the public, to minimise the risk to human health from all forms of environmental exposure or environmental impacts. This includes administering legislation and coordinating a wide range of programs, services and policies in areas such as Aboriginal environmental health, hazards, food, radiation, and water. In 2018–19, the Department of Health implemented rapid responses to numerous public health incidents/risks, including 49 foodborne illness outbreaks, 35 food recalls and 179 wastewater overflows. The Department of Health also continued to address trachoma, a debilitating eye disease found only in remote Aboriginal communities, with more than $10 million allocated to environmental health related interventions.

The Department of Health is also contributing to research into environmental health risks such as the health impacts of heatwaves and landscape fires in the community. This has included the:

- heatwave project that is developing a model to predict health needs for vulnerable community groups and areas during unexpected extreme weather conditions
- landscape fires project that will formulate health promotion strategies for health services, general practitioners, vulnerable patients and the general population in reducing the impacts of landscape fires.

The Department is also conducting an inquiry on the health impacts of climate change in WA with a final report expected in 2020.

Preventing and addressing communicable disease outbreaks

There has been an ongoing outbreak of infectious syphilis affecting young Aboriginal people, predominately aged between 15 and 29 years, in Western Australia. In response the Department of Health has established the WA Syphilis Outbreak Response Group and the Infectious Disease Emergency Management Plan that was activated in response to the sustained outbreak of syphilis in the Kimberley, and declaration of the Pilbara as an outbreak region.

From June 2014 to April 2019, 288 syphilis cases were reported in Western Australia.

Developing our workforce and managing industrial relations

The WA health system faces a number of workforce challenges including:

- a shortage of General Practitioners per person
- shortages of small but critical workforce groups in medical and health sciences specialties
- recruiting and retaining suitably skilled medical and allied health professionals in some rural and remote areas.

In 2017–18, there were 93.4 Full-Time Service Equivalent general practitioners per 100,000 population. This is below the national average of 102.2 per 100,000.

To address these issues the Department of Health:

- commenced the development of a *WA Health Workforce Strategy 2020–2030* to provide systemwide vision and direction for workforce planning and development
- continued to implement the WA Health GP project that has included a new two year general practitioner training pathway pilot to commence in 2020
- coordinated the annual centralised Intern and Resident Medical Officers recruitment process to ensure placement of approximately 2,500 junior doctors across WA health services.

Managing health information and communications technology

The WA health system relies on information, communications and technology services to enable safe, high quality patient care. The technology landscape has advanced significantly, with major developments in the areas of online technology, remote patient care, wearable patient monitoring devices, mobile technology, artificial intelligence, and enhanced access to patient information. However, there are challenges to embracing new and innovative digital technologies that include balancing consumer expectations, ensuring privacy and security of patient information, and the tight fiscal environment that influences investment decisions.

More than 100 awareness and educations sessions were provided to WA health system staff about My Health Record.

In 2018–19, the Department of Health in collaboration with an extensive group of key stakeholders including health consumers, carers, clinical, corporate and Western Australian health system leadership representatives commenced development of the *WA Health Digital Strategy* for the Western Australian health system. The digital strategy sets the systemwide direction for digital and information, communications and technology services over the next decade. This includes identifying priority health outcomes to be supported through digital transformation, the technology required, and the total investment associated with that transformation.

Managing our budget and resources efficiently

The Department continues to provide strategic and systemwide direction and leadership consistent with the overall goal of delivering patient-centred, high quality and financially sustainable health care. This has required a strong focus on delivering services within approved budget parameters and working collaboratively with Health Service Providers to understand and manage cost pressures and risks without compromising service delivery. Work continues to address longer term financial sustainability, including through the Sustainable Health Review which states that an increase in investment in public and community health services is required with greater transparency on how this money is invested.

Expenditure on health service delivery has almost doubled from $4.8 billion in 2008–09 to a budgeted $9.1 billion in 2019–20.

Investment in existing core non-hospital services increased in 2018–19 and continues with a further $99.7 million budgeted for 2019–20. The funding will ensure the current program of non-hospital services, which includes prevention and promotion, palliative care, patient transport and Aboriginal health, meets the needs of the community. The Department of Health has also investigated the drivers for cost growth in hospital and non-hospital services. In 2019, a Non-Hospital Services Model was completed in consultation with the Department of Treasury. This Model provides greater visibility and transparency in relation to non-hospital services expenditure.

The Department of Health is also responsible for working directly with the Departments of Treasury and the Premier and Cabinet to negotiate with the Commonwealth funding for WA public hospitals. As part of the Council of Australian Government's meeting in February 2018, the Commonwealth presented a Heads of Agreement for public hospital funding and health reform from 1 July 2020 to 30 June 2025. Implementation is supported through a five-year Addendum to the National Health Reform Agreement. In 2018–19, a submission was put forward via the Department of Health that formed the basis of negotiations between Western Australia and the Commonwealth concerning funding requirements under the Agreement. Western Australia is still negotiating the Addendum to the Agreement.

Managing financial and service delivery performance

Through service agreements and policy frameworks, the Department of Health sets the standards and parameters within which hospital and health services will be delivered. Such mechanisms enable the Department as System Manager to achieve a consistent and cohesive health system. A key function of the System Manager is to oversee and monitor the performance of the WA health system. Continuous assessment and trend analysis of performance can identify concerns and support improvements in health system delivery outcomes. If performance concerns are identified a staged intervention process is implemented to remediate Health Service Provider performance.

Over 50 performance review meetings were held with Health Service Providers in 2018–19 to support effective system performance. management.

To further support this process of accountability in the delivery of health services the Department of Health is moving toward the public disclosure of performance information. This will be through an interactive public reporting platform on the web that will allow the WA community to review locally relevant financial and performance information at public health service provider or hospital level. Public disclosure of performance data can assist in quality improvement activities across the health system.

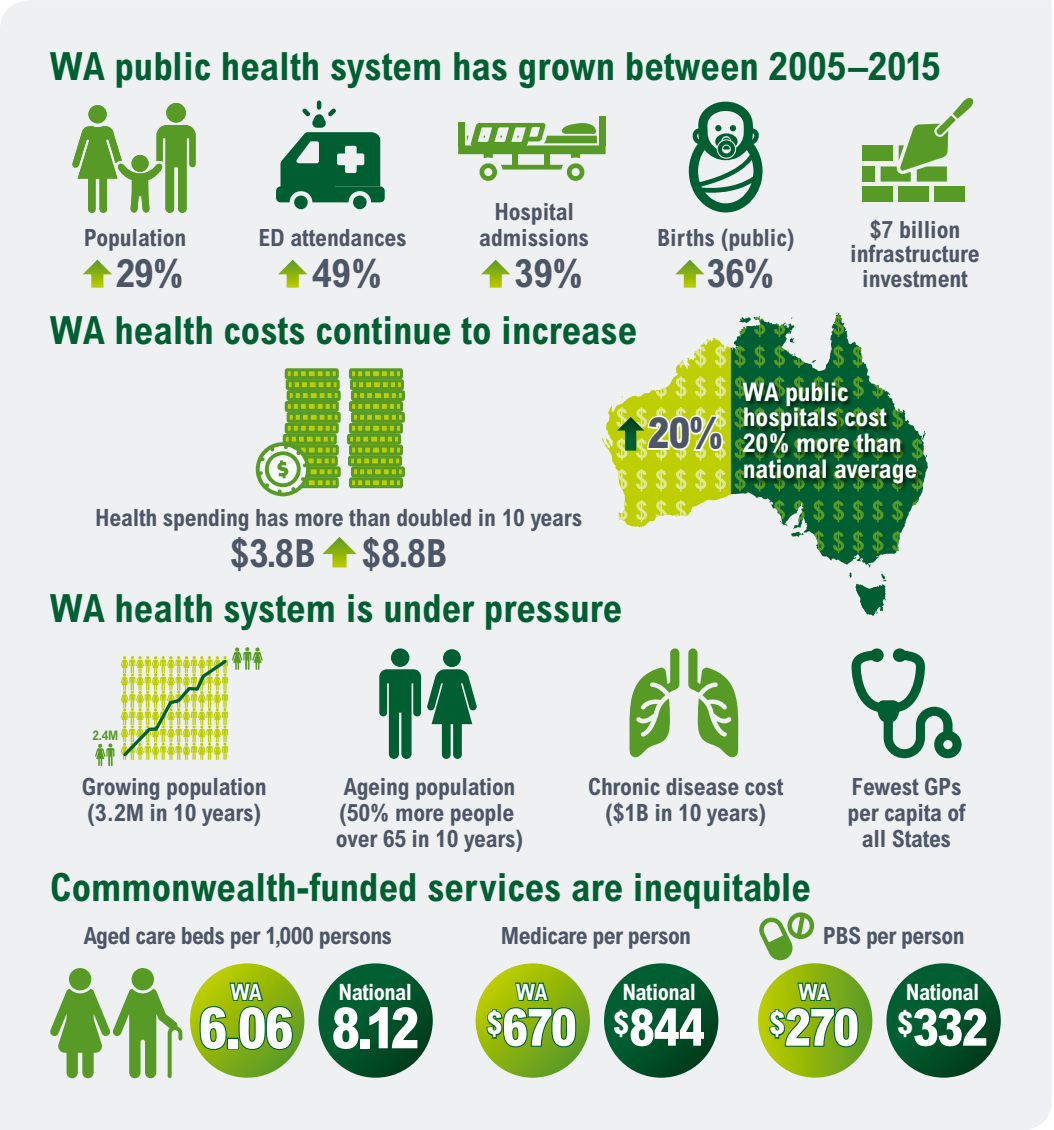
Our case for change

Sustainable Health Review Final Report

WA Health's vision is clear – to deliver a safe, high-quality, sustainable health system. However, WA's health system continues to experience unsustainable budget growth and faces challenges associated with an ageing population, increasing incidence of chronic disease, and health inequity (see Figure 10).

With these ongoing challenges, the WA State Government in 2017 committed to a Sustainable Health Review to put the WA health system on a sustainable footing. The purpose of the Review was to provide advice to Cabinet through the Minister for Health to guide the strategic direction of the WA health system to deliver patient centred, integrated, high quality, and financially sustainable healthcare across the State.

Figure 10: Case for change and the Sustainable Health Review Final Report



Source: Sustainable Health Review Interim Report and A Fair Share for WA Health Care.

The Sustainable Health Review was conducted by an experienced Panel of experts appointed by the Government of Western Australia and chaired by Ms Robyn Kruk AO. The panel included the Director General of Health, the Department of Treasury, a Minister for Health nominee, consumer and carer nominee, clinical nominee, and employee nominee. The Department of Health provided secretariat support for the Panel. In April 2019 the Sustainable Health Review Final Report was published.

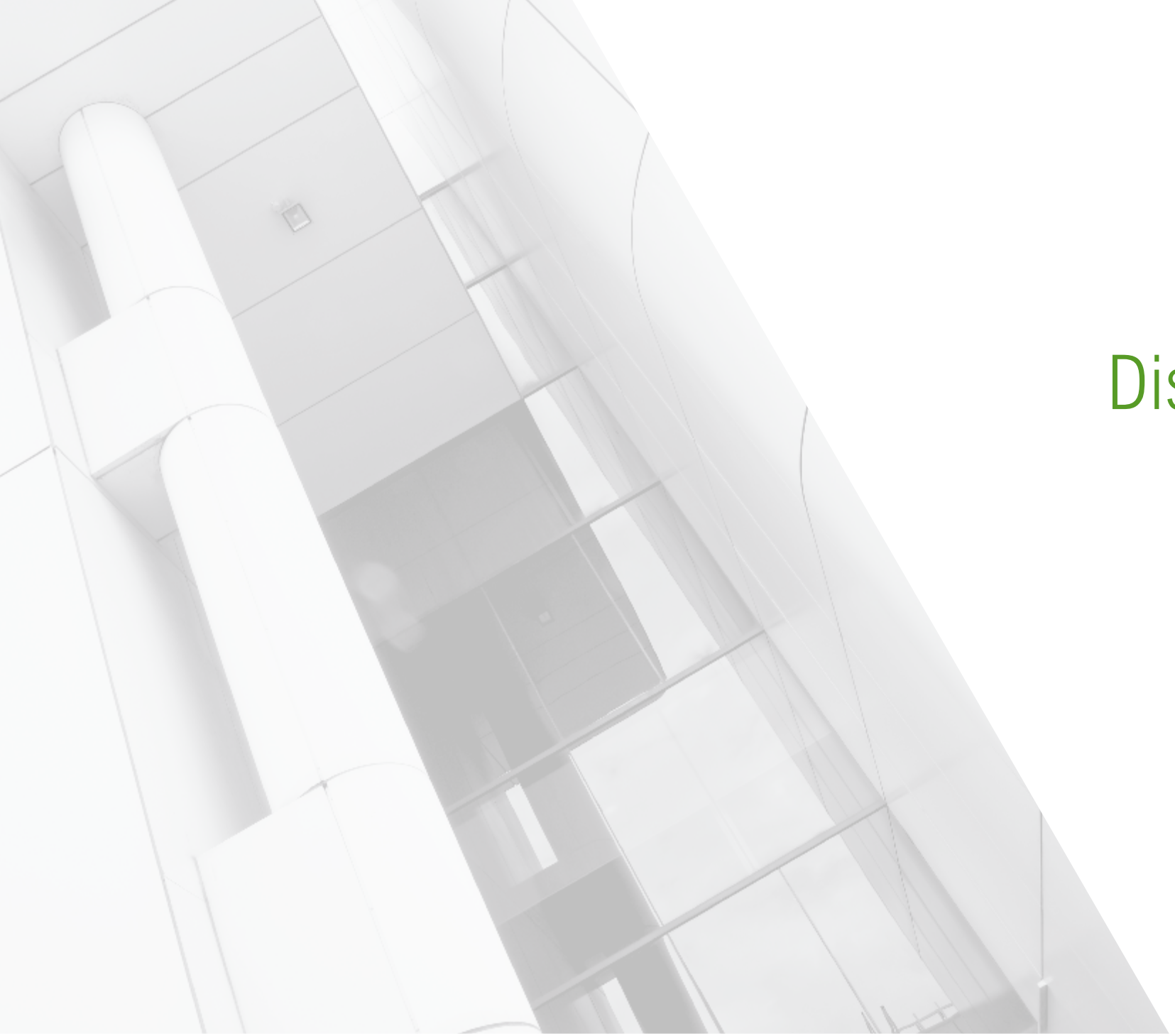
As highlighted in the Sustainable Health Review Final Report, courage, collaboration and system thinking are needed to change how health care is delivered in Western Australia for a healthier, more sustainable future.

Through eight Enduring Strategies and 30 Recommendations, this Final Report seeks to drive 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 the use of technology and innovation.

Sustained change takes time and implementation of the eight Enduring Strategies by the WA health system will occur through a staged approach under the oversight of an independent committee led by Professor Hugo Mascie-Taylor. The staged journey for change will commence in 2019 with the process of setting up for success, and concluding in 2029 when change will have been embedded and the full benefits realised.

In line with this staged process the Department of Health has developed a detailed Implementation Framework in consultation with Health Service Providers to guide the approach to the implementation of Sustainable Health Review Final Report Recommendations. The Sustainable Health Implementation Support Unit at the Department of Health has also been established to mobilise the implementation program in collaboration with the health system and other partners within the health sector.

Progress is underway across the health system with pilot projects being commenced that address new models of care.



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 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service 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 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Director General for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Controls

Opinion

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

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

In my opinion, in all material respects, the controls exercised by the Department of Health are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Director General's Responsibilities

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

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

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

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

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

Report on the Key Performance Indicators

Opinion
I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Health for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Health are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2019.

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Health for the year ended 30 June 2019 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
/7 September 2019

Certification of financial statements

DEPARTMENT OF HEALTH

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The accompanying financial statements of the Agency 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 2019 and financial position as at 30 June 2019.

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

16 September 2019

Dr D J Russell-Weisz
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

16 September 2019

Department of Health

Statement of comprehensive income
For the year ended 30 June 2019

	Notes	2019 $000	2018 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1 (a)	104,622	129,219
Contracts for services	3.4	552,354	697,156
Supplies and services	3.5	57,102	67,243
Grants and subsidies	3.2	6,761,950	6,523,327
Depreciation and amortisation expense	5.1.1 & 5.2.1	1,154	915
Loss on disposal of non-current assets	5.1.2	190	66
Contribution to Capital Works Fund	3.3	48,241	2,990
Other expenses	3.6	76,667	73,487
Total cost of services		**7,602,280**	**7,494,403**
Income			
Revenue			
User charges and fees	4.2	47,136	6,049
Commonwealth grants and contributions	4.3	2,273,586	2,404,134
Other grants and contributions	4.4	8,584	8,175
Finance income	4.5	1,820	1,957
Other revenue	4.6	2,419	13,956
Total revenue		**2,333,545**	**2,434,271**
Gains			
Gain on disposal of non-current assets	4.7	-	4,267
Total gains		**-**	**4,267**
Total income other than income from State Government		**2,333,545**	**2,438,538**
NET COST OF SERVICES		**5,268,735**	**5,055,865**
Income from State Government	4.1		
Service appropriation		5,028,056	5,060,671
Assets (transferred) / assumed		(672)	(6,560)
Services received free of charge		2,106	1,762
Royalties for Regions Fund		97,864	63,246
Total income from State Government		**5,127,354**	**5,119,119**
SURPLUS / (DEFICIT) FOR THE PERIOD		**(141,381)**	**63,254**
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation reserve	9.13	(14,800)	(13,473)
Total other comprehensive income		**(14,800)**	**(13,473)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(156,181)**	**49,782**

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 2019

	Notes	2019 $000	2018 $000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1.1	208,940	261,309
Restricted cash and cash equivalents	7.1.2	47,303	112,850
Inventories	6.1	10,510	16,461
Receivables	6.2	67,798	50,126
Other current assets	6.5	4,130	4,003
Non-current assets classified as held for sale	9.12	109	215
Total Current Assets		**338,790**	**444,964**
Non-Current Assets			
Restricted cash and cash equivalents	7.1.2	4,481	967
Amounts receivable for services	6.3	57,084	55,792
Finance lease receivable	6.4	10,468	8,648
Infrastructure, property, plant and equipment	5.1	36,439	121,664
Intangible assets	5.2	429	761
Other non-current assets	6.5	1,510	2,224
Total Non-Current Assets		**110,411**	**190,056**
TOTAL ASSETS		**449,201**	**635,020**
LIABILITIES			
Current Liabilities			
Payables	6.6	96,743	63,170
Employee related provisions	3.1 (b)	18,633	17,402
Other current liabilities	6.7	131	1,114
Total Current Liabilities		**115,507**	**81,686**
Non-Current Liabilities			
Employee related provisions	3.1 (b)	7,631	5,266
Total Non-Current Liabilities		**7,631**	**5,266**
TOTAL LIABILITIES		**123,138**	**86,952**
NET ASSETS		**326,063**	**548,068**
EQUITY	9.13		
Contributed equity		-	-
Reserves		279,510	294,310
Accumulated surplus		46,553	253,758
TOTAL EQUITY		**326,063**	**548,068**

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 2019

	Notes	2019 $000	2018 $000
CONTRIBUTED EQUITY	9.13		
Balance at start of period		-	1,041,854
Transactions with owners in their capacity as owners:			
Contributions by owners		13,464	207,771
Distributions to owners		(79,031)	(1,255,218)
Transfer of deficit to Accumulated Surplus		65,567	5,593
Balance at end of period		**-**	**-**
RESERVES	9.13		
Balance at start of period		294,310	307,783
Other comprehensive income for the period		(14,800)	(13,473)
Balance at end of period		**279,510**	**294,310**
ACCUMULATED SURPLUS / (DEFICIT)	9.13		
Balance at start of period		253,758	196,097
Changes in accounting policy		(257)	-
Surplus / (Deficit) for the period		(141,381)	63,254
Transfer of deficit from Contributed Equity		(65,567)	(5,593)
Balance at end of period		**46,553**	**253,758**
TOTAL EQUITY	9.13		
Balance at start of period		548,068	1,545,734
Changes in accounting policy		(257)	-
Total comprehensive income / (loss) for the period		(156,181)	49,781
Transactions with owners in their capacity as owners		(65,567)	(1,047,447)
Balance at end of period		**326,063**	**548,068**

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 2019

	Notes	2019 $000 Inflows (Outflows)	2018 $000 Inflows (Outflows)
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		4,622,991	4,705,562
Capital appropriations		12,876	85,857
Non-retained revenue distributed to owner		(13,770)	-
Royalties for Regions Fund		97,864	63,246
Net cash provided by State Government		**4,719,961**	**4,854,665**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(101,877)	(129,509)
Supplies and services		(601,758)	(801,680)
Grants and subsidies		(6,358,178)	(6,168,965)
Contribution to Capital Works Fund		(48,241)	(2,990)
GST payments on purchases		(371,191)	(409,830)
Receipts			
User charges and fees		12,894	6,044
Commonwealth grants and contributions		2,233,680	2,367,312
GST receipts on sales		23,170	24,006
GST receipts from taxation authority		347,031	389,336
Other receipts		30,511	31,581
Net cash provided by / (used in) operating activities	7.1.3	**(4,833,959)**	**(4,694,695)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of non-current assets		(1,281)	(38,451)
Proceeds from sale of non-current assets		877	14,545
Net cash provided by / (used in) investing activities		**(404)**	**(23,906)**
Net increase / (decrease) in cash and cash equivalents		(114,402)	136,064
Cash and cash equivalents at the beginning of the period		375,126	257,916
Cash and cash equivalents held by Child and Adolescent Health Service on behalf of the Health Ministerial Body		-	(18,855)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.1.1	**260,724**	**375,126**

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

Department of Health

Summary of consolidated account appropriations and income estimates

For the year ended 30 June 2019

	2019 Estimate $000	2019 Actual $000	Variance $000	2019 Actual $000	2018 Actual $000	Variance $000
Delivery of Services						
Item 49 Net amount appropriated to deliver services	4,819,236	4,886,224	66,988	4,886,224	4,937,862	(51,638)
Section 25 Transfer of service appropriation	-	-	-	-	(954)	954
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	716	716	-	716	716	-
- Lotteries Commission Act 1990	127,678	141,116	13,438	141,116	123,047	18,069
Total appropriations provided to deliver services	**4,947,630**	**5,028,056**	**80,426**	**5,028,056**	**5,060,671**	**(32,615)**
Capital						
Item 111 Capital appropriations	114,920	100,263	(14,657)	100,263	200,255	(99,992)
GRAND TOTAL	**5,062,550**	**5,128,319**	**65,769**	**5,128,319**	**5,260,926**	**(132,607)**
Details of Expenses by Service						
Public Hospital Admitted Services	4,285,345	4,342,647	57,302	4,342,647	4,278,209	64,438
Public Hospital Emergency Services	854,477	807,109	(47,368)	807,109	806,039	1,070
Public Hospital Non-Admitted Services	883,984	894,744	10,760	894,744	937,439	(42,695)
Mental Health Services	744,043	747,370	3,327	747,370	728,810	18,560
Aged and Continuing Care Services	283,047	362,423	79,376	362,423	596,076	(233,653)
Public and Community Health Services	964,249	1,085,008	120,759	1,085,008	818,123	266,885
Community Dental Health Services	104,711	108,051	3,340	108,051	111,929	(3,878)
Small Rural Hospital Services	267,553	260,514	(7,039)	260,514	233,532	26,982
Health System Management - Policy and Corporate Services	183,943	262,084	78,141	262,084	247,641	14,443
Health Support Services	236,217	242,887	6,670	242,887	250,895	(8,008)
Total Cost of Services	8,807,569	9,112,837	305,268	9,112,837	9,008,693	104,144
Less Total Income	(3,750,493)	(3,893,908)	(143,415)	(3,893,908)	(3,907,385)	13,477
Net Cost of Services	5,057,076	5,218,929	161,853	5,218,929	5,101,308	117,621
Adjustments (a)	(109,446)	(190,873)	(81,427)	(190,873)	(40,637)	(150,236)
Total appropriations provided to deliver services	**4,947,630**	**5,028,056**	**80,426**	**5,028,056**	**5,060,671**	**(32,615)**
Capital Expenditure						
Purchase of non-current assets	353,933	205,451	(148,482)	205,451	356,954	(151,503)
Repayment of borrowings	57,312	56,972	(340)	56,972	66,666	(9,694)
Adjustments for other funding sources	(296,325)	(162,160)	134,165	(162,160)	(223,365)	61,205
Capital appropriations	**114,920**	**100,263**	**(14,657)**	**100,263**	**200,255**	**(99,992)**

The Summary of Consolidated Account Appropriations and Income Estimates comprises the Department of Health and Statutory Authorities within WA Health which are Child and Adolescent Health Service, 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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 16 September 2019.

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.

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.

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

Exemption

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

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 Liability 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.

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 4 "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 4 "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 4 "Mental Health Services".

Note 2 Department outputs (continued)

Note 2.1 Department objectives (continued)

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.

5. Aged and Continuing Care Services
The provision of aged and continuing care services and communit-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, services to assist rural-based patients travel to receive care, and statewide pathology services provided to external WA agencies.

7. 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.

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

9. 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.

10. 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 separation payments. Health Support Services includes finance and business systems services, ICT services, workforce services, project management of system-wide projects and programs and the management of the supply chain and whole-of-health contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
COST OF SERVICES								
Expenses								
Employee benefits expense	-	-	-	-	-	-	-	-
Contracts for services	-	637	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-	-	-
Grants and subsidies	3,730,143	3,730,150	790,994	734,128	773,601	738,605	71,954	22,301
Depreciation and amortisation expense	-	-	-	-	-	-	-	-
Loss on disposal of non-current assets	-	-	-	-	-	-	-	-
Contribution to Capital Works Fund	-	-	-	-	-	-	-	-
Other expenses	-	581	-	-	-	-	-	-
Total cost of services	**3,730,143**	**3,731,368**	**790,994**	**734,128**	**773,601**	**738,605**	**71,954**	**22,301**
Income								
User charges and fees	-	-	-	-	-	-	-	-
Commonwealth grants and contributions	1,302,047	1,369,973	234,472	252,570	304,009	326,529	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	**1,302,047**	**1,369,973**	**234,472**	**252,570**	**304,009**	**326,529**	**44,851**	**-**
NET COST OF SERVICES	**2,428,096**	**2,361,395**	**556,522**	**481,558**	**469,592**	**412,076**	**27,103**	**22,301**
Income from State Government								
Service appropriation	2,423,435	2,457,418	532,735	487,936	468,943	431,565	26,100	21,616
Assets (transferred) / assumed	-	-	-	-	-	-	-	-
Services received free of charge	-	-	-	-	-	-	-	-
Royalties for Regions Fund	4,661	3,784	23,787	11,896	649	1,641	1,003	603
Total income from State Government	**2,428,096**	**2,461,202**	**556,522**	**499,832**	**469,592**	**433,206**	**27,103**	**22,219**
SURPLUS / (DEFICIT) FOR THE PERIOD	**-**	**99,807**	**-**	**18,274**	**-**	**21,130**	**-**	**(82)**

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 2019

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

	Aged and Continuing Care Services		Public and Community Health Services		Community Dental Health Services		Small Rural Hospital Services	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
COST OF SERVICES								
Expenses								
Employee benefits expense	176	282	6,923	8,608	-	-	-	-
Contracts for services	197,424	412,844	237,987	232,275	12,845	13,504	-	-
Supplies and services	1	1	42,191	43,727	-	-	-	-
Grants and subsidies	97,547	227,743	621,639	530,368	71,394	71,607	219,474	213,988
Depreciation and amortisation expense	-	-	2	3	-	-	-	-
Loss on disposal of non-current assets	-	-	10	1	-	-	-	-
Contribution to Capital Works Fund	-	-	45	90	-	2,990	-	-
Other expenses	2,365	2,845	23,945	2,695	-	-	-	-
Total cost of services	**297,513**	**643,715**	**932,742**	**817,767**	**84,239**	**88,101**	**219,474**	**213,988**
Income								
User charges and fees	6,853	-	812	96	-	-	-	-
Commonwealth grants and contributions	4,936	273,326	13,220	63,694	-	-	96,171	118,042
Other grants and contributions	-	-	8,584	-	-	8,175	-	-
Finance income	-	-	-	-	-	-	-	-
Other revenue	-	-	2,230	10,320	-	(8,175)	-	-
Gains								
- Gain on disposal of non-current assets	-	-	-	-	-	-	-	-
Total income other than income from State Government	**11,789**	**273,326**	**24,846**	**74,110**	**-**	**-**	**96,171**	**118,042**
NET COST OF SERVICES	**285,724**	**370,389**	**907,896**	**743,657**	**84,239**	**88,101**	**123,303**	**95,946**
Income from State Government								
Service appropriation	89,005	420,114	564,816	663,741	71,394	83,711	103,271	81,572
Assets (transferred) / assumed	-	-	-	-	-	-	-	-
Services received free of charge	-	-	-	-	-	-	-	-
Royalties for Regions Fund	3,606	5,984	43,603	16,059	-	-	20,555	23,279
Total income from State Government	**92,611**	**426,098**	**608,419**	**679,800**	**71,394**	**83,711**	**123,826**	**104,851**
SURPLUS / (DEFICIT) FOR THE PERIOD	**(193,113)**	**55,709**	**(299,477)**	**(63,857)**	**(12,845)**	**(4,390)**	**523**	**8,905**

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 2019

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

	Health System Management – Policy and Corporate Services		Health Support Services		Total	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
COST OF SERVICES						
Expenses						
Employee benefits expense	97,523	120,329	-	-	104,622	129,219
Contracts for services	104,098	37,896	-	-	552,354	697,156
Supplies and services	14,910	23,515	-	-	57,102	67,243
Grants and subsidies	153,188	7,179	232,016	247,258	6,761,950	6,523,327
Depreciation and amortisation expense	1,152	912	-	-	1,154	915
Loss on disposal of non-current assets	180	65	-	-	190	66
Contribution to Capital Works Fund	48,196	(90)	-	-	48,241	2,990
Other expenses	50,357	67,366	-	-	76,667	73,487
Total cost of services	**469,604**	**257,172**	**232,016**	**247,258**	**7,602,280**	**7,494,403**
Income						
User charges and fees	39,471	5,953	-	-	47,136	6,049
Commonwealth grants and contributions	273,880	-	-	-	2,273,586	2,404,134
Other grants and contributions	-	-	-	-	8,584	8,175
Finance income	1,820	1,957	-	-	1,820	1,957
Other revenue	189	11,811	-	-	2,419	13,956
Gains						
- Gain on disposal of non-current assets	-	4,267	-	-	-	4,267
Total income other than income from State Government	**315,360**	**23,988**	**-**	**-**	**2,333,545**	**2,438,538**
NET COST OF SERVICES	**154,244**	**233,184**	**232,016**	**247,258**	**5,268,735**	**5,055,865**
Income from State Government						
Service appropriation	516,341	165,490	232,016	247,508	5,028,056	5,060,671
Assets (transferred) / assumed	(672)	(6,560)	-	-	(672)	(6,560)
Services received free of charge	2,106	1,762	-	-	2,106	1,762
Royalties for Regions Fund	-	-	-	-	97,864	63,246
Total income from State Government	**517,775**	**160,692**	**232,016**	**247,508**	**5,127,354**	**5,119,119**
SURPLUS / (DEFICIT) FOR THE PERIOD	**363,531**	**(72,492)**	**-**	**250**	**(141,381)**	**63,254**

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 2019

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	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
Assets								
Current assets	15,826	42,116	2,808	13,415	1,212	3,143	48	259
Non-current assets	-	-	-	-	-	-	-	-
TOTAL ASSETS	**15,826**	**42,116**	**2,808**	**13,415**	**1,212**	**3,143**	**48**	**259**
Liabilities								
Current liabilities	-	32	-	-	-	-	-	-
Non-current liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**-**	**32**	**-**	**-**	**-**	**-**	**-**	**-**
NET ASSETS	**15,826**	**42,084**	**2,808**	**13,415**	**1,212**	**3,143**	**48**	**259**

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

	Aged and Continuing Care Services		Public and Community Health Services		Community Dental Health Services		Small Rural Hospital Services	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
Assets								
Current assets	8,416	20,692	32,583	20,971	-	-	949	10,005
Non-current assets	1,510	1,039	-	450	-	-	-	-
TOTAL ASSETS	**9,926**	**21,731**	**32,583**	**21,421**	**-**	**-**	**949**	**10,005**
Liabilities								
Current liabilities	2,496	226	14,348	11,553	1,500	3,258	-	-
Non-current liabilities	16	9	343	320	-	-	-	-
TOTAL LIABILITIES	**2,512**	**235**	**14,691**	**11,873**	**1,500**	**3,258**	**-**	**-**
NET ASSETS	**7,414**	**21,496**	**17,892**	**9,548**	**(1,500)**	**(3,258)**	**949**	**10,005**

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 2019

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

	Health System Management – Policy and Corporate Services		Health Support Services		Total	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
Assets						
Current assets	276,948	334,363	-		338,790	444,964
Non-current assets	108,901	188,567	-		110,411	190,056
TOTAL ASSETS	**385,849**	**522,930**	**-**	**-**	**449,201**	**635,020**
Liabilities						
Current liabilities	97,163	66,617	-		115,507	81,686
Non-current liabilities	7,272	4,937	-		7,631	5,266
TOTAL LIABILITIES	**104,435**	**71,554**	**-**	**-**	**123,138**	**86,952**
NET ASSETS	**281,414**	**451,376**	**-**	**-**	**326,063**	**548,068**

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

Note 3 Use of our funding

Expenses incurred in the delivery of services

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

	Notes	2019 $000	2018 $000
Employee benefits expenses	3.1 (a)	104,622	129,219
Employee related provisions	3.1 (b)	26,264	22,668
Grants and subsidies	3.2	6,761,950	6,523,327
Contribution to Capital Works Fund	3.3	48,241	2,990
Contracts for services	3.4	552,354	697,156
Supplies and services	3.5	57,102	67,243
Other expenses	3.6	76,667	73,487

3.1 (a) Employee benefits expense

	2019 $000	2018 $000
Salaries and wages	95,170	109,356
Superannuation - defined contribution plans (a)	8,453	9,613
Termination benefits	999	10,250
Total employee benefits expenses	**104,622**	**129,219**

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

Salaries and wages: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

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

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

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

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

Note 3 Use of our funding (continued)

3.1 (a) Employee benefits expense (continued)

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.

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.

	2019 $000	2018 $000
Current		
Employee benefits provision		
Annual leave (a)	9,607	9,073
Long service leave (b)	8,961	8,280
Deferred salary scheme (c)	65	49
	18,633	**17,402**
Non-current		
Employee benefits provision		
Long service leave (b)	7,631	5,266
Total employee related provisions	**26,264**	**22,668**

(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:

	2019 $000	2018 $000
Within 12 months of the end of the reporting period	6,716	6,257
More than 12 months after the end of the reporting period	2,891	2,815
	9,607	**9,073**

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:

	2019 $000	2018 $000
Within 12 months of the end of the reporting period	2,233	2,054
More than 12 months after the end of the reporting period	14,359	11,492
	16,592	**13,546**

Note 3 Use of our funding (continued)

3.1 (b) Employee related provisions (continued)

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.

3.1 (b) (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:

	2019 $000	2018 $000
Within 12 months of the end of the reporting period	-	-
More than 12 months after the end of the reporting period	65	49
	65	**49**

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

	2019 $000	2018 $000
Recurrent		
Funding for the delivery of health services by autonomous statutory authorities (a):		
Child and Adolescent Health Service (b)	526,681	451,868
East Metropolitan Health Service (b)	1,153,434	1,107,636
North Metropolitan Health Service (b)	1,670,920	1,735,006
South Metropolitan Health Service (b)	1,449,899	1,395,704
WA Country Health Service (b)	1,464,785	1,396,858
Health Support Services (b)	232,016	247,293
PathWest Laboratory Medicine WA (b)	121,303	-
Queen Elizabeth II Medical Centre Trust (b)	744	647
Quadriplegic Centre (b)	8,170	9,181
Commonwealth specific grants	107,750	153,268
Research and development grants	23,406	18,958
Spectacle subsidy scheme	41	58
Other	2,801	6,850
	6,761,950	**6,523,327**

Note 3 Use of our funding (continued)

3.2 Grants and subsidies (continued)

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

(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

	2019 $000	2018 $000
Contribution to Capital Works Fund	48,241	2,990
	48,241	**2,990**

$48.2 million was paid to the Capital Works Fund during the 2018-19 financial year, an administered trust account of the Department, to fund the Capital Works program for the Health Services.

3.4 Contracts for services

	2019 $000	2018 $000
Health care services provided by external organizations (a)	510,897	653,838
Shared services provided by Health Support Services	12,894	-
Other contracts	28,563	43,317
Total Contracts for services	**552,354**	**697,156**

(a) Includes $63.8 million of cross border charges for WA residents treated in hospitals in other Australian jurisdictions.

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.

Note 3 Use of our funding (continued)

3.5 Supplies and services

	2019 $000	2018 $000
Medical supplies	43,889	49,085
Operating lease rentals	9,019	9,878
Other consumables	4,194	8,280
Total supplies and services	**57,102**	**67,243**

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.

3.6 Other expenses

	2019 $000	2018 $000
Advertising	1,427	1,238
Communications	1,061	1,491
Computer related expenses	2,146	3,294
Doubtful debts expense (a)	-	2
Employment on-costs (b)	431	435
Ex-gratia payments (c)	20,179	14,611
Expected credit losses expense	18	-
Freight and cartage	951	953
Insurance	141	560
Legal expenses	1,296	806
Other employee related expenses	2,142	2,153
Promotional expenses	15	34
Repairs and maintenance (d)	17,743	26,314
Return unspent funding for Southern Inland Health Initiatives (e)	23,094	-
Scholarships	1,554	1,564
Special functions	456	616
Travel related expenses	984	1,110
Other	3,029	18,306
Total other expenses	**76,667**	**73,487**

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

(a) **Doubtful debts expense** was recognised as the movement in the allowance for doubtful debts. From 2018-19, **expected credit losses expense** is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is 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.

(b) **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.

(c) **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 $20.2 million for 2018-19 ($0.5 million Child and Adolescent Health Service, $2.4 million for East Metropolitan Health Service, $4.7 million for North Metropolitan Health Service, $11.5 million for South Metropolitan Health Service, $1.1 million for WA Country Health Service).

Note 3 Use of our funding (continued)

3.6 Other expenses (continued)

(d) **Repairs and maintenance** costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

(e) **Return unspent funding for Southern Inland Health Initiatives:** $23.1 million was returned to the Department of Treasury (refer to note 9.10)

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	2019 $000	2018 $000
Income from State Government	4.1	5,127,354	5,119,119
User charges and fees	4.2	47,136	6,049
Commonwealth grants and contributions	4.3	2,273,586	2,404,134
Other grants and contributions	4.4	8,584	8,175
Finance income	4.5	1,820	1,957
Other revenue	4.6	2,419	13,956
Gains	4.7	-	4,267

4.1 Income from State Government

	2019 $000	2018 $000
Appropriation received during the period:		
Service appropriation (a)	4,886,224	4,936,908
Amount authorised by other statutes:		
Salaries and Allowances Act 1975	716	716
Lotteries Commission Act 1990	141,116	123,047
Total service appropriation	**5,028,056**	**5,060,671**

	2019 $000	2018 $000
Assets transferred from / (to) other State government agencies during the period (b) :		
Transfer cash from North Metropolitan Health Service regarding the SPA reform program	-	21
Transfer of surplus land to other state government agencies	-	(6,431)
Transfer of surplus building to other state government agencies	-	(150)
Transfer of other assets to other state government agencies	(672)	-
Total assets (transferred) / assumed	**(672)**	**(6,560)**

Note 4 Our funding sources (continued)

4.1 Income from State Government (continued)

	2019 $000	2018 $000
Services received free of charge from other State government agencies during the period (c)		
Department of Education - accommodation	976	953
Landgate - valuation services and land information	180	155
State Solicitor's Office - legal service	946	654
Department of Primary Industries & Regional Development - strategy and governance	4	-
Total services received free of charge	**2,106**	**1,762**

Royalties for Regions Fund (d)	2019 $000	2018 $000
Regional Community Services Account:		
Patient Assisted Travel Scheme	45,486	11,008
District Medical Work-2	20,136	25,000
Digital Innovation	15,488	-
Regional Workers Incentives	8,337	7,879
Pilbara Health Partnership	3,227	3,205
Expand the Ear Bus Program	793	822
Valley View Residence	500	-
Remote Indigenous Health Clinics	423	
Find Cancer Early Program	371	382
Meet and Greet Service	22	458
Royal Flying Doctor Service	-	2,792
Improving Ear, Eye & Oral Health Child Aboriginal	-	1,422
Renal Dialysis Service	-	1,363
Busselton ICT	-	915
Regional Palliative Care	-	500
	94,783	**55,746**

	2019 $000	2018 $000
Regional Infrastructure and Headworks Account :		
SIHI Residential Aged & Dementia Care	3,081	7,500
Total Royalties for Regions Fund	**97,864**	**63,246**
Total income from State Government	**5,127,354**	**5,119,119**

Note 4 Our funding sources (continued)

4.1 Income from State Government (continued)

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

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:

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

The receivable (holding account - note 6.3) comprises the following:

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

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

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

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

(d) **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 revenue when the Department gains control on receipt of the funds.

4.2 User charges and fees

	2019 $000	2018 $000
User charges and fees (a)	47,136	6,049
	47,136	**6,049**

(a) Includes $34.2 million of cross border revenue for residents from other Australian jurisdictions treated in WA hospitals.

Revenue is recognised and measured at the fair value of consideration received or receivable.

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 $261.9 million in 2019 ($451.2 million in 2018) from the following:

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

Note 4 Our funding sources (continued)

4.3 Commonwealth grants and contributions

	2019 $000	2018 $000
Cash grants - recurrent		
National Health Reform Agreement (NHRA) (a):		
Health Service Providers	2,029,697	1,940,432
Public Health	40,141	40,629
Specific purpose grants:		
Home and Community Care	961	184,147
Department of Veterans' Affairs	53,885	69,238
Aged Care Programs	40,633	48,338
Multi-Purpose Services Sites	30,740	29,443
Public Health Outcome Funding Agreement - Vaccines	1,678	3,486
Other Public Health Programs	-	-
Dental	9,686	12,113
NP Reward Funding	-	24,343
Other programs	26,259	15,143
Non-cash contributions		
Vaccine inventories received free of charge	39,906	36,822
Total Commonwealth grants and contributions	**2,273,586**	**2,404,134**

(a) As from 1 July 2012, activity based funding and block grant funding have been received from the Commonwealth Government under the National Health Reform Agreement (NHRA) for services, health teaching, training and research provided by local hospital networks or other organisations, and any other matter that under that Agreement is to be funded through the National Health Funding Pool, the State Managed Fund (Health) Account and the State Managed Fund (Mental Health) Account. The new funding arrangement established under the Agreement requires the Commonwealth to make funding payments to the State Pool Account from which distributions to the local hospital networks are made by the Department of Health and Mental Health Commission. All moneys in the State Pool Account and in the State Managed Fund (Health) Account are fully allocated to local hospital networks in each financial year (refer note 9.10 'Special purpose accounts'). Under the National Health Reform Agreement, the Commonwealth Government also provides public health funding to the Department of Health.

For **non-reciprocal grants**, the Department recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured.

Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Note 4 Our funding sources (continued)

4.4 Other grants and contributions

	2019 $000	2018 $000
Department of Education - health services for students at public schools	8,584	8,175
Total other grants and contributions	**8,584**	**8,175**

4.5 Finance income

	2019 $000	2018 $000
Finance lease income	1,820	1,957
Total finance income	**1,820**	**1,957**

4.6 Other revenue

	2019 $000	2018 $000
General public contributions and donations	2,000	2,000
Transfer of Telethon Kids Institute revenue to Ministerial Body	53	9,828
Other revenue	366	2,128
Total other revenue	**2,419**	**13,956**

4.7 Gains

	2019 $000	2018 $000
Net proceeds from disposal of non-current assets		
Property, plant and equipment (a)	-	4,267
Net gain	**-**	**4,267**

(a) The net gain in 2017-18 consists mainly of the profit on sale of Woodside Hospital offset by the proceeds from the sale of Calista Avenue, Kwinana property. Both these properties were previously non-current assets held for sale and have been realised in the current financial year.

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	2019 $000	2018 $000
Infrastructure, property, plant and equipment	5.1	36,439	121,664
Intangible assets	5.2	429	761
Total key assets		**36,868**	**122,425**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment

	2019 $000	2018 $000
Land		
At fair value	26,798	76,124
Buildings		
At fair value	6,719	19,344
Site infrastructure		
At fair value	1,260	888
Leasehold improvements		
At cost	426	-
Accumulated depreciation	(28)	-
	398	-
Computer equipment		
At cost	235	225
Accumulated depreciation	(165)	(169)
	70	56
Furniture and fittings		
At cost	75	84
Accumulated depreciation	(45)	(42)
	30	42
Other plant and equipment		
At cost	1,984	2,532
Accumulated depreciation	(1,317)	(2,037)
	667	495
Works in progress		
Buildings under construction (at cost)	422	22,537
Other Work in Progress (at cost)	-	2,103
	422	24,640
Artworks		
At cost	75	75
Total infrastructure, property, plant and equipment	**36,439**	**121,664**

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

Reconciliations

	2019 $000	2018 $000
Land		
Carrying amount at start of period	76,124	3,621
Transfers (a)	(45,030)	89,288
Disposals	(354)	(3,032)
Revaluation increments / (decrements)	(3,942)	(13,753)
Carrying amount at end of period	**26,798**	**76,124**
Buildings		
Carrying amount at start of period	19,344	6,811
Transfers (a)	-	12,542
Disposals	(579)	-
Revaluation increments/(decrements)	(11,283)	421
Depreciation	(763)	(430)
Carrying amount at end of period	**6,719**	**19,344**
Site infrastructure		
Carrying amount at start of period	888	941
Revaluation increments/(decrements)	425	-
Depreciation	(53)	(53)
Carrying amount at end of period	**1,260**	**888**
Leasehold improvements		
Carrying amount at start of period	-	-
Additions	426	-
Depreciation	(28)	-
Carrying amount at end of period	**398**	**-**
Computer equipment		
Carrying amount at start of period	56	91
Additions	48	16
Transfers (a)	(10)	(16)
Depreciation	(24)	(35)
Carrying amount at end of period	**70**	**56**
Furniture and fittings		
Carrying amount at start of period	42	51
Disposals	(3)	-
Depreciation	(9)	(9)
Carrying amount at end of period	**30**	**42**

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

	2019 $000	2018 $000
Other plant and equipment		
Carrying amount at start of period	495	666
Additions	388	-
Transfers (a)	(64)	(12)
Disposals	(29)	(2)
Depreciation	(123)	(157)
Carrying amount at end of period	**667**	**495**
Works in progress		
Carrying amount at start of period	24,640	1,119,097
Additions	426	59,488
Transfers from / (to) other asset classes	(426)	46,950
Transfer PCH WIP to other statutory authorities	(10,016)	(1,177,467)
Expensed	(14,202)	(23,428)
Carrying amount at end of period	**422**	**24,640**
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	121,664	1,131,353
Additions	1,288	59,504
Transfers (a)	(45,104)	101,802
Transfers from other asset classes	(426)	46,950
Transfer PCH WIP to other statutory authorities	(10,016)	(1,177,467)
Disposals	(965)	(3,034)
Expensed	(14,202)	(23,428)
Revaluation increments / (decrements)	(14,800)	(13,332)
Depreciation	(1,000)	(684)
Carrying amount at end of period	**36,439**	**121,664**

(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 agency 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	2018 $000
Buildings and site infrastructure	9,347	911,811
Medical equipment	660	84,333
Furniture and fittings	-	11,140
Motor vehicles and other plant and equipment	9	83,070
ICT assets	-	82,181
Artworks	-	4,932
	10,016	**1,177,467**

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

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

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

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

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

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

- land;
- buildings; and
- infrastructure.

Land is carried at fair value.

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

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

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

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: $2,904,600 (2018: $34,057,600) and buildings $299,000 (2018: $890,000). 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). Infrastructure 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 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 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

	2019 $000	2018 $000
Depreciation		
Buildings	763	430
Site infrastructure	53	53
Leasehold improvements	28	-
Computer equipment	24	35
Furniture and fittings	9	9
Other plant and equipment	123	157
Total depreciation for the period	**1,000**	**684**

As at 30 June 2019 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

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

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.

Note 5 Key assets (continued)

5.1 Infrastructure, property, plant and equipment (continued)

5.1.1 Depreciation and impairment charge for the period (continued)

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
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.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respectof 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)

5.1 Infrastructure, property, plant and equipment (continued)

5.1.2 Loss on disposal of non-current assets

	2019 $000	2018 $000
Carrying amount of non-current assets disposed:		
Property, plant and equipment	190	66
Proceeds from disposal of non-current assets		
Property, plant and equipment	-	-
Net loss on disposal of non-current assets	**190**	**66**

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 sale).

5.2 Intangible assets

	2019 $000	2018 $000
Computer software		
Gross carrying amount	-	1,024
Accumulated amortisation	-	(273)
	-	751
Works in progress	429	10
Total intangible assets	**429**	**761**

Reconciliations

	2019 $000	2018 $000
Computer software		
Carrying amount at start of period	751	597
Additions	-	385
Transfers (a)	(597)	-
Amortisation expense	(154)	(231)
Carrying amount at end of period	**-**	**751**
Works in progress		
Carrying amount at start of period	10	105,224
Additions	424	-
Transfer to other asset classes	-	(47,334)
Transfer PCH WIP to other statutory authorities	-	(57,880)
Expensed	(5)	-
Carrying amount at end of period	**429**	**10**

Note 5 Key assets (continued)

5.2 Intangible assets (continued)

Total intangible assets

	2019 $000	2018 $000
Carrying amount at start of period	761	105,821
Additions	424	385
Transfers (a)	(597)	-
Transfer to other asset class	-	(47,334)
Transfer PCH WIP to other statutory authorities	-	(57,880)
Amortisation expense	(154)	(231)
Expensed	(5)	-
Carrying amount at end of period	**429**	**761**

(a) Pharmacy Management System transferred to Health Support Services.

(b) Perth Children's Hospital assets transferred to the Child and Adolescent Health Service and the Health Support Services:

	2019 $000	2018 $000
Computer software transferred to Child and Adolescent Health Service	-	52,400
ICT assets transferred to Health Support Services	-	5,480
	-	**57,880**

Initial recognition

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.

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.

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.

Note 5 Key assets (continued)

5.2 Intangible assets (continued)

5.2.1 Amortisation and impairment charge for the period

	2019 $000	2018 $000
Computer software	154	231
Total amortisation for the period	**154**	**231**

As at 30 June 2019 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 live 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 finite 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.

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	2019 $000	2018 $000
Inventories	6.1	10,510	16,461
Receivables	6.2	67,798	50,126
Amounts receivable for services	6.3	57,084	55,792
Finance lease receivable	6.4	10,468	8,648
Other assets	6.5	5,640	6,227
Payables	6.6	96,743	63,170
Other liabilities	6.7	131	1,114

Note 6 Other assets and liabilities (continued)

6.1 Inventories

	2019 $000	2018 $000
Current		
Drug supplies (at cost)	10,510	9,794
State Distribution Centre - supply stores (at cost) (a)	-	6,667
	10,510	**16,461**

Inventories are measured at the lower of cost and net realisable value.

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

(a) State Distribution Center was transferred from the Department to the Health Support Services on 1 August 2018, as a result of a restructure of administrative arrangements. Please refer to note 9.13 equity.

6.2 Receivables

	2019 $000	2018 $000
Current		
Trade receivables	987	556
Allowance for impairment of trade receivables	(278)	(8)
Accrued revenue	36,278	19,189
GST receivable (a)	30,811	30,389
	67,798	**50,126**

(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.

Note 6 Other assets and liabilities (continued)

6.2 Receivables (continue)

6.2.1 Movement in the allowance for impairment of trade receivables:

	2019 $000	2018 $000
Reconciliation of changes in the allowance for impairment of trade receivables:		
Balance at start of period	8	13
Remeasurement under AASB 9	257	
Restated balance at start of period	265	13
Doubtful debts expense		1
Expected credit losses expense	18	
Amounts written off during the period	(5)	(6)
Balance at end of period	**278**	**8**

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)

	2019 $000	2018 $000
Non-current	57,084	55,792

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 not considered to be 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

	2019 $000	2018 $000
Non-current	10,468	8,648

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.

6.5 Other assets

	2019 $000	2018 $000
Current		
Prepayments (a)	4,130	4,003
Total current	**4,130**	**4,003**
Non-current		
Prepayments (a)	1,510	2,224
Total non-current	**1,510**	**2,224**
Balance at end of period	**5,640**	**6,227**

(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

	2019 $000	2018 $000
Current		
Trade payables	15,060	21,521
Accrued salaries	1,899	2,751
Accrued expenses	79,784	38,898
Balance at end of period	**96,743**	**63,170**

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 (refer 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 Other current liabilities

	2019 $000	2018 $000
Current		
Unearned income (a)	131	1,114
Balance at end of period	**131**	**1,114**

(a) State Distribution Center was transferred from the Department to the Health Support Services on 1 August 2018, as a result of a restructure of administrative arrangements. Please refer to note 9.13 equity.

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
Reconciliation of cash	7.1.1
Restricted cash and cash equivalents	7.1.2
Reconciliation of operating activities	7.1.3
Commitments	7.2
Non-cancellable operating lease commitments	7.2.1
Capital commitments	7.2.2
Private sector contracts for the provision of health services	7.2.3
Other expenditure commitments	7.2.4

Note 7 Financing (continued)

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Notes	2019 $000	2018 $000
Cash and cash equivalents		208,940	261,309
Restricted cash and cash equivalents	7.1.2	51,784	113,817
Balance at end of period		**260,724**	**375,126**

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

	2019 $000	2018 $000
Current		
Commonwealth specific purpose grants (a)	34,573	64,444
Royalties for Regions Fund (b)	4,612	27,183
Telethon - WA Child Research Fund Account (c)	8,118	7,978
Proceeds from sale of properties	-	13,245
Total current	**47,303**	**112,850**

	2019 $000	2018 $000
Non-Current		
Accrued salaries suspense account (d)	4,481	967
Total non-current	**4,481**	**967**
Balance at end of period	**51,784**	**113,817**

(a) Funds held for the specific purposes include DVA Hospital Contributions ($10.2 million), NPA - Essential Vaccines ($3.7 million), Health Innovation Fund Stage 1 ($11.5 million), Aged Care programs ($2.3 million) and other initiatives and programs ($6.9 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)

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

	Notes	2019 $000	2018 $000
Net cost of services		(5,268,735)	(5,055,865)
Non-cash items:			
Depreciation and amortisation expense	5.1.1 & 5.2.1	1,154	915
Doubtful debts expense	6.2.1	-	1
Expected credit losses expense	6.2.1	18	-
Services received free of charge	4.1	2,106	1,762
Net (gain) / loss on disposal of property, plant and equipment	4.7	190	66
Write down of non-current assets classified as held for sale			-
Transfer of non-cash funding to other statutory authorities		403,772	354,362
Donation of non-current assets		-	-
Adjustments for other non-cash items		4,302	15,468
(Increase) / decrease in assets:			
Inventories		5,951	88
Receivables		(17,672)	14,086
Finance lease receivable		(1,820)	(1,957)
Other assets		586	551
Increase / (decrease) in liabilities:			
Payables		33,573	(17,849)
Employee related provisions		3,597	(1,290)
Other liabilities		(981)	(5,033)
Net cash provided by / (used in) operating activities		**(4,833,959)**	**(4,694,695)**

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

7.2 Commitments

The commitments below are inclusive of GST:

7.2.1 Non-cancellable operating lease commitments

	2019 $000	2018 $000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	9,373	10,106
Later than 1 year and not later than 5 years	18,463	138
	27,836	**10,244**

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The Department has entered into a property lease which is a non-cancellable lease with a three year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments must not be less than the rent payable immediately prior to the relevant rent review date, which is bi annually from the start of the lease.

Note 7 Financing (continued)

7.2 Commitments (continued)

7.2.2 Capital commitments

	2019 $000	2018 $000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	399	10,510
	399	**10,510**

7.2.3 Private sector contracts for the provision of health services

	2019 $000	2018 $000
Expenditure commitments in relation to private sector organisations contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	365,305	432,837
Later than 1 year and not later than 5 years	178,949	458,883
	544,254	**891,720**

7.2.4 Other expenditure commitments

	2019 $000	2018 $000
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	5,599	11,643
Later than 1 year and not later than 5 years	4,534	5,089
	10,133	**16,732**

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

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

Note 8 Risks and contingencies

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

	Notes
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

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), 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:

	2019 $000	2018 $000
Financial Assets		
Cash and cash equivalents	208,940	261,309
Restricted cash and cash equivalents	51,784	113,817
Receivables (a)	104,539	84,176
Total financial assets	365,263	459,303
Financial Liabilities		
Financial liabilities at amortised cost	96,743	63,170
Total financial liability	96,743	63,170

(a) The amount of receivables 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 2019								
Expected credit loss rate		0.0%	0.0%	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)
1 July 2018 (Remeasurement)								
Expected credit loss rate		1.1%	0.0%	0.0%	20.0%	50.0%	100.0%	100.0%
Estimated total gross carrying amount at default	**556**	190	69	23	5	16	8	245
Expected credit losses	**(265)**	(2)	(1)	-	(1)	(8)	(8)	(245)

(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 $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	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**	**297,605**	**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).

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 $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	1-5 years $000	More than 5 years $000
2018											
Financial Assets											
Cash and cash equivalents	-	261,309	-	-	261,309	261,309	261,309	-	-	-	-
Restricted cash and cash equivalents	-	113,817	-	-	113,817	113,817	113,817	-	-	-	-
Receivables (a)	-	19,737	-	-	19,737	19,737	19,702	27	8	-	-
Finance lease receivable	-	8,648	-	-	8,648	8,648	-	-	-	-	8,648
Amounts receivable for services	-	55,792	-	-	55,792	55,792	-	-	-	-	55,792
		459,304	**-**	**-**	**459,304**	**459,304**	**394,829**	**27**	**8**	**-**	**64,440**
Financial Liabilities											
Payables	-	63,170	-	-	63,170	63,170	63,170	-	-	-	-
		63,170	**-**	**-**	**63,170**	**63,170**	**63,170**	**-**	**-**	**-**	**-**

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

(e) Interest rate sensitivity analysis

There was no interest rate sensitivity to the Department's financial assets and liabilities 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:

	2019 $000	2018 $000
Cross border receipts for residents from other Australian jurisdictions treated in WA hospitals	11,603	3,777

8.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

	2019 $000	2018 $000
Cross border charges for WA residents treated in hospitals in other Australian jurisdictions	21,358	12,222

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 does not have any suspected contaminated sites reported under the Act.

8.3 Fair value measurements

Assets measured at fair value: 2019	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		-	14,624	-	14,624
Specialised		-	-	12,174	12,174
Buildings	5.1				
Vacant Building		-	299	-	299
Specialised		-	-	6,420	6,420
Site infrastructure	5.1	-	-	1,260	1,260
		-	**15,032**	**19,854**	**34,886**

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
2018					
Non-current assets classified as held for sale	9.12	-	215	-	215
Land	5.1				
Vacant land		-	34,058	-	34,058
Specialised		-	-	42,066	42,066
Buildings	5.1				
Vacant Building		-	890	-	890
Specialised		-	-	18,454	18,454
Site Infrastructure	5.1	-	-	888	888
		-	**35,163**	**61,408**	**96,571**

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

Valuation processes

The Department obtains independent valuations of land and buildings from the Western Australian Land Information Authority (Landgate Valuation Services) annually, and independent valuations of site infrastructure from external quantity surveyors every 3-5 years.

There were no changes in valuation techniques during the period.

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 infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

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.

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

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

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

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

Note 8 Risks and contingencies (continued)

8.3 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (Level 3)

	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**

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

Valuation techniques used to derive Level 3 fair values

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

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 8 Risks and contingencies (continued)

8.3 Fair value measurements (continued)

Valuation techniques used to derive Level 3 fair values (continued)

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.

	Notes
Events occurring after the end of the reporting period	9.1
Correction of prior period errors / changes in accounting policy	9.2
Future impact of Australian Accounting Standards issued not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Services provided free of charge	9.8
Other statement of receipts and payments	9.9
Special purpose accounts	9.10
Remuneration of auditors	9.11
Non-current assets classified as assets held for sale	9.12
Equity	9.13
Supplementary financial information	9.14
Explanatory statement (Controlled Operations)	9.15
Statement of Comprehensive Income Variances	9.15.1
Statement of Financial Position Variances	9.15.2
Statement of Cash Flow Variances	9.15.3

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.

Note 9 Other disclosures (continued)

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments

AASB 9 Financial instruments replaces *AASB 139 Financial instruments: Recognition and Measurements* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Department applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Department has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus / (deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

		Adjustments	1 July 2018 $000
Assets			
Trade receivables		(a), (b)	(257)
Total Assets			(257)
Total adjustments on Equity			
Accumulated surplus / (deficit)		(a), (b)	(257)
			(257)

The nature of these adjustments are described below:

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Department's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Department's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the time of initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Department. The following are the changes in the classification of the Department's financial assets:

- Trade receivables classified as receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Department did not designate any financial assets as at fair value through P/L.

Note 9 Other disclosures (continued)

9.2 Initial application of Australian Accounting Standards (continued)

AASB 9 Financial instruments (continued)

In summary, upon the adoption of AASB 9, the Department had the following reclassifications as at 1 July 2018:

		AASB 9 category		
		Amortised Cost	Fair value through OCI	Fair value through P/L
	$000	$000	$000	$000
AASB 139 category				
Trade receivables *	556	291	-	-
		291	**-**	**-**

* The change in carrying amount is a result of additional impairment allowance. See the details on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Department to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the Department recognised an additional impairment on the Department's Trade receivables of $256,795 which resulted in a decrease in Accumulated surplus / (deficit) of $256,795 as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018 $000	Remeasurement $000	ECL under AASB 9 as at 1 July 2018 $000
Trade receivables under AASB 139 / Financial assets at amortised cost under AASB 9	8	257	265

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Note 9 Other disclosures (continued)

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

		Operative for reporting periods beginning on/after
AASB 15	*Revenue from Contracts with Customers* This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7. The Department's income is principally derived from appropriations which will be measured under AASB 1058, and thus will not be materially affected by this change. Although the recognition of 'user charges and fees' and 'Sales' revenue will be deferred until the Department has discharged its performance obligations, these revenues are expected to be fully recognised at year-end and no contract liability will exist. The Department will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the Department will recognise 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 Jan 2019
AASB 16	*Leases* This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The recognition of additional assets and liabilities, mainly from operating leases, will increase the Department's total assets by $60.1 million and total liabilities by $5.1 million. This will have an equity impact of $55.0 million on 1 July 2019. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.	1 Jan 2019
AASB 16	*Leases* The above assessment is based on the following accounting policy positions: • Option 1/Option 2 of the modified retrospective approach on transition; • the 'low value asset' threshold set at AUD $5,000 (unless GROH, GOA or State Fleet); • For leases classified as 'short term' (12 months or less), these are not recognised under AASB 16 (unless GROH, GOA or State Fleet); • Land, buildings and investment property ROU assets are measured under the fair value model, subsequent to initial recognition, and • Discount rates are sourced from WA Treasury Corporation (WATC) The Department will adopt the modified retrospective approach on transitino to AASB 16. No comparative information will be restated under this approach, and the Department will recognise 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 Jan 2019

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 9 Other disclosures (continued)

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

AASB 1058	*Income of Not-for-Profit Entities*	1 Jan 2019
	This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by the Department. AASB 1058 will have no impact on appropriations and recurrent grants received by the Department - they will continue to be recognised as income when funds are deposited in the bank account or credited to the holding account. The Department has determined that a portion of revenue from capital grants will be deferred into future reporting periods. The impact of AASB 1058 has not yet been quantified. The Department will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and the Department will recognise 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.	
AASB 1059	*Service Concession Arrangements: Grantors*	1 Jan 2020
	This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The mandatory effective date of this Standard is currently 1 January 2020 after amended by AASB 2018-5. The Department does not manage any public private partnerships that is within scope of the Standard.	
AASB 2016-8	*Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*	1 Jan 2019
	This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	
AASB 2018-4	*Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*	1 Jan 2019
	This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. There is no financial impact as the Department does not issue licences.	
AASB 2018-5	*Amendments to Australian Accounting Standards – Deferral of AASB 1059*	1 Jan 2019
	This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.	

Note 9 Other disclosures (continued)

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

AASB 2018-7	*Amendments to Australian Accounting Standards – Definition of Material*	1 Jan 2020
	This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.	
AASB 2018-8	*Amendments to Australian Accounting Standards – Rights-of-Use Assets of Not-for-Profit Entities*	1 Jan 2019
	This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.	
	The Department will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about $1). As a result, the financial impact of this Standard is not material.	

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 ($)	2019	2018
700,001 - 710,000	-	1
640,001 - 650,000	1	-
510,001 - 520,000	1	1
380,001 - 390,000	-	1
370,001 - 380,000	-	-
360,001 - 370,000	2	1
350,001 - 360,000	1	-
310,001 - 320,000	-	1
250,001 - 260,000	1	-
170,001 - 180,000	-	1
	6	**6**

	2019 $000	2018 $000
Short-term employee benefits	2,283	2,098
Post-employment benefits	177	216
Other long-term benefits	41	136
Total compensation of senior officers	**2,501**	**2,450**

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

Note 9 Other disclosures (continued)

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)

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 Health Service Providers (note 3.2)
- superannuation payments to GESB (note 3.1 (a))
- lease rental payments to the Department of Finance (Government Office Accommodation and State Fleet) (note 3.5)
- insurance payments to the Insurance Commission and Riskcover fund (note 3.6)
- remuneration for services provided by the Auditor General (note 9.11)

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 9 Other disclosures (continued)

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:

	2019 $000	2018 $000
Research and development	21,919	19,948
Public health	4,317	5,909
	26,236	**25,857**

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:

	2019 $000	2018 $000
Contiguous Local Authorities Group	835	837
Department of Education	159	243
Department of Planning, Lands and Heritage	134	146
Water Corporation	162	178
WA Police	118	-
Department of Communities	52	-
Department of Water and Environmental Regulation	80	-
Others	34	-
	1,574	**1,404**

9.9 Other statement of receipts and payments

	2019 $000	2018 $000
Commonwealth grant - Christmas and Cocos Island		
Balance at start of period	2,847	1
Receipts		
Commonwealth grant	2,623	5,821
Payments		
Purchase of WA Health Services	(3,120)	(5,921)
Prior year adjustments (a)		
Payment overclaimed	-	2,988
Acquittal from Child and Adolescent Health Service	-	(42)
Adjusted balance at end of period	**2,350**	**2,847**

(a) Prior year adjustments comprise overclaimed payment from Commonwealth and grants receivable for paediatric services. The 2017-18 ending balance has been restated to reflect these adjustments.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

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.

	2019 $000	2018 $000
Balance at start of period	-	-
Controlled by the Department		
Receipts:		
Commonwealth activity based funding for Health Service Providers	1,790,558	1,705,608
Commonwealth activity based funding for Department of Health	32,151	42,179
Commonwealth block funding for Health Service Providers	206,987	192,644
Commonwealth public health funding for Department of Health	40,142	40,629
State activity based funding from Department of Health	2,571,921	1,743,262
Cross border deposits from interstate	260	-
Payments:		
Commonwealth activity based funding to Health Service Providers	(1,790,558)	(1,705,608)
Commonwealth activity based funding to Department of Health	(32,151)	(42,179)
Commonwealth block funding to State Managed Fund (Health) Account	(206,987)	(192,644)
Commonwealth public health funding to Department of Health	(40,142)	(40,629)
State activity based funding to Health Service Providers	(2,571,921)	(1,743,262)
Cross border payment to interstate	(260)	-
Balance at end of period	**-**	**-**

	2019 $000	2018 $000
Administered by the Department		
Receipts:		
Commonwealth activity based funding for Mental Health Commission (MHC)	106,909	106,980
Commonwealth block funding for Mental Health Commission	90,698	86,089
State activity based funding from Mental Health Commission	179,828	177,213
Payments:		
MHC Commonwealth activity based funding to Health Service Providers	(105,140)	(105,462)
MHC Commonwealth activity based funding to non-government organisation (NGO)	(1,769)	(1,518)
Commonwealth block funding to Mental Health Commission	(90,698)	(86,089)
MHC State activity based funding to Health Service Providers	(179,828)	(177,213)
	-	-
Balance at end of period	-	-

Department of Health

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

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.

	2019 $000	2018 $000
Balance at start of period	-	-
Controlled by the Department		
Receipts:		
Commonwealth block funding from State Pool Account	206,987	192,644
State block funding from Department of Health	120,901	252,969
Royalties for Regions Fund from Department of Health		
Payments:		
Commonwealth block funding to Health Service Providers	(206,987)	(192,644)
State block funding to Health Service Providers	(120,901)	(252,969)
	-	-
Administered by Department of Health		
Receipts:		
Mental Health Commission - Commonwealth block funding	90,698	86,089
Mental Health Commission - State block funding	179,900	181,272
Payments:		
Mental Health Commission - Commonwealth block funding to Health Service Providers	(90,698)	(86,089)
Mental Health Commission - State block funding to Health Service Providers	(179,900)	(181,272)
	-	-
Balance at end of period	-	-

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.

	2019 $000	2018 $000
Recurrent		
Balance at start of period	23,093	33,454
Receipts		
Aged & Dementia Program	-	7,500
Payments to WA Country Health Service		
District Medical Workforce Investment	-	(7,889)
District Hospital Investment Program	-	-
Telehealth Investment Program	-	(4,750)
Aged & Dementia Program	-	(5,222)
Payments to Department of Treasury		
Southern Inland Health Initiatives - Stream 5	(23,093)	-
	-	**23,093**

Department of Health

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Note 9 Other disclosures (continued)

9.10 Special purpose accounts (continued)

	2019 $000	2018 $000
Capital		
Balance at the start of period	-	23,045
Receipts		
District Hospital Investment Program - Stream 2	-	84,809
Primary Health Centres Demonstration Program - Stream 3	-	9,899
Small Hospital and Nursing Post Refurbishment Program - Stream 4	-	10,558
Payments		
District Hospital Investment Program - Stream 2	-	(84,809)
Primary Health Centres Demonstration Program - Stream 3	-	(9,899)
Small Hospital and Nursing Post Refurbishment Program - Stream 4	-	(33,603)
	-	-
Balance at end of period	**-**	**23,093**

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.

	2019 $000	2018 $000
Controlled by the Department		
Balance at start of period	7,979	7,550
Receipts	4,177	4,145
Payments	(4,038)	(3,716)
Balance at end of period	**8,118**	**7,979**

9.11 Remuneration of auditors

	2019 $000	2018 $000
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements, controls, and key performance indicators	363	354

9.12 Non-current assets classified as assets held for sale

	2019 $000	2018 $000
Opening balance	215	12,489
Add: Assets reclassified as held for sale (a)	337	215
Less: write-down from cost to fair value less selling costs	(6)	(140)
Less: assets sold	(437)	(12,349)
Closing balance	**109**	**215**

(a) In 2018-19 financial year, a portion of Fiona Stanley Hospital site with a fair value of $0.3 million were 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 9 Other disclosures (continued)

9.13 Equity

	2019 $000	2018 $000
Contributed equity		
Balance at start of period	-	1,041,854
Contributions by owners		
Capital appropriation (a)	12,876	85,857
Transfer of net assets from other agencies (b)		
Land transferred from the South Metropolitan Health Service (c)	337	-
Land and buildings transferred from the Child and Adolescent Health Service (c)	-	59,450
Land and buildings transferred from the North Metropolitan Health Service (c)	-	53,870
Land and buildings transferred from the East Metropolitan Health Service (c)	-	4,570
Land and buildings transferred from the WA Country Health Service (c)	-	4,023
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)	(1,229,867)
Perth Children's Hospital transferred to the Health Support Services (e)	-	(5,480)
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 transferred to the North Metropolitan Health Service (c)	-	(15,300)
Land and building transferred to the Shire of Serpentine (c)	-	(4,570)
Land and buildings for sale transferred to the Department of Planning, Lands and Heritage (c)	(45,367)	-
Proceeds for disposal of assets paid to Consolidated Account	(13,770)	-
Transfer of deficit to Accumulated Surplus	65,567	5,593
Balance at end of period	**-**	**-**

(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	2018 $000
Assets		
Cash and cash equivalents	15,467	-
Receivables	109	-
Infrastructure, property, plant and equipment	10,016	1,177,467
Intangible assets	-	57,880
Liabilities		
Payables	(5,698)	-
Total assets and liabilities transferred	**19,894**	**1,235,347**

	2019 $000	2018 $000
Asset revaluation reserve		
Balance at start of period	294,310	307,783
Net revaluation increments / (decrements):		
Land	(3,942)	(13,907)
Buildings	(10,858)	434
Balance at end of period	**279,510**	**294,310**

	2019 $000	2018 $000
Accumulated surplus		
Balance at start of period	253,758	196,097
Result for the period	(141,381)	63,254
Changes in accounting policy (refer to note 9.2)	(257)	-
Transfer of deficit from Contributed Equity	(65,567)	(5,593)
Balance at end of period	**46,553**	**253,758**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 9 Other disclosures (continued)

9.14 Supplementary financial information

(a) Write-offs

During the financial year, the Department has written off debts and inventory under the authority of:

	2019 $000	2018 $000
The acountable authority	5	39
The Minister	-	-
	5	**39**

(b) Losses through theft, defaults and other causes

There were no losses through theft, defaults and other causes in 2018-19 and 2017-18.

(c) Gifts of public property

There were no gifts of public property provided by the Department in 2018-19 and 2017-18.

Note 9.15 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for selected major variances, which are generally greater than:

5% and $25.0 million for the Statement of Comprehensive Income and Cash Flows; and
5% and $12.4 million for the Statement of Financial Position.

9.15.1 Statement of Comprehensive Income Variances	Variance note	Estimate 2019 $000	Actual 2019 $000	Actual 2018 $000	Variance between estimate and actual $000	Variance between actual results for 2019 and 2018 $000
COST OF SERVICES						
Expenses						
Employee benefits expense	A	117,442	104,622	129,219	(12,820)	(24,597)
Contracts for services	B	528,910	552,354	697,156	23,444	(144,802)
Supplies and services		57,160	57,102	67,243	(58)	(10,141)
Grants and subsidies		6,529,625	6,761,950	6,523,327	232,325	238,623
Depreciation and amortisation expense		738	1,154	915	416	239
Loss on disposal of non-current assets		-	190	66	190	124
Contribution to Capital Works Fund	1, C	-	48,241	2,990	48,241	45,251
Other expenses		59,868	76,667	73,487	16,799	3,180
Total cost of services		**7,293,743**	**7,602,280**	**7,494,403**	**308,537**	**107,877**
Income						
Revenue						
User charges and fees	2, D	4,069	47,136	6,049	43,067	41,087
Commonwealth grants and contributions	E	2,186,377	2,273,586	2,404,134	87,209	(130,548)
Other grants and contributions		-	8,584	8,175	8,584	409
Finance income		-	1,820	1,957	1,820	(137)
Other revenue		4,563	2,419	13,956	(2,144)	(11,537)
Total revenue		**2,195,009**	**2,333,545**	**2,434,271**	**138,536**	**(100,726)**
Gains						
Gain on disposal of non-current assets		-	-	4,267	-	(4,267)
Total income other than income from State Government		**2,195,009**	**2,333,545**	**2,438,538**	**138,536**	**(104,993)**
NET COST OF SERVICES		**5,098,734**	**5,268,735**	**5,055,865**	**170,001**	**212,870**
Income from State Government						
Service appropriation		4,947,630	5,028,056	5,060,671	80,426	(32,615)
Assets (transferred) / assumed		-	(672)	(6,560)	(672)	5,888
Services received free of charge	3	57,117	2,106	1,762	(55,011)	344
Royalties for Regions Fund	F	95,285	97,864	63,246	2,579	34,618
Total income from State Government		**5,100,032**	**5,127,354**	**5,119,119**	**27,322**	**8,235**
SURPLUS / (DEFICIT) FOR THE PERIOD		**1,298**	**(141,381)**	**63,254**	**(142,679)**	**(204,635)**
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation reserve		-	(14,800)	(13,473)	(14,800)	(1,327)
Total other comprehensive income		**-**	**(14,800)**	**(13,473)**	**(14,800)**	**(1,327)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,298**	**(156,181)**	**49,782**	**(157,479)**	**(205,963)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

Note 9.15 Explanatory statement (Controlled Operations) (continued)

9.15.2 Statement of Financial Position Variances	Variance note	Estimate 2019 $000	Actual 2019 $000	Actual 2018 $000	Variance between estimate and actual $000	Variance between actual results for 2019 and 2018 $000
ASSETS						
Current Assets						
Cash and cash equivalents		249,181	208,940	261,309	(40,241)	(52,369)
Restricted cash and cash equivalents		112,850	47,303	112,850	(65,547)	(65,547)
Inventories		16,460	10,510	16,461	(5,950)	(5,951)
Receivables		50,134	67,798	50,126	17,664	17,672
Other current assets		4,003	4,130	4,003	127	127
Non-current assets held for sale		215	109	215	(106)	(106)
Total Current Assets		**432,843**	**338,790**	**444,964**	**(94,053)**	**(106,174)**
Non-Current Assets						
Restricted cash and cash equivalents		967	4,481	967	3,514	3,514
Amounts receivable for services		55,791	57,084	55,792	1,293	1,292
Finance lease receivable		8,648	10,468	8,648	1,820	1,820
Infrastructure, property, plant and equipment	4, G	120,925	36,439	121,664	(84,486)	(85,225)
Intangible assets		556	429	761	(127)	(332)
Other non-current assets		2,225	1,510	2,224	(715)	(714)
Total Non-Current Assets		**189,112**	**110,411**	**190,056**	**(78,701)**	**(79,645)**
TOTAL ASSETS		**621,955**	**449,201**	**635,020**	**(172,754)**	**(185,819)**
LIABILITIES						
Current Liabilities						
Payables		47,993	96,743	63,170	48,750	33,573
Employee related provisions		17,508	18,633	17,402	1,125	1,231
Other current liabilities		1,817	131	1,114	(1,686)	(983)
Total Current Liabilities		**67,318**	**115,507**	**81,686**	**48,189**	**33,821**
Non-Current Liabilities						
Employee related provisions		5,266	7,631	5,266	2,365	2,365
Total Non-Current Liabilities		**5,266**	**7,631**	**5,266**	**2,365**	**2,365**
TOTAL LIABILITIES		**72,584**	**123,138**	**86,952**	**50,554**	**36,186**
NET ASSETS		**549,371**	**326,063**	**548,068**	**(223,308)**	**(222,005)**
EQUITY						
Contributed equity		10,312	-	-	(10,312)	-
Reserves		298,182	279,510	294,310	(18,672)	(14,800)
Accumulated surplus		240,877	46,553	253,758	(194,324)	(207,205)
TOTAL EQUITY		**549,371**	**326,063**	**548,068**	**(223,308)**	**(222,005)**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2019

Note 9.15 Explanatory statement (Controlled Operations) (continued)

9.15.3 Statement of Cash Flow Variances	Variance note	Estimate 2019 $000	Actual 2019 $000	Actual 2018 $000	Variance between estimate and actual $000	Variance between actual results for 2019 and 2018 $000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		4,542,565	4,622,991	4,705,562	80,426	(82,571)
Capital appropriations	H	-	12,876	85,857	12,876	(72,981)
Non-retained revenue distributed to owner		-	(13,770)	-	(13,770)	(13,770)
Royalties for Regions Fund	I	95,285	97,864	63,246	2,579	34,618
Net cash provided by State Government		**4,637,850**	**4,719,961**	**4,854,665**	**82,111**	**(134,704)**
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	J	(117,442)	(101,877)	(129,509)	15,565	27,632
Supplies and services	K	(588,616)	(601,758)	(801,680)	(13,142)	199,922
Grants and subsidies		(6,124,560)	(6,358,178)	(6,168,965)	(233,618)	(189,213)
Contribution to Capital Works Fund	5, L	-	(48,241)	(2,990)	(48,241)	(45,251)
GST payments on purchases	6, M	(282,117)	(371,191)	(409,830)	(89,074)	38,639
Receipts						
User charges and fees		4,069	12,894	6,044	8,825	6,850
Commonwealth grants and contributions	N	2,186,377	2,233,680	2,367,312	47,303	(133,632)
GST receipts on sales		19,435	23,170	24,006	3,735	(836)
GST receipts from taxation authority	7, O	262,682	347,031	389,336	84,349	(42,305)
Other receipts	8	4,563	30,511	31,581	25,948	(1,070)
Net cash provided by / (used in) operating activities		**(4,635,609)**	**(4,833,959)**	**(4,694,695)**	**(198,350)**	**(139,264)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Payment for purchase of non-current assets	P	-	(1,281)	(38,451)	(1,281)	37,170
Proceeds from sale of non-current assets		-	877	14,545	877	(13,668)
Net cash provided by / (used in) investing activities		**-**	**(404)**	**(23,906)**	**(404)**	**23,502**
Net increase / (decrease) in cash and cash equivalents		2,241	(114,402)	136,064	(116,643)	(250,466)
Cash and cash equivalents at the beginning of the period		360,757	375,126	257,916	14,369	117,210
Cash and cash equivalents held by Children and Adolescent Health Service on behalf of the Health Ministerial Body		-	-	(18,855)	-	18,855
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**362,998**	**260,724**	**375,126**	**(102,274)**	**(114,402)**

Note 9.15 Explanatory statement (Controlled Operations) (continued)

	Major Estimate and Actual (2019) Variance Narratives	2019 Estimate $000	2019 Actual $000	Variance $000
1	**Contribution to Capital Works Fund expense** Contribution to Capital Works Fund expense increased by $48.2 million due to Government approval for repurposing funding from recurrent to capital projects (Healthnext $38.1 million and Laboratory Information Systems $10.1 million). These were approved at mid year review 2018-19.	-	48,241	48,241
2	**User charges and fees income** User charges and fees income increased by $43.1 million, mainly due to the accrual of cross border revenue for interstate patients treated in WA in prior years of $34.2 million and a $8.9 million increase to other recoveries. These were not included in the estimate.	4,069	47,136	43,067
3	**Services received free of charge income** Services received free of charge decreased by $55.0 million (96.3%) due to the recategorisation of vaccine stock received from the Commonwealth being recognised in the actuals as Commonwealth Grants and Contributions.	57,117	2,106	(55,011)
4	**Infrastructure, property, plant and equipment** Infrastructure, property, plant and equipment decreased by $84.5 million (69.9%) mainly due to the transfer of the land and buildings at Princess Margaret Hospital ($43.9 million) and the subsequent opening of Perth Children's Hospital with $10.0 million work-in-progress transferred to other statutory authorities, $14.2 million expensed to the Department and $14.8 million of asset revaluation decrease.	120,925	36,439	(84,486)
5	**Contribution to Capital Works Fund payments** Contribution to Capital Works Fund payments increased by $48.2 million due to Government approval for repurposing funding from recurrent to capital projects (Healthnext $38.1 million and Laboratory Information Systems $10.1 million). These were approved at mid year review 2018-19.	-	(48,241)	(48,241)
6	**GST payments on purchases** GST payments on purchases increased by $89.1 million (31.6%) mainly due to the actual costs exceeding estimates, resulting in higher amounts of GST on purchases.	(282,117)	(371,191)	(89,074)
7	**GST receipts from taxation authority** GST refunds from taxation authority increased by $84.3 million (32.1%) mainly due to the actual costs exceeding estimates, resulting in higher amounts of GST claimed.	262,682	347,031	84,349
8	**Other receipts** Other receipts increased by $25.9 million (568.7%) mainly due to the receipt of HACC unspent funding and the receipt of a grant from the Department of Education, which were not included in the estimate.	4,563	30,511	25,948

Note 9.15 Explanatory statement (Controlled Operations) (continued)

	Major Actual (2019) and Comparative (2018) Variance Narratives	2019 Actual $000	2018 Actual $000	Variance $000
A	**Employee benefits expense** Employee benefits expense decreased by $24.6 million (19.0%) due to a decrease in activity relating to the full commission of Perth Children's Hospital by September 2018.	104,622	129,219	(24,597)
B	**Contracts for services expense** Contracts for services expense decreased by $144.8 million (20.8%) due to the decline in health service for Home and Community Care (HACC).	552,354	697,156	(144,802)
C	**Contribution to Capital Works Fund expense** Contribution to Capital Works Fund expense increased by $45.3 million due to Government approval of repurpose funding from recurrent to capital projects. These projects are Healthnext $38.1 million and Laboratory Information System 10.1 million.	48,241	2,990	45,251
D	**User charges and fees income** User charges and fees income increased by $41.1 million due to the accrual of cross border revenue for interstate patients treated in WA in prior years of $34.2 million and receipt of unspent HACC funding from service providers.	47,136	6,049	41,087
E	**Commonwealth grants and contributions income** Commonwealth grants and contributions income decreased by $130.5 million (5.4%) due to the reduction in HACC funding of $183.1 million and funding from other Commonwealth specific grants of $36.6 million. This was offset by an increase in National Health Reform Agreement grants to provide health services of $89.2 million.	2,273,586	2,404,134	(130,548)
F	**Royalties for Regions Fund income** Royalties for Regions Fund income increased by $34.6 million (54.7%) due to increased funding for the Patient Assisted Travel Scheme (PATS) and the new Digital Innovation Program.	97,864	63,246	34,618
G	**Infrastructure, property, plant and equipment** Infrastructure, property, plant and equipment decreased by $85.2 million (70%) due to the transfer of surplus land and buildings to the Department of Planning, Lands and Heritage at a value of $45.1 million, the transfer of the remaining Perth Children's Hospital assets to other statutory authorities at a value of $10.0 million, expensed items that were not capital in nature at a value of $14.2 million, and asset revaluation decrease of $14.8 million.	36,439	121,664	(85,225)
H	**Capital appropriations receipts** Capital appropriation receipts decreased by $73.0 million (85%) due to reduced funding provided for Perth Children's Hospital as the hospital became operational.	12,876	85,857	(72,981)
I	**Royalties for Regions Fund receipts** Royalties for Regions Fund receipts increased by $34.6 million (54.7%) due to more funding allocation for the Patient Assisted Travel Scheme (PATS) and the new Digital Innovation Program.	97,864	63,246	34,618

Note 9.15 Explanatory statement (Controlled Operations) (continued)

J	**Employee benefits payments** Employee benefits payments decreased by $27.6 million (21.3%) due to a reduction in activity relating to the full commission of Perth Children's Hospital by September 2018.	(101,877)	(129,509)	27,632
K	**Supplies and services payments** Supplies and services payments decreased by $199.9 million (24.9%) due to a decline in health services including Home and Community Care (HACC).	(601,758)	(801,680)	199,922
L	**Contribution to Capital Works Fund payments** Contribution to Capital Works Fund payments increased by $45.3 million due to Government approval of repurpose funding from recurrent to capital projects. These projects are Healthnext $38.1 million, Laboratory Information System $10.1 million.	(48,241)	(2,990)	(45,251)
M	**GST payments on purchases** GST payments on purchases decreased by $38.6 million (9.4%) mainly due to the decreased Capital Works expenditure on the Perth Children's Hospital and reduction in HACC expenditure.	(371,191)	(409,830)	38,639
N	**Commonwealth grants and contributions receipts** Commonwealth grants and contributions payments decreased by $133.6 million (5.6%) due to the reduction in Home and Community Care (HACC) funding as well as a reduction in funding from other Commonwealth specific grants.	2,233,680	2,367,312	(133,632)
O	**GST receipts from taxation authority** GST receipts from taxation authority decreased by $42.3 million (10.9%) due to a reduction to GST payments on purchases.	347,031	389,336	(42,305)
P	**Payment for purchase of non-current assets** Payment for purchase of non-current assets decreased by $37.2 million (96.7%) due to a reduction in fixed assets purchases relating to Perth Children's Hospital in 2018-19.	(1,281)	(38,451)	37,170

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

	2019 $000	2018 $000
Current assets		
Cash and cash equivalents	128,133	169,278
Receivables	9,640	-
Total administered current assets	**137,773**	**169,277**
Current liabilities		
Payables	(95)	-
Total administered current liabilities	**(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 2019

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	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
COST OF SERVICES								
Expenses								
Funding for Capital Works Fund transferred to:								
Health Service Providers	114,385	274,630	25,846	44,978	25,397	40,994	18,403	3,585
State Pool Account and State Managed Fund Account administered for Mental Health Commission								
Transfer of activity based funding to Health Service Providers	-	-	-	-	-	-	286,737	284,194
Transfer of block funding to Health Service Providers	-	-	-	-	-	-	278,596	274,516
Total administered expenses	**114,385**	**274,630**	**25,846**	**44,978**	**25,397**	**40,994**	**583,736**	**562,295**
Income								
Administered for Capital Works Fund:								
Capital appropriations	70,402	132,777	13,101	18,461	14,932	17,558	10,649	8,210
Royalties for Regions Fund	20,855	122,129	8,126	21,333	3,466	19,324	3,751	314
Commonwealth grants and contributions	1,834	-	249	-	401	-	391	-
Contribution from Department of Health	-	150	-	-	-	-	-	-
State Pool Account and State Managed Fund Account administered for Mental Health Commission (MHC)								
Commonwealth activity based funding for MHC	-	-	-	-	-	-	106,909	106,980
Commonwealth block funding for MHC	-	-	-	-	-	-	90,698	86,089
State activity based funding from MHC	-	-	-	-	-	-	179,828	177,213
State block funding from MHC	-	-	-	-	-	-	187,898	188,428
Total administered income	**93,091**	**255,056**	**21,476**	**39,794**	**18,799**	**36,882**	**580,124**	**567,234**

Notes to the Financial Statements

For the year ended 30 June 2019

Note 10.2 Disclosure of administered income and expenses by service (continued)

	Aged and Continuing Care Services		Public and Community Health Services		Community Dental Health Services		Small Rural Hospital Services	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
COST OF SERVICES								
Expenses								
Funding for Capital Works Fund transferred to:								
Health Service Providers	7,298	21,235	32,550	25,345	693	2,890	10,759	7,218
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	**7,298**	**21,235**	**32,550**	**25,345**	**693**	**2,890**	**10,759**	**7,218**
Income								
Administered for Capital Works Fund:								
Capital appropriations	(4,494)	10,424	1,372	12,807	28	1,391	1,416	3,637
Royalties for Regions Fund	3,921	8,809	9,376	11,419	-	1,240	7,331	3,243
Commonwealth grants and contributions	30	-	173	-	147	-	8	-
Contribution from Department of Health	62	-	10,197	-	4	2,990	-	-
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	**(481)**	**19,233**	**21,118**	**24,226**	**179**	**5,621**	**8,755**	**6,880**

Notes to the Financial Statements

For the year ended 30 June 2019

Note 10.2 Disclosure of administered income and expenses by service (continued)

	Health System Management – Policy and Corporate Services		Health Support Services		Total	
	2019 $000	2018 $000	2019 $000	2018 $000	2019 $000	2018 $000
COST OF SERVICES						
Expenses						
Funding for Capital Works Fund transferred to:						
Health Service Providers	940	9,859	21,048	13,534	257,319	444,268
State Pool Account and State Managed Fund Account administered for Mental Health Commission						
Transfer of activity based funding to Health Service Providers	-	-	-	-	286,737	284,194
Transfer of block funding to Health Service Providers	-	-	-	-	278,596	274,516
Total administered expenses	**940**	**9,859**	**21,048**	**13,534**	**822,652**	**1,002,978**
Income						
Administered for Capital Works Fund:						
Capital appropriations	(9,631)	7,455	12,914	17,167	110,689	229,887
Royalties for Regions Fund	-	3,620	-	3,481	56,826	194,912
Commonwealth grants and contributions	29	-	-	-	3,262	-
Contribution from Department of Health	98	-	38,141	-	48,502	3,140
State Pool Account and State Managed Fund Account administered for Mental Health Commission						
Commonwealth activity based funding for MHC	-	-	-	-	106,909	106,980
Commonwealth block funding for MHC	-	-	-	-	90,698	86,089
State activity based funding from MHC	-	-	-	-	179,828	177,213
State block funding from MHC	-	-	-	-	187,898	188,428
Total administered income	**(9,504)**	**11,075**	**51,055**	**20,648**	**784,612**	**986,649**

Government of **Western Australia**
Department of **Treasury**

Scanned Attachment
SPS

Your ref : FAA18002
Our ref : 00512091
Enquiries : Frazer Vulich
Telephone : (08) 6551 2855

Dr David Russell-Weisz
Director General
Department of Health
PO Box 8172
PERTH BUSINESS CENTRE WA 6849

Dear Dr Russell-Weisz Russ

TELETHON – PERTH CHILDREN'S HOSPITAL RESEARCH FUND SPECIAL PURPOSE ACCOUNT

In regards to your letter of 4 December 2018, I am pleased to advise that acting under delegated authority from the Treasurer, I have approved:

- pursuant to section 16(1)(d) of the *Financial Management Act 2006* (FMA), the retitled WA Child Research Fund agency special purpose account to be administered by the Department of Health; and
- under sections 17(3) and (4) of the FMA, the associated retitled special purpose statement.

I have attached the signed WA Child Research Fund Account special purpose statement. As you rightly mentioned, a copy of the approved special purpose statement is required to be sent to the Auditor General pursuant to section 17(4) of the FMA.

This approval supersedes the approval of 8 January 2014.

Please note that under Treasurer's Instruction 950 Publication of Special Purpose Statements and Trust Statements, you are required to publish the approved statement in your 2018-19 annual report.

Level 23, David Malcolm Justice Centre, 28 Barrack Street, Perth, Western Australia 6000
Locked Bag 11, Cloisters Square, Western Australia 6850
Telephone (08) 6551 2777
www.treasury.wa.gov.au

Further, under Treasurer's Instruction 1103(15)(iii) Statements of Financial Position you are required to separately disclose the special purpose account in notes to your annual financial statements.

Yours sincerely

Michael Barnes
UNDER TREASURER
14 JAN 2019
Enc.

Department of Health
GOVERNMENT OF WESTERN AUSTRALIA

Special Purpose Statement (AMENDED)
for s16(1)(d) FMA Special Purpose Accounts

WA CHILD RESEARCH FUND ACCOUNT

Title and Responsibility	The 'Telethon – Perth Children's Hospital Research Fund Account' administered by the Department of Health is retitled the 'WA Child Research Fund Account', and is continued as an agency special purpose account pursuant to section 16(d) of the *Financial Management Act 2006*.
Purpose	To receive funds from the Channel 7 Telethon Trust, the Department of Health and other donors to fund and promote child and adolescent health research in Western Australia.
Commencement Date	13 February 2013
Receipts	There shall be credited to the Account such moneys received in respect of the stated purpose of the Account, including: ▪ moneys received from the Channel 7 Telethon Trust; ▪ moneys made available by the State of WA through the Department of Health; ▪ donations from other entities or persons; and ▪ interest earned on the investment of funds held to the credit of the Account.
Payments	Moneys standing to the credit of the Account are to be expended for the stated purpose of the Account on such terms and conditions, as are agreed by the Channel 7 Telethon Trust and the Department of Health, including: ▪ such expenditure being in accordance with the directions of the WA Child Research Fund Selection Panel (the Selection Panel, formerly the Telethon – Perth Children's Hospital Research Fund Steering Committee); ▪ each research grant recommended by the Selection Panel and approved by the Department of Health's financial delegate, to be for individual research fellowships, research projects and/or strategic research initiatives for child and adolescent health research in WA, which are to be generally allocated through open, competitive and peer reviewed processes; ▪ bank charges; and ▪ the administration and support costs associated with operations of the WA Child Research Fund.
Administration, Accounting and Reporting	The Account is to be administered, accounted for and reported on by the Director General of the Department of Health, in accordance with the *Financial Management Act 2006*, *Financial Management Regulations 2007*, *Treasurer's Instructions*, the agency's *Financial Management Manual*, and any other legal requirements and agreements.

Department of Health

GOVERNMENT OF WESTERN AUSTRALIA

Special Purpose Statement (AMENDED)
for s16(1)(d) FMA Special Purpose Accounts

WA CHILD RESEARCH FUND ACCOUNT

Review	A review of the Account should be conducted by 31 December 2020 to ascertain the ongoing operation of the Account.
Disposal of Funds on Cessation	Any balance standing to the credit of the Account upon cessation of operations for which the Account was created shall be returned to contributing parties and donors in proportion to their respective payments.

I have examined and agree to the provisions of this Statement.

Dr David Russell-Weisz
Director General
Department of Health

Date: 7/12/18

I approve the continuation of a s16(1)(d) special purpose account for the purposes specified in this Statement under delegated authority from the Treasurer

Mr Michael Barnes
Under Treasurer
Department of Treasury

Date: 14/1/19

Certification of key performance indicators

DEPARTMENT OF HEALTH

CERTIFICATION OF KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agency's performance, and fairly represent the performance of the Agency for the financial year ended 30 June 2019.

Dr D J Russell-Weisz
DEPARTMENT OF HEALTH
ACCOUNTABLE AUTHORITY

16 September 2019

Key performance indicators

Key effectiveness indicators 120

Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program 121

Percentage of people accessing specialist community-based palliative care who are supported to die at home 122

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 123

Percentage of fully immunised children: (a) 12 months; (b) 2 years; (c) 5 years 124

Percentage of 15 year olds in Western Australian that complete their HPV vaccination series 126

Response times for emergency road-based ambulance services (Percentage of priority 1 calls attended to within 15 minutes in the metropolitan area) 128

Proportion of stakeholders who indicate the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions 129

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Average cost per home-based hospital day of care and occasion of service 133

Average cost per day of care for non-acute admitted continuing care 134

Average cost to support patients who suffer specific chronic illness and other clients who require continuing care 134

Average cost per client receiving contracted palliative care services 135

Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury 135

Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips 136

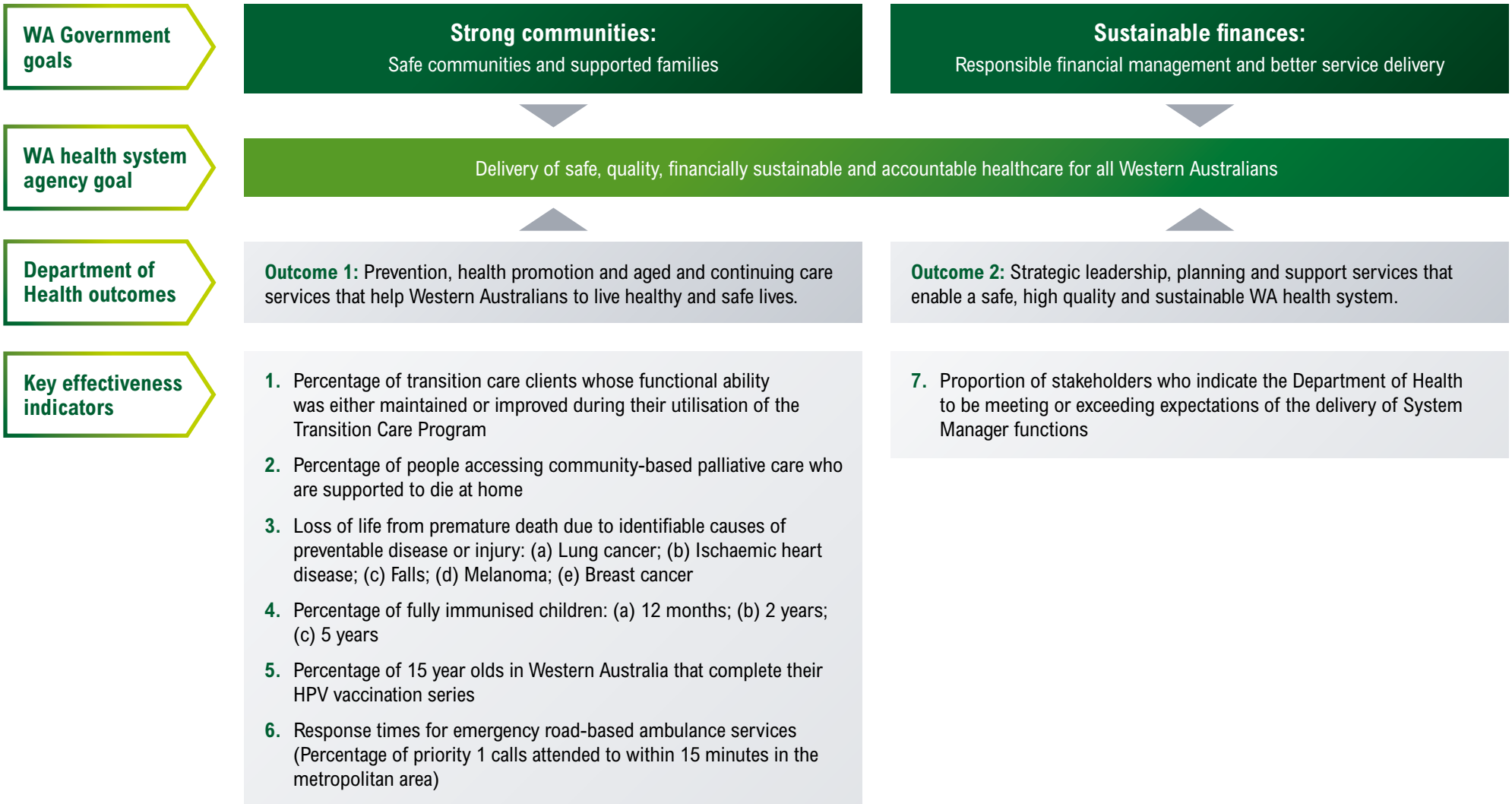
Average cost of Public Health Regulatory Services per head of population 136

Average cost for the Department of Health to undertake System Manager functions per Health Service Provider full time equivalent 137

Key effectiveness indicators

The 2018–19 Department of Health effectiveness key performance indicators aligned to State government goals are demonstrated in Figure 11.

Figure 11: 2018–19 effectiveness key performance indicators aligned to the State Government goals



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

Outcome 1
Effectiveness KPI

Rationale

The Transition Care Program is a joint Federal, State and Territory initiative that aims to optimise the functioning and independence of older people after a hospital stay, and enable them to return home rather than prematurely enter residential care. Transition Care Program services take place in either a residential or a community setting, including 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 through measuring functional ability improvements in clients utilising the program. Monitoring the success of this indicator can enable improvements in service planning and the development of targeted strategies and interventions that focus on improving the program's effectiveness, and ensuring the provision of the most appropriate care to those in need. This enhances the health and wellbeing of older Western Australians.

Target

The 2018–19 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 2018–19, the percentage of transition care clients maintaining or improving functional ability was 80 per cent, above the target and above prior year findings (see Table 7).

This marked improvement in functional ability among transition care clients is associated with an increase in therapy assistant services and an improved focus on therapy-focused restorative care provided during 2018–19.

Table 7: Percentage of transition care clients whose functional ability was either maintained or improved during their utilisation of the Transition Care Program, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Clients maintaining or improving functional ability	69%	70%	73%	74%	**80%**
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 1
Effectiveness KPI

Rationale

The preference of the majority of Australians to die in their home and not in a hospital has been well documented. However, while 70 per cent of people want to die at home, only about 14 per cent do so.[1] 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 Western Australian health system contracts Silver Chain as the sole provider of specialist community-based palliative care services in the metropolitan area. This KPI 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 2018–19 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 2018–19, 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 8).

In 2018, the WA End-of-Life and Palliative Care Strategy 2018–2028 was released and provides a 10-year vision for improving the lives of all Western Australians through quality end-of-life and palliative care. A focus of the strategy includes ensuring people have access to integrated care in their preferred setting or location, including at home.

Table 8: 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

	2018–19	Target
Percentage of people accessing specialist community-based palliative care	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 the 2017–18 reported findings.
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. While there are some services providing community-based palliative care outside of the metropolitan area, activity data is not available within the Non Admitted Patient Activity and Wait List Data Collection system.
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.

1 *Dying Well*, Grattan Institute Report No. 2014-10, September 2014, 2. Available from: http://grattan.edu.au/wp-content/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 1
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 application of existing public health or medical interventions.

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

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

Target

The 2017 target per preventable condition is based on the 2016 National Person Years of Life Lost per 1,000 population:

Preventable condition	Target (in years)
a. Lung cancer	1.6
b. Breast Cancer	2.1
c. Ischaemic heart disease	2.3
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 2017, the result for potential years of life lost due to lung cancer was 1.3, breast cancer 1.9 and ischaemic heart disease 2.2; all below set targets (see Table 9). The years of life lost from premature death due to falls and melanoma was 0.4 and 0.5, above the targets of 0.2 and 0.4 respectively. Since 2008, premature death associated with these preventable diseases has declined.

Table 9: Person years of life lost due to premature death associated with preventable conditions, 2008–2017

Condition	Calendar years										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Target
Lung cancer	1.7	2.1	1.7	1.8	1.8	1.6	1.7	1.9	1.6	1.3	**1.6**
Breast cancer	2.9	2.5	2.1	2.3	2.1	2.4	1.8	2.0	2.1	1.9	**2.1**
Ischaemic heart disease	3.3	3.4	3.0	3.1	2.5	2.6	2.7	2.6	2.4	2.2	**2.3**
Falls	0.5	0.7	0.4	0.4	0.3	0.3	0.3	0.4	0.3	0.4	**0.2**
Melanoma	0.5	0.7	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.5	**0.4**

Notes:

1. Age-standardised Person Years of Life Lost per 1,000 population.
2. 2008–2015 deaths are final, 2016 deaths are revised and 2017 deaths are preliminary.
3. The following ICD 10 Codes were used:
   - Lung cancer C33 to C34.9
   - Ischaemic Heart Disease I20 to I25.9
   - Falls W00. to W19.9 or X59. to X59.9 (with any multiple cause codes of: S02. to S02.9 or S12. to S12.9 or S22. to S22.9 or S32 to S32.9 or S42. to S42.9 or S52. to S52.9 or S62. to S62.9 or S72. to S72.9 or S82. to S82.9 or S92. to S92.9 or T02. to T02.9 or T08. to T08.9 or T10. to T10.9 or T12. to T12.9 or T14.2)
   - Melanoma C43 to C43.9
   - Breast cancer (C50.0 – C50.9) (females only).
4. Minor methodological improvements and updates to death data mean that figures are not directly comparable with previous reports.

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 1
Effectiveness KPI

Rationale

In accordance with the *National Partnership Agreement on Essential Vaccines*, the Western Australian health system aims to minimise the incidence of major vaccine preventable diseases in Australia by achieving or 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 any illness or disability are likely to be more disabling and more likely to contribute to a premature death.

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

Target

The target for children fully immunised at 12 months, two years, and five years of age has been set at 95 per cent or above. This is based on the National aspirational immunisation coverage target of 95 per cent.[1]

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

Results

In 2018, 92.3 per cent of children were fully immunised at 12 months, two years, and five years of age, below the immunisation coverage target of 95 per cent.

The proportion of children at 12 months and 2 years of age who were immunised in 2018 did not meet the target of 95 per cent. Immunisation rates among this age group were lower for Aboriginal children when compared to non-Aboriginal children (see Table 10). However, rates of immunisation among Aboriginal children turning 12 months of age increased by 3.5 percentage points between 2017 and 2018.

In 2018, the percentage of Aboriginal children immunised at 5 years residing in country WA exceeded the target. This is consistent with 2017. Immunisation rates of children of the same age in metropolitan Perth did not reach the target threshold nor did Non-Aboriginal children in country WA.

In 2018, the Department of Health continued to work collaboratively to improve immunisation rates in all children. Specific strategies and activities included:

- supporting projects to improve Australian Immunisation Register data quality, including updating records of children with incorrect register records and duplications
- supporting the follow up of parents of overdue children in low coverage areas
- promoting opportunistic vaccination of children at tertiary health services that offer patients and siblings the opportunity to obtain scheduled immunisations
- employing an Aboriginal Project Officer to establish an Aboriginal Immunisation Network.

In 2018, the Department of Health also worked with other government agencies on the introduction of legislative changes to strengthen child immunisation requirements. Changes to the *Public Health Act 2016* (WA) and the *School Education Act 1999* (WA) require a child's immunisation status to be up-to-date to be permitted to enrol in long day care, family day care, pre-kindergarten or kindergarten. It also enables the Chief Health Officer, Department of Health to identify under-vaccinated children and, if necessary, exclude them from child care services, kindergartens or schools, during a period when there is a disease outbreak.

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

Table 10: Percentage of children fully immunised, by selected age cohort, by Aboriginality, 2014–2018

Children fully immunised		2014	2015	2016	2017	2018	Target
12 months (%)							
State	Aboriginal	84.0	83.4	88.0	87.7	**89.0**	
	Non-Aboriginal	91.5	92.6	93.2	93.9	**93.8**	
Metropolitan	Aboriginal	76.6	77.6	83.7	84.4	**87.9**	
	Non-Aboriginal	91.3	92.4	93.1	93.9	**93.9**	**≥95%**
Country	Aboriginal	88.8	87.4	91.1	90.3	**90.0**	
	Non-Aboriginal	92.4	93.6	93.7	94.0	**93.2**	
					Total	**93.5**	
2 years (%)							
State	Aboriginal	85.7	83.2	83.8	82.6	**82.2**	
	Non-Aboriginal	89.0	88.4	90.5	89.5	**90.7**	
Metropolitan	Aboriginal	80.7	77.8	80.7	81.0	**80.8**	
	Non-Aboriginal	88.6	88.0	90.1	89.3	**90.8**	**≥95%**
Country	Aboriginal	89.2	87.0	86.0	83.8	**83.4**	
	Non-Aboriginal	90.8	90.1	92.2	90.7	**90.5**	
					Total	**90.2**	
5 years (%)							
State	Aboriginal	92.3	92.0	94.1	95.9	**95.1**	
	Non-Aboriginal	90.4	91.0	91.3	92.3	**93.3**	
Metropolitan	Aboriginal	87.7	88.2	91.3	95.1	**93.9**	
	Non-Aboriginal	90.1	90.7	90.8	92.0	**93.2**	**≥95%**
Country	Aboriginal	95.2	94.6	95.9	96.5	**96.3**	
	Non-Aboriginal	91.8	92.5	93.7	93.4	**93.8**	
					Total	**93.4**	

Notes:

1. Data is based on children aged 12 ≤ 15 months, 24 ≤ 27 months and 60 ≤ 63 months between 1 January 2018 – 31 December 2018.
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 Australian that complete their HPV vaccination series

Outcome 1
Effectiveness KPI

Rationale

This KPI 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 HPV 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 year 8 (aged 13–14 years) 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 KPI 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 2018 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 2018–19, 81.3 per cent of 15 year old females and 79.8 per cent of 15 year old males had completed their HPV vaccination series (see Table 11).

The HPV vaccine coverage rates in Aboriginal youth aged 15 years in 2018 was 68 per cent compared to non-Aboriginal youth with 81 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 within the target range of 80 per cent or above a number of strategies are being introduced by the Department of Health in collaboration with key stakeholders to increase overall student numbers with a particular focus on improving vaccination among Aboriginal students.

To address the issue of student school absenteeism rates a key strategy is to introduce HPV vaccination in Year 7 in 2019.

To make it easier for parents/guardians to provide consent a reminder system has been introduced including follow-up by Coordinators when a student's vaccination is overdue.

The Department of Health is also establishing an Aboriginal Immunisation Partnership, and an Aboriginal person has been recruited to lead the network. One of the aims is to engage with key health care providers to support them to provide HPV vaccines to Aboriginal youth up-to 15 years.

Table 11: Percentage of 15 year old Western Australian's that completed their HPV vaccination series, by gender, 2018

Percentage of 15 year olds who completed their HPV vaccination series		2018	Target
Males		**79.8%**	
State	Aboriginal	65.0%	**≥80.0%**
	Non-Aboriginal	80.6%	
Metropolitan	Aboriginal	62.0%	
	Non-Aboriginal	80.7%	
Country	Aboriginal	67.0%	
	Non-Aboriginal	80.0%	
Females		**81.3%**	
State	Aboriginal	70.6%	**≥80.0%**
	Non-Aboriginal	82.0%	
Metropolitan	Aboriginal	70.9%	
	Non-Aboriginal	81.6%	
Country	Aboriginal	70.3%	
	Non-Aboriginal	83.4%	

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 turns 15 to align with national reporting by the Australian Institute of Health and Welfare and the National Partnership on Essential Vaccines.
3. Prior year reporting of this KPI was based on enrolled year 8 school students registered on the WA school-based immunisation program database. From 2018 all HPV vaccination records were captured on the AIR. Therefore, results reported in 2017–18 for this KPI are no longer comparable.
4. In 2018 a change to the HPV dosing schedule was introduced with two doses of HPV vaccine being recommended for people aged 14 and under. Three doses will still be required for older individuals.
5. 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 1
Effectiveness KPI

Rationale

To ensure Western Australians receive the care and medical transport services they need, when they need it, the Department has entered into a contractual relationship with a health entity 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 delivered. It is understood that adverse effects on patients and the community are reduced if response times are decreased.

This KPI 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 2018–19 is 90% 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 2018–19, 93 per cent of all priority 1 calls in the metropolitan area were attended to within 15 minutes by emergency patient transport services (see Table 12).

Table 12: Percentage of Priority 1 calls attended to within 15 minutes in the metropolitan area by the contracted service provider, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19	Target
Percentage of priority 1 calls attended within 15 minutes	92.6%	93.0%	93.0%	94.1%	**92.9%**	**≥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 2
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 protecting the state-wide health system. This includes the delivery of government priorities and responding to the emerging and current needs of the Western Australian community.

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

Target

The 2018–19 target for the percentage of stakeholders who indicate that the Department of Health to be meeting or exceeding expectations of the delivery of System Manager functions is 85% or above.

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

Results

In 2018–19, 72 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 13). Although the target was not met, the majority of respondents stated that performance management, stewardship of the public health system, and regulation of the WA health system by the Department of Health were meeting current expectations. Respondents also stated the Department of Health was successful in engaging and working effectively with the Minister for Health and other public sector agencies on behalf of the WA Health System, and were seen to effectively communicate and work collaboratively with Health Service Providers.

When asked for feedback concerning suggestions or comments that may allow the Department of Health to improve the quality and delivery of the services it provides, respondents identified the need for the Department of Health to address the lack of demarcation of responsibilities between the System Manager and Health Service Providers.

Also recommended for improvement was the ongoing need to focus on evidence based practice and innovation that will support the delivery of safe and high quality services.

The Department acknowledges the feedback received concerning the demarcation of responsibilities between the System Manager and Health Service Providers. This feedback will be used to further build upon progress in achieving our three priority areas:

1. providing a clear direction for our staff
2. cross-functional integration and communication
3. management skills and staff support including a systemwide leadership strategy.

Implementation of the Sustainable Health Review Final Report, the Future Health Research and Innovation Fund and the inquiry on the health impacts of climate change will be our strategic focus going forward with more work planned in the evidence based practice and innovation space.

Table 13: Department of Health stakeholder survey results, 2018–19

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

Notes:

1. The number of respondents interviewed was 14 with a response rate of 100 per cent.
2. The target group of the survey included individuals who have contact with the Department of Health as System Manager and are best positioned to accurately assess its performance against its functions.
3. The survey involved 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 2018–19 target is considered aspirational. The target was developed based on a jurisdictional review of targets and performance results of agencies with similar or comparative effectiveness survey KPIs. In subsequent reporting years historical data will be used to develop baseline measures for performance improvement purposes.
6. Due to a major KPI methodological change prior year reporting of this KPI is not directly comparable to 2018–19 (in 2017–18 the KPI result was 39 per cent [confidence interval = 21.12, 62.68]). This methodological change was initiated due to identified limitations in the mode of administration survey, sampling methodology, and KPI calculation.

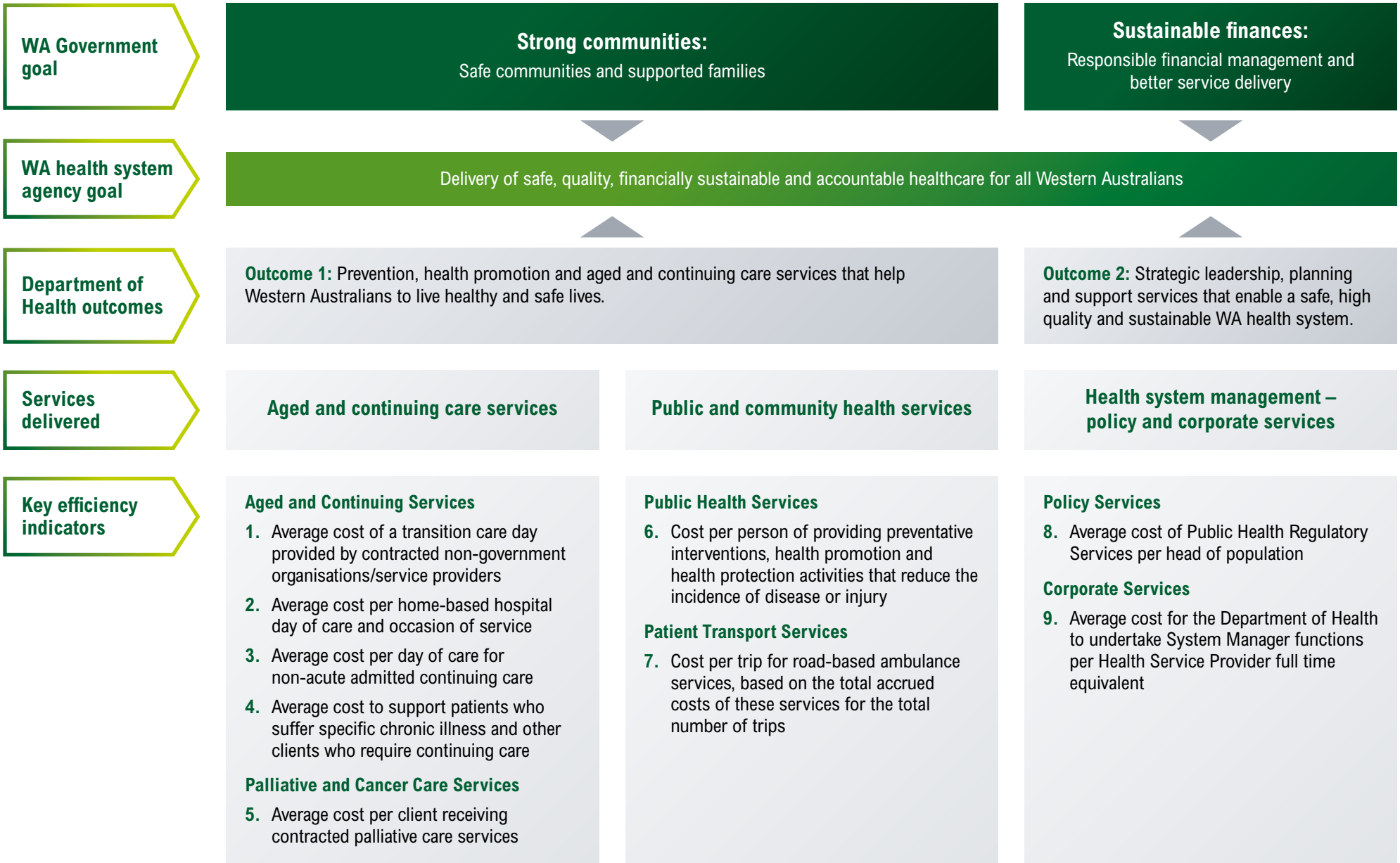
Data Source: Unpublished data – Department of Health.

Key efficiency indicators

The 2018–19 Department of Health efficiency key performance indicators aligned to State Government goals are demonstrated in Figure 12.

Services aligned to both outcomes include aged and continuing care services, public and community health services, and health system management – policy and corporate services. Services delivered under Outcome 1 are provided by contracted health entities. These are non-government entities that provide health services under a contract or agreement entered into with the Department of Health on behalf of the State. Outcome 2 are services provided by the Department of Health.

Figure 12: 2018–19 efficiency key performance indicators aligned to the State government goals



Average cost of a transition care day provided by contracted non-government organisations/service providers

Outcome 1
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 2018–19 target unit cost is $348 per transition care day.

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

Results

In 2018–19, the average cost per transition care day was $312, below the target of $348 (see Table 14). This lower expenditure to target is attributable to an overestimation of contracted service expenditure used in deriving the 2018–19 budget target.

Table 14: Average cost per transition care day provided by contracted non-government organisations/service providers, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Average cost	$305	$316	$308	$312	**$312**
Target	$305	$300	$308	$277	**$348**

Note: Previously reported by the title *Average cost per transition care day.*

Data source: Unpublished data – Department of Health; Oracle 11i Financial System Department of Health.

Average cost per home-based hospital day of care and occasion of service

Outcome 1
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 home that may otherwise require a hospital admission.

The Department of Health contracts 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 care (visits).

Target

The 2018–19 target unit costs for:

a. home based hospital day of care is $319

b. home based hospital occasion of service is $119.

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 2018–19 was $291 (see Table 15).

In 2018–19, home hospital services were reviewed and contractual changes implemented. As a result expenditure to target result variances for this measure are attributable to contracted service expenditure and activity changes not being accounted for when deriving the 2018–19 budget targets.

Table 15: Average cost per home based hospital day of care, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Average cost	$292	$312	$316	$314	**$291**
Target	$311	$353	$293	$323	**$319**

The average cost per home based hospital occasion of service in 2018–19 was $129 (see Table 16).

Table 16: Average cost per home-based hospital occasion of service, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Average cost	$117	$129	$121	$129	**$129**
Target	$124	$125	$125	$130	**$119**

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 1
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 frail older people or younger people with a disability. Non-acute care is usually provided in a hospital while patients are awaiting placement into residential care, waiting for the services they will need at home to be organised, or 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 2018–19 target unit cost is $710 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 $714 (see Table 17). The transfer of contracted non-acute admitted continuing care services from the Department of Health to a Health Service Provider resulted in the variance to target.

Table 17: Average cost per day of care for non-acute admitted continuing care, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Average cost	$721	$764	$714	$474	**$714**
Target	$767	$769	$780	$552	**$710**

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 1
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 are generally not cured, requiring ongoing health care and support. As such, the Government has identified several chronic conditions that require health services to support people with long term chronic conditions to optimise their quality of life (refer to National Strategic Framework for Chronic Conditions).

In addition, ongoing care and support is also required for those who have complex disabilities which aims to improve their health and well-being. This care is provided through contracted residential, community or respite care health entities that have service agreements with the Department of Health.

Target

The 2018–19 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 2018–19 was $22 (see Table 18). The lower expenditure to target is attributable to an overestimation of contracted service expenditure used in deriving the 2018–19 budget target.

Table 18: Average cost to support patients who suffer specific chronic illness and other clients who require continuing care, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Average cost	$42	$40	$36	$21	**$22**
Target	$72	$51	$42	$30	**$27**

Data sources: Unpublished data – Department of Health; Australian Bureau of Statistics 2015 Survey of Disability, Ageing and Carers (Cat. No. 4430.02015); Oracle 11i Financial System Department of Health.

Average cost per client receiving contracted palliative care services

Outcome 1
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 also contracts palliative care services through service agreements to care for those in need.

Target

The 2018–19 target unit cost is $7,323 per client receiving contracted palliative care services.

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

Results

In 2018–19, the average cost per client receiving contracted palliative care services was $5,898 (see Table 19). The lower expenditure to target is attributable to an overestimation of contracted service expenditure used in deriving the 2018–19 budget target.

Table 19: Average cost per client receiving contracted palliative care services, 2015–16 to 2018–19

	2015–16	2016–17	2017–18	2018–19
Average cost	$3,902	$4,425	$5,462	**$5,898**
Target	-	-	$6,701	**$7,323**

Note: 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.

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 1
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 Western Australian health system is sustainable by providing effective and efficient care that best uses allocated funds and resources. The delivery of effective targeted preventative interventions, health promotion and health protection activities aims at reducing disease or injury within the community, fostering the ongoing health and wellbeing of Western Australians.

Target

The target unit cost for 2018–19 is $38 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 2018–19, the cost per person of providing preventative interventions, health promotion and health protection activities was $45, above the target of $38 (see Table 20). The higher expenditure to target is attributable to an underestimation of contracted service expenditure used in deriving the 2018–19 budget target.

Table 20: Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury, 2014–15 to 2018–19

	2014–15	2015–16	2016–17	2017–18	2018–19
Average cost	$55	$49	$42	$43	**$45**
Target	$54	$55	$51	$37	**$38**

Note: The population projections for 2018 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 1
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 has entered into a contractual relationship with a health entity to deliver 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 medical treatment.

Target

The target unit cost for 2018–19 is $433 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 2018–19, the cost per trip for road-based ambulance services was $455 (see Table 21) slightly above the target but not materially.

Table 21: 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 2018–19

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

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 2
Health system management – policy and corporate services
Efficiency KPI

Rationale

As System Manager, the Department of Health performs systemwide regulatory functions including the regulation of food safety, vector control, waste-water management, tobacco licensing, radiation safety and medicines and poisons in order to promote health in the community; prevent disease before it occurs; and manage risks to human health, whether natural or man-made.

This indicator measures the Department of Health's ability to provide these functions in an efficient manner and aligns with a key provision of the *Public Health Act 2016* to consolidate and streamline regulatory tools to regulate any given risk to public health.

Target

The target unit cost for 2018–19 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 is $6 (see Table 22). The higher expenditure to target is attributable to indirect costs and regulatory services included post budget derivation.

Table 22: Average cost of public health regulatory services per head of population, 2017–18 to 2018–19

	2017–18	2018–19
Average cost	$4	**$6**
Target	$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 2
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 Western Australian health system, as well as providing executive oversight of strategic decision making, identifying health system priorities, and guiding, overseeing and protecting the state-wide system. This includes the delivery of government priorities and responding to the emerging and current needs of the Western Australian community.

This KPI measures the efficiency with which the Department of Health undertakes its role in the development of effective state-wide strategy, planning, and achievement of strategic priorities and goals for the Western Australian health system.

Target

The target unit cost for 2018–19 is $5,069 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 $5,090 just above the target of $5,069 (see Table 23).

Table 23: Average cost for the Department of Health to undertake System Manager functions per Health Service Provider full time equivalent, 2016–17 to 2018–19

	2016–17	2017–18	2018–19
Average cost	$7,698	$5,103	**$5,090**
Target	N/A	$5,394	**$5,069**

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.

Ministerial directives

Treasurer's Instructions 903 (12) requires disclosing information on any Ministerial directives relevant to the setting of desired outcomes or operational directives, the achievement of desired outcomes or operational objectives, investment activities, and financing activities.

The Department of Health did not receive any Ministerial directives related to this requirement.

Summary of board and committee remuneration

The total annual remuneration in 2018–19 for all Department of Health boards and committees was $249,423 (see Table 24).

For details of individual board and committee members please refer to Appendix 1.

Table 24: Summary of State Government boards and committees within the Department of Health, 2018–19

Boards/Committee name	Total remuneration
Animal Resources Authority Board	$4,240
Cannabis-Based Product Assessment Panel	$0
Cardiovascular Health Network Executive Advisory Group	$1,038
Department of Health WA Human Research Ethics Committee	$45,830
Diabetes and Endocrine Health Network Executive Advisory Group	$0
Falls Prevention Health Network Executive Advisory Group	$1,037
Fluoridation of Public Water Supplies Advisory Committee	$520
Local Health Authorities Analytical Committee	$231
Musculoskeletal Health Network Executive Advisory Group	$1,875
Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia	$21,968
Perinatal and Infant Mortality Committee	$55,080
Pharmacy Registration Board of Western Australia	$21,470
Radiological Council	$3,680
Renal Health Network Executive Advisory Group	$1,038
Respiratory Health Network Executive Advisory Group	$1,556
State Perinatal Mental Health Reference Group (Ceased in 2013)	$0
Stimulant Assessment Panel	$2,058
Western Australian Aged Care Advisory Council (Ceased in 2017)	$0
Western Australian Board of the Medical Board of Australia	$45,254
Western Australian Board of the Nursing and Midwifery Board of Australia	$22,444
Western Australian Child and Youth Health Network Executive Advisory Group	$3,701
WA Reproductive Technology Council	$14,342
WA Reproductive Technology Council Counselling Committee	$142
WA Reproductive Technology Council Embryo Storage Committee	$0
WA Reproductive Technology Council Licensing and Administration Advisory Committee	$0
WA Reproductive Technology Council Preimplantation Genetic Diagnosis Technical Advisory Committee	$0
WA Reproductive Technology Council Scientific Advisory Committee	$355
Women's and Newborn's Health Network Executive Advisory Group	$1,564
Total	**$249,423**

Other financial disclosures

Pricing policy

The *National Health Reform Agreement 2011* sets the policy framework for the charging of public hospital fees and charges. Under the Agreement, an eligible person who receives public hospital services as a public patient in a public hospital or a publicly contracted bed in a private hospital is treated 'free of charge'. This arrangement is consistent with the Medicare principles, which are embedded in the *Health Services Act 2016* (WA).

The majority of hospital fees and charges for public hospitals are set under Schedule 1 of the *Health Services (Fees and Charges) Order 2016* and are reviewed annually. The following informs WA public hospital patients' fees and charges for:

- **Nursing Home Type Patients**

  The State charges public patients who require nursing care and/or accommodation after the 35th day of their stay in hospital, providing they no longer need acute care and they are deemed to be Nursing Home Type Patients. The total daily amount charged is no greater than 87.5 per cent of the current daily rate of the single aged pension and the maximum daily rate of rental assistance.

- **Compensable or ineligible patients**

  Patients who are either 'private' or 'compensable' and Medicare ineligible (overseas residents) may be charged an amount for public hospital services as determined by the State. The setting of compensable and ineligible hospital accommodation fees is set close to, or at, full cost recovery.

- **Private patients (Medicare eligible Australian residents)**

  The Commonwealth Department of Health regulates the Minimum Benefit payable by health funds to privately insured patients for private shared ward and same day accommodation. The Commonwealth also regulates the Nursing Home Type Patient 'contribution' based on March and September pension increases. To achieve consistency with the *Commonwealth Private Health Insurance Act 2007*, the State sets these fees at a level equivalent to the Commonwealth Minimum Benefit.

- **Veterans**

  Hospital charges of eligible war service veterans are determined under a separate Commonwealth-State agreement with the Department of Veterans' Affairs. Under this agreement, the Department of Health does not charge medical treatment to eligible war service veteran patients, instead medical charges are fully recouped from the Department of Veterans' Affairs.

The following fees and charges also apply:

- The **Pharmaceutical Benefits Scheme** regulates and sets the price of pharmaceuticals supplied to outpatients, patients on discharge and for day admitted chemotherapy patients. Inpatient medications are supplied free of charge.
- The **Dental Health Service** charges to eligible patients for dental treatment are based on the Department of Veterans' Affairs Fee Schedule of dental services for dentists and dental specialists. Eligible patients are charged the following co-payment rates:
  - 50 per cent of the treatment fee if the patient holds a current Health Care Card or Pensioner Concession Card
  - 25 per cent of the treatment fee if the patient is the current holder of one of the above cards and receives a near full pension or an allowance from Centrelink or the Department of Veterans' Affairs.
- There are other categories of fees specified under Health Regulations through Determinations, which include the supply of surgically implanted prostheses, Magnetic Resonance Imaging services and pathology services. The pricing for these hospital services is determined according to their cost of service.

Capital works

In 2018–19, no major investment projects were completed.
Table 25 shows the projects currently in progress.

Table 25: Major Asset Investment Program projects in progress during 2018–19

Project name	Expected year of completion	Estimated cost to complete ($'000)	Estimated total cost of project ($'000)	Variance from 2017–18[1] ($'000)
ICT iPharmacy	2019	0	1,364	63
Kings Park Link Bridge	TBA	6,200	6,700	0
Medical Accounts Assessment System	2019	0	2,282	-218
Medical Equipment Replacement Program	Ongoing	48,377	472,228	34,805
Minor Buildings Works	Ongoing	3,352	153,875	-2,198
National Partnership Agreement – Improving Public Hospital Services	2019	0	87,812	-590
Replacement of the Monitoring of Drugs and Dependence System	2019	608	922	-70

Notes:

1. 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 2017–18 Department of Health Annual Report.
2. The above information is based upon the:
   a. 2017–18 published budget papers
   b. 2018–19 published budget papers.
3. Completion timeframes are based upon a combination of known dates at the time of reporting.
4. Only capital projects that were managed by the Department of Health are reflected in the table.

Employment profile

Government agencies are required to report a summary of the number of employees by category, compared with the preceding financial year. Table 26 shows the number of Department of Health full-time equivalent employees for 2017–18 and 2018–19 as at 30 June.

Table 26: Department of Health total full-time employees by category

Category	2017–18	2018–19
Full-time permanent	399	429
Full-time contract	121	119
Part-time measured as full-time equivalent	119	128
Secondment – In	16	25
Secondment – Out	2	4
Other	32	28
Total	**689**	**733**

Notes:

1. The total of full-time equivalent employees was calculated as the monthly average full-time equivalent employees and is the average hours worked during a period of time divided by the Award Full-time Hours for the same period. Hours include ordinary time, overtime, all leave categories, public holidays, time off in lieu and workers compensation.
2. Full-time equivalent employee figures provided are based on Actual (Paid) month-to-date, full-time equivalent employees.
3. Excludes Department of Health staff employed under the Health Services Union award.
4. The Other category includes casuals, agency and sessional employees.

Data Source: WA Health Human Resource Data Warehouse.

Industrial relations

The Department of Health as System Manager is responsible for the management of industrial relations across the WA health system, including negotiation, registration, modernisation, monitoring and evaluation of specific industrial agreements and subsidiary agreements.

In 2018–19, the Department of Health negotiated, registered and implemented a number of WA health system industrial agreements and subsidiary agreements:

- *WA Health System – HSUWA – PACTS Industrial Agreement 2018*
- *WA Health System – Australian Nursing Federation Registered Nurses, Midwives, Enrolled (Mental Health) and Enrolled (Mothercraft) Nurses – Industrial Agreement 2018*
- *WA Health System – United Voice WA – Enrolled Nurses, Assistants in Nursing, Aboriginal and Ethnic Health Workers Industrial Agreement 2018*
- *WA Health System – Building and Engineering Services Industrial Agreement 2019.*

In addition, work continues with the implementation of the WA Public Sector *Commissioner's Instruction No. 23: Conversion and Appointment of Fixed Term Contract and Casual Employees to Permanency*. This is the State Government's election commitment to review casual and fixed term contracts and, where applicable criteria is met, convert existing casual and fixed term employees to permanency.

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 2018–19, a total of six workers' compensation claims were made.

For further details on the Department of Health's occupational safety and health and injury management processes, please see the Occupational Safety, Health and Injury section of this report.

Unauthorised use of purchasing cards

The Department of Health uses purchasing cards for purchasing goods and services to achieve savings through improved administrative efficiency and more effective cash management. The purchasing card is a personalised credit card that provides a clear audit trail for management.

The Department of Health purchase cards are only issued to employees who have a justified work need and meet relevant criteria. Purchase cards are not for personal use by the cardholder. Should a cardholder use a purchase card for a personal purpose, they must give written notice to the accountable authority within five working days and refund the total amount of expenditure.

Despite being made aware of obligations pertaining to the use of purchase cards, there were three instances of purchase cards being used for personal purposes.

The full amount ($102) was refunded before the end of the reporting period (see Table 27).

Table 27: Personal use expenditure by Department of Health purchasing cardholders, 2018–19

Credit card personal use expenditure	2018–19
Aggregate amount of personal use expenditure for the reporting period	$101.93
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	$38.50
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	$63.43
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	$0

Other legal disclosures

Advertising

In 2018–19, in accordance with section 175Z of the *Electoral Act 1907*, the Department of Health incurred a total advertising expenditure of $2,391,602 (see Table 28), with the majority through the procurement of market research services (44 per cent) and media advertising (40 per cent).

Table 28: Summary of Department of Health advertising in 2018–19

Summary of advertising	Amount ($)
Advertising agencies	333,099
Market research organisations	1,052,299
Polling organisations	0
Direct mail organisations	43,234
Media advertising organisations	962,970
Total advertising expenditure	**2,391,602**

The organisations from which advertising services were procured and the amount paid to each organisation are detailed in Table 29.

Table 29: Department of Health advertising, by class of expenditure, 2018–19

Recipient/organisations	Amount ($)
Advertising agencies	
303 MullenLowe	189,705
Josie Kate Dickinson	8,275
Rhythm	92,509
Boogie Monster	3,889
Gettin Hectic	28,018
Chop Shop Media	7,315
Inshot productions	3,388
Total	**333,099**
Market research organisations	
Edith Cowan University	1,015,389
Painted Dog	36,910
Total	**1,052,299**
Polling organisations	
	0
Total	**0**
Direct mail organisations	
Quickmail	43,234
Total	**43,234**
Media advertising organisations	
Carat	165,000
Initiative	712,381
International Recruitment	50,227
Facebook	35,362
Total	**962,970**
Total advertising expenditure	**2,391,602**

Disability and access inclusion plan

The *Disability Services Act 1993* was introduced to ensure that people with disability have the same opportunities to fully access the range of health services, facilities and information available in the WA health system, and to participate in public consultation regarding WA health services.

The Department of Health ensures compliance with this and all other principles through the implementation of the Department of Health *Disability Access and Inclusion Plan 2016–2020*. The Plan outlines proactive strategies to enhance policies, practices, services and facilities to improve access for people with disability.

Compliance with public sector standards

The WA Health *Code of Conduct* has been developed to comply with the principles of appropriate behaviour outlined in the WA Public Sector Commission's Code of Ethics. All employees of the WA health system are responsible for ensuring their behaviour reflects the standards of conduct embodied in this Code.

To assist staff to understand and comply with the principles of workplace behaviour and conduct, the Department of Health induct, inform and educate their employees through various online communications, e-learning and face-to-face program training. In 2018–19, the Department of Health introduced a new integrity website on the Department of Health intranet. The new website features a video message from the Director General raising awareness of integrity issues and encouraging employees to report integrity issues through a public interest disclosure. Another method introduced to communicate the Code of Conduct to employees is through Lunch and Learn information sessions.

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. Employee compliance with the Code of Conduct is assessed through monitoring of the Accountable and Ethical Decision Making course completion rates as well as qualitative and quantitative reviews of matters reported in the Case Management System. The majority (90%) of all Department of Health staff have completed the course.

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 11 misconduct matters during 2018–19. All of these matters were investigated internally with eight matters investigated with a finding of no misconduct, while three matters are still under investigation.

In 2018–19, the Department of Health received one Breach of Standard claim against the Employment Standard. This claim was referred to the Public Sector Commission and dismissed.

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. Members of the public who do not have internet access can obtain hard copy documents for free or at nominal cost from the Department of Health by calling (08) 9222 6411.

Access to information may also be requested through a Freedom of Information application that involves the lodgment of a written request that can be lodged via email, sent by post or delivered 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 2019, the Department of Health dealt with 80 applications for information, of which 49 applications were granted full or partial access. Eleven applications were refused (see Table 30).

Table 30: Freedom of Information applications to the Department of Health in 2018–19

Summary of number of applications	Number
Applications carried over from 2017–18	9
Applications received 2018–19	71
Total number of applications active in 2018–19	**80**
Applications granted – full access	22
Applications granted – partial or edited access	27
Applications withdrawn by applicant	4
Applications refused	11
Applications in progress	6
Other applications[1]	10
Total number of applications dealt with in 2018–19[2]	**80**

Notes:

1. Includes two matters dealt with outside of the *Freedom of Information Act 1992* (WA).
2. Includes seven matters partially transferred under section 15 of the *Freedom of Information Act 1992* (WA).

Record keeping plans

The *State Records Act 2000* was established to mandate the standardisation of statutory recordkeeping practices for all State Government agencies. Government agency practice is subject to the provision of the Act, through established State Records Commission Standards.

In 2018–19, the State Records Commission endorsed the *Department of Health Recordkeeping Plan 2019* (the Plan). Department of Health employees are made aware of their obligations to comply with all State Records Commission standards through the Plan and associated recordkeeping training. In 2018–19, 118 employees completed the mandatory online Recordkeeping Awareness training and 258 staff completed the online Records System training.

Resources, advice and guidance are made available to all staff through the intranet and staff are also available to provide one-to-one assistance on a needs basis.

Substantive equality

The Department of Health continues to contribute towards substantive equality when developing and implementing health policies, programs and services to ensure inclusion and improve health equity.

In 2018–19, the Department contributed to substantive equality in the following ways:

- completion of the WA Lesbian, Gay, Bisexual, Transgender, Intersex Health Strategy to raise awareness of their specific health and mental challenges, and to provide supporting strategies to enhance equity in access and health outcomes
- production of a series of bulletins describing the health service needs for culturally and linguistically diverse populations in WA
- release of the WA Health Language Services Policy eLearning Module that informs health professionals of their roles and responsibilities under the policy
- targeted employment strategies for Aboriginal people including the application of Section 51 (s.51) of the *Equal Opportunity Act 1984* (the Act) to support the growth of a strong and skilled Aboriginal health workforce.

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 Occupational Safety and Health Committee is responsible for the 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 intranet and noticeboards, and at induction for new employees.

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 2018–19, 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
- Mental Health First Aid
- 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.

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 reported for the Department of Health in relation to occupational safety, health and injury for 2018–19 is summarised in Table 31.

Table 31: Occupational safety, health and injury performance, 2016–17 and 2018–19

Measure	Actual Results		Results against Targets	
	2016–17	2018–19	Target	Comments
Fatalities (number of deaths)	0	0	0	**Achieved**
Lost time injury/diseases (LTI/D) incidence rate (rate per 100)	0.33	0	0 or 10% improvement	**Achieved**
Lost time injury severity rate (rate per 100)	33.33	0.00	0 or 10% improvement	**Achieved**
Percentage of injured workers returned to work:				
(i) within 13 weeks	60.0%	100.0%	N/A	**N/A**
(ii) within 26 weeks	60.0%	100.0%	≥ 80%	**Achieved**
Percentage of managers trained in occupational safety, health and injury management responsibilities	42.3%	44.1%	≥ 80%	**Not achieved**

Note: Care should be taken in the interpretation of the comparative results due to a Department of Health organisational change that occurred in 2016–17.

Annual estimates

The Department of Health annual operational budget estimates for the following financial year are reported to the Minister for Health under section 40 of the *Financial Management Act 2006*, and *Treasurer's Instruction 953*.

The annual estimates for 2019–20 as approved by the Minister for Health are provided in Table 32, comprising the statement of comprehensive income, statement of financial position and statement of cash flows.

Table 32: Department of Health section 40 estimates for 2019–20

Statement of comprehensive income	2019–20 Estimate $'000s
Cost of services	
Expenses	
Employee benefits expense	108,178
Contracts for services	561,563
Supplies and services	62,918
Grants and subsidies	6,761,498
Depreciation expense	6,697
Finance costs	4,664
Other expenses	88,703
Total cost of services	**7,594,221**

Statement of comprehensive income	2019–20 Estimate $'000s
Income	
Revenue	
User charges and fees	3,635
Commonwealth grants and contributions	2,305,920
Other grants and contributions	8,001
Donation revenue	2,000
Other revenue	9,474
Total revenue	**2,329,030**
Total income other than income from State Government	**2,329,030**
Net cost of services	**5,265,191**
Income from State Government	
Service appropriation	5,111,058
Services received free of charge	49,258
Royalties for Regions Fund	105,695
Total income from State Government	**5,266,011**
Surplus for the period	**820**
Total comprehensive income for the period	**820**

Statement of financial position	2019–20 Estimate $'000s
Assets	
Current assets	
Cash and cash equivalents	213,177
Restricted cash and cash equivalents	46,195
Inventories	10,509
Receivables	36,057
Other current assets	4,129
Non-current assets classified as held for sale	110
Total current assets	**310,177**
Non-current assets	
Restricted cash and cash equivalents	4,481
Amounts receivable for services	63,050
Finance lease receivable	12,383
Infrastructure, property, plant and equipment	134,498
Intangible assets	371
Other non-current assets	1,510
Total non-current assets	**216,293**
Total assets	**526,470**

Statement of financial position	2019–20 Estimate $'000s
Liabilities	
Current liabilities	
Payables	45,302
Provisions	17,810
Other current liabilities	131
Total current liabilities	**63,243**
Non-current liabilities	
Provisions	12,924
Borrowings	101,096
Total non-current liabilities	**114,020**
Total liabilities	**177,263**
Net assets	**349,207**
Equity	
Reserves	293,509
Accumulated surplus	55,698
Total equity	**349,207**

Statement of cash flows	2019–20 Estimate $'000s
Cash flows from State Government	
Service appropriation	4,711,058
Royalties for Regions Fund	105,695
Net cash provided by State Government	**4,816,753**
Cash flows from operating activities	
Payments	
Employee benefits	-108,178
Supplies and services	-624,481
Grants and subsidies	-6,312,242
Finance costs	-4,664
GST payments on purchases	-282,117
Other payments	-88,703
Receipts	
User charges and fees	3,635
Commonwealth grants and contributions	2,305,920
Other grants and contributions	8,001
GST receipts on sales	19,435

Statement of cash flows	2019–20 Estimate $'000s
GST refunds from taxation authorities	262,682
Other receipts	9,474
Net cash used in operating activities	**-4,811,238**
Cash flows from investing activities	
Receipts of capital for write of use assets	3,965
Net cash used in operating activities	**3,965**
Cash flows from financing activities	
Principal for write of use asset payments	-3,965
Net cash used in operating activities	**-3,965**
Net decrease in cash and cash equivalents	**5,515**
Cash and cash equivalent at the beginning of the period	258,338
Cash and cash equivalent at the end of the period	**263,853**

Appendix

Appendix 1: Individual board and committee member remuneration

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Animal Resources Authority Board				
Chair	Anthony Tate	Per meeting	12 months	$1,840
Deputy Chair	Dr Campbell Thomson	Not eligible	Not applicable	$0
Member	Leslie Chalmers	Per meeting	12 months	$900
Member	Prof. Jennet Harvey	Per meeting	12 months	$1,200
Member	Prof. David Laing Morrison	Not eligible	Not applicable	$0
Member	Prof. Elizabeth Piroska Rakoczy	Per meeting	12 months	$300
Member	Michael James Robins	Not eligible	Not applicable	$0
Member	Dr Catherine Gangall	Not eligible	Not applicable	$0
			Total	**$4,240**
Cannabis-Based Product Assessment Panel*				
Chair	*	Not eligible	Not applicable	$0
Member 1	*	Not eligible	Not applicable	$0
Member 2	*	Not eligible	Not applicable	$0
Member 3	*	Not eligible	Not applicable	$0
Member 4	*	Not eligible	Not applicable	$0
Member 5	*	Not eligible	Not applicable	$0
Member 6	*	Not eligible	Not applicable	$0
Member 7	*	Not eligible	Not applicable	$0
Member 8	*	Not eligible	Not applicable	$0
Member 9	*	Not eligible	Not applicable	$0
Member 10	*	Not eligible	Not applicable	$0
Member 11	*	Per meeting	12 months	$0
*Approval to withhold the names of the committee members was obtained from the Minister for Health.			**Total**	**$0**
Cardiovascular Health Network Executive Advisory Group				
Clinical Co-lead	Dr Tony Mylius	Sessional	12 months	$519
Clinical Co-lead	Rick Bond	Sessional	11 months	$519
Member	Sacha Andrew	Not eligible	Not applicable	$0
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

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Trevor Cherry	Not eligible	Not applicable	$0
Member	Jenny Deague	Not eligible	Not applicable	$0
Member	Geraldine Ennis	Not eligible	Not applicable	$0
Member	Lesley Gregory	Not eligible	Not applicable	$0
Member	Graham Hillis	Not eligible	Not applicable	$0
Member	Donald Latchem	Not eligible	Not applicable	$0
Member	Lorraine Linacre	Not eligible	Not applicable	$0
Member	Andrew Maiorana	Not eligible	Not applicable	$0
Member	Shelley McRae	Not eligible	Not applicable	$0
Member	Lucy Patel	Not eligible	Not applicable	$0
Member	Dr Jamie Rankin	Not eligible	Not applicable	$0
Member	Julie Smith	Not eligible	Not applicable	$0
Member	Prof. David Playford	Not eligible	Not applicable	$0
Member	Pippa May	Not eligible	Not applicable	$0
Member	Dr Yusuf Nagree	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	Robyn Gibson	Not eligible	Not applicable	$0
Member	Helen McClean	Not eligible	Not applicable	$0
Member	Geoff Bartle	Per meeting	12 months	$0
			Total	**$1,038**
Department of Health WA Human Research Ethics Committee				
Chair	Dr Peter Bentley	Annual	12 months	$19,100
Deputy Member	Rev Brian Carey	Per meeting	6 months	$0
Deputy Member	Associate Prof. Ann McDonald	Per meeting	12 months	$330
Deputy Member	Yvonne Rate	Per meeting	12 months	$0
Deputy Member	Nadia Saba	Per meeting	12 months	$660
Deputy Member	Dr Katrina Spilsbury	Per meeting	6 months	$330

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Deputy Member	Prof. Satvinder Dhaliwal	Per meeting	12 months	$330
Deputy Member	John McMath	Per meeting	12 months	$660
Deputy Member	Peter Towie	Not eligible	Not applicable	$0
Deputy Member	Prof. Richard Brightwell	Per meeting	6 months	$330
Deputy Member	Richard Gillett	Not eligible	Not applicable	$0
Deputy Member	Sonia McKeiver	Per meeting	6 months	$0
Deputy Member	Bret Watson	Per meeting	6 months	$330
Member	Associate Prof. Alison Reid	Per meeting	12 months	$660
Member	Shane Gallagher	Not eligible	Not applicable	$0
Member	Dr Alison Garton	Per meeting	6 months	$1,980
Member	Natalie Fleetwood	Per meeting	12 months	$3,300
Member	Rev Jenifer Goring	Per meeting	6 months	$1,980
Member	Dr Angela Ives	Per meeting	12 months	$3,300
Member	Dr Phillip Jacobsen	Per meeting	12 months	$2,970
Member	Kathryn Kirk	Per meeting	12 months	$3,630
Member	Gary Langham	Per meeting	6 months	$1,650
Member	Jennifer Wall	Per meeting	12 months	$2,970
Member	Stephen Woods	Not eligible	Not applicable	$0
Member	Prof. Colleen Haywood	Per meeting	6 months	$1,320
			Total	**$45,830**
Diabetes and Endocrine Health Network Executive Advisory Group				
Clinical Co-lead	Prof. Tim Davis	Sessional	12 months	$0
Clinical Co-lead	Mark Shah	Sessional	12 months	$0
Member	Dr Alan Wright	Not eligible	Not applicable	$0
Member	Bruce Campbell	Per meeting	12 months	$0
Member	Tim Benson	Per meeting	12 months	$0
Member	Belinda Whitworth	Not eligible	Not applicable	$0
Member	Cara Westphal	Not eligible	Not applicable	$0
Member	Carole Rainsford	Not eligible	Not applicable	$0
Member	Caitlin Bradley	Not eligible	Not applicable	$0
Member	Deborah Schofield	Not eligible	Not applicable	$0
Member	Dr Gerry Fegan	Not eligible	Not applicable	$0
Member	Helen Mitchell	Not eligible	Not applicable	$0
Member	Prof. Richard Prince	Not eligible	Not applicable	$0
Member	Dr Sean George	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr Seng Khee Gan	Not eligible	Not applicable	$0
Member	Sophie McGough	Not eligible	Not applicable	$0
Member	Prof. Tim Jones	Not eligible	Not applicable	$0
			Total	**$0**
Falls Prevention Health Network Executive Advisory Group				
Clinical Lead	Dr Nicholas Waldron*	Sessional	6 months	$1,037
Member	Dr Nicholas Waldron	Not eligible	Not applicable	$0
Member	Anne-Marie Hill	Not eligible	Not applicable	$0
Member	Andrea Lomman	Not eligible	Not applicable	$0
Member	Louise Mason	Not eligible	Not applicable	$0
Member	Dr Katherine Ingram	Not eligible	Not applicable	$0
Member	Kim Watkins	Not eligible	Not applicable	$0
Member	Nola Todorovich	Not eligible	Not applicable	$0
Member	Rachel Meade	Not eligible	Not applicable	$0
Member	Russ Milner	Not eligible	Not applicable	$0
Member	Su Kitchen	Not eligible	Not applicable	$0
Member	Nicola Baillie	Not eligible	Not applicable	$0
Member	Tony Petta	Not eligible	Not applicable	$0
*Dr Nicholas Waldron's position change occurred within 6 months of the group meeting.			**Total**	**$1,037**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Fluoridation of Public Water Supplies Advisory Committee*				
Chair	Dr Richard Lugg	Per meeting	12 months	$220
Secretary**	Richard Theobald	Not eligible	Not applicable	$0
Member 1	*	Not eligible	Not applicable	$0
Member 2	*	Not eligible	Not applicable	$0
Member 3	*	Per meeting	12 months	$150
Member 4	*	Per meeting	9 months	$150
Member 5	*	Per meeting	3 months	$0
*Approval to withhold the names of the committee members was obtained from the Minister for Health. **The Secretary is not a member.			**Total**	**$520**
Local Health Authorities Analytical Committee				
Member	Joseph Zappavigna	Not eligible	Not applicable	$0
Member	Jason Marc Gerhardt Jenke	Not eligible	Not applicable	$0
Member	Graeme Blakey	Not eligible	Not applicable	$0
Member	Greg Ducas	Not eligible	Not applicable	$0
Member	Robert Eric Boardman	Per meeting	1 month	$231
Member	David Wilson	Not eligible	Not applicable	$0
Member	Freya Ayliffe	Not eligible	Not applicable	$0
Member	Sarah Upton	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Emily Dunn	Not eligible	Not applicable	$0
Member	Kim Frost	Not eligible	Not applicable	$0
			Total	**$231**
Musculoskeletal Health Network Executive Advisory Group				
Clinical Co-lead	Jennifer Persaud	Sessional	12 months	$0
Clinical Co-lead	Andrew Briggs	Sessional	5 months	$1,875
Clinical Co-lead	Helen Slater	Not eligible	Not applicable	$0
Member	Ben Horgan	Per meeting	12 months	$0
Member	Eng Soon Chew	Not eligible	Not applicable	$0
Member	Helen Keen	Not eligible	Not applicable	$0
Member	Jean Mangharam	Not eligible	Not applicable	$0
Member	Johannes Nossent	Not eligible	Not applicable	$0
Member	Kerry Mace	Per meeting	12 months	$0
Member	Ric Forlano	Not eligible	Not applicable	$0
Member	Robyn Timms	Not eligible	Not applicable	$0
Member	Stephan Schug	Not eligible	Not applicable	$0
			Total	**$1,875**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Northern Territory, South Australia and Western Australia Board of the Psychology Board of Australia				
Chair	Dr Jennifer Thornton	Per meeting	7 months	$5,080
Member	Neil McLean	Per meeting	12 months	$6,031
Member	Deearne Gould	Per meeting	12 months	$5,593
Member	Theodore Sharp	Per meeting	12 months	$5,264
			Total	**$21,968**
Perinatal and Infant Mortality Committee				
Investigator	Dr Christine Marsack	Annual	12 month	$13,115
Investigator	Dr Keren Witcombe	Annual	12 month	$10,075
Investigator	Dr Ronnie Hagan	Annual	12 month	$18,349
Investigator	Dr Noel French	Annual	12 month	$13,541
Chair	Prof. John Newnham	Not eligible	Not applicable	$0
Member	Dr Corrado Minutillo	Not eligible	Not applicable	$0
Member	Dr Ian Taylor	Not eligible	Not applicable	$0
Member	Dr Disna Abeysuriyia	Not eligible	Not applicable	$0
Member	Dr Michael Gannon	Not eligible	Not applicable	$0
Member	Dr Warren Thyer	Not eligible	Not applicable	$0
Member	Dr Keith Meadows	Not eligible	Not applicable	$0
Member	Louise Keyes	Not eligible	Not applicable	$0
Member	Dr Chhaya Mehrotra	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
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	**$55,080**
Pharmacy Registration Board of Western Australia				
Presiding Member	John Lionel Harvey	Per meeting	12 months	$7,540
Member	Margaret Nona Ford	Per meeting	9 months	$4,260
Member	Debra Letica	Per meeting	1 month	$0
Member	Zoe Lenette Mullen	Per meeting	12 months	$4,490
Member	Giovanna Cecchele	Per meeting	12 months	$5,180
			Total	**$21,470**
Radiological Council				
Chair	Dr Andrew Geoffrey Robertson	Not eligible	Not applicable	$0
Deputy Chair	Dr Geoffrey Norman Groom	Per meeting	8 months	$640
Member	Dr Chandra Padmini Hewavitharana	Not eligible	Not applicable	$0
Member	Dr Richard Alan Fox	Per meeting	12 months	$1,120
Member	Maxwell John Ross	Per meeting	2 months	$160
Deputy Member	Dr Roger Ian Price	Not eligible	Not applicable	$0
Member	Christopher John Whennan	Not eligible	Not applicable	$0
Deputy Member	Dr Elizabeth Thomas	Not eligible	Not applicable	$0
Member (Non-voting)	Barry Cobb	Per meeting	6 months	$640
Member (Non-voting)	Nick Tsurikov	Per meeting	10 months	$1,120
Deputy Member	Dr Deepthi Dissanayake	Not eligible	Not applicable	$0
Deputy Member	Dr Robin Hart	Not eligible	Not applicable	$0
Member	Darius Kwiatkowski	Not eligible	Not applicable	$0
Member	Associate Prof. Ros Francis	Not eligible	Not applicable	$0
			Total	**$3,680**
Renal Health Network Executive Advisory Group				
Clinical Co-lead	Dr Hemant Kulkarni	Sessional	12 months	$519
Clinical Co-lead	Dr Harry Moody	Sessional	12 months	$519
Member	Pati Atkins	Not eligible	Not applicable	$0
Member	Justine Bell-Morris	Not eligible	Not applicable	$0
Member	Neil Boudville	Not eligible	Not applicable	$0

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr Aron Chakera	Not eligible	Not applicable	$0
Member	Dr Mike Civil	Not eligible	Not applicable	$0
Member	Teresa Coburn	Not eligible	Not applicable	$0
Member	Evelyn Coral	Not eligible	Not applicable	$0
Member	Jenny Cutter	Not eligible	Not applicable	$0
Member	Margaret Denton	Not eligible	Not applicable	$0
Member	Emma Griffiths	Not eligible	Not applicable	$0
Member	Lois Johnston	Not eligible	Not applicable	$0
Member	Simone McMahon	Per meeting	12 months	$0
Member	Prof. Johan Rosman	Not eligible	Not applicable	$0
Member	Sandra Porter	Not eligible	Not applicable	$0
			Total	**$1,038**
Respiratory Health Network Executive Advisory Group				
Clinical Lead	Li Ping Chung	Sessional	12 months	$1,556
Member	Dr Helen Bell	Not eligible	Not applicable	$0
Member	Nola Cecins	Not eligible	Not applicable	$0
Member	Prof. Rhona Clifford	Not eligible	Not applicable	$0
Member	Dr Maree Creighton	Not eligible	Not applicable	$0
Member	Dr Irene Dolan	Not eligible	Not applicable	$0
Member	Claire Franklin	Not eligible	Not applicable	$0
Member	Kate Hawkings	Not eligible	Not applicable	$0
Member	Jenny Howson	Not eligible	Not applicable	$0
Member	Renate Jolly	Not eligible	Not applicable	$0
Member	Holly Landers	Not eligible	Not applicable	$0
Member	John McLachlan	Not eligible	Not applicable	$0
Member	Sue Morey	Not eligible	Not applicable	$0
Member	Louise Papps	Not eligible	Not applicable	$0
Member	Kathryn Pekin	Not eligible	Not applicable	$0
Member	Judy Powell	Not eligible	Not applicable	$0
Member	Elizabeth Salaman	Not eligible	Not applicable	$0
Member	Dr Andre Shultz	Not eligible	Not applicable	$0
Member	Jenny Thompson	Not eligible	Not applicable	$0
Member	Kirsty Tilden	Not eligible	Not applicable	$0
Member	Nicky van Someren	Not eligible	Not applicable	$0
Member	Kim Watkins	Not eligible	Not applicable	$0
Member	Selena West	Not eligible	Not applicable	$0
Member	Robert Blakeman	Not eligible	Not applicable	$0
Member	Nigel Hanwell	Not eligible	Not applicable	$0
Member	Kathryn Watson	Not eligible	Not applicable	$0
Member	Charlotte Burr	Not eligible	Not applicable	$0
			Total	**$1,556**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Stimulant Assessment Panel				
Chair	*	Not eligible	Not applicable	$0
Member 1	*	Not eligible	Not applicable	$0
Member 2	*	Not eligible	Not applicable	$0
Member 3	*	Not eligible	Not applicable	$0
Member 4	*	Not eligible	Not applicable	$0
Member 5	*	Not eligible	Not applicable	$0
Member 6	*	Per meeting	10 months	$915
Member 7	*	Per meeting	10 months	$1,143
Member 8	*	Not eligible	Not applicable	$0
Member 9	*	Not eligible	Not applicable	$0
Member 10	*	Not eligible	Not applicable	$0
Member 11	*	Not eligible	Not applicable	$0
*Approval to withhold the names of the committee members was obtained from the Minister for Health.			**Total**	**$2,058**
Western Australian Board of the Medical Board of Australia				
Chair	Prof. Con Michael	Per meeting	12 months	$6,432
Member	Dr Alan Duncan	Per meeting	12 months	$4,606
Member	Dr Michael Levitt	Per meeting	12 months	$3,619
Member	Adjunct Prof. Peter Foord Wallace	Per meeting	5 months	$987
Member	Dr Mark Edwards	Per meeting	12 months	$3,948
Member	Dr Clare Matthews	Per meeting	7 months	$2,303
Member	Dr George Eskander	Per meeting	12 months	$4,935
Member	Dr Daniel Heredia	Per meeting	4 months	$329
Member	Dr Richelle Douglas	Per meeting	12 months	$3,948
Member	Dr Pathma Edge	Per meeting	8 months	$1,316
Member	Sonia McKeiver	Per meeting	8 months	$2,303
Member	Meneesha Michalka	Per meeting	8 months	$1,974
Member	Virginia Rivalland	Per meeting	12 months	$4,606
Member	Giovanni (John) Pintabona	Per meeting	6 months	$329
Member	Stephan John Millett	Per meeting	4 months	$1,645
Member	Mary Carroll	Per meeting	4 months	$1,974
			Total	**$45,254**
Western Australian Board of the Nursing and Midwifery Board of Australia				
Chair	Marie Louise MacDonald	Per meeting	12 months	$3,874
Member	Karen Gullick	Per meeting	12 months	$2,705
Member	Dr Sara Bayes	Per meeting	12 months	$1,974
Member	Evan Hill	Per meeting	6 months	$1,645
Member	Kristian Malic	Per meeting	2 months	$329
Member	Michael Piu	Per meeting	12 months	$2,961

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	John Kimberley Laurence	Per meeting	12 months	$3,619
Member	Dr Margaret Crowley	Per meeting	12 months	$3,948
Member	Associate Prof. Karen Clark-Burg	Per meeting	3 months	$1,060
Member	Mary Miller	Per meeting	10 months	$0
Member	Tamzin Mondy	Per meeting	2 months	$329
			Total	**$22,444**
Western Australian Child and Youth Health Network Executive Advisory Group				
Clinical Co-lead	Dr Alide Smit	Sessional	12 months	$1,556
Clinical Co-lead	Dr Helen Wright	Sessional	12 months	$2,075
Member	Michael Bradley	Not eligible	Not applicable	$0
Member	Fran McCrystal	Not eligible	Not applicable	$0
Member	Sharon Bushby	Not eligible	Not applicable	$0
Member	Phillippa Farrell	Not eligible	Not applicable	$0
Member	Carolyn Franklin	Not eligible	Not applicable	$0
Member	Linda Hop	Not eligible	Not applicable	$0
Member	Heather Jones	Not eligible	Not applicable	$0
Member	Alicia Bouskis	Not eligible	Not applicable	$0
Member	Trulie Pinnegar	Not eligible	Not applicable	$0
Member	Janine Spencer	Not eligible	Not applicable	$0
Member	Rachel O'Connell	Not eligible	Not applicable	$0
Member	Andrea Boss	Not eligible	Not applicable	$0
Member	Alexa Wilkins	Not eligible	Not applicable	$0
Member	Marie Deverell	Not eligible	Not applicable	$0
Member	Jessica Hilliar	Not eligible	Not applicable	$0
Member	Alysha Loffler	Per meeting	3 months	$70
Member	Joanna Harper	Not eligible	Not applicable	$0
Member	Penny Walls	Not eligible	Not applicable	$0
			Total	**$3,701**
WA Reproductive Technology Council				
Chair	Dr Brenda McGivern	Per meeting	12 months	$2,556
Member	Dr Simon Clarke	Per meeting	9 months	$852
Member	Antonia Clissa	Per meeting	12 months	$1,420
Member	Dr Angela Cooney	Per meeting	12 months	$1,420
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	Prof. Stephan Millet	Per meeting	12 months	$1,562
Member	Dr Joseph Parkinson	Per meeting	12 months	$852
Member	Prof. Peter Roberts	Per meeting	12 months	$1,704

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Member	Dr John Beilby	Not eligible	Not applicable	$0
Deputy Member	Dr Peter Burton	Sessional	12 months	$0
Deputy Member	Rev Brian Carey	Sessional	12 months	$994
Deputy Member	Dr Louise Farrell	Sessional	12 months	$0
Deputy Member	Dr Michele Hansen	Sessional	12 months	$142
Deputy Member	Dr Andrew Harman	Sessional	12 months	$142
Deputy Member	Iolanda Rodino	Sessional	12 months	$710
Deputy Member	Rachel Oakeley	Sessional	12 months	$568
Deputy Member	Dianne Scarle	Not eligible	Not applicable	$0
Deputy Member	Dr Lucy Williams	Sessional	12 months	$710
			Total	**$14,342**
WA Reproductive Technology Council Counselling Committee				
Chair	Iolanda Rodino	Sessional	12 months	$0
Member	Justine Garbellini	Not eligible	Not applicable	$0
Member	Dr Veronica Edwards	Not eligible	Not applicable	$0
Member	Dr Elizabeth Webb	Sessional	12 months	$142
			Total	**$142**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
WA Reproductive Technology Council Embryo Storage Committee				
Chair	Rev Brian Carey	Sessional	12 months	$0
Member	Antonia Clissa	Sessional	12 months	$0
Member	Dr Michele Hansen	Sessional	12 months	$0
Member	Dr Andrew Harman	Sessional	12 months	$0
Member	Dr Angela Cooney	Sessional	12 months	$0
			Total	**$0**
WA Reproductive Technology Council Licensing and Administration Advisory Committee				
Chair	Dr Joseph Parkinson	Sessional	12 months	$0
Member	Dr Angela Cooney	Sessional	12 months	$0
Member	Prof. Roger Hart	Sessional	12 months	$0
Member	Prof. Peter Roberts	Sessional	12 months	$0
Member	Iolanda Rodino	Sessional	12 months	$0
			Total	**$0**
WA Reproductive Technology Council Preimplantation Genetic Diagnosis Technical Advisory Committee				
Chair	Dr John Beilby	Not eligible	Not applicable	$0
Member	Dr Kathy Sanders	Sessional	12 months	$0
Member	Dr Peter Burton	Sessional	12 months	$0
Member	Dr Sharon Townshend	Not eligible	Not applicable	$0
			Total	**$0**

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
WA Reproductive Technology Council Scientific Advisory Committee				
Chair	Prof. 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	Prof. Peter Roberts	Sessional	12 months	$0
Member	Dr Lucy Williams	Sessional	12 months	$0
			Total	**$355**
Women and Newborns Health Network Executive Advisory Group				
Clinical Co-lead	Dr Kate Reynolds	Sessional	11 months	$527
Clinical Co-lead	Dr Chris Griffin	Sessional	11 months	$1,037
Member	Zoe Bradfield	Not eligible	Not applicable	$0
Member	Sarah Weightman	Not eligible	Not applicable	$0
Member	Susan Bradshaw	Not eligible	Not applicable	$0
Member	Kylie Ekin	Per meeting	8 months	$0
Member	Dr Alison Evans	Not eligible	Not applicable	$0
Member	Dr Liz Gannon	Not eligible	Not applicable	$0
Member	Zel Iscel	Not eligible	Not applicable	$0
Member	Dr Peter Kell	Not eligible	Not applicable	$0
Member	Dr Helen Leonard	Not eligible	Not applicable	$0
Member	Denise Livsey	Not eligible	Not applicable	$0
Member	Tracy Martin	Not eligible	Not applicable	$0
Member	Torna Moya	Not eligible	Not applicable	$0
Member	Jenny O'Callaghan	Not eligible	Not applicable	$0
Member	Rachel Pearce	Not eligible	Not applicable	$0
Member	Tony Rush	Not eligible	Not applicable	$0
Member	Sue Somerville	Not eligible	Not applicable	$0
Member	Dr Vicky Westoby	Not eligible	Not applicable	$0
Member	Dr Margo Norman	Not eligible	Not applicable	$0
Member	Dr Kate Hammond	Not eligible	Not applicable	$0
Member	Dianne Barr	Not eligible	Not applicable	$0
Member	Paula Wells	Not eligible	Not applicable	$0
Member	Terri Barrett	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	Aesen Thambiran	Not eligible	Not applicable	$0
Member	Kathy Blitz-Cokis	Not eligible	Not applicable	$0
Member	Louise Keyes	Not eligible	Not applicable	$0
			Total	**$1,564**

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